NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

SPECIAL CLOSED SESSION MEETING AGENDA

Wednesday, June 17, 2026, 5:00 P.M.

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

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

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

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

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

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

AGENDA

CALL TO ORDER

APPROVAL OF THE AGENDA

SPECIAL CLOSED SESSION MEETING

PUBLIC COMMENT ON SPECIAL CLOSED SESSION MEETING MATTERS

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

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

ADJOURNMENT

NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING AGENDA

Wednesday, June 17, 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.

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

JOIN THE ZOOM WEBINAR TO PARTICIPATE LIVE AT:
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AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE: Councilmember Garfield

1. **APPROVAL OF AGENDA**

2. **PRESENTATIONS**

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

A. Report on Closed Session by City Attorney

B. Other

4. **GENERAL PUBLIC COMMENT**

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

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 the June 3, 2026 Special and Regular Meetingsn **PAGE 9**

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

A. Resolution Calling November 3, 2026 Municipal Election for Mayor and Council Members
Reference: Sandra Kandell, City Clerk
Recommended Action: **PAGE 16**

1. Adopt a resolution calling an election, requesting the County Elections Department conduct the election, requesting consolidation of the election with the November 3, 2026, General Municipal Election, and authorizing the City Manager to sign the Service Agreement for Provision of Election Services.
2. Alternatively, discuss and take other action related to this item.

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

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

8. **REPORTS – INFORMATION ONLY**
Items pulled from this section will be placed under 11. Unfinished and Ongoing Business or 12. New Business

A. Boards, Commissions and Committees Quarterly Report **PAGE 25**
Reference: Sandra Kandell, City Clerk
Recommended Action: Receive the reports.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

B. Monterey Salinas Transit Minutes for May 11, 2026 **PAGE 31**
Reference: Joe Amelio
Recommended Action: Receive the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

C. Check Register, Purchase Order Report, and Financial Status Report **PAGE 38**
Reference: Honorable Mayor and Members of the City Council
Recommended Action:

1. Receive the Check Register, Purchase Order Report, and Financial Status Report.
2. Alternatively, discuss and take other action related to this item.

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

9. **REPORTS – REQUIRING ACTION**
Items pulled from this section will be placed under 11. Unfinished and Ongoing Business or 12. New Business

A. Amendment to ClientFirst Consulting Group LLC Contract for Enterprise Resource Planning System Selection and Implementation **PAGED 59**
Reference: Fred Marsh, Administrative Services Director
Recommended Action: Authorize the execution of a contract amendment with ClientFirst Consulting Group LLC, increasing the contract total by an additional $62,844.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

B. Approval of an Agreement with ParkMobile, LLC for the Implementation of a Mobile Parking Payment System to Streamline the Management of the City's Existing 101 Parking Meters **PAGE 149**
Reference: Casey J. Day, Chief of Police
Recommended Action:

1. Approve an Agreement with ParkMobile, LLC for the Implementation of a Mobile Parking Payment System for the City's existing 101 Parking Meters located adjacent to the ATC property.
2. Alternatively, discuss and take other action related to this item.

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

C. Liaison Appointment
Reference: Nick Smith Mayor **PAGE 179**
Recommended Action: Endorse liaison effective immediately.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

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

REGULAR AGENDA

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

A. AB 2561 Reporting: Vacancies, Recruitment, and Retention **PAGE 180**
Reference: Leticia Livian, Human Resources Director

Recommended Action: Staff recommends that the City Council receive the report for information purposes only during the public hearing at which the City will report on workforce vacancies, recruitment, and retention efforts. The City's recognized employee organizations will be provided an opportunity to make a presentation on such subjects.

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

B. Ordinance Amending the Salary Classification Schedule - POA

Reference: Leticia Livian, Human Resources Director

Recommended Action: **PAGE 182**

1. Introduce and hold a first reading of an ordinance to amend the salary classification schedule, and waive further reading; and approve the amendment; and
2. Direct that a summary of a proposed ordinance be published as approved by the City Attorney.

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

C. Ordinance to Adopt the Fiscal Year 2026-27 Update to the Operating and Capital Improvement Budget for Fiscal Years 25-26 and 26-27; Resolution authorizing continued operations under the current Fiscal Year 2025-26 Budget **PAGE 186**

Reference: Fred Marsh, Administrative Services Director

Recommended Action:

1. Approve a resolution authorizing continued operations under the current Fiscal Year 2025-26 Budget
2. Introduce and hold the first reading of an ordinance to adopt the Fiscal Year 2026-27 Update to the Operating and Capital Improvement Budget for Fiscal Years 25-26 and 26-27.
3. 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

13. NEW BUSINESS

A. Memorandum of Understanding between the City of Pacific Grove and the Management Employees Association (MEA) **PAGE 204**

Reference: Leticia Livian, Human Resources Director

Recommended Action:

1. Approve a resolution approving the Memorandum of Understanding between the City of Pacific Grove and the Management Employees Association to cover the period of July 1, 2026, through June 30, 2027.
2. Take an alternative action related to this item.

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

B. Compensation and Benefits Plan for Department Heads and Non-Represented Management and Confidential Group Employees **PAGE 227**

Reference: Leticia Livian, Human Resources Director

Recommended Action: Approve a resolution approving the amended compensation and benefits plan for Department Heads and for the Non-Represented Management and Confidential Group Employees.

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

C. Authorization for Staff to Explore the Feasibility of Expanding Paid Parking

Reference: Matt Mogensen, City Manager **PAGE 263**

Recommended Action:

1. Authorize staff to explore the feasibility of expanding paid parking on Ocean View Boulevard and report back to the City Council for further consideration and direction.
2. Alternatively, discuss and take other action related to this item.

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

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

ADJOURNMENT

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

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Sandra Kandell, City Clerk/DEI Coordinator

MEETING DATE: June 17, 2026

SUBJECT: Minutes the June 3, 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 6-3-26

DRAFT MEETING MINUTES

CITY COUNCIL

SPECIAL MEETING

Wednesday, June 3, 2026, 5:30 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

YOU MAY VIEW THE MEETING LIVE VIA ZOOM AT:
https://www.cityofpacificgrove.org/Zoom_CC

CALL TO ORDER
Mayor Smith called the meeting to order at 5:30 p.m. Present in chamber Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, and Rau. Absent: Councilmember Poduri.

APPROVAL OF AGENDA

Action: Upon motion by Councilmember Garfield and seconded by Mayor Pro Tem Amelio, Council voted 5-0-1, Councilmember Poduri absent, to approve the Special Meeting Agenda.

SPECIAL REGULAR AGENDA

1. **UNFINISHED AND ONGOING BUSINESS**

A. Consider the Draft City Council Policy Entitled Vacancy in Elective Office and Appointment.
Public comment received from Don Murphy.

Action: Upon motion by Councilmember Rau and seconded by Mayor Smith, Council to adopt Resolution No. 26-018 approving the City Council Policy entitled Vacancy in Elective Office and Appointment and provided direction to staff and the City Attorney to return to Council at a future date with an amendment to the policy adding language regarding Council ex parte communications once a candidate has applied for the vacancy.

Motion carried 5-0-1, with the following roll call vote:

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

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

ADJOURNMENT
Council adjourned the special meeting at 5:45 p.m.

DRAFT

Respectfully Submitted,

Sandra Kandell
City Clerk

Approved by Mayor: _____Date_____

Attest by City Manager: _____Date_____

DRAFT

DRAFT MEETING MINUTES

CITY COUNCIL

REGULAR MEETING

Wednesday, June 3, 2026, 6:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

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

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

PLEDGE OF ALLEGIANCE
Councilmember Poduri led the pledge of allegiance.

1. **APPROVAL OF AGENDA**
   Action: Upon motion by Councilmember Rau and seconded by Councilmember McDonnell, Council voted 6-0 to approve the Regular Meeting Agenda.

2. **PRESENTATIONS**
   A. Service Award: Katie Clark, 5 Years
   Action: Received the presentation.
   CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

3. **COUNCIL AND STAFF ANNOUNCEMENTS (City-Related Items Only)**
   A. Council and staff made general announcements.

4. **GENERAL PUBLIC COMMENT**
   General public comment received from David Ericksen, Sandra Lehman, Richard Davis, Vince Tuminello, Nina Beety, Ephraim Ericksen, and Karl Lindstrom.

   A. Written General Public Comment

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

5. **APPROVAL OF CITY COUNCIL MEETING MINUTES**
   A. Minutes the May 20, 2026 City Council Regular Meeting
   Action: Approved the minutes.
   CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

DRAFT

6. **RESOLUTIONS**

A. GreenWaste FY 26/27 Rate Increase
Action: Adopted Resolution No. 26-019 affirming the accuracy of GreenWaste Recovery rate increase, per the franchise agreement, of 2.19% for FY 26/27.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

7. **ORDINANCES**

A. Second Reading of an Ordinance Amending the Salary Classification Schedule to add Information Technology Analyst Classification
Action: Held second reading and adopted Ordinance No. 26-011 to amend the salary classification schedule adding the Information Technology Classification.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

8. **REPORTS – INFORMATION ONLY**

9. **REPORTS – REQUIRING ACTION**

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

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

REGULAR AGENDA

11. **PUBLIC HEARINGS**

A. Selection of Appointment to Fill City Council Vacancy and Administration of Oath of Office

The Mayor and Council declared no conversations were had with candidates once their applications were filed.

The Mayor and Council received 5 minute presentations from and asked questions to candidates Ben Bence, Chalet Booker, Tara Lewelling, Nicholas Mourlam, Kimberly Pye, and Chris Thomas.

Public comment was received from Stephanie Flanagan, Antonio Gallardo, Mike Gibbs, Navid Amarlou, Sharon Miller, Inge Lorentzen Daumer, and Ephraim Ericksen.

Action: Council took a break from 7:35 – 7:45 p.m.

Mayor Smith provided comments on what occurred thus far.

Mayor Smith requested each Councilmember state their top candidate.

DRAFT

Councilmember Garfield stated Nicholas Mourlam was her top candidate.

Councilmember Rau stated Ben Bence was her top candidate.

Councilmember Poduri stated Nicholas Mourlam was his top candidate.

Mayor Smith stated Nick Mourlam was his top candidate.

Mayor Pro Tem Amelio stated Nicholas Mourlam was his top candidate.

Councilmember McDonnell stated Tara Lewelling was her top candidate.

Action: Candidate Nicholas Mourlam received the most nominations from Council.

Action: Upon motion by Mayor Smith and seconded by Mayor Pro Tem Amelio, the Council voted to appoint Nicholas Mourlam to the council until the elective position is filled at the General Election in November 2026.

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

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

Action: City Clerk Kandell administered the Oath and Councilmember Mourlam joined the Council on the dais for the remainder of the meeting.

Action: Council took a break from 8:00 – 8:15 p.m.

B. Artificial Intelligence (AI) Policy
Public comment received from David Ericksen.

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Mayor Smith, Council voted 7-0, to adopt Resolution No. 26-020 approving the Artificial Intelligence Policy, Council Policy 200-7.

Action: Upon motion by Councilmember Rau and seconded by Councilmember McDonnell, Council voted 7-0, to add this policy to Council's annual review moving forward, Mayor Smith requested a friendly amendment, accepted by the maker of the motion and the second, adding that the item should be reviewed no later than July 1, 2027.

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

C. Ordinance Amending City Municipal Code Chapter 2.16 (Purchasing System and Procedures)
Public comment received from Inge Lorentzen Daumer.

DRAFT

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Rau, Council voted 7-0 to introduce and hold the first reading of an Ordinance amending Municipal Code Chapter 2.16 (Purchasing System and Procedures) and direct that a summary of a proposed ordinance be published as approved by the City Attorney.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

12. **UNFINISHED AND ONGOING BUSINESS**

13. **NEW BUSINESS**

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

ADJOURNMENT
Council adjourned the regular meeting at 8:53 p.m.

Respectfully Submitted,

Sandra Kandell
City Clerk

Approved by Mayor: _____Date_____

Attest by City Manager: _____Date_____

DRAFT

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Sandra Kandell, City Clerk

MEETING DATE: June 17, 2026

SUBJECT: Resolution Calling November 3, 2026 Municipal Election for Mayor and Council Members

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

RECOMMENDATION

1. Adopt a resolution calling an election, requesting the County Elections Department conduct the election, requesting consolidation of the election with the November 3, 2026, General Election, and authorizing the City Manager to sign the Service Agreement for Provision of Election Services.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

In keeping with the City Charter and Code, the general municipal election will be held on November 3, 2026 for Mayor (two-year term) one at-large Council Member (two-year term) and three District Council Members representing District 1, District 3, and District 5 (four-year terms). Incumbents whose seats are up for election include Mayor Smith and Councilmember McDonnell. Mayor Pro Tem Amelio completes his term limit of 8 years and the appointments of Council members Garfield and Mourlam will expire upon certification of the election results and the seating of the new Council.

The regular nomination filing period opens on July 13, 2026 at 8 a.m. and closes on August 7, 2026 at 5 p.m. Additionally, Charter Article 12 provides the term of office for any Council member who files for the office of Mayor shall automatically expire on the Tuesday following the election, and the nomination filing period for that seat shall be extended to August 12, 2026. Nomination forms must be obtained from and filed with the City Clerk’s office during the nomination filing period by appointment only.

The attached resolution calls for consolidation of the election with the statewide election and authorizes a contract with the Monterey County Election Department for services. The resolution and service agreement must be submitted to Monterey County by August 7, 2026.

OPTIONS

Not applicable.

FINANCIAL IMPACT:

Given the uncertainty in the market and projections from print and mailing vendors, the **estimated** cost for the November General Election is $6 to $10 per registered voter. As of May 21, 2026, there were 10,503 registered voters in the City of Pacific Grove.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Proposed Resolution

Service Agreement Between City & County

RESOLUTION NO. 26-XXX

RESOLUTION CALLING AN ELECTION, REQUESTING THE COUNTY ELECTIONS DEPARTMENT CONDUCT THE ELECTION, REQUESTING CONSOLIDATION OF THE ELECTION WITH THE NOVEMBER 3, 2026 GENERAL MUNICIPAL ELECTION, AND AUTHORIZING THE CITY MANAGER TO SIGN THE SERVICE AGREEMENT FOR PROVISION OF ELECTION SERVICES

WHEREAS, in accord with Article 8 of the Charter of the City of Pacific Grove and the General Laws of the State of California, a General Municipal Election shall be held in the City of Pacific Grove for election of a Mayor for the full term of two years, one at-large Councilmember for the full term of two years, and three Councilmembers in Districts 1, 3 and 5, for the full terms of four years each. The General Election shall be held on Tuesday, November 3, 2026, from the hours of 7:00 a.m. until 8:00 p.m.; thereafter polls shall be closed.

WHEREAS, qualified electors at said Election shall be entitled to vote for nominees for the following offices: Office of Mayor (a two-year term), with one person to be elected; Office of at-large Councilmember (two-year term), with one person to be elected; and Office of District 1, 3, and 5 Councilmembers (four-year terms), with three persons to be elected. Additionally, the term for any Councilmember who files for the office of Mayor shall automatically expire on the Tuesday following the election, and the nomination filing period for the unexpired term for that seat shall be extended to August 12, 2026. Qualified electors at said Election shall also be entitled to vote for any initiative(s) and/or measure(s) that may hereafter qualify for placing on the ballot.

WHEREAS, the Pacific Grove City Council requests the Monterey County Board of Supervisors consolidate the General Municipal Election with the General Statewide Election scheduled for Tuesday, November 3, 2026. The City Council requests consolidation of election precincts, polling places, and voting booths be the same as for the General Statewide Election, and to further that the form of a ballot used within the City of Pacific Grove specify duly qualified candidates for the offices and for any initiative(s) and/or measure(s) that may hereafter qualify for the ballot.

WHEREAS, the Pacific Grove City Council further requests the Monterey County Board of Supervisors order the County Registrar of Voters to prepare and mail sample ballots with candidates' statement and any initiative(s) and/or measure(s) ballot that may hereafter qualify for placement on the ballot to the qualified electors of the City; obtain appropriate precinct locations and trained precinct workers; prepare and count the ballots on Election Night or thereafter; and certify the election results, in the manner provided by law.

WHEREAS, the City Clerk and County Registrar of Voters are authorized to print forms, publish notices and provide information as may be necessary or convenient to assure the orderly conduct of the election, and they shall do any and all other things necessary to facilitate the holding of the election in a manner consistent with law.

WHEREAS, except as otherwise recited in this resolution, the election shall be held and conducted as provided by the general law for holding municipal elections.

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city or district relating to the conduct of an election. The city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and

WHEREAS, pursuant to Elections Code Section 10002, The Registrar of Voters is authorized to bill the City, on a prorated basis, for costs associated with this General Municipal Election.

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order consolidation. The resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, a Notice of Election shall be published in an official newspaper of general circulation in the City in accordance with the Elections Code 12101.

WHEREAS, pursuant to Elections Code Section 13307, whenever an election called by a city has offices to be filled, it is required to fix and determine the number of words that a candidate may submit on the candidate's statement to be either 200 or 400 words and to determine if the candidate will pay the cost of the statement. The City resolves that each candidate shall pay for the cost of his or her candidate's statement; each statement shall not exceed 200 words.

WHEREAS, Elections Code Section 15651 requires the city or district to determine the means and manner in which a tie vote is to be resolved in the event that two or more persons receive an equal number of votes and the highest number of votes ("tie votes") for an office to be voted upon. The City Clerk shall resolve any tie vote by coin toss.

WHEREAS, various districts, county, state and other political subdivision elections

may be or have been called to be held on a November 3, 2026;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FO THE CITY OF PACIFIC GROVE that the governing body of the City of Pacific Grove hereby orders an election be called and consolidated with any and all elections also called to be held on November 3, 2026 insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the Board of Supervisors of the County of Monterey to order such consolidation under Elections Code Section 10400, 10401, and 10403.

BE IT FURTHER RESOLVED that pursuant to Elections Code Section 10002 said governing body hereby requests the Board of Supervisors of the County of Monterey to permit the Monterey County Elections Department to provide any and all services necessary for conducting an election and agrees to pay for said services in full, and

BE IT FURTHER RESOLVED that the Monterey County Elections Department conduct the election for the purpose of electing three (3) District Council Members (Districts 1, 3, and 5), one at-large Councilmember, and one (1) Mayor to this Governing Board on the November 3, 2026 ballot.

BE IT FURTHER RESOLVED that pursuant to Election Code Section 13307 the City of Pacific Grove has resolved that all costs of the Candidate's statement be paid by the candidates and that no candidate may submit a statement over 200 words.

BE IT FURTHER RESOLVED that pursuant to Elections Code 15651, tie votes shall be determined by coin toss conducted by the City Clerk.

BE IT FURTHER RESOLVED that the City Manager is authorized to sign the Service Agreement for the Provision of Election Services between the City of Pacific Grove and County of Monterey Department of Elections.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 17th day of June, 2026by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:
DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
ALEX J. LORCA, City Attorney

SERVICE AGREEMENT FOR THE PROVISION OF ELECTION

SERVICES BETWEEN **City of Pacific Grove** AND

COUNTY OF MONTEREY DEPARTMENT OF ELECTIONS

November 3, 2026

This Agreement, entered into this __17th_____ day of __June_____ 2026, by and between **City of Pacific Grove** and County of Monterey Department of Elections (hereinafter referred to as the Department);

WHEREAS, it is necessary and desirable that the Department be retained for the purpose of conducting an election hereinafter described for the **City of Pacific Grove** (hereinafter referred to as the City);

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

SERVICES TO BE PERFORMED BY THE CITY:

1) No later than the 88th day prior to the election the City shall submit a resolution requesting the Department to conduct an election for the City on **November 3, 2026** and requesting election related services of the Department.

2) The City shall publish the Notice of Election and the Notice to File Declarations of Candidacy for the offices to be voted on, and/or the Notice to File Arguments for or against any measure.

3) The City shall submit to the Department in writing the exact number of offices to be voted on and the names and ballot designations of the candidates for those offices, and/or the exact ballot wording to be voted by no later than the 88th day prior to the election, or by the 83rd day prior to the election if Elections Code §§ 10225, 10229, and 10407 are applicable.

4) The City shall prepare and deliver to the Department the Voter Guide information containing, as applicable, candidates' statements of qualifications, ballot measure, tax rate statements, impartial analysis, arguments for or against and rebuttals thereto. The last day for the submission of primary arguments (300 words) and

impartial analysis shall be no later than **AUGUST 13, 2026.** The last day for the submission of rebuttal arguments (250 words) is **AUGUST 20, 2026**.

5) The City shall be responsible for reviewing and approving the language of the sample ballot and official ballot wording for candidates and measures.

SERVICES TO BE PERFORMED BY THE DEPARTMENT:

1) The Department shall select and contract with the sample and official ballot printer(s) on behalf of the City.

2) The Department shall prepare and deliver to the printer the official ballot information.

3) The Department shall issue, receive and process all ballots on behalf of the City matters.

4) The Department shall procure all necessary and appropriate polling place locations, hire polling place workers, and conduct the election in accordance with all applicable state, federal and local laws.

5) The Department shall prepare a Canvass of Votes Cast and submit a Certificate of Registrar of Voters to the City regarding the City matters.

6) The Department shall conduct other various and miscellaneous election activities as required including but not limited to all those required as the City's Election Official other than those described under "Services to be Performed by the City".

TERMS:

This Agreement shall be in effect for the performance of all services incident to the preparation and conduct of the election to be held on **NOVEMBER 3, 2026.**

The parties will use best efforts to perform services herein. However, in the event the Department is unable to perform services required under this Agreement that are beyond their control, including an employee strike, vendor conditions, natural disasters, war, or other similar conditions, the Department will be relieved of all obligations under this Agreement. The Department will provide reasonable notice, if practical, of any conditions beyond their control, including notice at least 60 days prior to **NOVEMBER 3, 2026** of vendor conditions affecting the election services. In the event a vendor does not perform, the Department will attempt to obtain substitute services.

CONSIDERATION:

In consideration of the performance of services and supplies provided by the Department, the City shall pay to the Department a sum equal to the actual cost of such services, expenses, and supplies related to the work performed on behalf of City. In the event that this Agreement is terminated prematurely, the City shall pay to the Department a sum equal to the actual cost of such services performed or supplies/expenses incurred as of the effective date of the termination.

The City shall make payment within 30 days of receipt of invoice from the Department.

CITY:

Signature: _____ Date: _____

Print Name: Matthew Mogensen

Title: Pacific Grove City Manager

COUNTY:

Signature: _____ Date: _____

Print Name: Gina Martinez

Title: County of Monterey, Registrar of Voters

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Sandra Kandell, City Clerk/DEI Coordinator

MEETING DATE: June 17, 2026

SUBJECT: Boards, Commissions and Committees Quarterly Report

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

RECOMMENDATION

Receive the reports.

Attachments

BCC Quarterly Reports

BEAUTIFICATION AND NATURAL RESOURCES COMMISSION

CITY COUNCIL QUARTERLY REPORT:

☐ Q1 ☐ Q2 ☐ Q3 ☑ Q4

Chair Name: Jennifer Gorman | **Date:** June 1, 2026

Council Priority Area:	Environmental Stewardship; Pacific Grove cares for and protects its natural resources.
Goal:	Assess Wildlife Protection efforts in the City that can be achieved, within available under review and present feasible measures to the City Council for consideration
Objective:	Promoting Safe & Responsible Wildlife Viewing – Community Partner Materials
Progress this quarter: (highlights, key learnings, actions and outcomes, potential issues, next steps) **In progress**	3/17/26 – Received a presentation regarding how outreach & education are necessary to minimize wildlife disturbances, especially during critical times of reproduction. Some area businesses directly promote the viewing of wildlife, while other organizations can help inform and influence the behaviors of guests along the coast and coastal trail. As breeding occurs in spring, community partner letters with informational messaging regarding safe and responsible wildlife viewing (e.g. Monterey Audubon Society's Help Protect Coastal Wildlife brochure), should be sent annually for greatest impact. A sample letter and local wildlife brochure were provided as examples. Next steps: BNRC recommends the City disseminate spring safe & responsible wildlife viewing messaging to area partners via email and share on social media platforms for efficiency and cost effectiveness.

Council Priority Area:	Environmental Stewardship; Pacific Grove cares for and protects its natural resources.
Goal:	Protect and Preserve the Natural Resources of Pacific Grove
Objective:	Protect and Preserve the Coastline & Promote Geotourism
Progress this quarter: (highlights, key learnings, actions and outcomes, potential issues, next steps) **In progress**	4/21/26 – Received a presentation from Rick Hanks regarding the California Coastal National Monument (CCNM) & Monterey Peninsula Gateway Initiative which is interested in partnering with the City of Pacific Grove to formalize a CCNM collaborative partnership (MOU) with the Bureau of Land Management (BLM) to assist with the preservation and stewardship of the Monterey Peninsula portion of the CCNM. Background: The CCNM designation mandates the protection of historic and scientific objects, particularly the "geologic formations that provide unique

	habitat for biota" (plants and animals) that inhabit the area of the CCNM and recognizes the CCNM's "irreplaceable scientific values vital to protecting the fragile ecosystems of the California coastline." The Secretary of the Interior manages the CCNM through the Bureau of Land Management (BLM). Gateway partners serve to link the CCNM and the coastline with local communities and local initiatives and follows the principles of **geotourism –** a "wholistic" term for tourism that sustains and enhances the geographical character of a place, including its environment, culture, aesthetics, heritage, and the well-being of its residents. Next steps: Based on public input and general support for the overall concept, along with outstanding questions, a subcommittee was established to collaborate with community partners to explore a potential partnership. The subcommittee's purpose is to identify specific, achievable mutual goals, review a revised draft Memorandum of Understanding (MOU), and provide an update at a future meeting.

RECREATION BOARD

City Council Quarterly Report
Date: May 30, 2026 Quarter: 4

At the February 26, 2026 Recreation Board Meeting, the Recreation Board established it's working goals for the year.

Primary Goal: Expanding recreational opportunities by creating new recreational facilities

Subgoal: Explore options for a dog park.
Progress:

A Subcommittee consisting of Alex White and Jay Tulley was created at the February Meeting. They have been working since then to assess community support, determine method of funding, and investigate potential locations. Several possible locations were suggested by the community including Arnett Park, Hayward Park, Rip Van Winkle Open Space, and Caledonia Park. At the May meeting, **the Recreation Board voted 3-0 to eliminate Rip Van Winkle from consideration**.

This exploration is ongoing.

Primary Goal: Improve communication with the City and the Community.

Subgoal: Assess current communication options
Progress:

We have been working on determining the best ways to receive comments from the public and to be transparent. We have decided to ask that written comments be submitted by 9 am the day before the meeting so that they can be reviewed by the Board members prior to the meeting and be included in the packet online. Board members reviewed were asked to review the Agenda Report on the April 1, 2026 City Council Special Study Session Meeting covering PG City communications.

This assessment is ongoing.

Subgoal: Needs Assessment
Progress:

The Recreation Board believes that an updated needs assessment is important to determine the community's recreation priorities. A full scale Needs Assessment such as the one done in 2018 is very expensive and unlikely to be funded. The Needs Assessment Subcommittee is working on a scaled down version that would hopefully require minimal staff time and funds.

This process is ongoing.

City of Pacific Grove
Task Force on Diversity, Equity and Inclusion

Memo

To: Mayor and City Council

From: Kim Bui, Chair

cc: City Manager

Date: May 26, 2026

Re: Chair Quarterly Report

Thank you for the opportunity to provide a quarterly report from the Chair of the Task Force on Diversity, Equity and Inclusion to communicate notable topics or items from the community and Task Force. I apologize for the lateness of this report which covers January – May 2026. During the past five months the Task Force has:

- Welcomed new Task Force member Donna Fisher
- Elected a Chair, Vice Chair and Secretary for 2026-27
- Held a study session, with community input, to develop a 2026-27 Work Plan
- Received community input and approved a recommendation to Council to adopt a Resolution prohibiting the use of City-owned facilities for civil immigration enforcement activities
- Heard a presentation from Police Chief Casey Day on 2026 Immigration Enforcement in Pacific Grove, which was well received by over 30 community members, in person, by phone and online
- Heard a presentation on the City's long-range fiscal planning from the City Manager and Assistant City Manager and encouraged input from underrepresented communities
- Continued subcommittee work on a Land and Ancestral Peoples Acknowledgement
- Continued subcommittee work on outreach and metrics for underrepresented communities

The Task Force very much appreciates the leadership of the City Council and support of the City Clerk/DEI Coordinator, IT staff, City Manager and Council Liaison Poduri.

Date: May 26, 2026

To: Honorable Mayor and City Council

From: Michael Gunby, Chairman, Traffic Safety Commission

Subject: Traffic Safety Commission First Quarter Report

In the first quarter of 2026 the Traffic Safety Commission took the following actions

1.) Three new members were welcomed Peter Berridge, Jason Collin and Annie Berlin.
2.) New 2026 officers were elected:
    a. Michael Gunby, Chairman
    b. Vacant, Vice Chairman
    c. Tim David, Secretary
    d. Tim David, TAMC Pedestrian and Bicycle Committee Representative
    e. Jason Collin, TAMC Pedestrian and Bicycle Committee Alternative Representative
3.) Created a report of existing conditions on the Monterey Bay Coastal Recreation Trail
4.) Created a report on the difference between E-Bikes and illegal E-Motorcycles
5.) Reviewed and discussed written complaints from 2025 and the first quarter of 2026 on the Traffic Safety Commission web page.
6.) Recommended City Council approval of the City-wide Speed Survey findings to lower speed limits on several city streets. Approved by City Council and implemented.
7.) Recommended City Council approval of installing stop signs on Lighthouse Ave. at Congress Ave. and Central Ave. Approved by City Council and to be implemented in June.
8.) Created a subcommittee to study and present findings on:
    A. Ways to improve safety and situational awareness for users of the Monterey Bay Coastal Recreation Trail.
    B. The safe use of E-Bikes and preventing the unlawful use of illegal E-Motorcycles on city streets and other public spaces.

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Joe Amelio, Mayor Pro Tem

MEETING DATE: June 17, 2026

SUBJECT: Monterey Salinas Transit Minutes for May 11, 2026

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

RECOMMENDATION

Receive the minutes.

Attachments

MST Minutes

MEETING OF THE MST BOARD OF DIRECTORS

Meeting Minutes
May 11, 2026
10:00 a.m. (Pacific)

JURISDICTION	BOARDMEMBER (Alternate)	JAN 2026	FEB 2026	MAR 2026	APR 2026	MAY 2026	JUN 2026	JUL 2026	AUG 2026	SEP 2026	OCT 2026	NOV 2026	DEC 2026
Carmel-by-the-Sea	Bob Delves (J. Baron)	P	A	A	P	**P**							
Del Rey Oaks	Kim Shirley (J. Hallock)	P	P	P	P	**P**							
Gonzales	Lorraine Worthey **Vice Chair** (M. Orozco**)**	A	P	P	P	**P**							
Greenfield	Ariana Rodriguez (R. White)	P	P	P	P	**P**							
King City	Mike LeBarre (C. DeLeon)	P	A	A	P	**A**							
Marina	Liesbeth Visscher (**B. Delgado**)	P	P	P	P	**P(A)**							
Monterey	Ed Smith **(J. Rasch**)	P	P	R	P	**P(A)**							
Pacific Grove	Joe Amelio (C. Poduri)	P	P	P	P	**P**							
Sand City	Mary Ann Carbone **Chair** (K. Scudder)	A	P	P	P	**P**							
Salinas	Tony Barrera (G. De La Rosa)	P	P	P	P	**P**							
Seaside	Dave Pacheco (A. Garcia-Arrazola)	P	P	P	P	**P**							
Soledad	Fernando Cabrera (E. Banuelos)	P	R	P	P	**P**							
County of Monterey	Luis Alejo (W. Askew)	P	P	P	P	**R**							

P=Present
A=Absent
R=Remote
P(A)= Present Alternate

Counsel:	Michael Laredo	General Counsel, De Lay & Laredo
Staff:	Carl Sedoryk	General Manager/CEO
	Lisa Rheinheimer	Deputy CEO
	Kelly Halcon	Chief Human Resources Officer
	Norman Tuitavuki,	Chief Operating Officer
	Michelle Overmeyer	Director of Planning and Innovation
	Jeanette Alegar-Rocha	Deputy Secretary/Clerk to the Board
	Andrea Williams	Finance Manager
	Beronica Carriedo	C/S & Community Relations Supervisor
	Christine Church	Compliance Analyst
	Cristy Sugabo	Mobility Manager
	Emma Patel	Planning Manager
	Ezequiel Rebollar	Systems Engineer
	Greg Burchell	Operations Supervisor
	Ikuyo Yoneda-Lopez	Marketing & Communications Manager
	Isamar Rodriguez	Customer Service Representative
	Jacob Newman	Operations Specialist
	Jack Perrin	Assistant Planner
	Kevin Allhouse	Contract Services Manager
	Jarred Augusta	Risk and Safety Manager
	Marzette Henderson	Transportation Manager
	Max Musto	CivicSpark Fellow
	Paul Lopez	Facilities Manager
	Ruben Gomez	Mobility Coordinator
	Scott Taylor	IT Manager
	Sonjé Dayries	Civil Rights Officer
	Steven Bruno	Purchasing Agent
	Susie Flores	Grants Analyst
	Ursulla Scardina	Communications Specialist
	Vince Dang	Project Management Coordinator
Public:	Ms. Yvonne Lattimor	Member of the Public
	Lorna Moffett	Member of the Public
	David Rodriguez	Member of the Public
	Javier Gomez	County of Monterey
	Jasmine Mejia-Cortes	County of Monterey
	Linda Gonzales	County of Monterey
	Francisco Waltersdorfer	Stantec
	Will Todd	Stantec
	Brian Cox	Trans Dev
	Olanrewaju "Ola" Adelekan	Trans Dev
	Steven Ramirez	President, ATU Local 1225

1. CALL TO ORDER

1-1. Roll Call.

1-2. Pledge of Allegiance

Chair Carbone called the meeting to order at 10:02 a.m. Roll call was taken and a quorum established. Director Barrera led the pledge of allegiance.

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

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

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Ms. Yvonne Lattimor commented that she had to pay for a taxi ride to the April 2026 MST Board meeting that was rescheduled from April 13th to April 6th and wants reimbursement for the cost. Kevin Allshouse, MST Contract Services Manager, was present to assist.

Lorna Moffett commented that MST should bring back Line 24 service to Carmel Plaza.

David Rodriguez commented on the matter of safety risk due to the discontinuation of the seven point belt for wheelchair passengers. He also commented that informing MST employees about their retirement benefits could incentivize employees to remain with MST. Mr. Rodriguez closed his comments with a request that wait times for customer service calls be addressed.

3. CONSENT AGENDA

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

3-1. Financial Reports – March 2026 (Lori Lee)
- a) Accept Report of March 2026 Cash Flow
- b) Approve March 2026 Disbursements, and
- c) Accept report of March 2026 Treasury Transactions

3-2. Approve Minutes of the MST Board Meeting April 6, 2026. (Jeanette Alegar-Rocha)

3-3. Receive Draft Minutes of the MST Board Operations Performance Committee Meeting on April 6, 2026. (Jeanette Alegar-Rocha)

3-4. Adopt Resolution 2026-17 Recognizing Greg Burchell, Operations Supervisor as Employee of the Month for May 2026. (Carl Sedoryk)

3-5. Reject Claim by the Claimant Jerry Johnson. (Jarred Augusta)

3-6. Receive Draft Minutes of the Mobility Advisory Committee Meeting on March 25, 2026. (Ruben Gomez)

3-7. Adopt Resolution 2026-18 Making Findings Pursuant to Senate Bill 707 Authorizing the Mobility Advisory Committee (MAC) to Pursue Remote Participation. (Norman Tuitavuki)

3-8. Adopt Free Fare Day on June 2, 2026, Statewide Direct Primary Election Day, to Ensure Equitable Access to Polling Locations per Request by Monterey County Elections Staff. (Carl Sedoryk)

End of Consent Agenda

There were no public comments on the Consent Agenda.

On a motion by Director Amelio and seconded by Director Worthy and carried by the following roll call vote, the Board approved all items on the consent agenda.

AYES:	**12**	**Delves, Shirley, Worthy, Rodriguez, Rasch, Delgado, Amelio, Carbone, Barrera, Pacheco, Cabrera, Alejo**
NOES:	**0**	
ABSENT:	**1**	**LeBarre**
ABSTAIN:	**0**	
RECUSE:	**0**	

4. RECOGNITIONS AND SPECIAL PRESENTATIONS

4-1. May 2026 Employee the Month Greg Bruchell, Operations Supervisor – (Norman Tuitavuki)

5. PUBLIC HEARINGS

5-1. Vacant Positions at Monterey-Salinas Transit District. (Kelly Halcon)
- a) Receive an Update on the Status of Vacant Budgeted Positions at Monterey-Salinas Transit District and
- b) Conduct a Public Hearing to Receive Union Comments on Open Positions within Their Bargaining Units.

Steve Ramirez, President of the ATU Local 1225 praised the collaborative working relationship between MST and the ATU.

6. ACTION ITEMS

6-1. Receive Presentation on Planning and Design of the Proposed MST Operations and Maintenance Facility at 139 Sun Street, Salinas. (Lisa Rheinheimer)

There were no public comments.

Director Arianna Rodriguez left the meeting at 11:38 a.m.

7. REPORTS & INFORMATION ITEMS

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

Director Lorraine Worthy left the meeting at 11:55 a.m.

7-1. General Manager/CEO Monthly Report – March 2026

7-2. Federal Legislative Advocacy Report

7-3. State Legislative Advocacy Report

7-4. Staff Trip Reports

7-5. Correspondence – None

8. BOARD REPORTS, COMMENTS, AND REFERRALS

8-1. Reports on Meetings Attended by Board Members at MST Expense. (AB 1234)

8-2. Board Member Comments and Announcements.

8-3. Board Member Referrals for Future Agendas.

9. ATTACHMENTS

None.

10. CLOSED SESSION

None.

11. ADJOURN

With no further business to discuss, Chair Carbone adjourned the regular Board meeting at 12:09 p.m. (Pacific).

12. ADHOC NOMINATING COMMITTEE

12.1 The Adhoc Nominating Committee in-person meeting convened in MST conference room Suite 110. (Dave Pacheco, Kim Shirley, and Ed Smith)

The Adhoc Nominating Committee convened following the adjournment of the regular Board meeting.

Prepared by: _____ Reviewed by: _____

Jeanette Alegar-Rocha
Deputy Secretary/Clerk to the Board

Carl G. Sedoryk
General Manager/CEO

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: David Stiles, Senior Accountant

MEETING DATE: June 17, 2026

SUBJECT: Check Register, Purchase Order Report, and Financial Status Report

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

RECOMMENDATION

1. Receive the Check Register, Purchase Order Report, and Financial Status Report.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

The Check Register is an account of monthly expenditures. It provides budgetary insight and promotes transparency. The Check Register is produced from the City's financial system. The report groups the checks by the respective City fund. A detailed listing of the checks issued for the month is also available. The Check Register for May 2026 is also available on the City's website.

The Purchase Order Report includes information on outstanding purchase orders that were issued. This report is intended to be consistent with the reporting requirements in Section 2.16.160 of the City's Purchasing Systems and Procedures. Purchase orders are required for purchases of supplies, services, materials, equipment, and contractual services over $5,000. The purchase Order Report is also available on the City's website.

The Administrative Services Department produces Monthly Financial Status reports, to assist in evaluating the City's fiscal condition. The report provides details on General Fund revenues, as well as a summary related to its other funds. The Quarterly Budget Status report, which is a more detailed version of this report, is available on the City's website.

OPTIONS

N/A - This is informational only.

FINANCIAL IMPACT:

There is no financial impact. This is informational only.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Check Register by Fund - May 2026
Check Register by Detail - May 2026
FY26 P11 Purchase Order Report
FY26 May Financial Status Report

Check Register - Summary by Fund - May 2026

Fund		Transaction Amount
01 - General Fund Total	$	1,902,095.00
07 - Library Bldg & Equip Fund Total		95.05
09 - Downtown Business Distric Total		2,245.44
10 - Hospitality Imprvmt Dist. Total		124,095.12
11 - Library Book Fund Total		106.74
18 - Gas Tax Fund Total		110,670.48
20 - Rstp-(Tamc) Total		54,427.50
24 - Stillwell Children'S Pool Total		553.00
27 - Lighthouse Maint.& Impv. Total		6,206.36
31 - Operating Donations Total		5,000.00
40 - Poetry Promotion Fund Total		300.00
45 - Abandoned Vehicle Program Total		9,091.91
63 - Capital Improv Proj Fund Total		337,999.00
70 - Emp Benefit Fund Total		33,318.74
71 - Workers Comp Fund Total		1,000.83
72 - Liability Ins Fund Total		890.00
74 - Local Water Project Total		42,199.31
75 - Cemetery Fund Total		9,957.12
76 - Sewer Fund Total		202,685.29
77 - Golf Fund Total		5,548.03
Grand Total	$	2,848,484.92

Check Register - Summary by Detail - May 2026

Fund	Check Date	Name	DESCRIPTION	Amount
01 - GENERAL FUND	05/01/26	AFLAC	DED:5200 AFLAC PREM	$ 577.44
			DED:5201 AFLAC P/T	1,427.03
		CALIF LAW ENFORCMEN	DED:3200 LTD PD	672.00
		CALPERS HEALTH	DED:109 HEALTH	668.15
			DED:3081 HEALTH EMP	987.69
			DED:116 HEALTH	560.29
			DED:118 HEALTH	1,456.76
			DED:104 HEALTH	2,241.16
			DED:2071 HEALTH	2,657.50
			DED:3051 HEALTH EMP	2,922.15
			DED:137 TRIO 95076	1,166.58
			DED:128 HEALTH EMP	1,168.86
			DED:112 HEALTH	1,168.86
			DED:131 HEALTH	1,301.95
			DED:3053 HEALTH FAM	1,519.52
			DED:106 HEALTH	1,670.14
			DED:111 HEALTH	1,737.18
			DED:2072 HEALTH	3,627.00
			DED:108 HEALTH	4,342.36
			DED:132 HEALTH	6,770.16
			DED:2073 HEALTH FAM	7,567.50
			DED:130 HEALTH	8,462.74
			DED:105 HEALTH	8,740.56
			DED:103 HEALTH	8,964.64
		CITY OF PACIFIC GRO	DED:3301 AFLAC MED	1,847.38
		EFT	DED:*FM MEDICARE	11,873.08
			DED:*SCA STATE TAX	16,865.71
			DED:*FT FEDERAL TX	43,411.62
		PACIFIC GROVE CITY	DED:7000 ASSOC DUES	708.50
		MASS MUTUAL (457 PL	DED:3999 ROTH IRA	3,398.00
			DED:4000 DEF COMP	13,413.60
		MASS MUTUAL GROUP W	DED:5203 WHOLE LIFE	415.85
		MTRY COUNTY DEPT OF	DED:0023 GARNISH	439.99
		PACIFIC GROVE MANAG	DED:7203 ASSOC DUES	40.00
		CITY OF PACIFIC GRO	DED:1006 WORK COMP	65.75
			DED:1009 WORK COMP	191.17
			DED:1005 WORK COMP	1,509.59
			DED:1010 WORK COMP	3,220.89
			DED:1003 WORK COMP	6,380.73
			DED:7510 PERS REIMB	56.58
			DED:200 DENTALEOER	157.90
			DED:2101 DENTALEOEE	1,357.94
			DED:2102 DENTAL+1EE	830.44
			DED:2103 DENTAL FAM	1,149.40
			DED:0005 SUTA	143.10
		PERS	DED:08 PERS OTHER	359.81
			DED:0009 PERS OTHER	513.35
			DED:0018 PERS SP SF	515.09
			DED:2001 PERS	2,255.06
			DED:0002 PERS	2,518.46
			DED:0021 PERS REG M	15,262.71
			DED:0020 PERS ER M3	16,027.52
			DED:0017 PERS RG SF	9,692.21
			DED:0011 PERS ER SF	10,381.98
			DED:07 PERS CITY	5,763.83
			DED:0006 PERS CITY	6,159.61
			DED:01 PERS	8,765.03
			DED:2000 PERS EMPLY	3,885.91
			DED:2003 PERS OTHER	175.81
			DED:0022 PERS SP MS	282.85
			DED:0025 PERS RT MS	59.15
			DED:0004 SURV BEN	90.21
			DED:0019 PERS RT SF	(3.44)
			DED:2001 PERS	(2,255.06)
			DED:0002 PERS	(2,518.46)
			DED:2000 PERS EMPLY	(3,885.91)
			DED:07 PERS CITY	(5,763.83)
			DED:0006 PERS CITY	(6,159.61)
			DED:01 PERS	(8,765.03)
			DED:0017 PERS RG SF	(9,692.21)
			DED:0011 PERS ER SF	(10,381.98)
			DED:0021 PERS REG M	(15,262.71)
			DED:0020 PERS ER M3	(16,027.52)
			DED:0018 PERS SP SF	(515.09)
			DED:0009 PERS OTHER	(513.35)
			DED:08 PERS OTHER	(359.81)
			DED:0022 PERS SP MS	(282.85)
			DED:2003 PERS OTHER	(175.81)
			DED:0004 SURV BEN	(90.21)
			DED:0025 PERS RT MS	(59.15)
			DED:0019 PERS RT SF	3.44
		POLICE OFFICERS ASS	DED:7204 ASSOC DUES	8.00
			DED:7205 ASSOC DUES	853.67
		LEGAL SHIELD	DED:6104 LEGAL SVC	29.30
		STATE DISABILITY TA	DED:0026 SDI	5,472.42

Check Register - Summary by Detail - May 2026

Fund	Check Date	Name	DESCRIPTION	Amount
		STANDARD INSURANCE	DED:3500 LIFE INS	$ 1,496.25
		TRANSAMERICA EMPLOY	DED:5202 TRANSAMERI	311.82
		U.S. BENCOR/MIDAMER	DED:4007 HRA	225.00
		UNION BANK OF CALIF	DED:4005 PARS-457	958.88
		VISION SERVICE PLAN	DED:2502 VISIONEOEE	285.52
			DED:2503 VISION+1EE	185.64
			DED:2504 VISION FAM	171.36
			DED:300 VISIONEOER	33.20
		MASS MUTUAL GROUP W	PPE 3.28.26 APR COV	415.88
	05/05/26	ALEXIS SHAMMAS	RFND CANCEL CLASS	10.00
		ALLISON LADIO	RFND CANCEL CLASS	10.00
		CHITPAN HAN	RFND CANCEL CLASS	10.00
		CORIE BEER	RFND CANCEL CLASS	10.00
		KERRIE SMITH	RFND CANCEL CLASS	10.00
		KEVIN BOOS	RFND DAMAGE DEPOSIT	570.00
		KIMBERLY REYES	RFND CANCEL CLASS	20.00
		LAUREN HAUSWIRTH	RFND REQUESTED	28.00
		MANDI ACKERMAN	RFND REQUESTED	892.50
		MARY CARDON	RFND REQUESTED	173.25
		MIGUEL LOPEZ	RFND SOUND PERMIT F	97.00
		ROGER MILLER	RFND DAMAGE DEPOSIT	570.00
		SAMANTHA DEEMS	RFND CANCEL CLASS	10.00
		SHELLEY PRATT	RFND PROGRAM FEES	5.00
		TASHA STEVENS	RFND REQUESTED	76.50
		PERS	PERS PPE 4.25.26	81,633.66
	05/08/26	AMAZON CAPITAL SERV	LIB CREDIT SUPPLIES	(0.99)
			LIB BOOKS & MATERIA	10.88
			PD OFFICE SUPPLIES	15.95
			LIB BOOKS & MATERIA	16.33
			LIB BOOKS & MATERIA	22.22
			LIB SUPPLIES	22.29
			LIB BOOKS & MATERIA	22.82
			LIB BOOKS & MATERIA	25.21
			PW VOLUNTEER SUPPLY	25.66
			REC OFFICE SUPPLIES	29.90
			PD OFFICE SUPPLIES	38.16
			LIB BOOKS & MATERIA	40.14
			LIB BOOKS & MATERIA	44.44
			PW OFFICE SUPPLIES	45.29
			PD REPAIR SUPPLIES	74.56
			LIB SUPPLIES	75.36
			FIN OFFICE SUPPLIES	75.75
			CMO EMPLOYEE EVENT	75.81
			LIB SUPPLIES	85.58
			STREET REPAIR EQUIP	90.08
			LIB BOOKS & MATERIA	94.99
			LIB BOOKS & MATERIA	131.74
			PW OFFICE SUPPLIES	142.17
			LIB SUPPLIES	151.61
			LIB BOOKS & MATERIA	213.04
			B&G FOUNTAIN FILTER	469.74
		CALIFORNIA AMERICAN	304 16TH ST FIRE	103.78
			582 LIGHTHSE IRRIG	123.42
			139 GRAND AVE	124.60
			165 FOREST AVE FIR	351.29
			600 PINE	366.42
			300 FOREST IRRIG	381.63
			300 FOREST FIRE-50%	431.39
			300 FOREST FIRE-50%	431.39
			610 OCEANVW IRRIGPK	444.55
			ST FUND 50%	530.76
			300 FOREST AVE	531.96
			196 OCEANVW IRRIG	531.96
			100 OCEANVW IRRIG	531.96
			711 OCEANVIEW IRRG	544.93
			515 JUNIPERO	635.35
			580 PINE	647.15
			1025 MORSE-PLATT PK	679.47
			1051 OCEANVIEW IRRG	872.48
			863 OCEANVIEW IRRG	872.48
			304 16TH ST BDOM-FR	893.16
			550 CENTRAL	1,136.36
			114 CALEDONIA PK	1,501.75
			620 OCEANVIEW/BATH	1,563.08
			930 SINEX	1,572.53
			616 OCEANVW-SWIM PL	1,975.29
			707 OCEANVIEW-NAIAD	2,068.41
			230 17-MILE DRIVE	2,167.79
			980 PIEDMONT BALL P	2,370.86
			616 OCEANVIEW IRRG	2,643.45
			150 FOREST-JEWELL P	4,447.69
			391 OCEANVW-BERWICK	6,196.32
			B & G 15%	159.23
			611 CENTRAL AVE	174.85

Check Register - Summary by Detail - May 2026

Fund	Check Date	Name	DESCRIPTION	Amount
			SUNSET-CORPYARD18%	$ 191.07
			585 LAUREL	227.25
			130 LIGHTHOUSE IRRI	227.25
			2100 SUNSET DRIVE	84.85
			840 LIGHTHSE PLANTE	84.85
			850 LIGHTHSE PLANTE	84.85
			882 LIGHTHSE PLANTE	84.85
			106 7TH ST PARK	84.85
			643 HYDRANTS HYDT	47.02
			MECH 5%	53.08
			165 FOREST-MUSEUM	65.01
			CENTRAL 4 IN FIRE	65.01
			600 PINE AVE FIRE	65.01
			300 FOREST AVE	65.01
			308 16TH ST.	84.85
			748 LIGHTHSE IRRG	84.85
			800 LIGHTHSE PLANTE	84.85
			792 LIGHTHSE IRRIG	84.85
			765 LIGHTHSE IRRIG	84.85
		ROBERT HALF	IT SUPPORT TEMP	14,547.49
		ACCENT CLEAN & SWEE	FY 25/26 STREET SWE	18,810.00
		ALTERNATOR STARTER	B&G REPAIR UNIT 58	766.06
		BIG BRAND TIRE AND	B&G REPAIR MOWER	315.30
		ANGIE MAGALLANES	RFND SOUND PERMT FE	97.00
		ANTHONY PEREZ	RFND DAMAGE DEPOSIT	570.00
		AT&T	LH INTERNET 3200212	112.35
		AT&T CALNET 3	ADMIN INTERNET 3342	31.91
			CH GENERATOR ALARM	32.07
		BRIAN ANDERSON	MTY CTY CHIEF LEOA	301.00
		BRIAN DUENAS-MORALE	TRAINING COURSE	506.00
		BURKE, WILLIAMS & S	CITY ATTY SERVICES	19,920.00
		CA DEPT OF JUSTICE	PD BACKGROUND CHKS	49.00
		CALIFORNIA TOWING &	B&G TOWING UNIT 51	262.50
		CALTRONICS BUSINESS	KONICA COPIES FY26	174.74
			KONICA COPIES FY26	184.00
			KONICA COPIES FY26	221.86
			KONICA COPIES FY26	312.44
			KONICA COPIES FY26	787.85
			KONICA COPIES FY26	1,030.75
		CAPPO	ANNUAL MEMBERSHIP	290.00
		CASEY DAY	MTY CTY CHIEF LEOA	301.00
		COLANTUONO, HIGHSMI	PROF SERVICES MARCH	150.00
		COMCAST	PD INTERNET 0387836	151.24
			PW INTERNET 0389527	106.24
			PW INTERNET 0194117	228.86
		CRAFT ELECTRIC COMP	CH ELECTRIC REPAIRS	181.76
		L.N. CURTIS & SONS	EQUIPMENT NEW FIRE	93.85
			EQUIPMENT NEW FIRE	111.44
			EQUIPMENT NEW FIRE	152.90
			EQUIPMENT NEW FIRE	205.39
			EQUIPMENT NEW FIRE	420.61
		DIANNE LYLE	PMT FOR JAZZ CLASSE	210.00
		FEDEX	PD SHIPPING	68.37
		GARRETT MCCOWN	MILEAGE REIMBURSMT	63.16
		MARK'S BARN AUTO BO	PD REPAIR UNIT 1	1,216.81
		GRANITEROCK COMPANY	STREETS SUPPLIES	2,759.22
		C.C.O.I. GATE & FEN	B&G YARD FENCE REPA	430.50
		GRIGGS NURSERY	COMM CTR LANDSCAPE	799.83
		HANSON BRIDGETT LLP	CMO LEGAL SERVICES	100.00
		HAYWARD LUMBER COMP	B&G REPAIR SUPPLIES	113.78
			FORESTRY SUPPLIES	100.21
			FD REPAIR SUPPLIES	290.35
			STREET MAINT SUPPLI	793.11
		JING ZHOU	RFND CANCEL CLASS	100.00
		KATIE BAREFOOT	RFND CANCEL CLASS	100.00
		KERRIE SMITH	RFND CANCEL CLASS	100.00
		LIEBERT CASSIDY WHI	LEGAL SERVICES JAN	194.00
			LEGAL SERVICES JAN	339.50
			LEGAL SERVICES JAN	485.00
			LEGAL SERVICES JAN	970.00
		MAIN STREET SIGNS	B&G SEAL PUPPING SI	429.07
		MICHAEL MCCLOUD	RFND PERMIT FEES	266.00
		MIDWEST LIBRARY SER	LIB SUPPLIES	163.77
			LIB BOOKS & MATERIA	1,620.55
			LIB SUPPLIES	7.65
			LIB BOOKS & MATERIA	87.17
		MIDWEST TAPE	LIB BOOKS & MATERIA	335.58
		MISSION LINEN SUPPL	FIRE DEPT LINEN UNI	314.62
		MISSION UNIFORM SER	LINEN / UNIFORM CLE	129.66
			LINEN / UNIFORM CLE	255.34
			LINEN / UNIFORM CLE	495.41
			LINEN / UNIFORM CLE	495.41
			LINEN / UNIFORM CLE	495.41
		MONTEREY BAY PEST C	RODENT CONTROL FOR	135.00

Check Register - Summary by Detail - May 2026

Fund	Check Date	Name	DESCRIPTION	Amount
			RODENT CONTROL FOR	$ 575.00
		MONTEREY COUNTY CLE	DREDGING CRESPI PON	3,093.75
			LOVERS PT PIER NOE	50.00
		MONTEREY COUNTY WEE	CDD 2ND READ AD	152.28
		CITY OF MONTEREY	FY26 FIRE SERVICES	286,394.00
		NICHOLS CONSULTING	PD MANDATE FEES	2,600.00
		O'REILLY AUTO ENTER	B&G VEHICLE REPAIRS	489.21
			B&G EQUIP REPAIRS	334.61
			STREE VEHICLE REPAI	22.92
			PW REPAIR UNIT 26	9.09
		OVERDRIVE, INC.	LIB BOOKS & MATERIA	5.98
			LIB BOOKS & MATERIA	2.99
		PACIFIC GAS & ELECT	GOLF ST ELEC 3438	1.71
			REC ELECTRIC 4030	369.36
			REC ELECTRIC 0956	4,445.88
			PW ADMIN ELEC 5508	1,610.51
		PACIFIC GROVE HARDW	B&G REPAIR MAINT	755.04
			STREETS SUPPLIES	405.34
			PD REPAIR SUPPLIES	291.07
			FD REPAIR SUPPLIES	158.30
			REC REPAIR SUPPLIES	18.73
			MUSEUM REPAIR SUPP	5.87
			POOL REPAIR SUPPLIE	49.15
			LIB REPAIR SUPPLIES	77.74
			B&G DISCOUNTS	(126.05)
		PACIFIC WEST WATER	ASD WATER SERVICE	42.85
			CDD WATER SERVICE	42.85
		PATRICIA NOFZIGER	PMT FOR TAI CHI CLA	84.00
		PETER LEITZINGER	RFND REQUESTED	420.00
		PURE WATER	PW ADMIN WATER SVC	29.10
			MECH WATER SVC	29.10
			B&G WATER SVC	29.10
			STREET WATER SVC	29.10
		QUALITY MANUFACTURI	MONOXIDE SPRAYER	4,598.97
		QUINN RENTAL SERVIC	B&G MOWER RENTAL	3,766.34
		PRIMO BRANDS	REC/COMM CTR WATER	197.93
		RED HOUSE CAFE	VOLUNTEER LUNCH	2,731.25
		REGIONAL GOVERNMENT	PAYROLL ADV SVC MAR	738.10
		ROBERT ALLEN KIRVIN	PD BACKGROUND CKS	1,410.00
		ROBERT RUTLEDGE III	TRAINING WEEK 1	701.60
			TRAINING WEEK 2	701.60
		SAFETY-KLEEN SYSTEM	STREET USED OIL REC	214.66
			MECH USED OIL RECYC	214.67
			B&G USED OIL RECYCL	214.67
		SAMANTHA DEEMS	RFND REQUESTED	138.00
		VARAJIC CONSULTING	PMT STEAM/ROBO CLAS	2,352.00
		SAVANNAH LUNT	RFND CANCEL CLASS	100.00
		SENTRY ALARM SYSTEM	CITY-WIDE ALARM AND	1,323.55
			CITY HALL FIRE PANE	7,000.00
		SPCA OF MONTEREY CO	RETRO COST INCREASE	720.00
		STURDY OIL COMPANY	PD FUEL APRIL	7,045.88
			A/R FUEL APRIL	8,797.05
			B&G FUEL APRIL	3,313.06
			STREET FUEL APRIL	1,656.53
		SUNNIE PICASO	FTO SCHOOL	473.00
		THE MONTEREY COUNTY	BID PUBLICATN LP AD	188.19
			MEM BENCH PUBLICTN	338.01
		TRIPEPI SMITH & ASS	CMO PROF SERVICES	1,126.25
		TRUCKSIS ENTERPRISE	PD BUSINESS CARDS	171.10
			B&G YARD REPAIRS	437.83
		ULINE	LIB SUPPLIES	489.85
			REC OFFICE SUPPLIES	280.29
		VALLEY SAW & GARDEN	STREET GRINDER	895.82
		VIA HEART PROJECT	B&G AED REPLACEMENT	3,083.36
		WATSONVILLE FORD	PD REPAIR UNIT 1	286.75
			PD REPAIR UNIT 1	69.63
			PD REPAIR UNIT 8	76.06
		BRIAN WHITSON	MONTHLY MUSEUM JANI	2,100.00
		XIAOWEN LIN	RFND REQUESTED	270.00
			RFND CANCEL CLASS	100.00
		YUN-HEE RHOADES-KO	RFND CANCEL CLASS	100.00
	05/01/26	EFT	DED:*FM MEDICARE	1,000.14
			DED:*SCA STATE TAX	2,276.17
			DED:*FT FEDERAL TX	7,587.24
			DED:*FM MEDICARE	327.88
			DED:*SCA STATE TAX	844.60
			DED:*FT FEDERAL TX	1,965.64
	05/12/26	PACIFIC GAS & ELECT	101 CH -CEDD - 50%	29.79
			PARKING LOT LIGHT	15.28
			CORP YARD SUNSET DR	16.01
			CITY COUNCIL - 3%	33.21
			RECREATION - 3%	33.21
			PIEDMONT & MORELAND	37.19
			COR MELROSE	37.72

Fund	Check Date	Name	DESCRIPTION	Amount
			CEDD - 9.5%	$ 105.18
			FOREST CENTRL SPR	9.60
			CALEDONIA PK LIGHTS	9.72
			168 16TH ST	10.04
			17 MI DR BALLPARK	10.49
			17 MI DR BALLPARK	7.84
			CORP YARD DM & 5TH	14.81
			168 16TH ST	0.01
			FOREST CENTRL SPR	0.02
			CALEDONIA ST	0.07
			17 MI DR BALLPARK	0.16
			1307 FORST PINE SIG	70.77
			17TH ST & LAUREL	75.01
			FINANCE - 7%	77.50
			CHAUTAUQUA HALL	77.59
			300 16TH ST.	80.94
			CITY COUNCIL - 3%	96.01
			RECREATION - 3%	96.01
			CHAUTAUQUA HALL	98.50
			OCEANVIEW & 17TH	100.84
			1307 FORST SINEX SI	60.66
			117 COMMUNITY CTR	65.56
			LOVERS POINT	4.54
			117 RECREATION ROOM	4.54
			BERWICK PARK	5.15
			PLATT PK SPRNKLR	5.98
			1307 FORST SINEX SI	19.93
			GRAND AV & PK PL	20.58
			162 16TH STREET	21.99
			117 RECREATION ROOM	23.45
			LOVERS POINT	23.74
			1307 FORST PINE SIG	24.27
			PHONE BOOTH-BERWICK	25.03
			PLATT PK SPRNKLR	27.61
			101 CH -FIN - 50%	29.79
			620 OCEAN VIEW POOL	322.49
			550 CENTRAL AVE	381.25
			FOREST & CENTRAL DR	431.79
			17 MILE DRIVE	471.67
			POLICE DEPT - 43%	476.05
			FOREST 40 FT E/O LH	559.10
			17TH ST & LAUREL	601.87
			FIRE DEPT - 24%	768.06
			CONCESSION STAND	122.54
			COR MELROSE	124.78
			CITY MANAGER - 9.5%	105.18
			300 FOREST AVE	149.72
			17 MI DR BALLPARK	159.87
			117 COMMUNITY CTR	173.86
			FIRE DEPT	180.89
			FOREST 40 FT E/O LH	182.86
			FINANCE - 7%	224.02
			PUBLIC LIBRARY	231.80
			165 FOREST AVE	235.94
			117 COMMUNITY CTR	248.29
			FIRE DEPT - 24%	265.70
			POLICE DEPT	280.37
			CEDD - 9.5%	304.02
			CITY MANAGER - 9.5%	304.02
			BEACH BOAT STORAGE	317.94
			580 PINE AVE - LOAN	1,046.81
			FOREST & CENTRAL DR	1,362.38
			POLICE DEPT - 43%	1,376.09
			PUBLIC LIBRARY	1,387.09
		US BANK	M MOGENSEN MTG CR	(1,795.00)
			B ANDERSON FRUAD CR	(132.89)
			L LIVIAN POSTAGE	2.72
			C DAY PRKG AT AWARD	8.00
			J HALABI APPLE EDIT	9.99
			R GAITHER MTY LIB M	10.00
			A CANALES LIB SUBSC	13.00
			M MOGENSEN HERALD	18.00
			J MEDAWAR AI SUBSCR	20.00
			L LIVIAN PANEL SNAC	22.00
			A CANALES MTG SNACK	22.93
			M KHASIMI CURATOR.I	25.00
			D GHO PERMIT FEES	33.09
			D GHO SUBSCRIPTIONS	35.21
			F MARSH LOCC HANDBK	100.00
			S HOFFMAN TLO SUBCR	100.00
			S ARRIOLA EE PICNIC	125.17
			S ARRIOLA INTERVIEW	139.61
			F MARSH SUBCRIPTION	145.00
			R GAITHER RESOURCE	175.58

Fund	Check Date	Name	DESCRIPTION	Amount
			S ARRIOLA RECRUITMT	$ 195.00
			S ARRIOLA CC MTG ME	230.80
			K CLARK PRGRM SUPPL	282.83
			D GHO VOLNTR/CLEAN	303.63
			S HOFFMAN TRAINING	329.78
			S KANDELL AIRFARE	360.80
			F MARSH WEBINARS	440.00
			L LIVIAN MTG EE EVE	468.51
			S HOFFMAN RIFLE SLI	558.93
			M KHASIMI ZOOM SFTW	702.15
			S HOFFMAN EVIDENCE	765.05
			J HALABI EE EVENT	901.31
			D DELFINO CONF/EVEN	1,052.30
			B ANDERSON COMM OUT	1,130.51
			J HALABI IBM INVOIC	1,272.81
			M KHASIMI REPAIR EQ	1,313.44
			C DAY COMM OUTREACH	1,620.00
			PD 5084 FIREARM TRN	1,888.73
			PD 5092 FTO/FIREARM	2,289.30
			D GHO PERMIT FEE	4,194.93
			M KHASIMI SOFTWARE	48.86
			L LIVIAN SUBSCRPTIO	49.34
			S ARRIOLA CSUMB FAI	51.32
			M KHASIMI AMAZON MB	73.86
			S HOFFMAN UNIFORM	74.99
			S ARRIOLA SUBSCRIPT	83.25
	05/15/26	AFLAC	DED:5200 AFLAC PREM	577.44
			DED:5201 AFLAC P/T	1,427.03
		CALPERS HEALTH	DED:118 HEALTH	1,456.76
			DED:116 HEALTH	560.29
			DED:137 TRIO 95076	1,166.58
			DED:128 HEALTH EMP	1,168.86
			DED:112 HEALTH	1,168.86
			DED:4304 HLTH RETRO	1,221.16
			DED:131 HEALTH	1,301.95
			DED:109 HEALTH	668.15
			DED:3081 HEALTH EMP	987.69
			DED:3053 HEALTH FAM	1,519.52
			DED:106 HEALTH	1,670.14
			DED:111 HEALTH	1,737.18
			DED:2071 HEALTH	2,657.50
			DED:3051 HEALTH EMP	2,922.15
			DED:104 HEALTH	2,241.16
			DED:2072 HEALTH	3,627.00
			DED:108 HEALTH	4,342.36
			DED:132 HEALTH	6,770.16
			DED:2073 HEALTH FAM	7,567.50
			DED:103 HEALTH	8,964.64
			DED:130 HEALTH	8,462.74
			DED:105 HEALTH	8,740.56
		CITY OF PACIFIC GRO	DED:3301 AFLAC MED	1,847.38
		EFT	DED:*FM MEDICARE	12,563.70
			DED:*SCA STATE TAX	18,800.43
			DED:*FT FEDERAL TX	48,067.70
		PACIFIC GROVE CITY	DED:7000 ASSOC DUES	708.50
		MASS MUTUAL (457 PL	DED:3999 ROTH IRA	3,398.00
			DED:4000 DEF COMP	13,463.60
		MASS MUTUAL GROUP W	DED:5203 WHOLE LIFE	415.85
		MTRY COUNTY DEPT OF	DED:0023 GARNISH	439.99
		PACIFIC GROVE MANAG	DED:7203 ASSOC DUES	40.00
		CITY OF PACIFIC GRO	DED:1006 WORK COMP	62.49
			DED:1009 WORK COMP	184.08
			DED:1010 WORK COMP	3,563.44
			DED:1005 WORK COMP	1,505.40
			DED:1003 WORK COMP	6,894.14
			DED:7510 PERS REIMB	56.58
			DED:200 DENTALEOER	157.90
			DED:2103 DENTAL FAM	1,149.40
			DED:2101 DENTALEOEE	1,357.94
			DED:2102 DENTAL+1EE	830.44
			DED:0005 SUTA	148.89
		PERS	DED:0004 SURV BEN	90.21
			DED:0018 PERS SP SF	502.36
			DED:0009 PERS OTHER	509.31
			DED:2003 PERS OTHER	175.81
			DED:0022 PERS SP MS	270.68
			DED:0019 PERS RT SF	(3.44)
			DED:08 PERS OTHER	359.81
			DED:07 PERS CITY	5,763.83
			DED:0006 PERS CITY	6,324.05
			DED:2000 PERS EMPLY	3,885.91
			DED:2001 PERS	2,255.06
			DED:0002 PERS	2,603.44
			DED:0021 PERS REG M	15,265.18

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Fund	Check Date	Name	DESCRIPTION	Amount
			DED:0020 PERS ER M3	$ 15,956.81
			DED:01 PERS	8,765.03
			DED:0017 PERS RG SF	10,071.61
			DED:0011 PERS ER SF	10,755.06
		POLICE OFFICERS ASS	DED:7205 ASSOC DUES	899.19
		LEGAL SHIELD	DED:6104 LEGAL SVC	29.30
		STATE DISABILITY TA	DED:0026 SDI	5,693.95
		TRANSAMERICA EMPLOY	DED:5202 TRANSAMERI	311.82
		U.S. BENCOR/MIDAMER	DED:4007 HRA	225.00
		UNION BANK OF CALIF	DED:4005 PARS-457	1,027.77
		VISION SERVICE PLAN	DED:2502 VISIONEOEE	285.52
			DED:2504 VISION FAM	171.36
			DED:2503 VISION+1EE	185.64
			DED:300 VISIONEOER	33.20
		PERS	MAY 2026 UAL	395,585.00
	05/22/26	AMAZON CAPITAL SERV	PD OFFICE SUPP CRED	(110.79)
			FD PRNTNG SUPP CRED	(38.35)
			PD OFF SUPPLY CREDI	(36.93)
			LIB SUPPLY CREDIT	(33.90)
			FD PRINTING CREDIT	(6.53)
			REC OFFICE SUPPLIES	15.03
			LIB SUPPLIES	15.56
			REC PROGRAM SUPPLIE	29.49
			REC PROGRAM SUPPLIE	34.32
			LIB BOOKS & MATERIA	37.13
			PD OFFICE SUPPLIES	38.54
			REC OFFICE SUPPLIES	41.50
			PD OFFICE SUPPLIES	60.55
			LIB SUPPLIES	64.49
			LIB BOOKS & MATERIA	67.70
			REC OFFICE SUPPLIES	73.27
			LIB SUPPLIES	74.77
			LIB SUPPLIES	129.57
			REC PROGRAM SUPPLIE	170.44
			CDD OFFICE SUPPLIES	186.25
			PD OFFICE SUPPLIES	221.58
			B&G SMALL TOOLS	260.83
			PW PRINTER INK	312.39
			FD OTHER SUPPLIES	387.00
			LIB BOOKS & MATERIA	17.10
			LIB SUPPLIES	17.45
			LIB SUPPLIES	19.64
			REC PROGRAM SUPPLIE	24.02
			PD OFFICE SUPPLY	25.14
		ALEXIS SHAMMAS	RFND CANCEL CLASS	10.00
		AMERICAN LOCK & KEY	PD KEYS	457.85
		AMERICAN SUPPLY COM	MARCH JANITORAL SUP	6,126.95
			APR JANITOR SUPPLIE	4,767.30
		ANETTE GRANBERG	RFND REQUESTED	138.00
		ARCPOINT LABS OF MO	CM PRE-SCREENING EM	165.00
		AT&T	REC PHONE 096	31.76
			ADMIN PHONE 253	31.76
		AT&T CALNET 3	LIB INTERNET 3343	250.91
			PD DATA LINE 8120	1,057.31
			ADMIN PHONE 3242	2,149.55
		BPS TACTICAL, INC.	PD VESTS	3,927.16
		CACEO	ACADEMY - S GIORGIA	650.00
		CA DEPT OF JUSTICE	PD BACKGROUND CKS	373.00
			CM BACKGROUND CKS	192.00
			CM BACKGROUND CKS	79.00
		CALNON PAINTING	GOLF CLUB PAINTING	14,750.00
		CALTRONICS BUSINESS	KONICA COPIES FY26	165.12
			KONICA COPIES FY26	204.72
			KONICA COPIES FY26	252.61
			KONICA COPIES FY26	751.40
			KONICA COPIES FY26	953.23
		CAPSTONE	LIB BOOKS & MATERIA	964.99
		CENGAGE LEARNING	LIB BOOKS & MATERIA	29.72
			LIB BOOKS & MATERIA	261.33
		CENTRALSQUARE TECHN	FINANCE SOFTWARE JU	5,211.10
		CHITPAN HAN	RFND CANCEL CLASS	10.00
		COMCAST	REC INTERNET 021497	102.49
			CH INTERNET 0085844	153.24
			CH TV 0039031	14.13
		ENGINEERED FIRE SYS	FD PLAN REVIEW APRI	1,350.00
		EVA SINOTTE	RFND CANCEL CLASS	69.00
		EWING IRRIGATION PR	REPAIRS JEWELL PARK	170.30
		FEDEX	PD SHIPPING	79.53
			PD SHIPPING	73.63
		FENTON & KELLER	LEGAL SERVICES	32,860.00
		AT&T MOBILITY	LIB PHONES 1990	224.97
			PD CELL PHONES 5185	1,771.75
		FLEXTG LLC	REC KONICA COPIER L	65.86
		HOWARD R BURNHAM	CARNEGIE FUND PROGR	500.00

Fund	Check Date	Name	DESCRIPTION	Amount
		GACHINA LANDSCAPE M	PARK MOWING SERVICE	$ 1,387.00
		GARDAWORLD	MAY SERVICE FEES	106.32
			APRIL EXCESS FEES	83.73
		HOME DEPOT CREDIT S	FD REPAIRS / MAINT	1,526.66
		HOMETEK	MEM BENCHES	165.00
		INGRAM LIBRARY SERV	LIB BOOKS & MATERIA	6,117.14
		JD REPAIRS INC	FD REPAIR UNIT 2601	205.86
		JIONG YANG	RFND CANCEL CLASS	10.00
		JULIE PETERSON	RFND REQUESTED	270.00
		KIMBERLY REYES	RFND CANCEL CLASS	20.00
		KRAEMER ENGINEERING	RETENTION PAYABLE	(6,677.62)
		LANGUAGE LINE SERVI	PD LANGUAGE SERVICE	3.63
		LIBRARY IDEAS, LLC	LIB BOOKS & MATERIA	0.50
			LIB BOOKS & MATERIA	2.50
			LIB BOOKS & MATERIA	5.50
		LISA HEADLEY	RFND REQUESTED	28.50
		MONTEREY PEACE OFFI	RANGE USE APRIL	630.00
		MIDWEST LIBRARY SER	LIB BOOKS & MATERIA	37.81
			LIB SUPPLIES	42.44
			LIB SUPPLIES	10.49
			LIB BOOKS & MATERIA	225.72
			LIB BOOKS & MATERIA	117.19
			LIB SUPPLIES	5.74
		MIDWEST TAPE	LIB BOOKS & MATERIA	173.67
			LIB BOOKS & MATERIA	93.93
		MONTEREY BAY PEST C	RODENT CONTROL FOR	135.00
			RODENT CONTROL FOR	175.00
		MONTEREY COUNTY WEE	FIN BID FY26-27	279.18
			FIN HID FY26-27	279.18
			FIN MSTR FEE SCHEDU	152.28
		QUADIENT FINANCE US	FIN OFFICE SUPPLIES	221.51
			ASD POSTAGE	2,000.00
		NICHOLAS SMITH	UBER REIMBURSEMENTS	179.91
		ODP BUSINESS SOLUTI	FIN OFFICE SUPPLIES	108.21
			FIN OFFICE SUPPLIES	44.78
			FIN OFFICE SUPPLIES	16.54
			FIN OFFICE SUPPLIES	18.78
		OVERDRIVE, INC.	LIB BOOKS & MATERIA	5.98
			LIB BOOKS & MATERIA	2.99
		PURE WATER	PW WATER SERVICE	25.80
			MECH WATER SERVICE	25.80
			B&G WATER SERVICE	25.80
			STREET WATER SERVIC	25.80
		PRIMO BRANDS	PD WATER SERVICE	202.84
			FD WATER SVC APRIL	242.86
		ROBERT HALF	IT SUPPORT TEMP	10,395.00
		SALINAS VALLEY PROS	PD UNIFORMS	3,325.30
		SENTRY ALARM SYSTEM	LIB FIRE ALARM SYST	14,500.00
		KAREN SHEPPARD	RFND OVERCHARGE	4.00
		SPCA OF MONTEREY CO	PD ANIMAL SVCS APRI	780.00
		STATE CONTROLLER'S	PD OFFSETS PROGRAM	49.91
		STITCH WITCH	PD UNIFORM POLO	207.10
		TAYLOR PIKE	RFND CANCEL CLASS	20.00
		TOPE'S TREE SERVICE	CONTRACT TREE SERVI	45,601.64
		TORO PETROLEUM CORP	FD DIESEL APRIL	2,535.23
		TRACNET CORPORATION	TRACNET HARDWARE/SO	9,500.00
		TRUCKSIS ENTERPRISE	B&G FLAGS	481.79
		VALLEY SAW & GARDEN	B&G SMALL TOOLS	188.35
		VERIZON BUSINESS	PD DATA 371210040	538.04
			PW DATA APRIL	62.07
			IT DATA APRIL	70.81
			LIB DATA APRIL	76.02
		VESTIS SERVICES, LL	PD LINENS	759.60
		WATSONVILLE CHRYSLE	PD REPAIR UNIT 4	36.96
		WATSONVILLE FORD	PD REPAIRS UNIT 1	560.32
			PD REPAIR CREDIT	(286.75)
		WHITE CAP SUPPLY HO	STREET SUPPLIES	493.25
		SWIFT CAR WASH	PD CAR WASHES JUNE	320.00
		WILSON'S PLUMBING &	CITY HALL PLUMBING	351.00
			GOLF CH PLUMBING	150.00
			B&G GOLF WOMEN BTHR	3,969.49
		BURKE, WILLIAMS & S	CITY ATTY SERVICES	29,056.48
		MONTEREY COUNTY WEE	2ND READ SPEED ZONE	152.28
		SCHOLASTIC INC.	CMO SHRED SVCS	55.00
			CMO SHRED SVCS	(55.00)
	05/29/26	AFLAC	DED:5200 AFLAC PREM	577.44
			DED:5201 AFLAC P/T	1,427.03
		CALPERS HEALTH	DED:4304 HLTH RETRO	1,843.81
		CITY OF PACIFIC GRO	DED:3301 AFLAC MED	1,847.38
		EFT	DED:*SCA STATE TAX	18,832.65
			DED:*FT FEDERAL TX	46,939.74
			DED:*FM MEDICARE	12,441.48
		MASS MUTUAL (457 PL	DED:4000 DEF COMP	13,163.60
			DED:3999 ROTH IRA	3,198.00

Check Register - Summary by Detail - May 2026

Fund	Check Date	Name	DESCRIPTION	Amount
		MASS MUTUAL GROUP W	DED:5203 WHOLE LIFE	$ 415.85
		MTRY COUNTY DEPT OF	DED:0023 GARNISH	439.99
		CITY OF PACIFIC GRO	DED:1006 WORK COMP	62.49
			DED:1009 WORK COMP	173.52
			DED:1010 WORK COMP	3,322.07
			DED:1003 WORK COMP	6,892.33
			DED:1005 WORK COMP	1,507.04
			DED:7510 PERS REIMB	56.58
			DED:0005 SUTA	146.62
		PERS	DED:08 PERS OTHER	359.81
			DED:0022 PERS SP MS	271.40
			DED:0018 PERS SP SF	458.05
			DED:0009 PERS OTHER	510.43
			DED:2003 PERS OTHER	175.81
			DED:0004 SURV BEN	90.21
			DED:2001 PERS	2,255.06
			DED:0002 PERS	2,892.33
			DED:0006 PERS CITY	6,913.26
			DED:01 PERS	8,765.03
			DED:0017 PERS RG SF	9,965.98
			DED:0011 PERS ER SF	10,602.46
			DED:2000 PERS EMPLY	3,885.91
			DED:0021 PERS REG M	15,509.75
			DED:0020 PERS ER M3	16,208.76
			DED:07 PERS CITY	5,763.83
			DED:0019 PERS RT SF	(3.44)
		LEGAL SHIELD	DED:6104 LEGAL SVC	29.30
		STATE DISABILITY TA	DED:0026 SDI	5,606.31
		TRANSAMERICA EMPLOY	DED:5202 TRANSAMERI	311.82
		U.S. BENCOR/MIDAMER	DED:4007 HRA	225.00
		UNION BANK OF CALIF	DED:4005 PARS-457	734.22
	05/28/26	FIELD OF DREAMS DES	REC PROGRAM SUPPLIE	3,338.68
07 - LIBRARY BLDG & EQUIP FUND	05/12/26	US BANK	A CANALES LOCAL HIS	95.05
09 - DOWNTOWN BUSINESS DISTRIC	05/08/26	PACIFIC GROVE CHAMB	BID NOV 25 - APR 26	(2,245.44)
			BID NOV 25 - APR 26	2,245.44
			BID NOV 25 - APR 20	2,245.44
10 - HOSPITALITY IMPRVMT DIST.		SEE MONTEREY	MCTID JAN-MAR 2026	80,724.26
		PACIFIC GROVE CHAMB	HID JAN - MARCH 202	(43,370.86)
			HID JAN - MARCH 202	43,370.86
			HID JAN-MAR 2026	43,370.86
11 - LIBRARY BOOK FUND	05/12/26	US BANK	A CANALES BOOK/MATL	106.74
18 - GAS TAX FUND	05/08/26	CALIFORNIA AMERICAN	CEM 4%	42.46
		4LEAF	FY 25/26 ON-CALL TR	74,534.50
		CALTRANS	JAN-MAR SIGNAL MAIN	978.16
		MAIN STREET SIGNS	SPEED LIMIT SIGNS	3,365.38
		PACIFIC PRODUCTS &	STREET SIGN SUPPLIE	7,897.03
		STURDY OIL COMPANY	GAS TAX FUEL APRIL	1,656.53
	05/12/26	PACIFIC GAS & ELECT	FOREST AVE SUNSET A	49.03
			FOREST AV SUNSET AV	51.52
			FOREST AVE SUNSET A	17.52
			19TH & SUNSET DR.	15.00
			FOREST AV SUNSET AV	13.80
	05/15/26	PERS	MAY 2026 UAL	2,373.42
	05/22/26	BEAR ELECTRICAL SOL	TRAFFIC SIGNAL MAIN	6,342.01
			TRAFFIC SIGNAL MAIN	250.00
		DAVE'S REPAIR SERVI	ANNUAL TANK MONITOR	2,765.13
		EDGES ELECTRICAL GR	STREET LIGHTS	222.28
		PACIFIC GAS & ELECT	PW ELECTRIC 4482	9,032.60
		PENINSULA READY MIX	CURB /GUTTER REPAIR	1,064.11
20 - RSTP-(TAMC)		GHD INC.	CEDAR, SUNSET, CONG	54,427.50
24 - STILLWELL CHILDREN'S POOL	05/08/26	AMAZON CAPITAL SERV	POOL MAINT SUPPLIES	362.72
			POOL SUPPLIES	50.02
	05/22/26		POOL SIGNS	26.47
		831 POOL & SPA SERV	POOL MAINTENANCE	113.79
27 - LIGHTHOUSE MAINT.& IMPV.	05/08/26	CALIFORNIA AMERICAN	90 ASILOMAR	146.69
		ESCARRAGA'S LUXURY	LH CLEANING APRIL	504.00
		NATURE SPIRIT	LH MERCHANDISE	1,767.00
		PACIFIC GROVE HARDW	LH REPAIR SUPPLIES	161.10
		STEPHANIE T. EDENHO	LH GIFTSHOP MERCH	129.40
		ZIGA MEDIA LLC	LH MERCHANDISE	205.00
	05/12/26	PACIFIC GAS & ELECT	ASILOMAR BLVD PG LH	116.77
			ASILOMAR BLVD PG LH	34.05
		US BANK	D GHO LH NAMETAGS	47.64
	05/22/26	AMAZON CAPITAL SERV	LH BUTTERFLY NET	16.38
		A JUSTICE DESIGN	LH DOCENT SHIRTS	338.77
		ALL STAR PAINTING &	POINT PINOS LIGHTHO	2,000.00
		HAPPY WOMAN JEWELRY	LH MERCHANDISE	144.00
		MINUTEMAN PRESS	LH EDUCATIONAL INFO	275.56
		RAUL M. GARCIA	LH CLOCK REPAIRS	320.00
31 - OPERATING DONATIONS	05/08/26	OJLA	CHINESE PAVILION PA	5,000.00
40 - POETRY PROMOTION FUND		CHRISTOPHER M RENDO	POETRY PROMOTION	100.00
	05/22/26	ALICE TAO	POETRY PROMOTION	100.00
		ROBERT NIELSEN	POETRY PROGRAMS	100.00
45 - ABANDONED VEHICLE PROGRAM	05/08/26	NORTHERN CALIFORNIA	EMERGENCY VEHICLE I	9,091.91

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Fund	Check Date	Name	DESCRIPTION	Amount
63 - CAPITAL IMPROV PROJ FUND		JMS CEMENT CONTRACT	STORM DRAIN REPAIR	$ 22,562.50
	05/22/26	KRAEMER ENGINEERING	19TH STREET REHAB (	133,552.50
		NXP ENGINEERING	PRESCOTT LN SIDEWAL	181,884.00
70 - EMP BENEFIT FUND	05/01/26	CALPERS HEALTH	MAY26 RET & CHANGES	9,934.77
		STANDARD INSURANCE	MAY 2026 LIFE PREMI	(4,581.85)
			MAY 2026 LIFE PREMI	4,581.85
			MAY 2026 LIFE PREMI	3,085.60
			APR 2026 DENTAL	7,356.20
	05/05/26	EMPLOYMENT DEVELOPM	EDD UI Q1 2026	1,457.00
	05/08/26	CLAREMONT BEHAVIORA	EAP MAY SERVICES	752.45
	05/22/26	PARS	PARS FEES MARCH	438.92
	05/29/26	STANDARD INSURANCE	JUN 2026 LIFE PREMI	2,947.32
			MAY 2026 DENTAL	7,346.48
71 - WORKERS COMP FUND	05/15/26	PERS	MAY 2026 UAL	1,000.83
72 - LIABILITY INS FUND			MAY 2026 UAL	890.00
74 - LOCAL WATER PROJECT	05/08/26	CALIFORNIA AMERICAN	1313 OCEAN VIEW BLV	28,233.54
		CALIFORNIA MARINE S	QUATERLY LWP MONITO	6,871.20
		PACIFIC GAS & ELECT	LWP ELECTRIC 0792	7,094.57
75 - CEMETERY FUND		AMAZON CAPITAL SERV	CEM CANOPY	152.94
		CALIFORNIA AMERICAN	SEWER 8%	84.92
			1254 DELMONTECEM70%	628.90
		HAYWARD LUMBER COMP	CEM REPAIR SUPPLIES	48.90
		MISSION UNIFORM SER	LINEN / UNIFORM CLE	495.41
		O'REILLY AUTO ENTER	CEM REPAIR UNIT 71D	92.85
		PACIFIC GROVE HARDW	CEM REPAIR SUPPLIES	119.21
		STURDY OIL COMPANY	CEM FUEL APRIL	884.87
		WATSONVILLE FORD	CEM REPAIR UNIT 72	266.99
	05/12/26	PACIFIC GAS & ELECT	CREST & RIPPLE	10.56
			CEMETERY - 1%	11.07
			CEMETERY - 1%	32.00
			CEMETERY	43.77
	05/15/26	PERS	MAY 2026 UAL	4,105.92
	05/22/26	AMAZON CAPITAL SERV	CEM PARTS	23.76
		LLORIN-VELASQUEZ CO	FY 25/26 CEMETERY M	2,700.00
		TURF STAR INC.	CEM REPAIRS UNIT 71	255.05
76 - SEWER FUND	05/08/26	CALIFORNIA AMERICAN	263 GROVE ACRES	292.11
			1273 CRESPI POND 50	121.34
			100 OCEANVW IRRIG	84.85
		CALIFORNIA MARINE S	QUATERLY E9C WATER	9,583.20
		MONTEREY BAY AIR RE	ANNUAL RENEWAL FEES	5,624.00
		MISSION UNIFORM SER	LINEN / UNIFORM CLE	495.40
		MONTEREY ONE WATER	LIFT STN MAINT 25 Q	38,225.23
		O'REILLY AUTO ENTER	SEWER VEHICLE REPAI	274.48
		PACIFIC GAS & ELECT	PW SEWER ELEC 5126	1,106.97
			PW SEWER ELEC 4175	6.27
		PACIFIC GROVE HARDW	SEWER SUPPLIES	43.67
		PURE WATER	SEWER WATER SVC	29.10
		SAFE2CORE INC	UNDERGRND SURVEY	2,695.00
		STURDY OIL COMPANY	SEWER FUEL APRIL	1,928.44
		WALLACE GROUP	SCSMP 1, 6, 9 CIP24	1,986.25
	05/12/26	PACIFIC GAS & ELECT	360 OCEAN VIEW BLVD	321.64
			EARDLEY PUMP #1	195.60
			PUMP 17TH & OCNVW	216.30
			471 OCEAN VIEW BL.	223.57
			PUMP SUNSET ARENA	149.01
			O V 9TH PUMP #2	1,008.92
			PUMP SUNSET ARENA	481.02
			1996 SUNSET DR.	14.58
			PUMP RUSSELL SVC CT	8.89
			PUMP SUNSET ARENA	7.84
			OCEANVIEW BLVD & 8T	4.91
			17TH & OCNVW	67.00
			1996 SUNSET DR.	69.56
			471 OCEAN VIEW BL.	69.79
			EARDLEY PUMP #1	56.05
			PUMP RUSSELL SVC CT	51.12
			PUMP STATION	24.70
			520 OCEAN VIEW BLVD	23.33
			520 OCEAN VIEW BLVD	4.36
	05/15/26	PERS	MAY 2026 UAL	12,774.67
	05/22/26	AT&T	PW SEWER PHONE 139	31.76
			PW SEWER PHONE 126	31.76
			PW SEWER PHONE 057	31.76
			PW SEWER PHONE 293	31.76
		ICONIX WATERWORKS U	SEWER SUPPLIES	1,253.92
			SEWER SUPPLIES	2,344.72
		PACIFIC SEWER MAINT	ANNUAL ROOT CONTROL	120,664.64
		PURE WATER	SEWER WATER SERVICE	25.80
77 - GOLF FUND	05/08/26	CALIFORNIA AMERICAN	1273 CRESPI POND 50	121.34
			77 ASILOMAR GOLF HS	1,421.89
			1254 DELMONTEGOLF30	269.53
			77 ASILOMAR FIRE SV	103.78
	05/12/26	PACIFIC GAS & ELECT	1313 OCEAN VIEW BLV	29.81
			1313 OCEAN VIEW BLV	101.68

Check Register - Summary by Detail - May 2026

Fund	Check Date	Name	DESCRIPTION	Amount
	05/22/26	PACIFIC GROVE GOLF	APRIL FOOD / BEVS	3,500.00
Grand Total				$ 2,848,484.92

Approval Group	Vendor	PO Nbr	PO Line Item	Check #	Invoice	Orig Encumbrance	Changes	Payments	PO Balance
CITY MANAGER	NATIONAL DEMOGRAPHICS INC	26000153	CONSULTING CITY COUNCIL			37,500.00	0.00	0.00	37,500.00
		Total for PO 26000153				**37,500.00**	**0.00**	**0.00**	**37,500.00**
	Total for NATIONAL DEMOGRAPHICS INC					**37,500.00**	**0.00**	**0.00**	**37,500.00**
Total for CITY MANAGER						**37,500.00**	**0.00**	**0.00**	**37,500.00**
POLICE DEPARTMENT	NORTHERN CALIFORNIA'S EMERGENCY	26000146	EMERGENCY VEHICLE INSTALLATION			9,091.91	0.00	0.00	9,091.91
			EMERGENCY VEHICLE INSTALLATION	116072	6186	0.00	0.00	9,091.91	(9,091.91)
		Total for PO 26000146				**9,091.91**	**0.00**	**9,091.91**	**0.00**
	Total for NORTHERN CALIFORNIA'S EMERGENCY					**9,091.91**	**0.00**	**9,091.91**	**0.00**
	TRACNET CORPORATION	26000147	TRACNET HARDWARE/ SOFTWARE			9,500.00	0.00	0.00	9,500.00
			TRACNET HARDWARE/ SOFTWARE	116223	10170	0.00	0.00	9,500.00	(9,500.00)
		Total for PO 26000147				**9,500.00**	**0.00**	**9,500.00**	**0.00**
	Total for TRACNET CORPORATION					**9,500.00**	**0.00**	**9,500.00**	**0.00**
Total for POLICE DEPARTMENT						**18,591.91**	**0.00**	**18,591.91**	**0.00**
PUBLIC WORKS DEPARTMENT	ALL STAR PAINTING & MAINT	26000142	POINT PINOS LIGHTHOUSE PAINTING PROJECT			13,550.00	0.00	0.00	13,550.00
			POINT PINOS LIGHTHOUSE PAINTING PROJECT	116148	4364	0.00	0.00	2,000.00	(2,000.00)
		Total for PO 26000142				**13,550.00**	**0.00**	**2,000.00**	**11,550.00**
	Total for ALL STAR PAINTING & MAINT					**13,550.00**	**0.00**	**2,000.00**	**11,550.00**
	BEAR ELECTRICAL SOLUTIONS	26000152	TRAFFIC SIGNAL MAINT			6,342.01	0.00	0.00	6,342.01
			TRAFFIC SIGNAL MAINT	116155	11047	0.00	0.00	6,342.01	(6,342.01)
		Total for PO 26000152				**6,342.01**	**0.00**	**6,342.01**	**0.00**
	Total for BEAR ELECTRICAL SOLUTIONS					**6,342.01**	**0.00**	**6,342.01**	**0.00**
	CALIFORNIA MARINE SANCTUARY FND	26000143	QUATERLY LWP MONITORING 2025			6,871.00	0.20	0.00	6,871.20
			QUATERLY LWP MONITORING 2025	116028	1327-2026	0.00	0.00	6,871.20	(6,871.20)
		Total for PO 26000143				**6,871.00**	**0.20**	**6,871.20**	**0.00**
		26000144	QUATERLY E9C WATER MONITORING 2025			9,583.20	0.00	0.00	9,583.20
			QUATERLY E9C WATER MONITORING 2025	116028	1204	0.00	0.00	9,583.20	(9,583.20)
		Total for PO 26000144				**9,583.20**	**0.00**	**9,583.20**	**0.00**

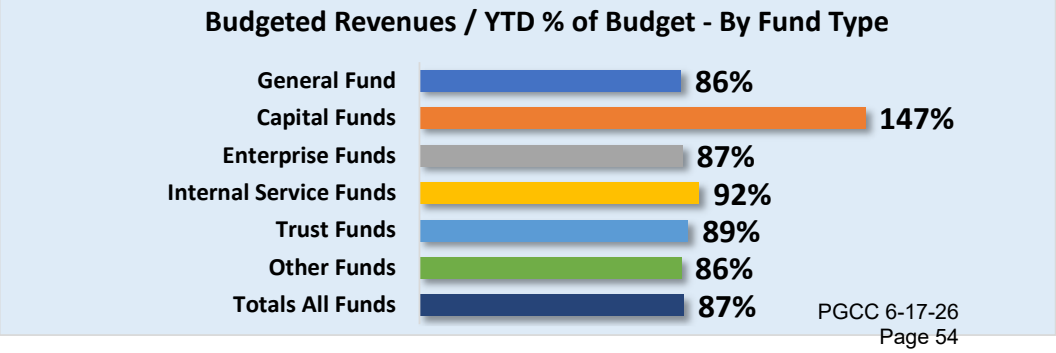
Approval Group	Vendor	PO Nbr	PO Line Item	Check #	Invoice	Orig Encumbrance	Changes	Payments	PO Balance
PUBLIC WORKS DEPARTMENT	**Total for CALIFORNIA MARINE SANCTUARY FND**					**16,454.20**	**0.20**	**16,454.40**	**0.00**
	CALNON PAINTING	26000151	GOLF CLUB PAINTING			14,750.00	0.00	0.00	14,750.00
			GOLF CLUB PAINTING	116159	CALN050826	0.00	0.00	14,750.00	(14,750.00)
		Total for PO 26000151				**14,750.00**	**0.00**	**14,750.00**	**0.00**
	Total for CALNON PAINTING					**14,750.00**	**0.00**	**14,750.00**	**0.00**
	KRAEMER ENGINEERING INC	26000150	19TH STREET REHAB ($1,030,963 + 15%)			1,030,963.00	0.00	0.00	1,030,963.00
			19TH STREET REHAB ($1,030,963 + 15%)	116188	001 JOB26-002	0.00	0.00	133,552.50	(133,552.50)
		Total for PO 26000150				**1,030,963.00**	**0.00**	**133,552.50**	**897,410.50**
	Total for KRAEMER ENGINEERING INC					**1,030,963.00**	**0.00**	**133,552.50**	**897,410.50**
	NXP ENGINEERING	26000149	PRESCOTT LN SIDEWALK IMPROVEMENTS			181,884.00	0.00	0.00	181,884.00
			PRESCOTT LN SIDEWALK IMPROVEMENTS	116201	134044	0.00	0.00	181,884.00	(181,884.00)
		Total for PO 26000149				**181,884.00**	**0.00**	**181,884.00**	**0.00**
	Total for NXP ENGINEERING					**181,884.00**	**0.00**	**181,884.00**	**0.00**
	PACIFIC SEWER MAINTENANCE CORP	26000148	ANNUAL ROOT CONTROL ($105,370 + 15%)			105,370.00	15,805.50	0.00	121,175.50
			ANNUAL ROOT CONTROL ($105,370 + 15%)	116206	1965	0.00	0.00	120,664.64	(120,664.64)
		Total for PO 26000148				**105,370.00**	**15,805.50**	**120,664.64**	**510.86**
	Total for PACIFIC SEWER MAINTENANCE CORP					**105,370.00**	**15,805.50**	**120,664.64**	**510.86**
	SENTRY ALARM SYSTEMS INC.	26000145	LIB FIRE ALARM SYSTEM INSTALL			29,330.57	0.00	0.00	29,330.57
			LIB FIRE ALARM SYSTEM INSTALL	116215	2315432	0.00	0.00	14,500.00	(14,500.00)
		Total for PO 26000145				**29,330.57**	**0.00**	**14,500.00**	**14,830.57**
	Total for SENTRY ALARM SYSTEMS INC.					**29,330.57**	**0.00**	**14,500.00**	**14,830.57**
Total for PUBLIC WORKS DEPARTMENT						**1,398,643.78**	**15,805.70**	**490,147.55**	**924,301.93**
Overall Total						**1,454,735.69**	**15,805.70**	**508,739.46**	**961,801.93**

Revenues by Fund - FY 2025-26 (Unaudited)
Through May 2026
92% of Budget Year Complete

Fund	Revenues				Working Capital	
	Revised Budget	YTD	YTD % of Budget	Prior YTD	Projected Change for Fiscal Year	Projected Ending Reserves *
Main Fund - Fund 01	$ 33,460,651	$ 29,586,012	88%	$ 31,077,921	$ (1,576,147)	$ 15,609,656
Other Funds Included	1,027,610	174,765	17%	36,514	(110,640)	60,419
General Fund	**34,488,261**	**29,760,777**	**86%**	**31,114,435**	**(1,686,787)**	**15,670,075**
Capital Projects	506,682	745,440	147%	651,140	(959,003)	1,305,115
Capital Funds	**506,682**	**745,440**	**147%**	**651,140**	**(959,003)**	**1,305,115**
Local Water Project	1,288,746	995,203	77%	1,156,413	263,641	482,582
Cemetery	580,902	542,088	93%	592,048	(267,207)	766,398
Sewer	4,099,809	3,556,097	87%	3,588,735	(3,535,874)	6,521,660
Golf	956,538	918,826	96%	900,427	(41,144)	917,793
Sewer Lateral Loans	3,908	6,951	178%	14,477	(26,092)	155,482
Enterprise Funds	**6,929,903**	**6,019,165**	**87%**	**6,252,100**	**(3,606,676)**	**8,843,915**
Employee Benefit	316,299	255,063	81%	226,750	3,599	65,661
Worker's Compensation	925,299	984,192	106%	586,101	8,351	772,664
Liability Insurance	753,944	603,449	80%	585,530	(128,223)	773,000
Internal Service Funds	**1,995,542**	**1,842,704**	**92%**	**1,398,381**	**(116,273)**	**1,611,326**
Library	23,141	26,492	114%	48,851	13,141	610,620
Cemetery	121,734	108,985	90%	200,738	121,734	2,411,891
Yount	8,000	-	0%	33,673	-	807,008
Trust Funds	**152,875**	**135,477**	**89%**	**283,262**	**134,875**	**3,829,519**
Library / Poetry	101,677	144,231	142%	130,695	(723)	317,397
Museum	8,073	7,396	92%	21,724	(32,927)	265,456
Public Safety	732,890	589,882	80%	598,666	(133,319)	445,245
Housing	48,956	56,146	115%	79,967	(363,927)	299,633
Streets	1,935,351	1,481,962	77%	1,533,819	(2,405,918)	531,169
Lighthouse	126,917	111,949	88%	125,503	(60,966)	163,206
Community Development/CDBG	41,957	43,314	103%	56,478	(370,444)	348,797
ARPA	-	-	0%	31,067	-	-
Downtown/Hospitality Districts	561,700	487,929	87%	512,732	-	58,804
Cable Franchise / Other	62,750	204,494	200%	178,865	(150,441)	168,488
Other Funds	**3,620,271**	**3,127,303**	**86%**	**3,269,516**	**(3,518,665)**	**2,598,194**
Totals All Funds	**$ 47,693,534**	**$ 41,630,866**	**87%**	**$ 42,968,834**	**$ (9,752,529)**	**$ 33,858,144**

* Excludes Proposed Adjustments and Rollovers

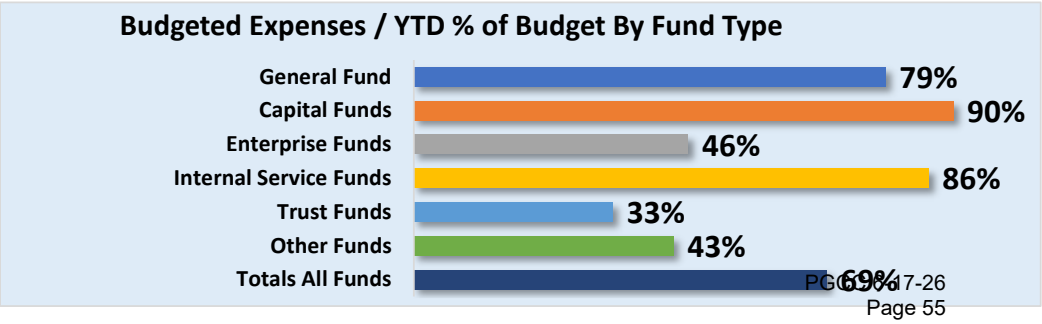
Analysis: P11 revenues are slightly lower than budget, primarily due to TOT, Sales, and Franchise tax receipts. An accrual will be made at year-end for CY revenues.



Expenses by Fund - FY 2025-26 (Unaudited)
Through May 2026
92% of Budget Year Complete

Fund	Expenses					
	Revised Budget	YTD	YTD % of Projected	Purchase Orders	YTD % with POs	Prior YTD
Main Fund - Fund 01	$ 35,036,798	$ 28,445,713	81%	$ 3,045,438	90%	$ 28,722,105
Other Funds Included	1,138,250	121,335	11%	186,708	27%	16,005
General Fund	**36,175,048**	**28,567,048**	**79%**	**3,232,146**	**88%**	**28,738,110**
Capital Projects	1,465,685	1,322,816	90%	-	90%	795,328
Capital Funds	**1,465,685**	**1,322,816**	**90%**	**-**	**90%**	**795,328**
Local Water Project	1,025,105	962,276	94%	86,407	102%	1,562,987
Cemetery	848,109	654,875	77%	2,700	78%	567,416
Sewer	7,635,683	2,321,227	30%	1,988,197	56%	2,979,129
Golf	997,682	895,137	90%	10,500	91%	652,557
Sewer Lateral Loans	30,000	4,261	14%	-	14%	-
Enterprise Funds	**10,536,579**	**4,837,776**	**46%**	**2,087,804**	**66%**	**5,762,089**
Employee Benefit	312,700	301,006	96%	-	96%	353,288
Worker's Compensation	916,948	800,867	87%	-	87%	1,091,285
Liability Insurance	882,167	716,820	81%	5,446	82%	678,389
Internal Service Funds	**2,111,815**	**1,818,693**	**86%**	**5,446**	**86%**	**2,122,962**
Library	10,000	-	0%	-	0%	-
Cemetery	-	-	0%	-	0%	-
Yount	8,000	6,000	75%	-	75%	7,849
Trust Funds	**18,000**	**6,000**	**33%**	**-**	**33%**	**7,849**
Library / Poetry	102,400	63,456	62%	-	62%	54,969
Museum	41,000	40,749	99%	-	99%	58,809
Public Safety	866,209	755,411	87%	3,313	88%	642,332
Housing	412,883	94,705	23%	-	23%	85,806
Streets	4,341,269	1,353,952	31%	1,228,122	59%	1,287,551
Lighthouse	187,883	102,369	54%	11,550	61%	115,286
Community Development/CDBG	412,401	24,206	6%	39,000	15%	21,395
ARPA	-	-	0%	-	0%	832,740
Downtown/Hospitality Districts	561,700	522,964	93%	-	93%	489,596
Cable Franchise / Other	213,191	143,746	67%	55,394	93%	97,528
Other Funds	**7,138,936**	**3,101,558**	**43%**	**1,337,379**	**62%**	**3,686,012**
Totals All Funds	**$ 57,446,063**	**$ 39,653,891**	**69%**	**$ 6,662,775**	**81%**	**$ 41,112,350**

Analysis: P11 expenses are significantly lower than budget. Individually significant items are as follows: **Other Funds**: $900k budget for Chautauqua Hall and Chinese Pavilion, with no expenditures YTD. **Sewer/Streets/RMRA/Capital Projects**: $4.3M CIP combined budget rollover with minimal expenditures YTD.

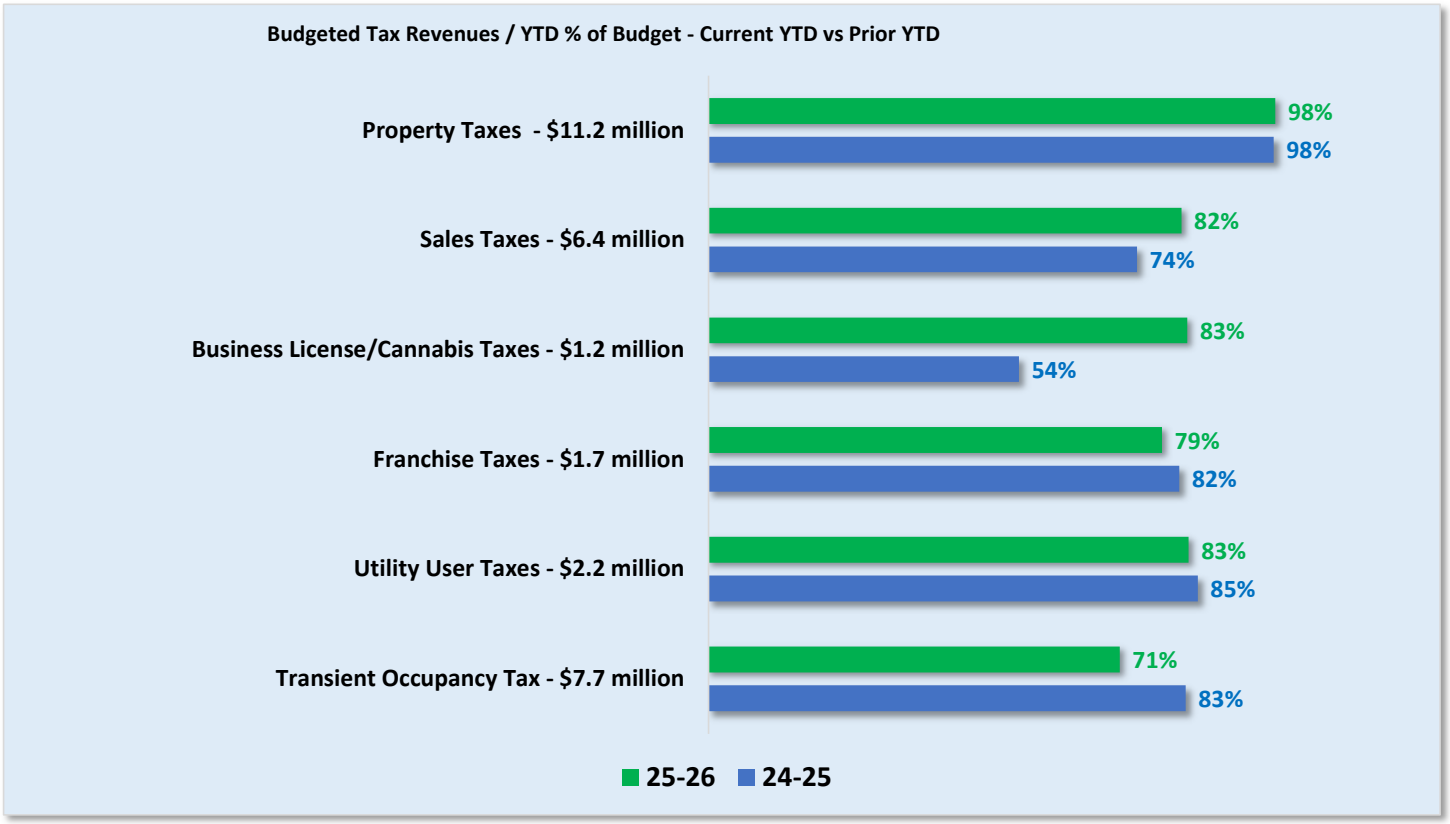


General Fund Revenues - FY 2025-26 (Unaudited)
Through May 2026
92% of Budget Year Complete

Revenue Account	Revised Budget	YTD Revenues	YTD % of Budget	Prior YTD Revenues	Prior YTD % of PY Actual
Property Taxes	$ 11,222,700	$ 11,035,191	98%	$ 10,437,179	98%
Sales Taxes	6,353,575	5,213,915	82%	5,031,839	74%
Business License/Cannabis Taxes	1,214,530	1,008,535	83%	724,697	54%
Franchise Taxes	1,650,400	1,298,176	79%	1,298,304	82%
Utility User Taxes	2,183,500	1,817,851	83%	2,067,890	85%
Transient Occupancy Tax	7,739,984	5,520,320	71%	6,233,824	83%
Litter Abatement	210,000	168,090	80%	159,319	75%
Construction Permits	932,200	1,039,552	112%	868,657	84%
Zoning Enforcement	206,000	421,162	200%	202,710	94%
Plan Check Fees	606,700	570,869	94%	521,190	93%
Parking Meters	351,200	289,528	82%	326,598	90%
Water Entitlements	287,600	123,886	43%	1,578,956	98%
Interest Earned	843,002	2,101,187	200%	1,224,646	100%
Investment Market Value Gain/Loss	-	155,098	200%	324,907	100%
Indirect Cost Reimbursement	2,049,600	1,518,000	74%	1,314,000	75%
Total Major Revenues	**35,850,991**	**32,281,360**	**90%**	**32,314,716**	**86%**
Total General Fund [Main] Revenues	**$ 33,460,651**	**$ 29,586,012**	**88%**	**$ 31,077,921**	**83%**

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

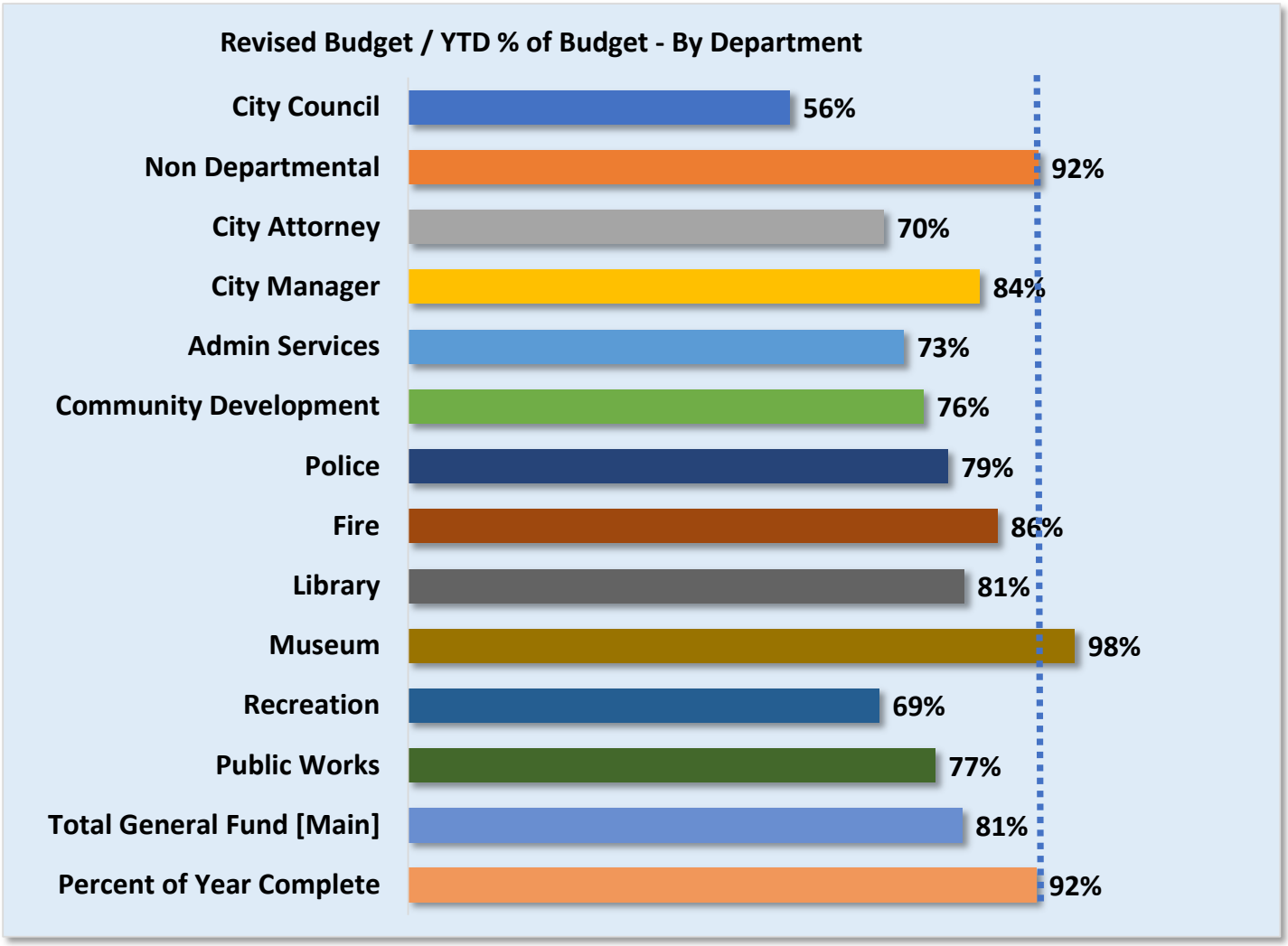
Analysis: P11 revenues are slightly below budget primarily due to:
1. Low TOT receipts YTD, however an accrual will be made at year-end to record CY revenue owed to the City,
2. Low Sales Tax receipts YTD, however an accrual will be made at year-end to record CY revenue owed to the City,
3. Low FranchiseTax receipts YTD, however an accrual will be made at year-end to record CY revenue owed to the City.



General Fund Expenses (including Transfer) by Department - FY 2025-26 (Unaudited)
Through May 2026
92% of Budget Year Complete

Department	Revised Budget	YTD Expenditures	YTD % of Budget	PY YTD % of PY Budget	Outstanding Purchase Orders	YTD % with POs	PY Actuals
City Council	$ 276,365	$ 154,657	56%	128%	$ -	56%	$ 205,646
Non Departmental	7,034,619	6,494,509	92%	0%	-	92%	1,098,047
City Attorney	915,000	637,997	70%	67%	368,387	110%	1,098,047
City Manager	1,651,679	1,383,794	84%	89%	49,390	87%	1,508,300
Admin Services	2,699,548	1,961,001	73%	88%	118,562	77%	3,622,272
Community Development	2,439,321	1,841,905	76%	99%	802,833	108%	2,608,724
Police	7,981,343	6,311,017	79%	98%	4,391	79%	8,800,353
Fire	4,078,497	3,521,563	86%	99%	1,480,279	123%	5,351,322
Library	1,201,910	979,438	81%	97%	8,145	82%	1,137,084
Museum	424,493	414,577	98%	108%	-	98%	348,118
Recreation	1,802,832	1,244,399	69%	114%	3,487	69%	1,209,986
Public Works	4,531,191	3,500,857	77%	86%	209,969	82%	4,476,763
al General Fund [Main]	**$ 35,036,798**	**$ 28,445,713**	**81%**	**91%**	**$ 3,045,442**	**90%**	**$ 31,464,662**

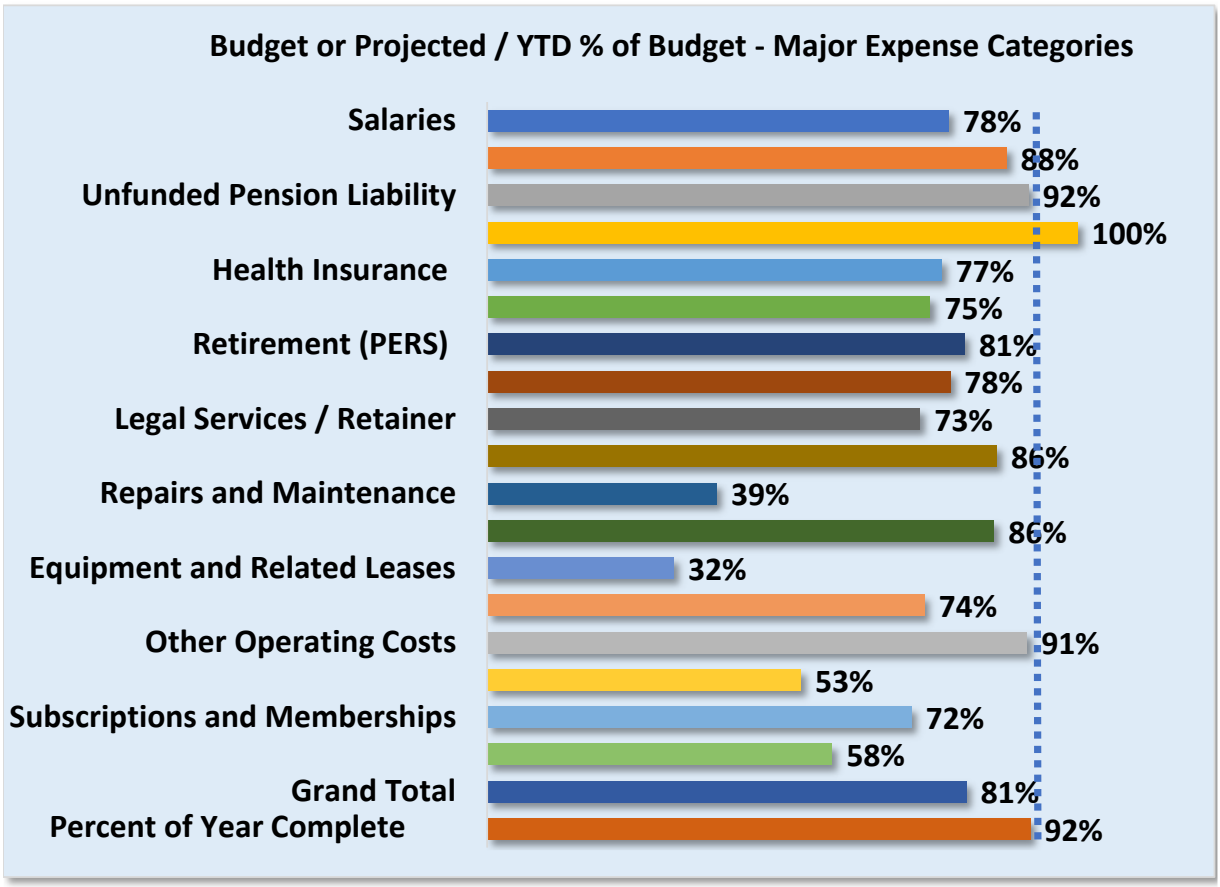
Analysis: P11 expenses are slightly lower than budgeted due to Police, Public Works, Admin, Recreation, and Community Development operating under budget.



General Fund Expenditure Report - FY 2025-26 (Unaudited)
Through May 2026
92% of Budget Year Complete

Expense Line Item	Revised Budget	YTD	YTD % of Budget	Purchase Orders	YTD % with POs
Salaries	11,628,459	9,093,216	78%	-	78%
Contract/Professional Services	6,661,694	5,862,457	88%	2,572,391	127%
Unfunded Pension Liability	4,747,019	4,351,435	92%	-	92%
Debt Service	1,512,562	1,512,544	100%	-	100%
Health Insurance	1,368,833	1,053,498	77%	-	77%
Internal Service Charges	1,364,000	1,023,000	75%	-	75%
Retirement (PERS)	1,150,254	930,113	81%	-	81%
Fund Transfers Capital / Other	1,117,600	876,701	78%	-	78%
Legal Services / Retainer	966,000	708,382	73%	360,248	111%
Utilities	900,968	778,116	86%	-	86%
Repairs and Maintenance	682,892	265,798	39%	35,599	44%
Other Employee Benefits	634,618	544,807	86%	-	86%
Equipment and Related Leases	519,780	164,322	32%	59,000	43%
Supplies	461,800	342,087	74%	7,057	76%
Other Operating Costs	456,050	416,958	91%	6,562	93%
Software Licenses and Support	397,569	211,178	53%	4,586	54%
Subscriptions and Memberships	285,200	205,017	72%	-	72%
Meetings / Travel / Training	181,500	106,084	58%	-	58%
Grand Total	**35,036,798**	**28,445,713**	**81%**	**3,045,442**	**90%**

Analysis: P10 expenditures are below budget primarily due to savings in Salaries, Repairs, and Equipment. Debt Service represents a $1.5M PERS P.O.B. payment made at the beginning of the year.



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Fred Marsh, Administrative Services Director

MEETING DATE: June 17, 2026

SUBJECT: Amendment to ClientFirst Consulting Group LLC Contract for Enterprise Resource Planning System Selection and Implementation

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

RECOMMENDATION

Authorize the execution of a contract amendment with ClientFirst Consulting Group LLC, increasing the contract total by an additional $62,844.

DISCUSSION

Since 2001, the City of Pacific Grove has utilized a Central Square Enterprise Resource Planning (ERP) system. The City's current version of Central Square, Finance Plus 5.2 provides the City with financial, human resources, and payroll functions.

Central Square has stated Finance Plus 5.2 will only be on a supported platform through the first half of 2029. For this reason, the City must replace Finance Plus 5.2 before the product is no longer on a supported platform – a process that will take the City a few years to complete.

Given the importance of an ERP system to City operations, City staff elected to release a Request for Qualification (RFQ) to solicit vendors to support the City in the identification, review, and eventual selection of a new ERP system. The work between the vendor and the City will be carried out through three primary phases:

- Phase I: Preparation of a RFP for new ERP System
- Phase II: ERP Selection Process
- Phase III: ERP Contract Review & Implementation Plan

Following the release of the RFQ, the City received a total of 23 responses and initiated a thorough review process, which was carried out in three stages by the Administrative Services Review Committee:

- Stage I: Proposal review
- Stage II: Interviews of top three candidates
- Stage III: Reference check of lead candidate

Through this process, ClientFirst emerged as the top vendor of choice to work with for the City. ClientFirst has worked with numerous public sector agencies in California to plan, procure, implement, and assist with administering the implementation of ERP Systems. ClientFirst's project team has worked together for many years, presenting an experienced and cohesive team to bring to the project. Multiple references spoke highly of this ClientFirst team and all stated they would gladly work with this team again.

Under the Administrative Services Director signing authority, an initial contract was entered into with ClientFirst for Phase 1 of the project at a cost of $14,940. This amendment would increase the contract amount to $64,820 plus up to a 20% contingency of $12,964.

OPTIONS

1. Authorize the execution of an amendment with ClientFirst Consulting Group LLC, increasing the contract total by an additional $62,844
2. Provide alternative direction to staff

FINANCIAL IMPACT:

City Council authorized a combined amount of $500,000 in the 25-26 and 26-27 Adopted Capital Budget for the replacement of the City's ERP System. The amendment is for Phase II and III of the project in an amount not to exceed $49,880 plus a 20% contingency.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

ClientFirst Amendment

ClientFirst Contract

ClientFirst Proposal

AMENDMENT #_1 TO PROFESSIONAL SERVICES AGREEMENT

ClientFirst Consulting Group LLC

This Amendment # 1 to Professional Services Agreement ("Amendment 1"), dated this 17th day of June, 2026 ("Effective Date") amends that certain Professional Services Agreement ("Agreement"), dated May 12, 2026, by and between the City of Pacific Grove ("City"), a municipal corporation, and ClientFirst Consulting Group LLC ("CONSULTANT"), a California limited liability company.

WHEREAS, on March 12, 2026, the City circulated a request for proposals ("RFP") soliciting proposals for consulting and advisory services for the implementation of enterprise resource planning ("Project"); and

WHEREAS, on April 10, 2026, CONSULTANT responded to the RFP by providing the City with a Proposal Response ("Proposal"), a true and correct copy of which is attached to this Amendment 1 as **Exhibit A-1**; and

WHEREAS, the City and CONSULTANT entered into the Agreement on May 12, 2026, under which the CONSULTANT would perform Phase I of the Project; and

WHEREAS, the City and CONSULTANT desire to amend certain terms of the Agreement to engage CONSULTANT for the remainder of the Project;

NOW, THEREFORE, in exchange for the mutual promises in this Amendment 1, the sufficiency of which the parties deem adequate, the parties agree as follows:

1. Exhibit A-1 to this Amendment 1 shall be appended to and incorporated into the Agreement as though fully set forth herein.

2. Section 1 of the Agreement, entitled "TERM," is amended in its entirety to read as follows:

> The term of this Agreement is from June 22, 2026, to May 31, 2027, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONSULTANT and City and with City signing last, and CONSULTANT may not commence work before City signs this Agreement.

3. Section 2 of the Agreement, entitled "SCOPE OF WORK," is amended in its entirety to read as follows:

> CONSULTANT shall perform the tasks and services ("Services") described and set forth in Exhibit A-1, attached to Amendment 1 to this Agreement and incorporated herein as though set forth in full. CONSULTANT shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A-1. To the extent that Exhibit A-1 is a proposal from CONSULTANT, such proposal is incorporated only for the description of the Scope of Services and no other terms and conditions from any such proposal shall apply to this Agreement unless specifically agreed to in writing. In the event of any inconsistency between the terms and conditions of this Agreement, excepting Exhibit A-1, and the terms

of Exhibit A-1, such inconsistency shall be resolved by giving preference to the terms of this Agreement, excepting Exhibit A-1.

4. Section 5 of the Agreement, entitled "PAYMENT," subsection (a) is amended in its entirety to read as follows:

> The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit A-1, attached to Amendment 1 to this Agreement and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed $64,820.00 plus up to a 20% contingency of $12,964.00 for the total term of the Agreement unless additional payment is approved as provided in section 24 of this Agreement.

5. Except as modified by this Amendment 1, the Agreement remains in full force and effect.

6. Upon the Effective Date, this Amendment 1 and the Agreement shall together become the Agreement.

7. Each individual executing this Amendment 1 represents that he or she is duly authorized to sign and deliver this Amendment 1 on behalf of the party indicated and that this Amendment 1 is binding on such party in accordance with its terms.

8. This Amendment 1 may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the Effective Date.

CITY OF PACIFIC GROVE	VENDOR
By:_____ Department Director	By:_____ David Krout, Partner ClientFirst Consulting Group, LLC
Date: _____	Date: _____
By: _____ City Manager or Mayor	By: _____ City Administrative Services Department
Date: _____	Date: _____

Approved As To Form: _____

City Attorney

_____

Date

Attachments: Exhibit A Scope of Services / Payment Schedule

Advisory Services for Enterprise Resource Planning System Selection and Implementation
PART 2

Step	Advisory Services for Enterprise Resource Planning System Selection and Implementation	Total Billable Hours	David/ Jamie	Janet/ Alicia
Project Coordination and Management				
6	**Project Coordination and Management** - Work with the City Project Manager to finalize the project work plan and timelines and arrange communications, logistics, and support. Schedule various meetings with personnel from each functional area to review and discuss existing and future information system needs. Provide ongoing project coordination and status updates.	16	16	
Phase II: ERP Selection Process				
Task Two: Evaluation and Selection of Vendor				
7	**Vendor Proposal Evaluations** - Analyze and evaluate proposal responses. Provide an initial Summary Vendor Comparison Worksheet and Vendor Executive Summary Analysis Memorandum.	36	12	24
8	**Vendor Analysis Workshop to Determine Vendor Finalists (Shortlist)** - Conduct an analysis results workshop that includes the review of the Vendor Comparison Worksheet and Vendor Executive Summary Analysis. We will clarify any open items with short-listed vendors before issuing invitations for demonstrations.	4	4	
9	**Develop Demonstration Documents, Agenda, and Coordination** - Develop demonstration documents, including preparing an agenda and demonstration scripts or guides for vendor demonstrations. These will be sent to vendor finalists for their advance preparation. Also, prepare Vendor Demonstration Evaluation Forms for use by all participating City staff during demonstration sessions. We will also prepare a form to be used by Project Team members to conduct finalist reference checks and/or calls and prepare a Site-Visit Form for City personnel to use during site visit(s).	10	2	8
10	**Facilitate Vendor Demonstrations** - Assist the City in scheduling demonstration dates and facilitate initial vendor demonstrations to ensure pertinent requirements are addressed. City personnel will evaluate vendor demonstrations using Demonstration Evaluation Forms. These forms use a rating system to assist with the comparison of vendors. Hours estimate based on three vendors at three days each. Additional vendor demonstration assistance will require a change order and will be billed on a pre-approved time-and-materials basis.	84	12	72
11	**Post Demonstration/Site-Visit/Reference Check Due Diligence and Follow-Up** - Assist with additional finalist vendor(s) follow-up issues and due diligence. This may include additional demonstrations, Q&A facilitation, reference checking, site-visit assistance, etc. Additional required and/or requested hours will be billed on a pre-approved time-and-materials basis. Travel will be billed as incurred, if necessary.	20	16	4
12	**Facilitate Final Vendor Selection** - Conduct a meeting with the City's Project Team to facilitate discussion and finalize the vendor selection. The Vendor Demonstration Evaluations, in combination with additional due diligence analysis, will be used to facilitate the selection of a finalist. This includes preparation of a written recommendation for presentation at a City Council meeting reflecting core project team support for purchase of the finalist ERP system. We will attend the Council meeting to support the recommendation to purchase the system. Travel will be filled as incurred, if necessary.	6	4	2
Phase III: ERP Contract Review & Implementation Plan				
Task Three: Contract Negotiations				
13	**Implementation Plan (SOW) Review** - Work with the City and the selected vendor to review and finalize Statement of Work, Implementation Schedule/Plan, Project Management Office, resource requirements, and timelines. Additional required and/or requested hours will be billed on a pre-approved time-and-materials basis.	8	8	
14	**Contract Review and Negotiation Assistance -** Assist with contract review and negotiation assistance (in a non-legal capacity). Assumes contract review and negotiations with a single primary vendor. Additional required and/or requested hours will be billed on a pre-approved time-and-materials basis.	18	18	

Advisory Services for Enterprise Resource Planning System Selection and Implementation
PART 2

Step	Advisory Services for Enterprise Resource Planning System Selection and Implementation	Total Billable Hours	David/ Jamie	Janet/ Alicia
Task Four: Develop and Action Plan to Implement ERP Solution				
15	**Action Plan Memorandum** - Based on the selected vendor's statement of work (SOW), prepare a written draft plan to implement the ERP solution, with recommended path to achieve the future state of an ERP system, including:	30	24	6
	Prioritization of system requirements, including any third-party integrations and data conversions			
	Project cost estimates			
	Estimated project plan/timelines			
	Estimated staff resource time commitment requirements			
Phase IV: ERP Implementation (Optional)				
Task Five: Implementation				
16	**Implementation Project Management Oversight Assistance** - Based on selected vendor, we will augment the City's Project Manager by monitoring and overseeing the project process, as well as provide subject matter expertise and advisory services.	TBD		
	Hours	232	116	116
	Rate		$225	$205
	Average Hourly Rate	$215		
	Fees	$49,880		
	Travel and Related Expenses	As Incurred		
	Total Project Costs	**$49,880**		

CITY OF PACIFIC GROVE
PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICE AGREEMENT ("PSA") FOR NON-CONSTRUCTION PROJECTS ("Agreement"), is made and effective as of May 12, 2026, between the City of Pacific Grove ("City"), a municipal corporation and ClientFirst Consulting Group LLC, a limited liability corporation ("CONSULTANT"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

   This Agreement shall commence on May 12, 2026 and shall remain and continue in effect until the tasks described herein are completed, but in no event later than July 30, 2026, unless sooner terminated pursuant to the provisions of this Agreement.

2. SCOPE OF WORK

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

3. PERFORMANCE

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

4. CITY MANAGEMENT

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

5. PAYMENT

   a. The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed fourteen-thousand, four-hundred and ninety dollars

($14,490.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

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

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

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

6. INSPECTION

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

7. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

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

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

8. DEFAULT OF CONSULTANT

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

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

9. OWNERSHIP OF DOCUMENTS

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

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

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

10. RECORD AUDIT

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

11. INDEMNIFICATION AND DEFENSE

Indemnity

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

Duty to defend

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

12. INSURANCE

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

13. INDEPENDENT CONSULTANT

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

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

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

14. LEGAL RESPONSIBILITIES

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

15. UNDUE INFLUENCE

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

16. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

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

17. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

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

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

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

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

18. DISCRIMINATION

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

19. NOTICES

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

To City:	Administrative Services Director City of Pacific Grove 300 Forest Avenue Pacific Grove, CA 93950 Attention: City Clerk
To CONSULTANT:	ClientFirst Consulting Group LLC 1250 Corona Pointe Court, Suite 404 Corona, CA 92879

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

20. THIRD PARTY BENEFICIARIES

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

21. ASSIGNMENT

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

CONSULTANT shall provide City fourteen (14) days' notice prior to the departure of David Krout, Jamie Shell, Janet Federico, or Alicia Burns from CONSULTANT's employ. Should David Krout, Jamie Shell, Janet Federico, or Alicia Burns leave CONSULTANT's employ, City shall have the option to immediately terminate this Agreement, within three (3) days of the close of said notice period. Upon termination of this Agreement, CONSULTANT's sole compensation shall be payment for actual Services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between City and the CONSULTANT. Before retaining or contracting with any sub-consultant for any Services under this Agreement, CONSULTANT shall provide City with the identity of the proposed sub-consultant, a copy of the proposed written contract between CONSULTANT and such sub-consultant, which shall include and indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof

that such proposed sub-consultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from City for such insurance.

22. LICENSES

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

23. GOVERNING LAW

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

24. ENTIRE AGREEMENT

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

25. DISPUTE RESOLUTION; ATTORNEY'S FEES

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

26. WORK SCHEDULED/TIME OF COMPLETION

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

27. AUTHORITY TO EXECUTE THIS AGREEMENT

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

28. INTERPRETATION OF CONFLICTING PROVISIONS

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

29. SEVERABILITY

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

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

CITY OF PACIFIC GROVE

By: Nick Cina
Risk Manager

Date: 05/11/26

By: Fred Marsh
Department Director

Date: 05/11/26

By: _____
City Manager or Mayor

Date: _____

CONSULTANT

By: David Krout (May 11, 2026 16:25:55 PDT)
Consultant

Date: 05/11/26

By: Fred Marsh
City Administrative Services Department

Date: 05/11/26

Approved As To Form: _____
City Attorney

_____
Date

Attachments: Exhibit A Scope of Services / Payment Schedule
Exhibit B Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES / PAYMENT SCHEDULE

Advisory Services for Enterprise Resource
Planning System Selection and Implementation
PART 1

Step	Advisory Services for Enterprise Resource Planning System Selection and Implementation	Total Billable Hours	David/ Jamie	Janet/ Alicia
Project Coordination and Management				
1	**Project Coordination and Management** - Work with the City Project Manager to finalize the project work plan and timelines and arrange communications, logistics, and support. Schedule various meetings with personnel from each functional area to review and discuss existing and future information system needs. Provide ongoing project coordination and status updates.	34	24	10
2	**Project Initiation, Kick-Off, and Project Team Development** - Work with the City Project Manager to develop and finalize the makeup of the Project Team and document required roles and responsibilities. This will include the following steps:	6	4	2
Phase I: Preparation of RFP for New ERP System				
Task One: Request for Proposal (RFP) Development				
3	**Preliminary Vendor Communication/Research** - In the preliminary vendor communication/ research, we will prepare a list of pre-screened information system vendors and their contact information based on the City-developed functional and system requirements. Our objective will be to identify vendors specializing in government agencies that have applications for future needs that are already in use in the industry.	6	6	
4	**Review and Evaluate Request for Proposals (RFP) Documents** - We will review and evaluate the draft Request for Proposal (RFP) documents. Assumes a single RFP and process for all software modules. City responsible for RFP finalization and distribution. Additional RFPs will require a change order.	18	12	6
	Assumes the City will provide system feature function, integration and data conversion requirements, and a fully-drafted RFP.			
5	**RFP Issuance and Facilitate Vendor Response Activities** - Assist the City in issuing the RFP, and facilitate pre-proposal vendor response activities, including:	4	4	
	Assist with vendor questions and answers during established proposal response timelines.	Included	Included	Included
	If necessary, assist with required RFP addenda.	Included	Included	Included
	Hours	68	50	18
	Rate		$225	$205
	Average Hourly Rate	$220		
	Fees	$14,940		
	Travel and Related Expenses	As Incurred		
	Total Project Costs	**$14,940**		

EXHIBIT B

INSURANCE REQUIREMENTS

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

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

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

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

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

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

Other provisions or requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Cyber Technology Errors and Omissions. VENDOR shall procure and maintain insurance with limits in an amount not less than $1,000,000 per occurrence/loss, $2,000,000 general aggregate, which shall include the following coverage:

- Liability arising from the unauthorized release of information for which an entity has the legal obligation to keep private, such as personally identifiable information (PII) and protected health information (PHI).
- Network security liability arising from the unauthorized use of, access to, or tampering with computer systems, including hacker or denial of service attacks.

- Liability arising from the failure of technology products (software and hardware) required under the contract for VENDOR to properly perform the intended services.
- Claims alleging the failure of computer security that result in the transmission of malicious code, deletion, destruction or alteration of data, or the denial of service.
- Electronic Media Liability arising from personal injury, plagiarism or misappropriation of ideas, domain name infringement or improper deep-linking or framing, and infringement or violation of intellectual property rights.
- Liability arising from the rendering, or failure to render, professional services.
- Defense costs in regulatory proceedings (state and federal) involving a violation of privacy laws or intellectual property rights.
- Crisis management and other expert services.

If coverage is maintained on a claims-made basis, the VENDOR shall maintain such coverage for an additional three (3) years following termination of the contract.

Cyber liability insurance. VENDOR shall procure and maintain Cyber Security and Privacy Liability insurance in an amount of no less than $1,000,000 per occurrence/loss which shall include the following coverage:

- Liability arising from the theft, dissemination and/or use of confidential or personally identifiable information; including credit monitoring and regulatory fines arising from such theft, dissemination or use of the confidential information.
- Network security liability arising from the unauthorized use of, access to, or tampering with computer systems.
- Liability arising from the failure of technology products (software) required under the contract for VENDOR to properly perform the services intended.
- Electronic Media Liability arising from personal injury, plagiarism or misappropriation of ideas, domain name infringement or improper deep-linking or framing, and infringement or violation of intellectual property rights.
- Liability arising from the failure to render professional services

If coverage is maintained on a claims-made basis, VENDOR shall maintain such coverage for an additional period of three (3) years following termination of the contract.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 5/7/2026

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

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

PRODUCER Patriot Growth Insurance Services, LLC 7777 Center Avenue, Suite 600 Huntington Beach CA 92647 License#: 0M56067	**CONTACT NAME:** Kim Quaintance **PHONE (A/C, No, Ext):** 818-360-3410 **FAX (A/C, No):** **E-MAIL ADDRESS:** Kim.Quaintance@patriotgis.com
INSURED ClientFirst Consulting Group, LLC 1250 Corona Pointe Court Suite 201 Corona CA 92879 CLIECON-01	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** Allmerica Financial Benefit Insurance Co / 41840 **INSURER B :** Beazley Insurance Company, Inc. / 37540 **INSURER C :** **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 1371099122 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:	Y	Y	Z23A915118	4/16/2026	4/16/2027	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 2,000,000 $ 300,000 $ 10,000 $ 2,000,000 $ 4,000,000 $ 4,000,000 $
A	**AUTOMOBILE LIABILITY** [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY	Y	Y	Z23A915118	4/16/2026	4/16/2027	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$ 2,000,000 $ $ $ $
	[ ] **UMBRELLA LIAB** [ ] OCCUR [ ] **EXCESS LIAB** [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE $	$ $ $
A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	W23A883062	4/16/2026	4/16/2027	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
B	Technology E&O Incl Cyber			D395AA260201	3/31/2026	3/31/2027	Per Claim/Aggregate Deductible	2,000,000 10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Pacific Grove, its officers, employees, agents, and volunteers are Additional Insured as respects to General Liability and Auto Liability; coverage is Primary, and Waiver of Subrogation applies per attached forms. 30 days notice of cancellation applies per policy provisions.

CERTIFICATE HOLDER

City of Pacific Grove
Attention: City Clerk
300 Forest Avenue
Pacific Grove CA 93950

CANCELLATION

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

AUTHORIZED REPRESENTATIVE



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SMALL COMMERCIAL LIABILITY COMPANION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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SECTION I – ADDITIONAL INSURED PROVISIONS

A. Automatic Additional Insured Provisions Including Primary and Non-contributory:

1. SECTION II – WHO IS AN INSURED is amended to include as an insured any person or organization described in paragraphs **4.a** through **4.g.** below, whom you agree to add as an Additional Insured.

2. However, the insurance afforded to such Additional Insured described below:

a. Only applies to the extent permitted by law.

b. Will not be broader than the insurance which you are required by the written contract, agreement or permit, if any, to provide for such additional insured.

c. Applies on a primary basis and we will not seek contribution from any other insurance available to the Additional Insured, if that is required by an applicable written contract, agreement or permit.

d. Will not be broader than coverage provided to any other insured.

e. Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.

f. Does not apply to any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.

3. The most we will pay on behalf of the Additional Insured for a covered claim is the lesser of the amount of insurance:

a. Required by the applicable written contract, agreement or permit, if any; or

b. Available under the applicable Limits of Insurance shown in the Declarations or any endorsement to the policy.

4. Additional Insureds

The following persons or organizations qualify as additional insureds under this endorsement:

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The following is added to **SECTION II – WHO IS AN INSURED**:

a. Broad Form Vendors

(1) Any person or organization that is a vendor with whom you agreed in a written contract or agreement to include as an additional insured under this Coverage Part is an insured, but only with respect to liability for “bodily injury” or “property damage” arising out of “your products” which are distributed or sold in the regular course of the vendor’s business.

(2) With respect to insurance afforded to such vendors, the following additional exclusions apply:

The insurance afforded to the vendor does not apply to:

(a) “Bodily injury” or “property damage” for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;

(h) “Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained within the exclusion in paragraphs **(d)** or **(f)** above; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(i) “Bodily injury” or “property damage” arising out of an “occurrence” that took place before you have signed the contract or agreement with the vendor.

(j) Any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Co-owner of Insured Premises

Any person or organization who is a co-owner of premises described in the declarations. Such person(s) or organization(s) is an insured only with respect to their liability as co-owner of the co-owned premises.

c. Controlling Interest

Any person or organization that has a majority controlling interest in you, but only with respect to their liability arising out of:

(1) Their financial control of you; or

(2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

d. Mortgagee, Assignee, or Receiver

Any mortgagee, assignee or receiver, but only with respect to their liability as

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mortgagee, assignee, or receiver and arising out of the ownership, maintenance or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

e. Grantor of Franchise

Any person or organization who is a grantor of a franchise to you, but only with respect to their liability as grantor of a franchise to you.

f. Lessor of Leased Equipment

Any person or organization from whom you lease equipment is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

However, the insurance afforded to such additional insured does not apply to any "occurrence" that takes place after the equipment lease expires.

g. Manager or Lessor of Premises

Any person or organization from whom you lease premises is also an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you.

However, this provision does not apply to:

(1) Any "occurrence" that takes place after you cease to be a tenant in the premises.

(2) Structural alterations, new construction or demolition operations performed by or for such additional insured(s).

B. Additional Insured by Contract, Agreement or Permit With Completed Operations and Primary and Non-contributory

1. Any person or organization who does not qualify as an Additional Insured in **A. Automatic Additional Insured Provisions Including Primary and Non-contributory**, **4. Additional Insureds**, paragraphs **a.** through **g.** above with whom you agreed in a written contract, agreement or permit to add as an additional insured on your policy is an additional insured only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

a. Premises you own, rent, lease or occupy;

b. Your ongoing operations for the additional insured(s) designated in the written contract, agreement or permit;

c. "Your work" included in the "products-completed operations hazard", but only if:

(1) The written contract, agreement or permit requires you to provide such coverage to the additional insured; and

(2) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

2. The insurance afforded to such additional insured described above:

a. Only applies to the extent permitted by law.

b. Will not be broader than the insurance which you are required by the written contract, agreement or permit to provide for such additional insured.

c. Applies on a primary basis and we will not seek contribution from any other insurance available to the Additional Insured, if that is required by the written contract, agreement or permit.

d. Does not apply if the "bodily injury", "property damage", or "personal and advertising injury" arises out of sole negligence of the additional insured.

e. Will not be broader than coverage provided to any other insured.

f. Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.

g. Does not apply unless the written contract or agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal and advertising injury".

h. Does not apply to any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.

i. Does not apply to any lessor of equipment after the equipment lease expires.

j. Does not apply to any:

(1) Owners or other interests from whom land has been leased if the "occurrence" takes place or the offense

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is committed after the lease for the land expires; or

(2) Managers or lessors of premises if:

(a) The “occurrence” takes place or the offense is committed after you cease to be a tenant in that premises; or

(b) The "bodily injury", "property damage", "personal and advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.

k. Does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising out of the rendering of or the failure to render any professional services.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “bodily injury” or “property damage” or the offense which caused the “personal and advertising injury” involved the rendering of or failure to render any professional services by or for you.

3. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

1. Required by the written contract, agreement or permit described in **B. Additional Insured by Contract, Agreement or Permit With Completed Operations and Primary and Non-contributory,** paragraph **1.** or

2. Available under the applicable Limits of Insurance shown in the Declarations or any endorsement to this policy.

This provision shall not increase the applicable Limits of Insurance shown in the Declarations.

SECTION II – COVERAGE EXTENSIONS

A. Supplementary Payments Extension

SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS – COVERAGES A AND B, paragraph **1.** is replaced by the following:

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

a. All expenses we incur.

b. Up to $2500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

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

e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys’ fees or attorneys’ expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limits of Insurance.

B. Alienated Premises

SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, j. Damage to Property, paragraph **(2)** is replaced by the following:

(2) Premises you sell, give away or abandon, if the “property damage” arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

C. Broad Form – Property Damage Legal Liability

The following is added to **SECTION III - LIMITS OF INSURANCE**, Paragraph **6.**

The Damages to Premises Rented to You Limit shown on the Declarations will apply to a claim because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily

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occupied by you with permission of the owner. If the General Aggregate Limit shown on the Declarations is less than $1,000,000, for the purpose of the Damages To Premises Rented to You coverage only, the General Aggregate Limit will be equal to the Damage to Premises Rented to You Limit shown on the Declarations. The Damage to Premises Rented to You Limit does not and should not be construed to increase the General Aggregate Limit except as provided in the limited circumstance described in this paragraph.

D. Broad Form Property Damage – Borrowed Equipment, Customers' Goods, Use of Elevators

1. The following is added to **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, j. Damage to Property**:

Paragraph **(4)** does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs **(3), (4)** and **(6)** do not apply to "property damage" to "customers' goods" while on your premises.

Paragraphs **(3), (4)** and **(6)** do not apply to the use of elevators.

2. For the purposes of this endorsement, the following definition is added to **SECTION V – DEFINITIONS**:

1. "Customers' goods" means property of your customer(s) on your premises for the purpose of being:

a. Worked on; or

b. Used in your manufacturing process.

3. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent or on any other basis.

E. Incidental Malpractice – Employed Nurses, EMT's and Paramedics

With respect to the **COMMERCIAL GENERAL LIABILITY COVERAGE** form, **SECTION II – WHO IS AN INSURED,** paragraph **2.a.(1)(d)** and with respect to the **SMALL COMMERCIAL LIABILITY COMPANION** endorsement, **SECTION IV – EXCLUSIONS, A. Professional Services** do not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

F. Personal and Advertising Injury – Broad Form

1. SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, **2. Exclusions, e. Contractual Liability** is deleted.

2. SECTION V – DEFINITIONS, **14.** "Personal and advertising injury", paragraph **b.** is replaced by the following:

b. Malicious prosecution or abuse of process.

3. The following is added to **SECTION V – DEFINITIONS**, **14.** "Personal and advertising injury":

"Discrimination" (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such "discrimination" is:

(1) Not done intentionally by or at the direction of:

(a) The insured;

(b) Any officer of the corporation, director, stockholder, partner or member of the insured; and

(2) Not directly or indirectly related to an "employee", nor to the employment, prospective employment or termination of any person or persons by an insured.

4. For purposes of this endorsement, the following definition is added to **SECTION V – DEFINITIONS:**

1. "Discrimination" means the unlawful treatment of individuals based upon race, color, ethnic origin, gender, religion, age, or sexual preference. "Discrimination" does not include the unlawful treatment of individuals based upon developmental, physical, cognitive, mental, sensory or emotional impairment or any combination of these.

5. This coverage does not apply if liability coverage for "personal and advertising injury" is excluded either by the provisions of the Coverage Form or any endorsement thereto.

G. Product Recall Expense

1. SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, **n. Recall of Products, Work or Impaired Property** is replaced by the following:

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection,

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repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product" if the "covered recall" was initiated during the policy period.

However, the exception to the exclusion does not apply to "product recall expenses" resulting from:

(4) Failure of any products to accomplish their intended purpose;

(5) Breach of warranties of fitness, quality, durability or performance;

(6) Loss of customer approval, or any cost incurred to regain customer approval;

(7) Redistribution or replacement of "your product" which has been recalled by like products or substitutes;

(8) Caprice or whim of the insured;

(9) A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;

(10) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials; or

(11) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.

2. The following is added to **SECTION II – WHO IS AN INSURED,** paragraph **3.b.**:

"Product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.

3. The following is added to **SECTION III – LIMITS OF INSURANCE**:

Product Recall Expense Limits of Insurance

a. The Limits of Insurance shown in the **SUMMARY OF COVERAGES** of this endorsement and the rules stated below fix the most that we will pay under this Product Recall Expense coverage regardless of the number of:

(1) Insureds;

(2) "Covered Recalls" initiated; or

(3) Number of "your products" withdrawn or recalled**.**

b. The Product Recall Expense Aggregate Limit is the most we will reimburse you for the sum of all "product recall expenses" incurred for all "covered recalls" initiated during the policy period.

c. The Product Recall Each Occurrence Limit is the most we will pay in connection with any one defect or deficiency.

d. All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one "occurrence".

e. Any amount reimbursed for "product recall expenses" in connection with any one "occurrence" will reduce the amount of the Product Recall Expense Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

f. If the Product Recall Expense Aggregate Limit has been reduced by reimbursement of "product recall expenses" to an amount that is less than the Product Recall Expense Each Occurrence Limit, the remaining Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

g. Product Recall Deductible

We will only pay for the amount of "product recall expenses" which are in excess of the $500 Product Recall Deductible. The Product Recall Deductible applies separately to each "covered recall". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable. Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

The Product Recall Expense Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that

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case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

4. The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, **2. Duties in the Event of Occurrence**, **Offense, Claim or Suit**:

   You must see to it that the following are done in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

   (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled. Include a description of "your product" and the reason for the withdrawal or recall;

   (2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

5. For the purpose of this endorsement, the following definitions are added to **SECTION V – DEFINITIONS**:

   1. "Covered recall" means a recall or withdrawal made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or is reasonably expected to result in "bodily injury" or "property damage".

   2. "Product recall expense(s)" means:

   a. Necessary and reasonable expenses for:

   (1) Communications, including radio or television announcements or printed advertisements including stationary, envelopes and postage;

   (2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;

   (3) Remuneration paid to your regular "employees" for necessary overtime;

   (4) Hiring additional persons, other than your regular "employees";

   (5) Expenses incurred by "employees" including transportation and accommodations;

   (6) Expenses to rent additional warehouse or storage space;

   (7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal,

   you incur exclusively for the purpose of recalling "your product"; and

   b. Your lost profit resulting from such "covered recall".

6. This Product Recall Expense Coverage does not apply:

   a. If the "products – completed operations hazard" is excluded from coverage under this Coverage Part including any endorsement thereto; or

   b. To "product recall expense" arising out of any of "your products" that are otherwise excluded from coverage under this Coverage Part including endorsements.

H. Who is an Insured Amended

1. **SECTION II – WHO IS AN INSURED**, paragraph **2.a.(1)(d)** is replaced by the following:

   (d) Arising out of his or her providing or failing to provide professional services.

2. **Insured Employee Extension**

   The following is added to **SECTION II – WHO IS AN INSURED**, paragraph **2.a.(1)(a)**:

   With respect to "bodily injury" only, the limitations above do not apply to your "employees" as insureds with respect to damages caused by cardiopulmonary resuscitation or first aid services administered by such an "employee".

3. **Who is an Insured – Subsidiaries**

   The following is added to **SECTION II – WHO IS AN INSURED**:

   Subsidiaries

   Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

   a. You maintain an ownership interest of more than 50% in such subsidiary on the first day of the policy period; and

   b. Such subsidiary is not an insured under similar other insurance.

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No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

c. Before you maintained an ownership interest or more than 50% in such subsidiary; or

d. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

4. Newly Acquired or Formed Organizations – 180 Days

SECTION II – WHO IS AN INSURED, paragraph **3.a.** is replaced by the following:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

I. Limits of Insurance Amended

General Aggregate Limits of Insurance Per Location

The following is added to **SECTION III – LIMITS OF INSURANCE**:

The General Aggregate Limits of Insurance apply separately to each of your "locations" owned by or rented to you. "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

J. Blanket Waiver of Subrogation

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, **8. Transfer of Rights of Recovery Against Others to Us**:

We waive any right of recovery we may have against any person or organization with whom you have a written contract, agreement or permit to waive any rights of recovery against such person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard".

This condition does not apply to Medical Expenses Coverage.

K. Unintentional Failure to Disclose Hazards

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, **6. Representations** is replaced by the following:

6. Representations

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

L. Unintentional Failure to Notify/Knowledge of an Occurrence

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 2. Duties in the Event of Occurrence, Offense, Claim or Suit,** paragraph **a.**:

Your rights afforded under this Coverage Part shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury", "property damage" or "personal and advertising injury" is not covered under this Coverage Part.

Knowledge of an "occurrence" or offense by an agent or "employee" of the insured will not constitute knowledge by the insured, unless an "executive officer" of the insured knows about such "occurrence" or offense. Failure of an agent or "employee" of the insured, other than an "executive officer" of the insured, to notify us of an "occurrence" or offense that such person knows about will not affect the insurance afforded to you.

M. Medical Payments – Three Years to Report

SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS, 1. Insuring Agreement, paragraph **a.(3)(b)** is replaced by the following:

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

SECTION III – ADDITIONAL CONDITIONS

The following are added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

A. Liberalization

If, within 45 days prior to or during the policy period, we adopt any revision that would broaden the coverage under this policy without additional premium, the broadened coverage will immediately apply to this policy.

B. Concealment, Misrepresentation or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;

2. The Covered Property;

3. Your interest in the Covered Property; or

4. A claim under this policy.

C. Insurance Under Two or More Coverages

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It is our stated intent that the various Coverage Parts, forms, endorsements or policies issued to the named insured by us, or any company affiliated with us, do not provide any duplication or overlap of coverage for the same claim, “suit”, “occurrence”, offense, accident, “wrongful act” or loss. We will not pay more than the actual amount of the loss or damage.

If this Coverage Part and any other Coverage Part, form, endorsement or policy issued to the named insured by us, or any company affiliated with us, apply to the same claim, "suit", occurrence, offense, accident, “wrongful act” or loss, the maximum Limit of Insurance under all such Coverage Parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Insurance under any one Coverage Part, form, endorsement or policy.

This condition does not apply to any Excess or Umbrella Policy issued by us specifically to apply as excess insurance over this policy.

SECTION IV – EXCLUSIONS

A. The following are added to **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY, 2. Exclusions**:

Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

(1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

(2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraphs **(1)** or **(2)** above.

However, unless paragraph **(1)** above applies, this exclusion does not apply to damages because of “bodily injury”.

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

Aircraft Products, Grounding and Testing

(1) “Bodily injury”, “property damage” or “personal and advertising injury” arising out of:

(a) “Aircraft products” or reliance upon any representation or warranty made with such product;

(b) The “grounding” of any aircraft; or

(c) The “testing” of any aircraft.

(2) For purposes of this Exclusion, the following definitions apply:

(a) “Aircraft Products” means:

(i) Aircraft, including but not limited to missiles, spacecraft, or any other aircraft goods or products you manufacture, sell, handle or distribute;

(ii) Aircraft and any ground support or control equipment used in connection therewith;

(iii) Any product provided by the insured and installed or used in connection with any aircraft;

(iv) Any tooling used in respect to any aircraft;

(v) Training and navigational aids, instructions, manuals, blueprints, engineering or other data in connection with any aircraft;

(vi) Any advice, service or labor supplied with any aircraft; or

(vii) Services you or others trading under your name provide or recommend for use in the manufacture, repair, operation, maintenance or use of any aircraft.

(b) “Grounding” means the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft, due to the existence of or alleged or suspected existence of any defect, fault or condition:

(i) In such aircraft or any part sold, handled or distributed by you or that is manufactured, assembled or

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processed by any other person or organization according to your specifications, plans, suggestions, orders or drawings; or

(ii) With tools, machinery or other equipment furnished to such persons or organizations by you;

whether such withdrawn aircraft are owned or operated by the same or different persons or organizations.

"Grounding" shall be deemed to commence on the date of an "occurrence" which discloses the necessity of "grounding" or on the date an aircraft is first withdrawn from service because of such condition, whichever comes first.

(c) "Testing" means examination, observation, evaluation or measuring of the performance of "aircraft products", while either in the air or on the ground.

Professional Services

"Bodily injury", "property damage", or "personal and advertising injury" caused by the rendering of or failure to render any professional service, advice or instruction:

(1) By any insured; or

(2) On behalf of any insured; or

(3) From whom any insured assumed liability by reason of a contract or agreement,

regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

Professional services include but are not limited to:

(4) Legal, accounting or advertising services, notary, title abstract, tax preparation, real estate, stockbroker, publishing, architects or insurance services;

(5) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

(6) Supervisory, inspection or engineering services;

(7) Any medical, surgical, dental, x-ray, nursing, health or therapeutic services, treatment, advice or instruction including, but not limited to, the prescribing, furnishing or dispensing of drugs;

(8) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming, including body piercing services or use or exposure to any sun lamp, tanning booth or other similar appliance;

(9) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

(10) Services in the practice of pharmacy;

(11) Management, Human Resource, Testing, Media or Public Relations consulting services.

This exclusion applies even if a claim alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional service.

Unmanned Aircraft

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading and unloading".

This paragraph applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This paragraph does not apply to:

(a) The use of another's advertising idea in your "advertisement"; or

(b) Infringing upon another's copyright, trade dress or slogan in your "advertisement".

(2) For purposes of this endorsement, the following is added to **SECTION V – DEFINITIONS**:

"Unmanned aircraft" means an aircraft that is not:

(a) Designed;

(b) Manufactured; or

(c) Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

B. The following is added to **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, **2. Exclusions** and **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**, **2. Exclusions**:

Nuclear Energy Liability

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(1) "Bodily injury" or "property damage":

(a) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

(i) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

(ii) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

(2) Under **COVERAGE C – MEDICAL PAYMENTS**, expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

(3) "Bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

(a) The "nuclear material":

(i) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or

(ii) Has been discharged or dispersed therefrom;

(b) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(c) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

(4) As used in this exclusion:

(a) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(b) "Hazardous properties" include radioactive, toxic or explosive properties;

(c) "Nuclear facility" means:

(i) Any "nuclear reactor";

(ii) Any equipment or device designed or used for:

1) Separating the isotopes of uranium or plutonium;

2) Processing or utilizing "spent fuel"; or

3) Handling, processing or packaging "waste";

(iii) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(iv) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

(d) "Nuclear material" means "source material", "special nuclear material" or "by-product material";

(e) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

(f) "Property damage" includes all forms of radioactive contamination of property.

(g) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(h) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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(i) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

(j) "Waste" means any waste material:

(i) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and

(ii) Resulting from the operation by any person or organization of any "nuclear facility" included under paragraphs **(i)** and **(ii)** of the definition of "nuclear facility".

C. Amended Exclusion With Coverage Extension

SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, **2. Exclusions**, **g. Aircraft, Auto or Watercraft** is replaced by the following:

g. Aircraft (Other Than Unmanned Aircraft), Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than “unmanned aircraft”), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This paragraph **g.** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than “unmanned aircraft”), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This paragraph **g.** does not apply to:

(a) A watercraft while ashore on premises you own or rent;

(b) A watercraft you do not own that is:

(i) Less than 51 feet long; and

(ii) Not being used to carry persons or property for a charge;

(c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft (other than “unmanned-aircraft”) or watercraft; or

(e) "Bodily injury" or "property damage" arising out of:

(i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of “mobile equipment” if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or

(ii) The operation of any of the following machinery or equipment:

1) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

2) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or

(f) An aircraft (other than “unmanned aircraft”) that is:

(i) Chartered by, loaned to, or hired by you with a paid crew; and

(ii) Not owned by any insured.

SECTION V – AMENDED DEFINITIONS

A. SECTION V – DEFINITIONS, **3.** "Bodily injury", **16.** "Products – completed operations hazard", and **17.** "Property damage" are replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. “Bodily injury” includes mental anguish or other mental injury resulting from “bodily injury”.

16. "Products – completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if

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your contract calls for work at more than one job site.

(c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. “Property damage” means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

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insured's rights against all those other insurers.

c. When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

d. We will share the remaining loss, if any, with any other insurance that is not described in this provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations for this Coverage.

e. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable limits of insurance of all insurers.

f. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums we pay.

2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

a. Paid to us prior to the anniversary date; and

b. Determined in accordance with paragraph **2.** above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that is not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.

2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

3. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

K. Transfer of Rights of Recovery Against Others to Us

1. Applicable to **SECTION I - PROPERTY** Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

a. Prior to a loss to your Covered Property.

b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

(1) Someone insured by this insurance;

(2) A business firm:

(a) Owned or controlled by you; or

(b) That owns or controls you; or

(3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to **SECTION II - LIABILITY** Coverage:

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair such rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

We waive any right of recovery we may have against any person or organization with whom you have a written contract, permit or agreement to waive any rights of recovery against such person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard".

This condition does not apply to Medical Expenses Coverage.

L. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative but only while that legal representative is acting within the scope of their duties as your legal representative. Until your legal representative is appointed, anyone with proper temporary custody of your property will have your rights and duties but only with respect to that property.

1. **SECTION I - PROPERTY**, if two or more of this coverage part's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.
2. **SECTION II - LIABILITY**, it is our stated intent that the various Coverage Parts, forms, endorsements or policies issued to the named insured by us, or any company affiliated with us, do not provide any duplication or overlap of coverage for the same claim, "suit", "occurrence", offense, accident, "wrongful act" or loss. We will not pay more than the actual amount of the loss or damage.

   If this Coverage Part and any other Coverage Part, form, endorsement or policy issued to the named insured by us, or any company affiliated with us, apply to the same claim, "suit", occurrence, offense, accident, "wrongful act" or loss, the maximum Limit of Insurance under all such Coverage Parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Insurance under any one Coverage Part, form, endorsement or policy.

   This condition does not apply to any Excess or Umbrella Policy issued by us specifically to apply as excess insurance over this policy.

G. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

H. Other Insurance

1. **SECTION I - PROPERTY**

   If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But, we will not pay more than the applicable Limit of Insurance of **SECTION I - PROPERTY.**

2. **SECTION II - LIABILITY**

   If other valid and collectible insurance is available to the insured for a loss we cover under **SECTION II - LIABILITY**, our obligations are limited as follows:

   a. Primary Insurance

   This insurance is primary except when paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in paragraph **c.** below.

   However, if you agree in a written contract, written agreement, or written permit that the insurance provided to any person or organization included as an Additional Insured under this Coverage Part is primary and non-contributory, we will not seek contribution from any other insurance available to that Additional Insured which covers the Additional Insured as a Named Insured except:

   (1) For the sole negligence of the Additional Insured; or

   (2) When the Additional Insured is an Additional Insured under another liability policy.

   b. Excess Insurance

   This insurance is excess over:

   (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

   (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

   (b) That is Property Insurance for premises rented to you or temporarily occupied by you with permission of the owner;

   (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

   (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to **SECTION II - LIABILITY, Exclusion g. Aircraft, Auto or Watercraft**; and

   (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

   When this insurance is excess, we will have no duty under **SECTION II - LIABILITY** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the

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insured's rights against all those other insurers.

c. When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

d. We will share the remaining loss, if any, with any other insurance that is not described in this provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations for this Coverage.

e. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable limits of insurance of all insurers.

f. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums we pay.

2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

a. Paid to us prior to the anniversary date; and

b. Determined in accordance with paragraph **2.** above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that is not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.

2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

3. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

K. Transfer of Rights of Recovery Against Others to Us

1. Applicable to **SECTION I - PROPERTY** Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

a. Prior to a loss to your Covered Property.

b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

(1) Someone insured by this insurance;

(2) A business firm:

(a) Owned or controlled by you; or

(b) That owns or controls you; or

(3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to **SECTION II - LIABILITY** Coverage:

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair such rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

We waive any right of recovery we may have against any person or organization with whom you have a written contract, permit or agreement to waive any rights of recovery against such person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard".

This condition does not apply to Medical Expenses Coverage.

L. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative but only while that legal representative is acting within the scope of their duties as your legal representative. Until your legal representative is appointed, anyone with proper temporary custody of your property will have your rights and duties but only with respect to that property.

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WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2____% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization	**Job Description**
ONLY WHERE REQUIRED BY CONTRACT	X

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Policy No. W23-A883062-09 Endorsement No.

Insured

Insurance Company ALLMERICA FINANCIAL BENEFIT INSURANCE

Countersigned By _____

WC 04 03 06 (Ed 04-84)

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See *Specific Instructions* on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

ClientFirst Consulting Group LLC

2 Business name/disregarded entity name, if different from above.

dba ClientFirst Technology Consulting

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☑ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . P

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____

(Applies to accounts maintained outside the United States.)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

5 Address (number, street, and apt. or suite no.). See instructions.

1250 Corona Pointe Court, Suite 404

Requester's name and address (optional)

6 City, state, and ZIP code

Corona, CA 92879

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–		–				

or

Employer identification number

2	0	–	2	4	0	3	7	9	1

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person**  **Date**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid).
- Form 1099-DIV (dividends, including those from stocks or mutual funds).
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds).
- Form 1099-NEC (nonemployee compensation).
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers).
- Form 1099-S (proceeds from real estate transactions).
- Form 1099-K (merchant card and third-party network transactions).
- Form 1098 (home mortgage interest), 1098-E (student loan interest), and 1098-T (tuition).
- Form 1099-C (canceled debt).
- Form 1099-A (acquisition or abandonment of secured property).

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

Caution: If you don't return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);

2. Certify that you are not subject to backup withholding; or

3. Claim exemption from backup withholding if you are a U.S. exempt payee; and

4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and

5. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting is correct. See *What Is FATCA Reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding. Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441–1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the grantor trust.
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(l)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a saving clause. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if their stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first Protocol) and is relying on this exception to claim an exemption from tax on their scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include, but are not limited to, interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester;

2. You do not certify your TIN when required (see the instructions for Part II for details);

3. The IRS tells the requester that you furnished an incorrect TIN;

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or

5. You do not certify to the requester that you are not subject to backup withholding, as described in item 4 under "*By signing the filled-out form*" above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier.

What Is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you are no longer tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

• **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note for ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040 you filed with your application.

• **Sole proprietor.** Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or "doing business as" (DBA) name on line 2.

• **Partnership, C corporation, S corporation, or LLC, other than a disregarded entity.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

• **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. Enter any business, trade, or DBA name on line 2.

• **Disregarded entity.** In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner's name on line 1. The name of the owner entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, enter it on line 2.

Line 3a

Check the appropriate box on line 3a for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3a.

IF the entity/individual on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation.
• Individual or • Sole proprietorship	Individual/sole proprietor.
• LLC classified as a partnership for U.S. federal tax purposes or • LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation	Limited liability company and enter the appropriate tax classification: P = Partnership, C = C corporation, or S = S corporation.
• Partnership	Partnership.
• Trust/estate	Trust/estate.

Line 3b

Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.

Note: A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

Line 4 Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

• Generally, individuals (including sole proprietors) are not exempt from backup withholding.

• Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.

• Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.

• Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space on line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).

2—The United States or any of its agencies or instrumentalities.

3—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities.

5—A corporation.

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or territory.

7—A futures commission merchant registered with the Commodity Futures Trading Commission.

8—A real estate investment trust.

9—An entity registered at all times during the tax year under the Investment Company Act of 1940.

10—A common trust fund operated by a bank under section 584(a).

11—A financial institution as defined under section 581.

12—A middleman known in the investment community as a nominee or custodian.

13—A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
• Interest and dividend payments	All exempt payees except for 7.
• Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
• Barter exchange transactions and patronage dividends	Exempt payees 1 through 4.
• Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5.[2]
• Payments made in settlement of payment card or third-party network transactions	Exempt payees 1 through 4.

[1] See Form 1099-MISC, Miscellaneous Information, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) entered on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37).

B—The United States or any of its agencies or instrumentalities.

C—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i).

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i).

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state.

G—A real estate investment trust.

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.

I—A common trust fund as defined in section 584(a).

J—A bank as defined in section 581.

K—A broker.

L—A trust exempt from tax under section 664 or described in section 4947(a)(1).

M—A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, enter "NEW" at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have, and are not eligible to get, an SSN, your TIN is your IRS ITIN. Enter it in the entry space for the Social security number. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/EIN*. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or Form SS-4 mailed to you within 15 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and enter "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third-party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor[2]
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee[1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner[1]
6. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
7. Grantor trust filing under Optional Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))**	The grantor*
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity[4]
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing Form 1041 or under the Optional Filing Method 2, requiring Form 1099 (see Regulations section 1.671-4(b)(2)(i)(B))**	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name on line 1, and enter your business or DBA name, if any, on line 2. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

***Note:** The grantor must also provide a Form W-9 to the trustee of the trust.

**For more information on optional filing methods for grantor trusts, see the Instructions for Form 1041.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax return preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity, or a questionable credit report, contact the IRS Identity Theft Hotline at 800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 877-777-4778 or TTY/TDD 800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint*. You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Go to *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their laws. The information may also be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.

PSA - ClientFirst

Final Audit Report 2026-05-11

Created:	2026-05-11
By:	Nick Cina (ncina@cityofpacificgrove.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAWsTTFmYkeAkpE8vgrF2buMMs_r1XoBgS

"PSA - ClientFirst" History

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Proposal Response to RFQ for

Advisory Services for Enterprise Resource Planning System Selection and Implementation

April 10, 2026

Optimal Technology Guidance

Client Locations

Coast-to-Coast

Practice Locations
California
Illinois
North Carolina
Texas

800.806.3080
www.clientfirstcg.com

CLIENTFIRST
TECHNOLOGY CONSULTING

April 10, 2026

City of Pacific Grove
Attn: City Clerk
300 Forest Avenue
Pacific Grove, CA 93950

RE: Proposal Response to RFQ for Advisory Services for Enterprise Resource Planning System Selection and Implementation

ClientFirst appreciates the opportunity to present the City of Pacific Grove with our proposal to evaluate and assist in selecting a suite of financial/accounting, human resources, and utility billing software applications. Our consultants have decades of experience providing ERP system assessments, process reviews, selection services, and implementation project management oversight to municipalities throughout the United States. Key qualifications include:

Local Government ONLY Focus – ClientFirst Technology Consulting specializes in helping local government agencies evaluate the ERP solutions that best fit their agency's specific business process requirements, foster buy-in and consensus across the organization, and provide the best value proposition.

True Independence – ClientFirst is completely independent and unbiased in its analysis and recommendations. We do NOT resell software or employ third-party implementers, trainers, or programmers for software solutions.

Expertise and Experience – ClientFirst has worked with hundreds of cities and counties across the country. The proposed project team has a track record of successful local government software assessments, evaluations, and implementations throughout the United States.

Our clients say we excel in these areas:

- Following best practices
- Customizing the business process review and new system feature/function requirements for each specific agency
- Building consensus throughout the organization
- Educating staff and transferring knowledge
- Effectively supporting change management and buy-in at all levels
- Improving implementation readiness and reducing risk
- Helping gain management and support of elected officials through education and business-case development

For any questions, feel free to contact me at 951.739.7989 or via email at dkrout@clientfirstcg.com for additional information. We look forward to the opportunity of serving the City of Pacific Grove as one of our many satisfied clients.

Sincerely,



David W. Krout, CPA *(inactive)*
Partner
Management Consulting Practice Leader

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Management and Team Members

The personnel selected for this engagement are experts in their respective disciplines, chosen to meet the specific needs of this project, and work as an integrated team to provide end-to-end consulting and support services. Detailed profiles for each Project Team member are found in this section.

Team Member Roles

Project Director – David Krout

The Project Director oversees the ClientFirst project activities and the quality assurance of the deliverables. This person also helps direct the ClientFirst project team consultants assigned to the project.

Project Manager – Jamie Shell

The Project Manager oversees the day-to-day ClientFirst project activities and management of the deliverables. This person also directs the ClientFirst project team's consultants assigned to the project and serves as the primary day-to-day contact for the client.

Application Consultants – Janet Federico, Alicia Burns

ClientFirst assigns two or more Application Consultants to every project for continuity and backup. These consultants perform business analysis and the necessary tasks to deliver the defined project scope of work.

Key Personnel

All assigned personnel have sufficient availability to complete this project on time and within budget.

David Krout – Partner, Enterprise Applications Consulting

Project Role: Quality Assurance Director, Business Process Analyst, and Solutions Architecture

David Krout, CPA (inactive), has been continually working with local governments nationwide on application improvement and selection projects for over 27 years. David has worked with over 150 agencies and has conducted thousands of business process reviews for all city and county departments, interviewing users across various departments. David developed the Firm's tools and approach for identifying opportunities, enhancing processes, and integrating these improvements into existing or new software and technology solutions.

Jamie Shell – Director, Enterprise Applications Consulting

Project Role: Project Manager, Lead Business Process Analyst

Jamie Shell (**former municipal Finance Director**) has over 27 years of public-sector experience, including 10 years in local government finance. He has successfully managed and implemented projects for **over 60 public-sector agencies** throughout the United States. He will serve as the Selection Project Manager and Business Process Analyst.

Janet Federico – Applications Consultant

Project Role: Business Process Analyst, Finance Subject-Matter Expert

Janet Federico has over 25 years of IT experience and more than 14 years of experience implementing software for government agencies. She has experience in developing functional and technical requirements, conducting gap analyses, performing system analyses, designing specifications, testing units and systems, implementing plans, executing projects, capturing lessons learned, and documenting systems. Janet's ERP-specific experience includes over 25 projects.

Alicia Burns – Applications Consultant

Project Role: Business Process Analyst, Human Capital Management Subject-Matter Expert

Alicia Burns has over 16 years of experience implementing ERP systems for private and public sectors. Her education and experience in implementation have enabled her to develop expertise in implementation planning, business process analysis and consulting, system analysis and design, user acceptance testing planning and assistance, end-user training planning, go-live planning, and technical and functional specifications. Alicia is an expert in extensive subject matter, including Payroll, Human Resources, and Time and Attendance.

David W. Krout, CPA *(Inactive)*

Partner – Enterprise Applications Consulting Practice Leader

David Krout has 27 years of experience assisting local governments with a broad scope of information technology needs. He specializes in working with organizations to identify their strategic, organizational, application, and functional requirements, and to determine which systems and/or specific applications are a proper fit for both the agency and the vendor.

David's unique and diversified background in business management, accounting, and management consulting has enabled him to collaborate with C-level executives and department staff from a practical, business-management perspective, maximizing their technology utilization.

Having also worked for a leading local government enterprise software provider, David brings a unique understanding of consulting, client representation, and vendor relationships to the collaboration between the agency and software vendors.

Highlights

- Served on the National Committee for Information Technology for the Institute of Management Accountants
- Former President, Institute of Management Accountants, Inland Empire Chapter
- Former Government IT Consulting Manager for RSM McGladrey, the nation's fifth-largest CPA and consulting firm
- Featured speaker for the California Society of Municipal Finance Officers (CSMFO), Municipal Information Systems Association of California (MISAC), and Texas Association of Government Information Technology Managers
- Project lead with over 150 public-sector agencies throughout the United States

Agency Experience

City of Albany
City of Batavia
City of Bloomington
City of Brentwood
City of Brisbane
City of Burbank
City of Burlington
City of Camarillo
City of Carlsbad
City of Cathedral City
City of Cedar Hill
City of Chico
City of Chino
City of Clovis
City of Colton
City of Corona
City of Coronado
City of Dana Point
City of Dublin
City of Emporia
City of Farmers Branch
City of Foster City
City of Gastonia
City of Healdsburg
City of Hemet
City of High Point
City of Highland Park
City of Hutto
City of Indio
City of La Habra
City of La Puente
City of Laguna Niguel
City of Lake Forest
City of Larkspur
City of Lomita
City of Manassas Park
City of Menlo Park
City of Mission Viejo
City of Mountain View
City of Murrieta
City of Newark
City of Novato
City of Pacifica
City of Palm Desert
City of Palmdale
City of Pelham
City of Petaluma
City of Piedmont
City of Rancho Mirage
City of Redlands
City of Rialto
City of Riviera Beach
City of Rosemead
City of St. Helena
City of Salisbury
City of San Bernardino
City of San Gabriel
City of San Jacinto
City of San Leandro
City of Sandpoint
City of Shawnee
City of Sierra Madre
City of Simi Valley
City of South Gate
City of Tracy
City of Tustin
City of West Covina
City of West Des Moines
City of West Sacramento
City of Whittier
City of Wilton Manors
City of Windsor
County of Buncombe
County of Butte
County of Denton
County of Douglas
County of Lassen
County of Mendocino
County of Orange
County of Plumas
County of Riverside
County of San Bernardino
Town of Danville
Town of Groton
Town of Hillsborough
Town of Truckee
Town of Windsor
Town of Woodside
Village of Northfield
Village of Oswego
Village of Park Forest
Village of River Forest
Coachella Valley MVCD
East Bay Regional Park District
El Toro Water District
Four Rivers Sanitation Authority
Jurupa Community Services District
Los Angeles Community Development Authority
Las Virgenes Municipal Water District
Mesa Water District
Midpeninsula Regional Open Space District
Ramona Municipal Water District
Rincon del Diablo Water District
Riverside County Sheriff's Office
San Bernardino Municipal Water
Walnut Valley Water District
West County Wastewater District
Western Municipal Water District
Castaic Lake Water Agency
Castro Valley Sanitary District
Cucamonga Valley Water District
Gastonia Water & Power
Glendale Water and Power



CREDENTIALS, DEGREES, AND AFFILIATIONS

- Certified Public Accountant (CPA) (Inactive)
- Bachelor of Science in Business Administration and Accounting – CSU San Bernardino

SPECIALTIES

- Business Process Reviews
- Applications Requirements Definition
- Enterprise Applications Architecture
- Current System Needs Analysis and Improvement
- New Software Selection Assistance
- Technology Master Planning
- Project Management and Oversight
- Conversion Assistance and Planning
- Contract Reviews and Negotiations

CPA
Certified Public Accountant
(Inactive)

It has been absolutely key to this project that ClientFirst, especially Dave, knows the governmental environment, its limitations and its opportunities.

—Director of Administrative Services
CA Municipality

Jamie T. Shell, PMP



Director, Enterprise Applications Consulting

Jamie Shell has over 27 years of public sector experience, including ten years working in local government finance (Finance Director) and over 15 years assisting local governments with various information technology needs. He specializes in working with organizations to identify their strategic, organizational, application, and functional requirements, and to determine which systems and/or specific applications are a proper fit for both the agency and the vendor.

Jamie's background in local government finance, project management, and software implementation has enabled him to collaborate closely with C-level executives, agency/department heads, and staff to optimize their technology utilization.

Having worked in government and as an enterprise software provider, Jamie brings a unique understanding of the perspectives of both the agency and software vendors.

Highlights

- Former municipal Finance Director
- Served as President of the Eastern Kansas Government Finance Officers Association (2005)
- Former manager of Client Services with one of the largest government ERP vendors
- Former manager of Professional Services with another major government ERP vendor
- Successfully managed onsite and remote projects for over 50 public-sector agencies throughout the United States

Agency Experience

City of Alpharetta
City of Atlanta
City of Barrie
City of Batavia
City of Battle Ground
City of Bentonville
City of Branson
City of Carlsbad
City of Cathedral City
City of Cedar Hill
City of Chattanooga
City of Clovis
City of Coronado
City of Dubuque
City of East Point
City of Edmonton
City of Elgin
City of Elmhurst
City of Emporia
City of Evanston
City of Farmers Branch
City of Flagstaff
City of Fort Collins
City of Gallup
City of Glendora
City of Grand Rapids
City of Henderson
City of High Point
City of Hoover
City of Hutto
City of Indianapolis/ Marion County
City of Kansas City
City of Medford
City of Memphis
City of Mesa
City of Miami
City of Minden
City of Naperville
City of New Port Richey
City of Newark
City of Norco
City of Novato
City of Oviedo
City of Pacifica
City of Palm Desert
City of Pearland
City of Petaluma
City of Piedmont
City of Pismo Beach
City of Port Angeles
City of Poulsbo
City of Prescott
City of Richmond
City of Salinas
City of San Bernardino
City of Simi Valley
City of St. Petersburg
City of South Gate
City of Stockton
City of Tracy
City of Tulare
City of Tyler
City of Vacaville
City of West Covina
City of West Hollywood
City of West Lafayette
City of West Sacramento
City of Wilmington
City of Wilton Manors
City of Woodside
County of Clermont
County of Cook
County of Denton
County of Douglas
County of Kauai
County of Lassen
County of Mendocino
County of Nassau
County of New Castle
County of Plumas
County of Ramsey
County of San Juan
County of San Mateo
Town of Cary
Town of New Canaan
Town of Isle of Palms
Town of Prescott Valley
Town of Vail
Town of Windsor
Village of Lincolnwood
State of New Jersey
State of New Mexico
California State Auditor's Office
California State Controller's Office
California Office of Emergency Services
Ewing Marion Kauffman Foundation
Province of Nova Scotia
State of Hawaii Campaign Spending Commission
State of Massachusetts Comptroller's Office
State of Maine Treasurer's Office
State of Michigan Administrative Office of Courts
State of Rhode Island Treasurer's Office
State of Virginia Dept of Rail & Public Transportation
Ewing Marion Kauffman Foundation
Castaic Lake Water Agency
Coachella Valley MVCD
Coachella Valley Water District
Commodities Futures Trading Commission
Cucamonga Valley Water District
East Bay Regional Park District
Four Rivers Sanitation Authority
Los Angeles Community Development Authority
Las Virgenes Water District
Riverside County Sheriff's Department
TrueNorth Educational Cooperative
West County Wastewater District
Jurupa CSD

CREDENTIALS, DEGREES, AND AFFILIATIONS

- Project Management Professional (PMP)
- Bachelor of Science in Business Administration and Accounting – Missouri Western State University

SPECIALTIES

- Certified Prosci Change Management Practitioner
- Business Process Reviews
- Applications Requirements Definition
- Enterprise Applications Architecture
- Current System Needs Analysis and Improvement
- New Software Selection Assistance
- Technology Master Planning
- Project Management and Oversight
- Conversion Assistance and Planning
- Contract Reviews and Negotiations

Janet Federico, MBA



Management Consultant

Janet Federico has over 12 years of experience with software implementations for local government agencies, as well as 14 years of IT project management experience across the government sector. Her in-depth experience with software configuration, business analysis, and user needs assessment enables her to oversee the successful implementation of both standard and customized software projects.

Skilled in all facets of the project life cycle for application software, she has experience developing functional and technical requirements, conducting gap analysis, performing system analysis, designing and specifying, conducting unit and system testing, implementing, planning execution, documenting lessons learned, and documenting systems.

Janet also has over six years of experience working with organizations to identify their strategic, organizational, application, and functional requirements, and to determine which systems and/or specific applications are a proper fit for the agency and vendor.

Additionally, having worked for a leading local government enterprise software provider, Janet brings a strong understanding of software implementation, consulting, process knowledge, and functional expertise, along with an understanding of customer needs and concerns throughout and post-implementation.

Highlights

- Multi-phased agency-wide software implementations
- Extensive knowledge of business and technical processes about enterprise applications

CREDENTIALS, DEGREES, AND AFFILIATIONS

- Master of Business Administration – Ellis College
- Bachelor of Science in Applied Management – Kaplan University

SPECIALTIES

- Project Management
- Conversion, Interface Planning, and Implementation Support
- Understanding of public sector departmental operations and application systems
- Workflow analysis and mapping
- Business Process Redesign
- System Configuration and Training
- Test and Go Live Plan Creation

Agency Experience

City of Bartlesville
City of Batavia
City of Bentonville
City of Carlsbad
City of Cathedral City
City of Cedar Hill
City of Clovis
City of Coronado
City of Corvallis
City of Decatur
City of Emporia
City of Farmers Branch
City of Fort Smith
City of Glendora
City of High Point
City of Highland Park
City of Hutchinson
City of Hutto
City of Menlo Park
City of Mountain View
City of Newark
City of Norco
City of Pacifica
City of Patterson
City of Piedmont
City of Salinas
City of San Bernardino
City of Simi Valley
City of South Gate
City of Tracy
City of Tulare
City of Tulsa
City of West Sacramento
City of Whittier
City of Wichita
City of Wilton Manors
City of Windsor
City of Wisconsin Springs
City of Wood Dale
Town of Whittier
Town of Windsor
Town of Woodside
Village of Hinsdale
Village of Orland Park
County of Champaign
County of Collin
County of Denton
County of Douglas
County of Lassen
County of Mendocino
County of Minnehaha
County of St. Joseph
Coachella Valley Mosquito Vector Control District
East Bay Regional Park District
El Toro Water District
Jurupa Community School District
Los Angeles County Development Authority
Las Virgenes Water District
County of Lassen
County of Mendocino
Riverside Co Sheriff's Dept
State of Texas (DFPS)

I just wanted to say that I thought the training sessions were very informative and clear, and I learned a lot from it. I appreciate your time spent to train us. Thank you so much!

—Account Clerk
CA Municipality

Alicia Burns, PMP, CSP-PO



Management Consultant

Alicia Burns has over 16 years of experience implementing ERP systems for private and public sectors. Her education and experience in implementation have enabled her to develop expertise in implementation planning, business process analysis and consulting, system analysis and design, user acceptance testing planning and assistance, end-user training planning, go-live planning, and technical and functional specifications.

Alicia's implementation career began as a payroll functional lead on the client side of an ERP implementation for a company with 6,000 employees spread across multiple states. She transitioned from full-time software implementations for a major private enterprise distributor to supporting the public sector thereafter.

As she is skilled in Agile project management methodologies, Alicia values client involvement and open communication about projects. She can navigate through the twists that a software implementation can bring.

Alicia's tenure at a major government enterprise software provider enables her to assess business needs, track project flow, and assist clients in developing best-practice solutions.

Alicia is committed to delivering high-quality work that meets or exceeds client expectations.

Highlights

- Multi-phased ERP application implementations
- In-depth knowledge of various payroll/HR platforms
- Well-versed in Agile project management methodologies

CREDENTIALS, DEGREES, AND AFFILIATIONS

- Bachelor of Science Information Technology Management – Cal State East Bay
- Bachelor of Science Business Operations and Resource Management Cal State – East Bay
- Project Management Professional (PMP) – PMI
- Certified Scrum Professional – Product Owner (CPOSP) – Six Sigma
- Certified Scrum Master

SPECIALTIES

- Project Management
- Business Process Review
- Implementation planning
- Go-live planning
- Best Practice
- Creative Solutions

Agency Experience

City of Alameda
City of Burlingame
City of Carlsbad
City of Cathedral City
City of Coronado
City of Diamond Bar
City of Dublin
City of Emporia
City of Farmers Branch
City of Fontana
City of Fountain Valley
City of Gilroy
City of Great Falls
City of Hanford
City of High Point
City of Independence
City of Lancaster
City of Lemoore
City of Long Beach
City of Long Beach Harbor
City of Nampa
City of Oxnard
City of Petaluma
City of Piedmont
City of Plumas
City of Port Hueneme
City of Redlands
City of Richland
City of Richmond
City of Rohnert Park
City of San Bernardino
City of Simi Valley
City of South Gate
City of Tulare
City of Yorba Linda
Town of Windsor
Village of Park Forest
County of Denton
County of Douglas
County of Lassen
County of Mendocino
County of Plumas
East Side Union High School District
Muskogee Creek Nation
Muskogee Creek Nation Tribal Health
Maricopa Association of Governments
San Diego Association of Governments
Desert Water Agency
Helix Water District
Las Virgenes Water District
Santa Margarita Water District
San Bernardino Municipal Water District
Golden Gate Bridge, Highway, and Transportation District

Scope of Work

Implementing modern enterprise application systems is essential to any Digital Transformation Strategy. Application system improvements begin with business process analysis to streamline and eliminate manual, paper-intensive processes, leverage mobility, enhance data analytics and reporting, and implement citizen interaction technologies wherever possible.

Our collaborative approach to software enables us to tailor each step to fit our clients' unique needs and specifications. We view this as a partnership with the City to improve the enterprise application environment.



Project Coordination and Management

Project Management

We will work with the City Project Manager to finalize the project work plan and timelines and arrange communications, logistics, and support. We also provide ongoing project coordination and status updates.

Project Kick-Off and Project Team Development

We conduct a formal Kick-Off Meeting and then work with the Project Manager from the organization to finalize the Project Charter, Communications Plan, and the Project Team (Project Management Office, or PMO). PMO is a best practice as defined by the Project Management Institute.

Phase I: Preparation of RFP for New ERP System

Preliminary Vendor Research

We will prepare a list of pre-screened information system vendors, along with their contact information. Our objective will be to identify vendors specializing in government agencies that have applications for future system needs already in production.

Review and Evaluate Request for Proposals (RFP) Documents

We will review, evaluate, and finalize the City's initial draft Request for Proposals (RFP) documents. Ideally, these documents allow a thorough comparison of all qualified vendors and include:

- Application Software: Processing and Reporting Requirements
  - Average Processing Volumes
  - Conversion Requirements
  - Interface Requirements
  - Other Application Considerations
- Systems Software
  - Operating System
  - Languages
  - Productivity Tools
  - Database
  - Other Systems Software
- Hardware
  - Platform Architecture Preferences
  - Service and Support Requirements
  - Other Technical Requirements
- Documentation
- Technical and User Training
- Other Required Proposal Elements
  - Vendor Instructions
  - Pre-Formatted Total-Cost-of-Ownership Forms:
    - Acquisition Costs
    - Maintenance Costs

- Other Relevant Cost Considerations

- Vendor-Related Information:
  - Number, Type, and Size of Users
  - Financial Condition
  - Support SLAs
  - Implementation Approach
  - Other Vendor Considerations

Phase II: ERP Selection Process

Issue RFP and Facilitate Vendor Response Activities

We assist in communicating with vendors, in accordance with the appropriate procurement requirements, during the preparation of their proposals. Written questions and answers are utilized to answer questions and respond to information requests.

Vendor Proposal Evaluations

We obtain any additional information necessary to analyze and evaluate proposal responses. This ensures that vendors can provide the desired services. We will provide a Summary Vendor Proposal Analysis. We also work with key City stakeholders to review the software vendors' noncompliant feature/function responses and the negative impact they will have on actual business operations. Prioritizing the vendor's weaknesses at this level differentiates the vendor's ability to be a close fit for the agency's desired process improvements.

Analysis Results Workshop

ClientFirst conducts a workshop that includes an analysis of vendor responses with key stakeholders. The analysis will include vendor side-by-side comparisons of functionality, customer base, references, technology, and pricing. We will also clarify any outstanding items with the shortlisted vendors before issuing invitations for demonstrations.

Develop Demonstration Documents

We prepare agendas with guides ("scripts") for vendor demonstrations and send them to the vendor for their preparation. We will assist the City in preparing additional examples and scripts, as needed.

Reference and Site-Visit Forms Preparation

We prepare forms for Project Team members to conduct finalist reference checks for City personnel to use during site visit(s).

Facilitate Onsite Vendor Demonstrations

The software demonstrations should ensure that all key and pertinent requirements defined by the organization are addressed.

The organization's personnel will evaluate the vendor demonstrations using Demonstration Evaluation Forms. These forms use a rating system to facilitate vendor comparison and to help identify each vendor's specific strengths and weaknesses from the agency's staff perspective.

Post-Demonstration Reference Checks, Site Visits, and Due Diligence/Follow-Up

We assist with vendor finalist due diligence, including managing post-demonstration follow-up as needed. Follow-up issues may include, but are not limited to:

- Memoranda regarding follow-up requirements
- Vendor communications
- Conversion and potential modification issues
- Facilitation of additional demonstrations
- Reviewing hardware requirements
- Participation in reference interviews

Facilitate Final Vendor Selection

ClientFirst conducts a meeting with the City's Project Team to facilitate discussion and finalize the vendor selection. The Vendor Demonstration Evaluations, combined with additional analysis and potential risk assessments, will be used to select finalists.

Present a written document reflecting core project team support for the finalist ERP system at a City Council meeting, recommending purchase of the system.

Phase III: ERP Contract Review & Implementation Plan

Implementation Plan (SOW) Review

We work with the agency and vendor to review the Statement of Work (SOW), which includes the implementation plan, project management team, resource requirements, vendor versus agency staff responsibilities, and timelines.

Contract Review and Negotiation Assistance

ClientFirst assists with contract review and negotiation assistance (in a non-legal capacity). We assume contract review and negotiations with a single primary vendor. Additional required and/or requested hours will be billed on a pre-approved, time-and-materials basis.

Action Plan Memorandum

Based on the information gathered during the evaluation process and the selected vendor's SOW, we prepare a memo outlining implementation requirements. The report will include:

- Prioritized system requirements
- Integration needs
- Data conversion requirements
- Project cost estimates
- Estimated project plan/timelines
- Estimated staff resource time commitment requirements

This assessment and planning report will detail the City's resources needed to implement the solution, considering the workload demands of an ERP implementation.

ClientFirst approached projects with a good strategy and delivered real-world insights and suggestions for solutions.

—Assistant IT Director
Software Selection

When ClientFirst sees a unique situation, they don't try to dictate a response based on previous experiences. ClientFirst is open to listen and find creative solutions.

—IS Director
Software Selection

Phase IV – Implementation Project Management Services (Optional)

Implementation Plan and Approach

The City requires assistance with implementation planning and project management. At a high level, the following steps will be required for each task: design, design documentation, setup, configuration, conversion, data testing, training, go-live, and post-go-live support. Additionally, integration between the ERP system and other City systems, as well as reporting requirements, will also be required.

The City's functional or module leads serve as co-coordinators for the implementation led by the City's Project Manager. The selected vendor will provide a project manager to coordinate all vendor tasks. The vendor project manager will primarily interface with the City Project Manager. ClientFirst will provide project initiation and planning.

Below, we show typical implementation planning and organization of a project of this magnitude.

Implementation Organization Methodology

Project Management Office Defined

The Project Management Office (PMO), as defined by the Project Management Institute (PMI), is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements. Project management is accomplished through the appropriate application and integration of 42 project-related processes comprising the five process groups of (1) initiating, (2) planning, (3) executing, (4) monitoring and controlling, and (5) closing.

PMO typically includes:

1. Identifying and documenting project requirements
2. Addressing the needs, concerns, and expectations of the stakeholders
3. Balancing competing project constraints, including scope, quality, schedule, budget, resources, and risk

To be successful, tasks must be done in the proper order. Skipping steps, re-sequencing, or a lack of focus all reduce the chances of success. Creativity may be permitted within the general structure, but only under specific circumstances.

Organization Structure

Every project is unique, and the method must be tailored to the specific situation, including the people, time, budget, scope, and other relevant constraints.

1. An enterprise implementation is **not a technology project**. It is an investment in an "organizational transformation and process improvement" project.
2. Technology can enable and accelerate transformation, but it cannot cause one.

Project Initiation

The components of Project Initiation are outlined below.

- Project Organization
- Stakeholder Identification
- Develop Project Charter
  - The Project Charter is a clear, shared understanding and authorization for the project to be completed. It includes:
    - A statement of business needs and objectives
    - An agreement on the deliverables
    - An overview of the plan to accomplish the project on time and within budget
    - Clear accountability for realizing the benefits
    - Relevant metrics
    - An effective benefits realization process
    - Project Kick-Off Meeting
    - PMO – PMO Role Defined

Project Planning

- Confirm project scope, deliverables, work plan, resources, and budget
- Plan for:
  - Project Governance
  - Quality Assurance
  - Risk Mitigation
  - Project Communication and Information Management
  - Project Reporting
  - Project Document
  - Project Team
  - Organizational Change Management
  - Post Implementation Support Project Monitoring, Controlling, and Reporting
- Scope Management
- Work Plan/Production Monitoring and Management
- Budget Monitoring
- Quality Assurance Management
- Application Design and Configuration
- Infrastructure Deployment
- Training and Knowledge Transfer
- Data Conversion
- Reports, Queries, Forms, and Analytics
- Interfaces and Integrations
- Modifications and Enhancements
- Testing and Systems Validation
- Documentation Production
- Deliverables Assurance

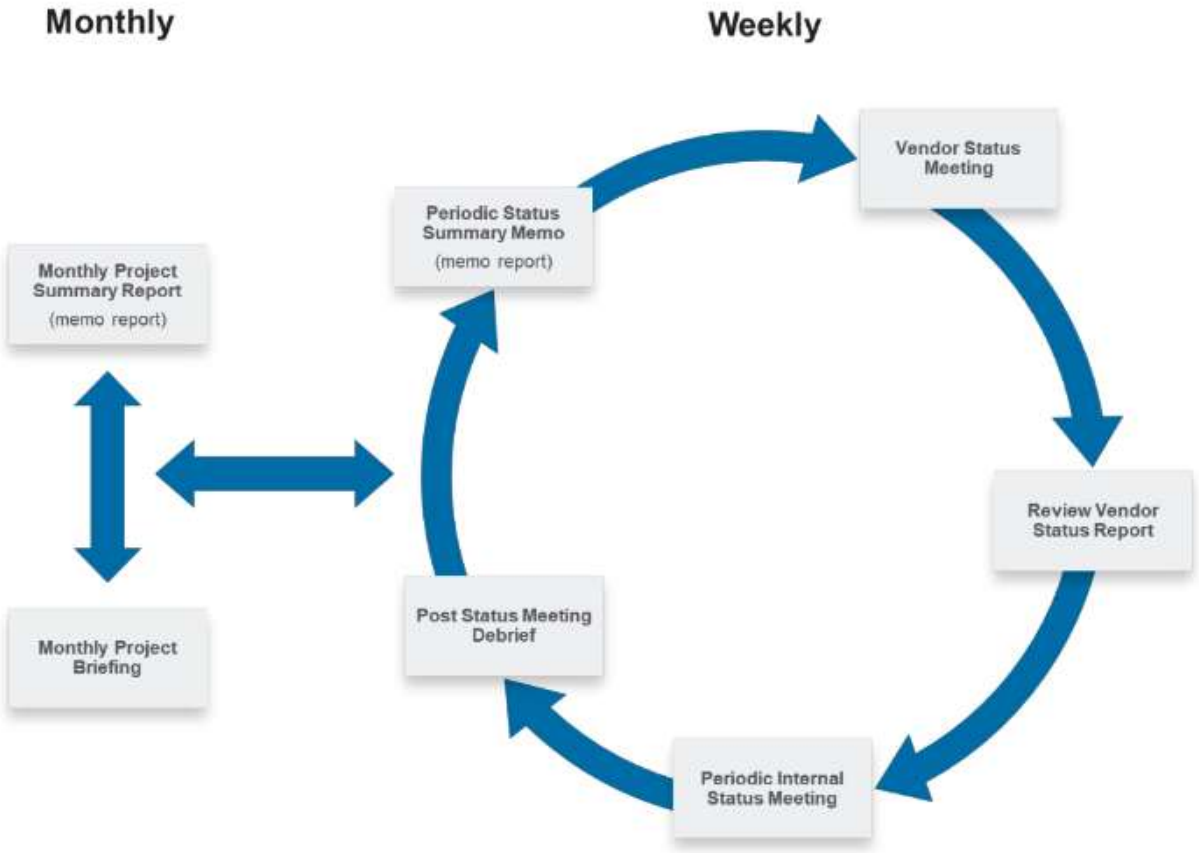
Additional Project Monitoring, Controlling, and Reporting Responsibilities

- Risk Management and Mitigation
- Project Communication and Information Management
- Status Reporting
- Status Meetings

- Information Repository and Sharing
- Project Team Management
- Change and Issue Management
- Post-Implementation Support Readiness
- Organizational Change Management

Project Completion and Assessment

- Post-Implementation Assessment
- Support, Growth, and Maintenance Planning



Organization Qualifications

Our consultants have assisted local governments with innovative technology solutions with ClientFirst for 22 years, bringing many more years of experience in this field. Our risk-averse technology planning and the quality of service we provide our clients have resulted in numerous long-term business relationships. We are confident that no other consulting firm focusing on local governments offers the wide range of IT services that we do.

Government Technology



Focusing on local governments means we understand the unique needs, processes, protocols, and political nuances of the industry. This **understanding and experience** ensure that our strategies and recommendations are practical. Our management team's career experience includes over 3,500 projects for more than 500 local government agencies.

Local Presence and Practice Locations

We have a local presence with extensive experience in California. ClientFirst is a national firm with practices located in California, Illinois, Texas, and North Carolina.



Corona, CA



Schaumburg, IL



San Antonio, TX



Charlotte, NC

Business Management Approach

Not all government executives are aware of the latest technological issues and opportunities. Therefore, our approach and deliverables provide a business-management perspective that enables **laypeople to understand the technology issues, strategies, and potential solutions required to make more informed business decisions.**

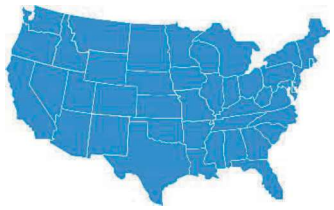
Practical Recommendations

We believe in using technology to meet the agency's business objectives; we do not apply technology just for technology's sake. We are serious in our quest to provide clients with practical solutions that meet their requirements. Sometimes, the proper solution includes cutting-edge technology. However, a cost-effective and practical solution using proven technology is often the most beneficial.



True Independence

ClientFirst believes in practicing **true independence**. We do not resell products or maintain relationships that would result in add-on profit margins or referral fees. Our focus is on **putting the client first** by finding optimal solutions (i.e., the greatest value at the lowest competitive cost) to meet their needs.



National Recognition

Many of the industry's leading vendors recognize our consultants nationally for their work. They appreciate the fairness and objectivity we demonstrate when dealing with their organizations.

Industry Recognition

CIO Review

ClientFirst has been featured in *CIO Review* as one of the "20 Most Promising Government Technology Solution Providers".



CIOReview

The Navigator for Enterprise Solutions

20 Most Promising Government Technology Solution Providers

ClientFirst Technology Consulting

Bringing Innovation, Optimization, and Measurement to Local Government

SERVICES

Government agencies are striving for greater accountability and responsiveness by providing citizens more information and self-service, thereby garnering the confidence that their government is performing its best

National Speakers

ClientFirst personnel have conducted educational sessions at national and local conferences, including CSMFO, MISAC, GFOA, and more.

Diversified Experience

We have **extensive experience with a wide variety of organizations and technology and processing environments**. In addition, we have significant market knowledge of software and hardware providers and are well-informed about vendor and industry developments.

Integrated Technology Solutions Groups

Whatever the agency's technology needs are, we offer a unique combination of experts in their respective disciplines who can guide technology decisions, planning, implementation, and management. These experts are chosen to meet the specific needs of each project and work as an integrated team to **provide end-to-end consulting and support services**.

ClientFirst Integrated Technology Solutions Groups



Integrated Technology Services

Applications Consulting

Business Process Review

- Business Case Analysis
- Assessment and Recommendations
- Process Analysis and Improvement

Software Selection

- Feature / Function Requirements
- Implementation Risk Assessment
- Change Management
- RFP Development
- Vendor Analysis and Evaluation
- Demonstration Facilitation
- Contract Review and Negotiation
- Implementation Project Management
- Ad Hoc Report-Writing Assistance

IT Infrastructure

Networking and Servers

- Assessment, Design, and Installation
- Replication and Redundancy Strategies
- Virtualization
- Cloud Computing
- Wireless
- Data Center Design

Disaster Recovery

- Risk Assessment and Business Impact Analysis
- Disaster Recovery Planning
- Hot-Site and Recovery Services Evaluation
- Storage Area Networking
- Backup Strategies and Design

Cybersecurity

- Assessment and Planning
- Applications and Hardware Security
- Cybersecurity Review
- Security Policy and Control Development
- Intrusion Testing
- Workshops and Training
- Compliance: NIST, NCCoE, PCI, CJIS, NEA/FERC

Structured Cabling System Design

- Assessment and Certification
- CADD Design and Layout
- RFP / Vendor Selection
- Project Management
- Documentation
- Fiber-Optic Network Design

Management Consulting

- Technology Strategic/Master Planning
- IT Assessment
- IT Staffing Assessment
- Process Improvement
- Procurement Assistance
- Contract Negotiation
- Project Management
- IT Governance Seminars

ECMS

- Needs Assessment
- Business Process Review
- System Selection
- Planning
- Implementation Oversight

GIS

- Assessment and Planning
- Design
- Data Management
- Development
- Mapping

Community Development

- Public Portals
- System Administration
- Gap Analysis
- Software Selection
- Implementation Project Management

IT Staffing/Augmentation

- IT Staffing Needs Assessment and Operational Reviews
- Interim IT Management
- Supplemental IT Management Staffing

Telecommunications Consulting

- VoIP Readiness Review
- Systems Evaluation, Design, Specifications, and RFP Development
- Bill Audits (Cost Analysis and Negotiation)
- Telecom Expense Management (TEM)
- Credit / Refund Requests
- Strategic Planning
- Project Management
- Carrier Services Cost Analysis
- Operational and Workflow Reviews
- System Selection and Contract Negotiations

Areas of Expertise

The consultants assigned to this engagement have direct experience in a broad range of products and services.



Consultants' Collective Experience

We understand that the experience of the individual consultants is a significant factor in hiring a firm to conduct the project on your behalf. Our consultants have extensive public-sector experience in their respective careers, including projects with the following agencies:



California
City of Albany
City of Azusa
City of Benicia
City of Big Bear Lake
City of Brentwood
City of Brisbane
City of Burbank
City of Calabasas
City of Camarillo
City of Carlsbad
City of Cathedral City
City of Cerritos
City of Chico
City of Chino
City of Clovis
City of Colton
City of Corona
City of Coronado
City of Covina
City of Dana Point
City of Downey
City of Dublin
City of Emeryville
City of Escondido
City of Fairfield
City of Foster City
City of Fountain Valley
City of Glendale
City of Glendora
City of Healdsburg
City of Hemet
City of La Habra
City of La Mesa
City of La Puente
City of Laguna Niguel
City of Larkspur
City of Lathrop
City of Lomita
City of Loomis
City of Marina
City of Menlo Park
City of Mission Viejo
City of Montclair
City of Moreno Valley
City of Mountain View
City of Murrieta
City of Newark
City of Norco
City of Novato
City of Pacific Grove
City of Pacifica
City of Palm Desert
City of Palmdale
City of Patterson
City of Petaluma
City of Piedmont
City of Pinole
City of Pismo Beach
City of Port Hueneme
City of Rancho Cucamonga
City of Rancho Mirage
City of Redlands
City of Rialto
City of Rohnert Park
City of Rosemead
City of Sacramento
City of Salinas
City of San Bernardino
City of San Clemente
City of San Gabriel
City of San Jacinto
City of San Leandro
City of San Pablo
City of San Rafael
City of Seal Beach
City of Sierra Madre
City of Simi Valley
City of South Gate
City of South Pasadena
City of South San Francisco
City of St. Helena
City of Sunnyvale
City of Temecula
City of Tracy
City of Tulare
City of Tustin
City of Upland
City of Vacaville
City of West Covina
City of West Sacramento
City of Whittier
City of Woodland
Town of Danville
Town of Hillsborough
Town of San Anselmo
Town of Truckee
Town of Windsor
Town of Woodside
Town of Yucca Valley
County of Butte
County of Lassen
County of Mariposa
County of Mendocino
County of Plumas
County of Riverside
County of San Bernardino
County of Tuolumne
County of Yolo
Riverside County Sheriff
Central County Fire
Hemet Library
Los Angeles County Development Authority
Moraga-Orinda Fire District
Transportation Agency of Monterey County
CA-NV American Water Works Association
Castaic Lake Water Agency
Castro Valley Sanitary District
Coachella Valley Mosquito Vector Control District
Cucamonga Valley Water District
East Bay Regional Park District
El Toro Water District
Fresno Irrigation District
Glendale Water and Power
Hayward Area Recreation and Park District
Jurupa Community Services District
Las Virgenes Water District
Livermore Area Recreation and Park District
Mesa Water District
Midpeninsula Regional Open Space District
Newhall County Water District
Novato Sanitary District
Palmdale Water District
Ramona Municipal Water District
Rincon del Diablo Municipal Water District
Rosamond Community Services District
San Bernardino Municipal Water
San Mateo Consolidated Fire District
Southern California Coastal Water Research
Sweetwater Authority
Tahoe City Public Utility
Union Sanitary District
Walnut Valley Water District
West County Wastewater District
Western Municipal Water District
Colton Joint Unified School District
Fontana Unified School District
Irvine Unified School District
Lake Elsinore Unified School District
Menifee Unified School District
Mountain View School District
Ohlone Community College
Palm Springs School District
Romoland School District
San Jose Community College
San Marino Unified School District
University of California Berkeley
University of California San Francisco

Alabama
City of Pelham

Arizona
City of Prescott
County of Maricopa

Connecticut
City of Bristol
City of New Haven
Groton Police and Communications Dispatch
Town of Groton

Florida
City of Cape Coral
City of Deerfield Beach
City of Dunedin
City of Fort Lauderdale
City of Pompano Beach
City of Port St. Lucie
City of Riviera Beach
City of Wilton Manors

Idaho
City of Sandpoint

Illinois
City of Bloomington
City of Champaign
City of Countryside
City of Crystal Lake
City of Highland Park
City of Joliet
City of Lake Forest
City of Moline
City of Morton Grove
City of Naperville
City of Oakbrook Terrace
City of Orland Park
City of Prospect Heights
City of Rock Island
City of Rockford
City of St. Charles
City of Waukegan
City of Wood Dale
Village of Arlington Heights
Village of Barrington Hills
Village of Bloomingdale
Village of Cary
Village of Glencoe
Village of Homewood
Village of Itasca
Village of Kenilworth
Village of Lake Barrington
Village of Libertyville
Village of Lincolnwood
Village of Lisle
Village of Matteson
Village of Morton Grove
Village of Norridge
Village of Northbrook
Village of Northfield
Village of Oak Brook
Village of Oak Park
Village of Orland Park
Village of Oswego
Village of Palos Park
Village of Park Forest
Village of River Forest
Village of Riverside
Village of South Barrington
Village of Westmont
Village of Wheeling
Town of Normal
County of Du Page
County of Peoria
County of Sangamon
County of Winnebago

Iowa
City of Ankeny
City of Bettendorf
City of Burlington
City of Cedar Rapids
City of Des Moines
City of New Hampton
City of West Des Moines
Collier County Board of Commissioners
County of Johnson
County of Linn
Burlington Community School District
Cedar Rapids Community School District
Davenport School District
Dubuque Community School District
Knoxville Community School District
Mason City School District
North Scott School District
Des Moines Area Community College
Cedar Falls Utilities

Kansas
City of Emporia
City of Shawnee

Michigan
University of Michigan
Lake Superior State University

Minnesota
County of Anoka

Nevada
County of Douglas
County of Nye
Town of Pahrump

New York
City of Batavia
Village of Ossining

North Carolina
City of Burlington
City of Gastonia
City of High Point
City of Kinston
City of Mount Airy
City of Salisbury
Town of Southern Pines
Arc of Stanley County
County of Buncombe
County of Cabarrus
County of Davie
County of Orange
St. Augustine College
Wake Forest University
Eastern Band of Cherokee Indians
Salisbury Rowan Utilities

Ohio
County of Cuyahoga
County of Montgomery

South Dakota
Rapid City Area Schools

Texas
City of Cedar Hill
City of Dallas
City of Farmers Branch
City of Hutto
City of Pflugerville
City of Sherman
City of University Park
County of Atascosa
County of Denton
Corpus Christi Fire
Highland Park Police and Fire
International Bank of Commerce
Jacobs Project Management Company
River Oaks Country Club
State Bank of Texas
University of Texas Health Science Center
Westwood Country Club

Utah
Washington County School District

Virginia
City of Manassas Park

Wisconsin
City of Appleton
City of Brookfield
City of Eau Claire
City of Hales Corner
City of Wauwatosa
City of West Allis
County of Brown
County of Kenosha
County of Milwaukee
County of Waukesha
HIDTA Milwaukee
Madison School District
Shorewood School District
Whitnall School District
West Allis School District

Technical Certifications

ClientFirst consultants collectively hold an extensive portfolio of certifications, demonstrating their commitment to ongoing professional development and ensuring our clients have access to the latest information in the field.



Proposed Schedule

Work Plan

The following work plan outlines the project steps, the hours to be devoted by the project team, and an estimated timeline. The timeline starts on the Kick-Off Meeting date.

Step	Advisory Services for Enterprise Resource Planning System Selection and Implementation	Total Billable Hours	David/ Jamie	Janet/ Alicia
Project Coordination and Management				
1	**Project Coordination and Management** - Work with the City Project Manager to finalize the project work plan and timelines and arrange communications, logistics, and support. Schedule various meetings with personnel from each functional area to review and discuss existing and future information system needs. Provide ongoing project coordination and status updates.	50	40	10
	Act as a liaison between the executive stakeholder team, project team, vendor(s), and City staff.			
	Develop and manage a comprehensive project plan detailing project stages, milestones, and resources.			
	Manage the Change Management Process under the oversight of the City Project Manager.			
	Develop consultant communications and plan, and provide monthly executive/project status reports, including decisions, issues, and action items.			
2	**Project Initiation, Kick-Off, and Project Team Development** - Work with the City Project Manager to develop and finalize the Project Team's composition and document the required roles and responsibilities. This will include the following steps:	6	4	2
	Project Team organization includes establishing a PMO office, in line with the Project Management Institute's best practices.			
	Assist in educating Project Team members and stakeholders on defined roles and responsibilities. This will be facilitated by completing forms for use in workshops, including background concepts, instructions, and finalization.			
	Conduct a formal Kick-Off Meeting to officially start the project and provide an overview of the project to Project Team members, City stakeholders, and other engagement participants.			
Phase I: Preparation of RFP for New ERP System				
Task One: Request for Proposal (RFP) Development				
3	**Preliminary Vendor Communication/Research** - In the preliminary vendor communication/ research, we will prepare a list of pre-screened information system vendors and their contact information based on the City-developed functional and system requirements. Our objective will be to identify vendors specializing in government agencies whose applications for future needs are already in use in the industry.	6	6	

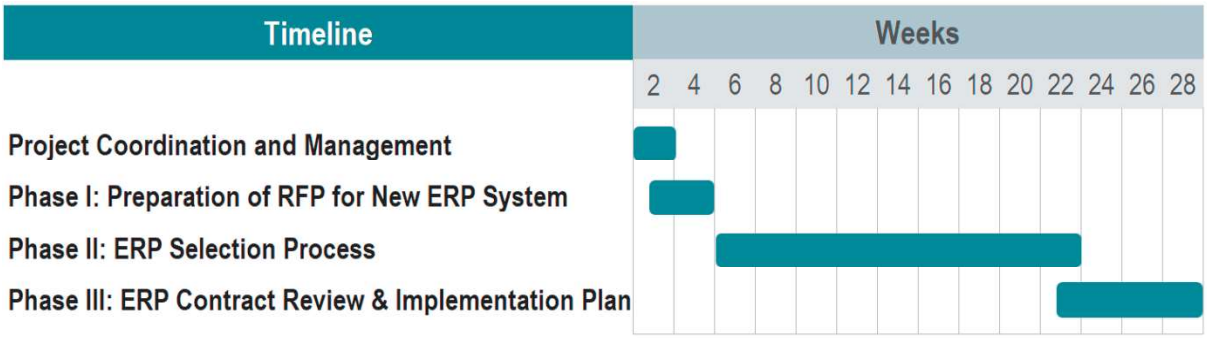
Step	Advisory Services for Enterprise Resource Planning System Selection and Implementation	Total Billable Hours	David/ Jamie	Janet/ Alicia
4	**Review and Evaluate Request for Proposals (RFP) Documents** - We will review and evaluate the draft Request for Proposal (RFP) documents. Assumes a single RFP and process for all software modules. The City is responsible for finalizing and distributing the RFP. Additional RFPs will require a change order.	18	12	6
	Assumes the City will provide system feature function, integration, and data conversion requirements, and a fully-drafted RFP.			
Phase II: ERP Selection Process				
Task Two: Evaluation and Selection of Vendor				
5	**RFP Issuance and Facilitate Vendor Response Activities** - Assist the City in issuing the RFP, and facilitate pre-proposal vendor response activities, including:	4	4	
	Assist with vendor questions and answers during established proposal response timelines.	Included	Included	Included
	If necessary, assist with required RFP addenda.	Included	Included	Included
6	**Vendor Proposal Evaluations** - Analyze and evaluate proposal responses. Provide an initial Summary Vendor Comparison Worksheet and Vendor Executive Summary Analysis Memorandum.	36	12	24
7	**Vendor Analysis Workshop to Determine Vendor Finalists (Shortlist)** - Conduct an analysis results workshop that includes the review of the Vendor Comparison Worksheet and Vendor Executive Summary Analysis. We will clarify any open items with shortlisted vendors before issuing invitations for demonstrations.	4	4	
8	**Develop Demonstration Documents, Agenda, and Coordination** - Develop demonstration documents, including preparing an agenda and demonstration scripts or guides for vendor demonstrations. These will be sent to vendor finalists for their preparation. Also, prepare Vendor Demonstration Evaluation Forms for use by all participating City staff during demonstration sessions. We will also prepare a form for Project Team members to conduct finalist reference checks and/or calls, and a Site-Visit Form for City personnel to use during site visit(s).	10	2	8
9	**Facilitate Vendor Demonstrations** - Assist the City in scheduling demonstration dates and facilitate initial vendor demonstrations to ensure pertinent requirements are addressed. City personnel will evaluate vendor demonstrations using Demonstration Evaluation Forms. These forms use a rating system to help compare vendors. Hours estimate based on three vendors, each for three days. Additional vendor demonstration assistance will require a change order and will be billed on a pre-approved time-and-materials basis.	84	12	72
10	**Post-Demonstration/Site-Visit/Reference-Check Due Diligence and Follow-Up - Assist with additional follow-up and due diligence for finalist vendor(s)**. This may include additional demonstrations, Q&A facilitation, reference checking, site-visit assistance, etc. Additional required and/or requested hours will be billed on a pre-approved time-and-materials basis. Travel will be billed as incurred, if necessary.	20	16	4

Step	Advisory Services for Enterprise Resource Planning System Selection and Implementation	Total Billable Hours	David/ Jamie	Janet/ Alicia
11	**Facilitate Final Vendor Selection** - Conduct a meeting with the City's Project Team to facilitate discussion and finalize the vendor selection. The Vendor Demonstration Evaluations, in combination with additional due diligence analysis, will be used to facilitate the selection of a finalist. This includes preparing a written recommendation for presentation at a City Council meeting, reflecting the core project team's support for the purchase of the finalist ERP system. We will attend the Council meeting to support the recommendation to purchase the system. Travel will be filled as incurred, if necessary.	6	4	2
Phase III: ERP Contract Review & Implementation Plan				
Task Three: Contract Negotiations				
12	**Implementation Plan (SOW) Review** - Work with the City and the selected vendor to review and finalize Statement of Work, Implementation Schedule/Plan, Project Management Office, resource requirements, and timelines. Additional required and/or requested hours will be billed on a pre-approved time-and-materials basis.	8	8	
13	**Contract Review and Negotiation Assistance -** Assist with contract review and negotiation assistance (in a non-legal capacity). Assumes contract review and negotiations with a single primary vendor. Additional required and/or requested hours will be billed on a pre-approved time-and-materials basis.	18	18	
Task Four: Develop an Action Plan to Implement ERP Solution				
14	**Action Plan Memorandum** - Based on the selected vendor's statement of work (SOW), prepare a written draft plan to implement the ERP solution, with a recommended path to achieve the future state of an ERP system, including:	30	24	6
	Prioritization of system requirements, including any third-party integrations and data conversions			
	Project cost estimates			
	Estimated project plan/timelines			
	Estimated staff resource time commitment requirements			
Phase IV: ERP Implementation (Optional)				
Task Five: Implementation				
15	**Implementation Project Management Oversight Assistance** - Based on the selected vendor, we will augment the City's Project Manager by monitoring and overseeing the project process, providing subject-matter expertise, and providing advisory services.	TBD		
	Hours	**300**	**166**	**134**

Estimated Project Timeline

The proposed project schedule reflects a structured, phased approach aligned with the City of Pacific Grove's desired timeline and deliverables outlined in the RFQ. Based on our understanding of the scope, we anticipate an overall project duration of approximately 30 weeks, beginning upon notice to proceed.

This schedule is designed to support completion of Phase I (RFP Development) by June 1, 2026, Phase II (ERP Selection) by October 1, 2026, and Phase III (Contract Review and Implementation Planning) by November 15, 2026. We will work collaboratively with City staff to refine and adjust the schedule as needed to accommodate City priorities and maintain project momentum.



References

We believe our clients are our best salespeople. The references listed here are examples of clients with similar needs. Each of these clients has retained our services on multiple occasions. We pride ourselves on client satisfaction and strive to build long-term partnerships.

Town of Windsor

9291 Old Redwood Highway, Windsor, CA 95492

Julé Taylor, Senior Management Analyst **707.838.5365**

jtaylor@townofwindsor.com

Nick Walker, Administrative Services Director **707.838.5003**

nwalker@townofwindsor.ca.gov

Proposed Personnel Involvement and Project Outcome: Each of the referenced projects was supported by key members of our team, including David Krout (Project Director), Janet Federico (Management Consultant), Alicia Burns (Management Consultant), and Jamie Shell (Project Manager), all of whom were involved in various aspects of project delivery. Each project was completed, meeting the client's objectives and delivering the intended outcomes.

Modules: General Ledger, Bank Reconciliations, Budgeting, Project & Grant Accounting, Requisitions and Purchasing, Accounts Payable, Expense Reimbursement, Accounts Receivable, Cashiering, Fixed Assets, Financial Reporting, Applicant Tracking, Human Resources, Risk Management, Time and Attendance, Payroll, Utility Billing

City of Coronado

1825 Strand Way, Coronado, CA 92118

James Krueger, former Director of Administrative Services (now CIO at City of Pocatello) **208.234.6218**

jkrueger@pocatello.us

John Kim, Director of Administrative Services **619.522.7300**

jkim@coronado.ca.us

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City of Carlsbad

1635 Faraday Ave., Carlsbad, CA 92008

Maria Callandar, IT Director **760.602.2454**

maria.callander@carlsbadca.gov

Doug Kappel, Enterprise Applications Manager **760.602.2791**

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City of San Bernardino

Rolland Kornblau, Director of Technology **909.384.5947 x3017**

Kornblau_Ro@sbcity.org

Proposed Personnel Involvement and Project Outcome: Each of the referenced projects was supported by key members of our team, including David Krout (Project Director), Janet Federico (Management Consultant), Alicia Burns (Management Consultant), and Jamie Shell (Project Manager), all of whom were involved in various aspects of project delivery. Each project was completed, meeting the client's objectives and delivering the intended outcomes.

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Cost

Fees Summary

Our professional fees are based on the scope and approach outlined in this proposal, plus expenses. Our standard billing rates for these types of services reflect the levels and skill sets of the consultant(s) assigned to specific aspects of the project.

Phases I - III

Advisory Services for Enterprise Resource Planning System Selection and Implementation	Total Billable Hours	David/ Jamie	Janet/ Alicia
Hours	300	166	134
Rate		$ 225	$ 205
Average Hourly Rate	$ 216		
Fees	$ 64,820		
Travel and Related Expenses	As Incurred		
Total Project Costs	**$ 64,820**		

Phase IV (OPTIONAL)

Estimated fees for Implementation Project Management Oversight Assistance will be based on the final scope and timeline defined in the selected vendor's Statement of Work (SOW), as agreed upon by the City, and on the level of assistance required by the City. Project Management fees are billed only on a time-and-materials basis.

ERP Implementation Project Management Estimate		
Cost Category	**Comments**	**Budgetary Estimates**
Project Initiation/ Coordination	• Implementation of resource planning. • Defined steps and task deliverables are completed at the beginning of each implementation phase.	TBD
Recurring Project Oversight	Recurring project management oversight.	TBD
Additional "As-Needed Activities"	Optional - These items depend on the City's needs and will only be delivered with the City's prior confirmation and approval. • Business Process and Workflow Workshops • System Configuration • Data Conversion • Testing • Integrations • Modifications/Enhancements • Reporting • Project Quality Control and Acceptance Testing • Go-Live Readiness Review and Cutover Planning • Go-Live and Issue Resolution • Project Closeout • Post-Implementation Review	TBD To be delivered only upon the City's request

Summary Rates

Our professional fees are based on actual time spent to complete the project at our standard rates, plus expenses. Our standard billing rates for these services are shown in the table below and reflect the consultant(s) assigned to the project and their skill sets.

Summary Rates *Time-and-Materials Special or Ad Hoc Projects*	
Consultant Level	**Hourly Rate**
Partner/Director	$225
Management Consultant	$205

Project Start

We can begin the initial activities for this project, including project coordination and scheduling, within 1-2 weeks of finalizing the agreement for this proposal.

Scope Changes and Management

Alternative scope changes and fee adjustments are possible and are dependent on specific project needs, staff resources, and capabilities. Minor changes to the scope and methodology outlined above will not affect our fees.

If the nature or scope of our work changes significantly during the project, we will discuss the matter and its effect on our fees and obtain written approval before proceeding.

Payment Terms

We invoice monthly as work proceeds. ClientFirst will provide a detailed accounting of all consulting time and expenses on the invoice. Payments are due within 30 days of receipt, payable by check or ACH.

Additional Services/Purchases by Other Seeking Public Agencies

ClientFirst acknowledges that other public agencies may seek to "piggyback" on the same terms and conditions of a resulting similar service and/or purchase being offered in this contract or proposal. ClientFirst reserves the option to agree or disagree to allow contract piggybacks on a case-by-case basis. ClientFirst agrees to extend the same pricing, terms, and conditions as stated in this contract or proposal to every political entity, special district, and related non-profit. It is understood that other entities shall make purchases in their own names, make payments, and be directly liable to ClientFirst. The agency shall in no way be involved or responsible for ClientFirst for other entities' purchases.

Case Studies

The following case studies feature California agencies that ClientFirst has worked with to transform their digital technology environments. These case studies began with Technology Master Planning. The cities' technology governance and commitment at all levels, including city councils, have since resulted in significant digital transformation that has improved internal business department processes, management decision-making, transparency, citizen services, and citizen engagement. Additionally, a sample Information Technology Plan, recently completed for another California municipality, is also available for separate download.

City of Rancho Mirage

Project Background

ClientFirst started with a citywide Technology Master Plan. We also jointly presented these transformation efforts at the California Society of Municipal Finance Officers (CSMFO) annual conference. Additionally, please see the attached published article on the City's digital transformation efforts: *City of Rancho Mirage Published Digital Transformation Article*.

The following projects have included:

- Enterprise Software Needs Assessment
- ERP Selection and Contract Negotiations
- EDMS Needs Assessment Services
- Technology Master Planning
- IT Organization Improvement Assistance
- Audio Visual System Design, RFP, and Implementation Oversight
- Contract Management Process Review and Improvements
- Disaster Recovery Planning Services
- Cybersecurity Assessment and Risk Mitigation
- Electronic Mail Implementation Consulting Services
- IT Management Mentoring and Advisory Services
- Wireless Network Design – Amphitheater, Library, Park Spaces
- Network Improvement Vendor Procurement
- Work Order/Asset Management Preliminary Assessment

Description of Services Performed and Outcomes

ClientFirst developed a Technology Master Plan to address the City's desire to integrate and automate business applications securely. This project involved working with the ongoing City Council subcommittee. ClientFirst presented the Plan to Council, and Council approved funding it. ClientFirst collaborated with City staff to upgrade the technology infrastructure, enhance resident connectivity, and improve applications through integration. The Master Plan also included a comprehensive analysis of IT human resources to ensure the City had the necessary resources to maintain existing technology, implement new technology projects, and maintain the environment established as part of the Technology Master Plan implementation. A significant piece of the future IT organizational structure included increased business analyst talent to help implement and support critical enterprise applications.

ClientFirst assisted with selecting the ERP system, which was completed on time and within budget. Departmental assistance was also provided for selecting a new Contract Administration system.

Technical assistance was provided to develop a Disaster Recovery Plan. ClientFirst collaborated with Departments to develop a prioritized recovery plan that met the City's needs.

City of Piedmont

Project Background

ClientFirst began with a citywide Technology Master Plan and has continued to support the City in transforming its operations and infrastructure through digital transformation. Projects have included:

- ERP software selection and business process improvement analysis
- ERP software implementation project management
- Land Management Assessment & Improvement Plan
- Ongoing Land Management process improvements and systems maintenance
- Public Safety Scheduling and Time and Attendance Selection and Implementation Project Management
- Technology Plan development and successful funding
- Technology Plan management, annual plan updates, and Council updates on the status of the plan
- Fiber optic systems upgrades
- Ongoing Technology Governance Committee participation as their senior IT advisor
- CAD/RMS vendor strategy and roadmap upgrade
- Wide area network improvements
- Initial IoT wireless network deployment
- Cloud computing strategy analysis
- Public Safety Verizon Private Cloud analysis, implementation, and resiliency
- Cybersecurity Incident Response
- Telecommunications System Design and Procurement Management
- Website constituent survey, redesign, and social media rollout
- Coordination of 5G cellular tower, including Council briefings
- Cybersecurity improvement and roadmap, and Cybersecurity Council briefings
- Hyperconverged system selection and project oversight

Description of Services Performed and Outcomes

Digital transformation has been a key strategy of the City of Piedmont's Council. This initiative was launched by selecting ClientFirst to develop a Technology Strategic Plan in collaboration with a Citizen Advisory Committee. Unsurprisingly, as a Bay Area community, the Citizen Advisory Committee has strong technologists, including the first US employee of Skype (now an "angel investor"). ClientFirst collaborated with the Citizen Advisory Committee to develop and prioritize the Plan and then jointly presented the Plan and budget to the Council. ClientFirst continues to oversee the plan's implementation as the City's technology advisor, presenting ongoing updates to the Council.

ClientFirst is also the City's primary technology consultant, assisting with the implementation of recommended initiatives, including best practices, departmental applications, smart technologies, civic engagement, IT infrastructure, day-to-day IT staffing and operations, cybersecurity, and communications.

Before the plan, the City's overall systems were largely siloed, legacy, and end-of-life. Some previously implemented systems were deployed in a way that offered little opportunity to

leverage the improved technology. Automation was limited, and resident services were mostly manual, with limited use of technology to automate business processes. Overuse of shadow systems and manual processes was still the norm.

Mendocino County

Project Background

ClientFirst started with a County-wide Technology Master Plan and Roadmap to digitally transform the County and its operations. The following projects have included:

- ERP Business Process Review and Improvements
- Tax Billing and Assessment Implementation Project Management
- Justice Software Implementation Management
- Software vendor contract negotiations – multiple systems
- Procurement Business Process Review and Improvements
- Budgeting Process Improvements
- Cannabis Permit and Licensing Process Improvements Efficiency Study
- Technology Plan development and funding
- Technology Plan management and semi-annual plan updates in conjunction with mid-year and annual Board of Supervisors budget workshops
- Initial risk mitigation projects to increase the resiliency of critical systems
- Emergency Operations Center redesign and refresh of EOC technology and equipment (Phase 1 & 2)
- Public Safety Cabling and Fiber Optic Improvements
- Public Safety and Radio Data Center Space Planning
- Detailed public safety County-wide radio assessment, cost analysis, and successful funding request
- Fiber Optic Systems Upgrades
- Point Arena Radio & Microwave Project Management (Improved Public Safety Radio Resiliency)
- County-Wide Radio and Broadband Upgrade Project Management
- Property Tax System Assessment and Project Restart
- Property Tax System Implementation Oversight
- Cannabis Permits & License Business Process Review and Improvements
- Cannabis E-Permitting
- Cybersecurity Roadmap and Board Presentation
- Network Upgrade RFP & Project Management Assistance
- IT Strategic Advisory Services
- IT staffing and staff roadmap to support digital transformation and the Board's goal of increased efficiency

Description of Services Performed and Outcomes

ClientFirst was initially engaged to develop a multi-year Technology Master Plan and Roadmap. The initial five-year plan is budgeted at over $20 million. The initial assessment also uncovered several high-risk areas. County management placed the project on hold but immediately allocated $605K to mitigate many high-risk items. ClientFirst provided oversight and project management services to implement these risk mitigation measures. The Board has appropriated $1 million for Phase 1 projects and has subsequently allocated over $1 million

every six months for additional project work. ClientFirst provides oversight for approximately twenty-five Technology Master Plan projects. ClientFirst also manages the Master Plan budget and project portfolio, with project additions and subtractions based on Board and Executive Office priorities.

In addition to managing the Technology Master Plan, ClientFirst provides detailed project management and vendor selection assistance for various projects. Implementation assistance is provided to augment staff for critical or high-profile projects, such as E-Permitting (now implemented for approximately 65% of permit types), Cannabis business process improvements, public safety and emergency operations projects, preparations for, and replacement of, a fragile end-of-life tax system, and others.

Also, ClientFirst and Mendocino County jointly presented at the California Society of Municipal Finance Officers (CSMFO) on process improvements resulting from these digital transforming projects.

City of Rancho Mirage Published Digital Transformation Article

ClientFirst has assisted the City of Rancho Mirage with various Technology Projects, starting with a citywide Technology Master Plan and Roadmap to transform the City and its operations digitally. The City published the following article to showcase these digital transformation improvements. ClientFirst also jointly presented these transformation efforts at the annual conference of the California Society of Municipal Finance Officers (CSMFO).

RM INSIDER

Fall 2018 / Official publication of the City of RANCHO MIRAGE, California

Staying Connected

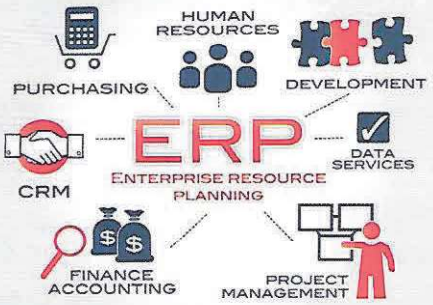
Rancho Mirage Moves Forward With Master IT Plan

by June Allan Corrigan



Technology – what would we do without it? Now deeply ingrained in our culture, it enables us to access information with a mere swipe or tap. It streamlines an infinite number of once onerous tasks. Still, in spite of the obvious advantages, many people would counter there's a definite yin-yang element to proceedings. As our dependency on technology only continues to increase, so does the specter of irretrievable data loss, not to mention the very real dangers of cybercrime. Never one to be left behind, the City of Rancho Mirage is committed to staying up-to-date with current technological advances. Yet it does so with mindful intent – the same way the City approaches every endeavor it undertakes. You can rest assured that with every technological step forward the City safeguards the preservation of the personal approach to customer service, never losing sight of the value of in-person communication.

Careful Planning



In 2015, the City of Rancho Mirage retained the services of a leading technology consulting group that specializes in government. A team of professionals came in and analyzed the state of technology in the City as a whole. Their focus included examining existing hardware and network infrastructure, applications, and business systems – all in a bid to improve information technology (IT) environments so they can better serve the needs of the City. The consultants identified, prioritized, and recommended projects the City should embark upon, and they consolidated all of their findings in a five-year IT Master Plan.

One phase of the five-year IT Master Plan destined to positively impact both City staff and residents is a new Enterprise Resource Planning (ERP) system. An ERP system aids the flow of internal business processes and allows for communication between City departments and its internal functions and data. The City of Rancho Mirage's current ERP system is 20 years old, and implementation of its new form is currently underway. The upgraded ERP system is ushering in upgrades like paperless invoicing guaranteed to significantly reduce processing time. Electronic timesheets will simplify matters for employees and the payroll department alike. Meanwhile, the City's permitting process will soon be streamlined. And citizens will be able to check a permit's status remotely and pay online.

Safe & Secure

While it is exciting to get on board with the latest technological advances, one of the City's primary concerns is keeping data secure. A significant portion of the five-year IT Master Plan centers around security systems and practices, including a disaster recovery plan designed to protect City systems and data. "We've implemented systems and multiple layers of security to protect ourselves as well as residents who share their data with us," says Jason Jaurigue, the City's Senior IT Manager. "We perform routine backup procedures so in the event something does happen, we always have a backup of our data that is secure. Additionally, everyone who works for the City has to be trained on security so it's a team effort to identify potential threats."

Government 2.0

These days it isn't enough to simply inform residents that City information is available to them. Some may be aware of the fact, others not, but the goal should always be to harness new technologies and share information in a creative way so the public can access it in whatever manner they choose. This is yet another tenet of the five-year IT Master Plan recommended for Rancho Mirage – one that will soon manifest itself in a freshly designed City website as well as the launch of a new City app! "A City app is another platform for us to communicate with our residents and visitors," City Manager Isaiah Hagerman says. "Some people may be signed up for our e-blasts, others may read the *R/M Insider* cover to cover. Some people may come to City Council meetings, others may watch RMTV. One of my goals moving forward is to always make sure we're communicating with our residents as effectively as possible."

The new City app aims to make information readily accessible to Rancho Mirage residents. "We want an app that engages the citizen so they'll know what is going on in the community," Jaurigue says. "If there's an accident or construction ahead, we want to be able to alert the community. If they want to reach out to City Councilmembers, the app will provide contact information." The app will also share highlights of City Council meetings including links to charts and graphs to better illustrate Council decisions. Of course, the app will be a perfect vehicle to get the word out about events happening around the City – whether it's Art Affaire kicking off the season in November, upcoming concerts at the outdoor amphitheater, or the wide variety of programming available at the Rancho Mirage Library & Observatory. The new, user-friendly City app will keep everyone in the loop!



Delving Deeper

The five-year IT Master Plan includes an initiative to augment the City's Geographic Information System (GIS), or mapping software. A 2016 update to the City's General Plan included the development of a Public Web App which allows residents and staff to access parcel, property, and zoning information on a GIS-based tool. Its development was the first part of a long-term strategy to make GIS technology more accessible to the public. The GIS-based tool is housed on the City's website under the Planning department. "Residents can type in their property address, zoom down to their parcel, and examine a series of layers, such as zoning and flood plain information," explains Jeremy Gleim, the City's Development Services Director.

Ongoing GIS software enhancements will benefit both City staff and residents. The City will be able to consolidate several software programs into the GIS-based format, which will enhance productivity and efficiency. "Eventually we will have a fully integrated city-wide GIS program where people can apply for building permits and other kinds of permits online. They will even be able to submit project plans online. That is the direction we're headed. These technological improvements will create a more sustainable and streamlined workflow plus increased accessibility for residents," says Gleim.

Moving forward, the City will continue to expand GIS mapping capabilities and will add layers to the map as projects allow. For example, the new and broader GIS system will be able to indicate existing as well as proposed telecommunication fiber networks around the City. "We're investing in our infrastructure. We want to be able to show our citizens and businesses coming in — this is the current fiber network in Rancho Mirage, and these are the areas where we are planning on improving coverage," says Jaurigue. "It's all about customer service and streamlining the business process by providing whatever information is needed."

A Pledge

As the City strives to implement initiatives recommended in the five-year IT Master Plan, security systems and practices will always factor prominently in proceedings. The paper trail that was emblematic of old ways of doing business is giving way to a cloud-based system. The City of Rancho Mirage is on board, considering it essential to embrace technological advances to support the work of the City and the needs of its citizens. Rest assured that as the City moves forward, it remains ever mindful of its responsibility to keep all data safe and secure.

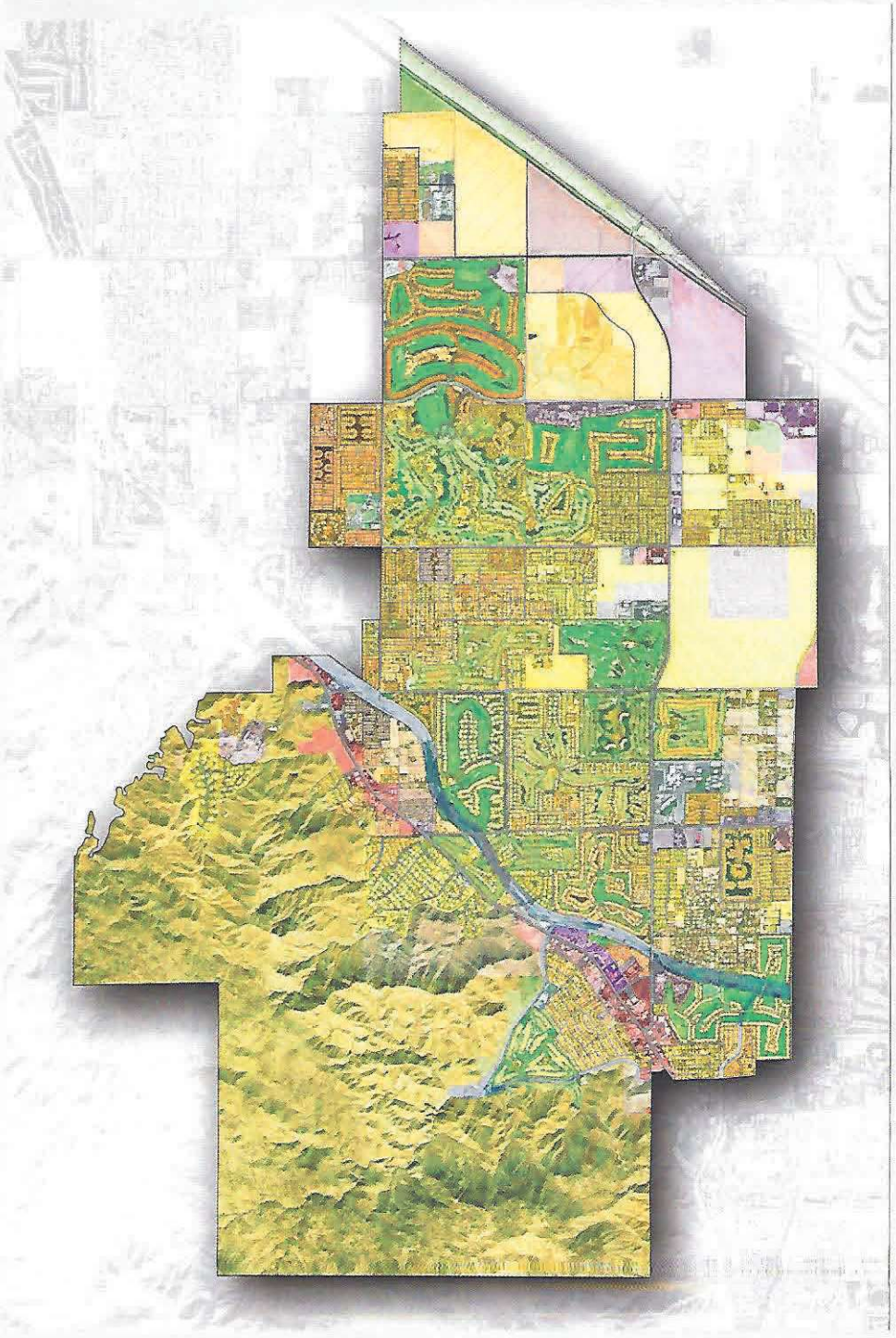


Image shows Rancho Mirage Land Use & Zoning Map, which is available on the City's new GIS-based web application.

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Casey J. Day, Chief of Police

MEETING DATE: June 17, 2026

SUBJECT: Approval of an Agreement with ParkMobile, LLC for the Implementation of a Mobile Parking Payment System to Streamline the Management of the City's Existing 101 Parking Meters

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

RECOMMENDATION

1. Approve an Agreement with ParkMobile, LLC for the Implementation of a Mobile Parking Payment System for the City's existing 101 Parking Meters located adjacent to the ATC property.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

Pacific Grove welcomes a significant number of visitors throughout the year. Convenient and accessible parking infrastructure is essential to a positive experience for residents, visitors, and local businesses.

Current Parking Operations:
The City operates approximately 101 parking meters on Ocean View Blvd., in the vicinity of the American Tin Cannery, adjacent to the City's jurisdictional border with Monterey. These 101 parking meters, for which a coastal development permit (CDP) has been issued, allow for coin or credit card payment. They also require manual coin collection and processing, as well as ongoing maintenance and periodic replacement of credit card readers due to damage or wear.

Community Service Officers (CSOs) collect coins from these meters about once every two weeks. Collection requires manually accessing each meter, removing the internal coin canister, and securing contents for transport. The process typically takes one to two hours to complete.

Once collected, the coin canisters are delivered to the City's Administrative Services Department (ASD) for processing. ASD then extracts and counts the coins, then documents the revenue. Subsequently, the coins are secured and transported by an armored security service for deposit.

While this system has historically served the City's parking management needs, it relies on multiple manual processes, coordination between departments, and ongoing cash handling and equipment maintenance.

Updating the City's Parking Management approach, utilizing modern technology like ParkMobile, has the potential to increase operational efficiency and to generate additional parking revenue.

About ParkMobile:
ParkMobile is one of the most widely used mobile parking payment platforms in North America, allowing users to pay through a mobile app, web browser, QR code, or phone call. The platform is used by more than 600 municipalities, 25 airports, and 150 universities. Monterey currently uses ParkMobile in the Cannery Row/New Monterey area adjacent to Pacific Grove. Approximately 7 million users in California and 73 million across North America have used the payment platform.

To use the payment system, users enter a parking zone number, license plate number, and parking duration directly into a phone application or a nearby kiosk.Users using the app then get a real time countdown on their phone for when the parking session will expire. They can extend their parking session directly from their phone without returning to their car as well.

The payment platform is not only more convenient for users, it is more efficient for enforcement staff. Using an application CSOs can readily identify vehicles with expired parking sessions. Key features include:

- Mobile, web-based, and phone payment options
- Remote session extensions
- License plate–based parking sessions
- Real-time enforcement verification
- Parking analytics and reporting tools

Because ParkMobile is already widely used in cities such as Monterey, San Francisco, Sacramento, Santa Cruz, and Capitola, many visitors may already be familiar with the platform, helping to improve convenience and reduce confusion. Importantly, the platform is intended to expand payment options rather than eliminate existing ones.

Utilizing ParkMobile has the potential to:

- Improve Visitor Experience. Mobile payment options provide a more convenient parking experience for visitors, many of whom no longer carry coins for traditional parking meters.
- Improve Parking Compliance and Revenue. Additional payment options make it easier for visitors to pay for parking, improving compliance and reducing lost revenue from drivers unable to use coin-operated meters.
- Reduce Cash Handling. Mobile payments reduce reliance on coin collection and lessen the operational burden of collecting, counting, and transporting cash.
- Reduce Equipment Maintenance. Expanding mobile payment options decreases reliance on physical parking meter hardware, reducing battery replacement and ongoing maintenance needs.
- Improve Enforcement Efficiency. Parking enforcement staff can quickly verify active parking sessions through handheld devices linked to license plate information.
- Redeploy CSO Resources. Reduced reliance on coin collection will allow CSOs to redirect their time toward other public safety functions, including coastal patrol presence, visitor assistance and parking enforcement.
- Understand Parking Trends through Analytics and Data. ParkMobile provides detailed analytics regarding parking demand, peak usage periods, and zone utilization, allowing City staff to evaluate parking policies and make informed adjustments when necessary.

ParkMobile Implementation & Integration (Staff Recommendation #1)
If approved, ParkMobile will be implemented at the existing, CDP approved, 101 parking meters adjacent to the American Tin Cannery. This area experiences significant seasonal visitor traffic due to

its proximity to coastal attractions, the aquarium, and recreational areas. The benefits to both visitors and staff make this location well suited for integration of ParkMobile.

Implementing ParkMobile would also create greater continuity in parking operations within this high-tourism area, as the City of Monterey already uses ParkMobile immediately adjacent to the City's border. In addition, the convenience of mobile payment options may help increase parking compliance, session duration, and overall parking revenue.

Integration of ParkMobile at these parking meters would include placing ParkMobile stickers on the front of each parking meter that informs parkers that they can pay to park in the existing metered location through the ParkMobile app. The sticker will include a QR code and a parking zone indicator which identifies the utilized parking space which must also be identified when using the app.

During the initial implementation:

- Existing coin-operated meters will remain operational and continue to accept coin payment for those without smartphones until a central kiosk can be installed.
- ParkMobile signage and zone identifiers will be installed.
- A timeline and plans to install the central pay point kiosk will be established.
- Parking enforcement tools will be configured for real-time payment verification.
- Public outreach and education will be conducted to inform residents and visitors of the new system.

Maintaining coin acceptance during the transition period will ensure parking remains accessible to all users while the public becomes familiar with the new payment option. Currently, coin payments represent only about 7-8% of total parking transactions. Due to low demand for coin usage, and the significant staff time required to process these transactions, coin payment options will be phased out upon installation of a payment kiosk, which will provide a cash/coin payment option.

The proposed implementation of the ParkMobile system represents an opportunity for the City of Pacific Grove to modernize its parking payment infrastructure while improving convenience for residents and visitors.

As a nationally recognized platform used in thousands of municipalities, ParkMobile provides a proven and widely familiar solution that aligns well with the needs of a tourism-oriented coastal community. By reducing reliance on coin-based systems, improving operational efficiency, and expanding payment accessibility, the City can enhance both the visitor experience and the effectiveness of its parking management program.

Procurement:
The City of Pacific Grove is an existing client partner with OMNIA Partners, a nationally recognized cooperative purchasing organization. ParkMobile services are available through the OMNIA cooperative purchasing contract, allowing the City to proceed with implementation in compliance with public procurement standards. This action is consistent with the City's Municipal Code, 2.16.080, Bidding procedures – dispensation when (g), which allows the City to dispense bidding procedures when the article can be purchased more economically through the central purchasing authority of another governmental agency.

Agreement:
If approved, the City will enter into an agreement with ParkMobile based on the City's standard agreement template, which has been reviewed and approved by the City's insurer, the California Joint Powers Insurance Authority (CJPIA), and City legal counsel. The final agreement includes negotiated

modifications and redlined terms mutually agreed upon by the City and ParkMobile, and reviewed and approved by the City Attorney.

OPTIONS

1. Direct Staff to return with additional information.
2. Do not authorize the agreement with ParkMobile.

FINANCIAL IMPACT:

ParkMobile operates on a transaction-based model. ParkMobile users initiating a parking session pay a small convenience fee (customer service fee) associated with each transaction. The standard ParkMobile customer service fee is $0.45 per session. Because the City is an OMNIA Partners client, the City qualifies for a reduced customer transaction fee of $0.40 per session; this fee is passed on to the customer utilizing the service.

Additionally, ParkMobile will serve as the Merchant of Record (MOR) and collect a processing fee equal to 3% of each parking transaction plus $0.20 per transaction. Because the fee includes a percentage component, the total fee will vary by transaction amount.

Using ParkMobile as the MOR provides several benefits, including:

- Acceptance of multiple payment methods, including Visa, Mastercard, Amex, Discover, Apple Pay, and Google Pay
- Simplified monthly reporting and revenue deposits
- Reduced PCI compliance requirements for the City
- Chargeback and refund protection, with ParkMobile absorbing associated costs
- Full payment of expected parking revenue without deductions for chargebacks or refunds

A breakdown of an example transaction for a user initiating 2 hours of paid parking using the payment platform is provided below:
$4.50- 2 Hours of $2.25 Hourly Parking Fee
$0.40 -ParkMobile Customer Transaction Fee (Convenience Fee) - *not this fee is not charged if the kiosk is utilized versus the payment platform application*
$4.90- Total Charge to Customer

When ParkMobile remits payment to the City, they retain the MOR fee, in continuing with the same example, the City would receive net revenue of $4.15 (net of the direct charges to the customer and the MOR fee). There is no upfront software procurement cost associated with implementing ParkMobile. ParkMobile also covers the initial cost and shipping of the ParkMobile signage at no charge.

To ensure accessibility for individuals who do not utilize smartphone-based payments, the implementation plan includes a future installation of a central pay point kiosk that will allow users to pay for parking through alternative payment methods.

FOCUSED PRIORITY AREA: Financial Sustainability

Attachments

Vendor Services Agreement

CITY OF PACIFIC GROVE
VENDOR SERVICES AGREEMENT

This VENDOR SERVICES AGREEMENT ("Agreement") is made and effective as of the last signature date herein**,** by and between the City of Pacific Grove, a municipal corporation ("City" or "Client"), and ParkMobile, LLC ("VENDOR" or "ParkMobile").

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

1. TERM

   Unless terminated in accordance with Section 8 below, the AGREEMENT will continue in full force and effect from the Effective Date for three (3) years., The term of this AGREEMENT shall extend annually for an additional one (1) year period unless either party provides written notice of non-renewal at least sixty (60) days before the end of the then-current term.

2. SCOPE OF SERVICES

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

3. PERFORMANCE

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

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

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

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

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

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

4. CITY MANAGEMENT

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

5. PAYMENT

a. For Services rendered pursuant to this AGREEMENT, VENDOR shall be paid in accordance with the Payment Schedule attached hereto as Exhibit B.

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

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

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

b. In the event this Agreement is terminated pursuant to this Section, City shall pay to VENDOR the actual value of the Services performed up to the time of termination.,.

7. DEFAULT OF VENDOR/FORCE MAJEURE

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

b. If the City Manager or designee determines VENDOR is in default in the performance of any of the terms or conditions of this Agreement, they shall cause to be served upon VENDOR a written notice of the default. The VENDOR shall have thirty (30) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event VENDOR fails to cure its default within such period of time or fails to present City with a written plan for the cure of the default, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

a. VENDOR shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of Services under this Agreement. VENDOR shall maintain adequate records of Services provided in sufficient detail to permit an evaluation of Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identi-fied and readily accessible. VENDOR shall provide free access to the representatives of City or its designees at reasonable times following notice to such books and records that apply specifically to the Scope of Services ,shall permit City to make copies and transcripts there from as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. If there is a substantial billing deviation adverse to City, then the cost of an audit shall be borne by VENDOR. Such records, together with supporting

documents, shall be maintained at City Hall for a minimum period of five (5) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, the City shall be entitled to a copy of all data collected by VENDOR in performance of this Agreement excluding ParkMobile User Data (as defined in Exhibit A).

9. RECORD AUDIT

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

10. INDEMNIFICATION

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

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

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

11. INSURANCE

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

12. INDEPENDENT CONTRACTOR

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

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

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

13. SUBCONTRACTORS

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

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

b. Present to the City the form of subcontract that will be used with the subcontractor for City's approval, which approval will not be unreasonably withheld. Such subcontract AGREEMENT must include an indemnity agreement that is generally in accord with

the indemnity obligations contained in Section 11 of this Agreement and must specifically name the City as an indemnified party; and

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

14. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

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

15. CONFLICT OF INTEREST

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

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

16. NO WAIVER OF BREACH/TIME

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

17. CONFIDENTIAL INFORMATION/RELEASE OF INFORMATION

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

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

18. NOTICES

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

To City:	Chief of Police City of Pacific Grove 300 Forest Avenue Pacific Grove, CA 93950
To Vendor:	ParkMobile, LLC 1075 Peachtree St. NE Suite 3100 Atlanta, GA 30309 (With a copy to ParkMobile's Legal Department at the above address and to legal@parkmobile.io.)

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

19. THIRD PARTY BENEFICIARIES

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

20. ASSIGNMENT

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

21. GOVERNING LAW

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

22. DISPUTE RESOLUTION; ATTORNEY'S FEES

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

23. AUTHORITY TO EXECUTE THIS AGREEMENT

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

24. ENTIRE AGREEMENT

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

25. AMENDMENT

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

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

26. INTERPRETATION OF CONFLICTING PROVISIONS

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

27. SEVERABILITY

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

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

CITY OF PACIFIC GROVE VENDOR

By:_____
Risk Manager

Date: _____

By:_____ By:_____
Department Director Vendor

Date: _____ Date: _____

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

Date: _____ Date: _____

Approved As To Form: _____

City Attorney

_____

Date

Attachments:

Exhibit A	Scope of Services
Exhibit B	Payment Schedule
Exhibit C	Insurance Requirements

Exhibit A

Scope of Work/Services

SCHEDULE 1:
CLIENT GENERAL TERMS & CONDITIONS

1. SERVICES

1.1 **General.** During the term, ParkMobile will provide the Services to Client in accordance with the terms and conditions of this Agreement.

1.2 **Launch Date.** The parties will mutually agree upon the launch date for the Services.

1.3 **ParkMobile Application.** On and after the launch date, Client's Parking Locations, along with associated Parking Information, will be made available to the general public through the ParkMobile Application.

1.4 **Parking Management Services.** Subject to the license granted in Section 2, Client will be provided access to the Platform to manage Client's Parking Locations and associated Parking Information.

1.5 **Parking Locations.** The parties agree that ParkMobile does not own, operate, manage, or maintain any Parking Location. Client agrees that ParkMobile is not responsible for the condition or operation of any Parking Location, including, but not limited to, the operation of third-party hardware and/or software-based solutions used by Client at the Parking Location or for the delivery and/or fulfillment of parking or other services at the Parking Location.

1.6 **Publicity of Services.** Each party will use commercially reasonable efforts to market the Services throughout the Term. All brochures and promotional material to be distributed by Client will be in a form mutually agreed upon by the parties, which will not be unreasonably withheld or delayed.

1.7 **Exclusivity.** Reserved.

1.8 **PCI DSS.** ParkMobile has obtained, and will continue to maintain throughout the term, Payment Card Industry – Data Security Standard (PCI DSS) certification.

1.9 **Online Client General Terms & Conditions.** The parties agree that this Agreement supersedes the Client General Terms and Conditions that is publicly available at https://parkmobile.io/client-terms with respect to the Services provided under this Agreement, and are therefore the Client General Terms and Conditions are not applicable to Client.

2. ACCESS & USE OF PLATFORM

2.1 **Provision of Access.** Subject to and conditioned on Client's and its Authorized Users' compliance with the terms and conditions of this Agreement, all applicable

laws and regulations, and Client's payment of fees, ParkMobile grants Client a non-exclusive, non-transferable right to access and use the Platform during the Term. Such use is limited to Client's internal use. ParkMobile will provide Client the Access Credentials within a reasonable time following the Effective Date.

2.2 **Documentation License.** ParkMobile hereby grants to Client a non-exclusive, non-sublicensable, non-transferable license to use the Documentation during the Term solely for Client's internal business purposes in connection with its use of the Services.

2.3 **Use Restrictions.** Client will not, directly or indirectly, and will not permit any third party to, access or use the Platform except as expressly permitted by this Agreement. For purposes of clarity and without limiting the generality of the foregoing, Client shall not, except as this Agreement expressly permits: (a) copy, modify, or create derivative works of the Platform or Documentation, in whole or in part; (b) rent, lease, copy, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Platform or Documentation to any person or entity; (c) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to any software component of the Platform, in whole or in part; (d) bypass or breach any security device or protection used by the Platform or access or use the Platform other than by an Authorized User through the use of his or her own then valid Access Credentials; (e) remove any proprietary notices from the Platform or Documentation; (f) use the Platform or Documentation in any manner or for any purpose that infringes, misappropriates, or otherwise violates any IP Right or other right of any person, or that violates any applicable law; (g) upload invalid data, malware, or other software agents through the Platform; or (h) use the Platform for any purpose beyond the scope of the access granted in this Agreement.

2.4 **Reservation of Rights.** Nothing in this Agreement grants any right, title, or interest in or to (including any license under) any IP Rights in or relating to, the Services, whether expressly, by implication, estoppel, or otherwise. All right, title, and interest in and to the Services are and will remain with ParkMobile.

2.5 **Changes.** ParkMobile reserves the right, in its sole discretion, to make any changes to the Services that it deems necessary or useful to: (a) maintain or enhance: (i) the quality or delivery of ParkMobile's services to its customers; (ii) the competitive strength of or market for ParkMobile's services; or (iii) the Services' cost efficiency or performance; or (b) to comply with applicable law.

2.6 **Suspension or Termination of Services.** Notwithstanding anything to the contrary in this Agreement, ParkMobile may suspend, terminate, or otherwise cancel Client's, any Authorized User's, or any other person's access to or use of all or any part of

the Services, without incurring any resulting obligation or liability, if: (a) ParkMobile receives a judicial or other governmental demand or order, subpoena, or law enforcement request that expressly or by reasonable implication requires ParkMobile to do so; or (b) ParkMobile believes, in its good faith and reasonable discretion, that (i) Client or any Authorized User has failed to comply with any material term of this Agreement, or accessed or used the Services beyond the scope of the rights granted or for a purpose not authorized under this Agreement; (ii) Client or any Authorized User is, has been, or is likely to be using the Services for fraudulent, misleading, or unlawful activities; (iii) there is a threat or attack on any of the Services; (iv) Client's or any Authorized User's use of the Services disrupts or poses a security risk to ParkMobile or to any other client, end user, vendor or partner of ParkMobile; or (v) this Agreement expires or is terminated. This Section does not limit any of ParkMobile's other rights or remedies, whether at law, in equity, or under this Agreement.

3. CLIENT RESPONSIBILITIES

3.1 Use of Platform Account. Client is responsible and liable for all uses of the Platform resulting from access provided by Client, directly or indirectly, whether such access or use is permitted by or in violation of this Agreement. Client must notify ParkMobile immediately of any breach of security or unauthorized use of Client's account.

3.2. Parking Information. Client is responsible for setting all rates, zones, and other required information regarding its Parking Locations offered through the ParkMobile Application and for keeping such information up to date within the Platform.

3.3. Effect of Client Failure or Delay. ParkMobile is not responsible or liable for any delay or failure of performance caused in whole or in part by Client's delay in performing, or failure to perform, any of its obligations under this Agreement.

4. SERVICE AND SUPPORT

4.1. Scheduled Maintenance. ParkMobile will use commercially reasonable efforts to schedule downtime for routine maintenance of the Services between the hours of 12:00 a.m. and 4:00 a.m., Eastern Time; however, ParkMobile may modify this window from time-to-time by providing Client with advance notice. If ParkMobile anticipates that it will need to perform maintenance activities that are likely to be disruptive to the use of the Services outside of the scheduled maintenance window, ParkMobile will use commercially reasonable efforts to give Client at least 24 hours prior notice. Notwithstanding the foregoing, ParkMobile reserves the right to perform any required emergency maintenance work outside of the scheduled

maintenance window. To the extent practicable, ParkMobile will use commercially reasonable efforts to notify Client before commencing any emergency maintenance outside of the scheduled maintenance window and will use commercially reasonable efforts to limit or avoid impact to use of the Services.

4.2 **Client Support.** ParkMobile will use commercially reasonable efforts to assist Client with any technical support that Client may reasonably require in using the Services. ParkMobile will provide technical support for rate and configuration changes to Client Monday – Friday (excluding holidays) between the hours of 8:00 a.m. and 6:00 p.m. (ET). For issues relating to On-Demand Parking Services, Client may submit a support request via email to support@parkmobile.io. For issues relating to Reservation Parking Services, Client may submit a support request via email to prs@parkmobile.io. ParkMobile will provide Client with emergency technical support 24 hours a day, seven days a week, 365 days a year. In the event of an emergency involving technical and/or system availability issues, Client may contact the on-call engineer via email to applicationsupport@parkmobile.io.

4.3 **End-User Support.** ParkMobile will provide customer support for ParkMobile Users 24 hours a day, seven days a week, 365 days a year. There are multiple methods that ParkMobile Users can access customer support, such as: ParkMobile's online ticketing system, in-app chat feature, and toll-free phone number.

5. INTELLECTUAL PROPERTY OWNERSHIP

6.1 **Client Data.** Client Data remains the sole and exclusive property of Client. Client grants ParkMobile a perpetual, irrevocable, royalty-free license to use Client Data in connection with the Services.

6.2 **Client Brand Features.** Client grants to ParkMobile a nonexclusive, nonsublicensable, nontransferable, royalty free license during the term to display Client's Brand Features in connection with providing and/or marketing the Services. ParkMobile will not make any use of Client's Brand Features in a manner that dilutes, tarnishes or blurs the value of such Brand Features.

6.3 **ParkMobile IP.** Client acknowledges that, as between Client and ParkMobile, ParkMobile owns all right, title, and interest, including all IP Rights, in and to the Services, including but not limited to the ParkMobile Application and the Platform.

6.4 **ParkMobile Brand Features.** ParkMobile grants to Client a nonexclusive, nonsublicensable, nontransferable, royalty free license during the term to display ParkMobile's Brand Features in connection with the Services, subject to ParkMobile's Brand Guidelines available at https://parkmobile.io/company/parkmobile-media-assets/logos/. Client will not

make any use of ParkMobile's Brand Features in a manner that dilutes, tarnishes or blurs the value of such Brand Features.

6.5. **ParkMobile User Data.** ParkMobile User Data remains the sole and exclusive property of ParkMobile. Client will not, directly or indirectly: (i) sell or resell ParkMobile User Data in any capacity or form; (ii) create any derivative work using ParkMobile User Data; or (iii) use ParkMobile User Data for purposes other than those specifically allowed in this Agreement. Notwithstanding the foregoing, the parties acknowledge and agree that ParkMobile will not sublicense or provide any PCI Data to Client.

6.6 **Resultant Data.** Resultant Data remains the sole and exclusive property of ParkMobile. ParkMobile grants Client a revocable, royalty-free, non-exclusive, non-assignable, non-transferable license to applicable Resultant Data for the duration of the term only for Client's internal use in connection with the Services.

6.7 **Reservation of Rights.** ParkMobile reserves all rights not expressly granted to Client in this Agreement. Except for the limited rights and licenses expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to Client or any third party any IP Rights or other right, title, or interest in or to the ParkMobile Application and/or the Platform.

6.8 **Patent, Trademark, and Copyright Indemnity.** ParkMobile shall, hold Client, its officers, employees, and agents harmless from any and all liability, of any nature or kind on account of use of any copyrighted or non-copyrighted composition, secret process, patented or unpatented invention, articles or appliances furnished or used under this Agreement. ParkMobile shall indemnify and hold harmless Client from and against (a) any and all claims, suits, actions, proceedings, or allegations brought against Client by a third party asserting that any ParkMobile intellectual property or deliverables provided under this Agreement are invalid or infringe any third party's rights; and (b) any and all losses, liabilities, damages, or expenses to the extent caused by any inaccuracy or breach of ParkMobile's representations regarding ownership or rights in such intellectual property.

7. FEES AND PAYMENT

7.1. **Fees.** Client shall pay ParkMobile the fees set forth in the Agreement that incorporates these Client General Terms & Conditions ("Fees") in accordance with this Section 7.

7.2 **Payment Terms.** The parties designate ParkMobile as the merchant of record. On or before the 15th day of each month, ParkMobile will disburse to Client all parking fees ParkMobile received during the preceding month from ParkMobile Users on behalf of Client as a direct result of this Agreement, less any amounts owed to ParkMobile.

7.3. **Taxes.** All fees and other amounts payable by Client under this Agreement are exclusive of taxes and similar assessments. Without limiting the foregoing, Client is responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental or regulatory authority on any amounts payable by Client hereunder, other than any taxes imposed on ParkMobile's income.

7.4. **Fee Increases.** ParkMobile may increase fees upon sixty (60) days' written notice to Client. Notice may be via email.

7.5. **Limited Payment Agent.** Client appoints ParkMobile as its agent for the limited purpose of receiving, holding, and settling payments made by ParkMobile Users to Client in connection with the Services. Client acknowledges and agrees that receipt of payment from ParkMobile Users in connection with the Services by ParkMobile shall be deemed the same as receipt by Client itself.

6. REPRESENTATIONS AND WARRANTIES

8.1. **Mutual.** Each party represents, warrants and covenants to the other party that: (a) it is duly organized, validly existing, and in good standing as a corporation or other legal entity under the laws of the jurisdiction of its incorporation or other organization; (b) it has the full right, power, and authority to enter into and perform its obligations and grant the rights, licenses, consents, and authorizations it grants or is required to grant under this Agreement; (c) the representative that is executing this Agreement has been duly authorized by all necessary corporate or organizational action of such party; and (d) when executed and delivered by both parties, this Agreement will constitute the legal, valid, and binding obligation of such party, enforceable against such party in accordance with its terms.

8.2 **ParkMobile.** ParkMobile represents, warrants, and covenants to Client that ParkMobile will perform the Services using personnel of required skill, experience, and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and will devote adequate resources to meet its obligations under this Agreement.

8.3 **Disclaimers.** EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN SECTION 8.1 AND SECTION 8.2, ALL SERVICES ARE PROVIDED "AS IS." PARKMOBILE SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, , AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. WITHOUT LIMITING THE FOREGOING, PARKMOBILE DOES NOT WARRANT THAT THE SERVICES OR ANY PRODUCTS OR RESULTS OF THE USE THEREOF WILL BE UNINTERRUPTED OR ERROR-FREE. PARKMOBILE SHALL NOT BE LIABLE FOR DELAYS, INTERRUPTIONS,

SERVICE FAILURES, OR OTHER PROBLEMS INHERENT IN USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS.

7. LIMITATION OF REMEDIES AND DAMAGES

10.1 **Exclusion of Damages.** EXCEPT AS OTHERWISE PROVIDED IN SECTION 10.3, IN NO EVENT WILL PARKMOBILE OR ANY OF ITS LICENSORS, SERVICE PROVIDERS, OR SUPPLIERS BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ITS SUBJECT MATTER UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY: (A) LOSS OF PRODUCTION, USE, BUSINESS, REVENUE, OR PROFIT OR DIMINUTION IN VALUE; (B) IMPAIRMENT, INABILITY TO USE OR LOSS, INTERRUPTION, OR DELAY OF THE SERVICES; (C) LOSS, DAMAGE, CORRUPTION, OR RECOVERY OF DATA, OR BREACH OF DATA OR SYSTEM SECURITY; (D) COST OF REPLACEMENT GOODS OR SERVICES; (E) LOSS OF GOODWILL OR REPUTATION; OR (F) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED, OR PUNITIVE DAMAGES, REGARDLESS OF WHETHER SUCH PERSONS WERE ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

10.2 **Cap on Monetary Liability.** EXCEPT AS OTHERWISE PROVIDED IN SECTION 10.3, IN NO EVENT WILL THE COLLECTIVE AGGREGATE LIABILITY OF PARKMOBILE ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING UNDER OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR ANY OTHER LEGAL OR EQUITABLE THEORY, EXCEED ONE TIMES THE TOTAL AMOUNTS PAID TO PARKMOBILE UNDER THIS AGREEMENT IN THE 12 MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THE FOREGOING LIMITATIONS APPLY EVEN IF ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

10.3 **Exceptions.** The exclusions and limitations in Section 10.1 and Section 10.2 do not apply to ParkMobile's obligations under Section 9 or liability for ParkMobile's gross negligence or willful misconduct.

8. ADDITIONAL TERMS

11.1 **Omnia.** ParkMobile is an awarded vendor with Omnia ("Omnia") to provide integrated parking management systems to public agencies at established rates as set forth in Omnia Contract No. 158974 ("Omnia Contract"). Client's procurement code authorizes the use of other contracts, including the Omnia Contract, as an acceptable method of procurement of competitively bid prices. Except as

supplemented by the terms of this Agreement, all terms and provisions of the Omnia Contract remain unchanged and in full force and effect.

9. DEFINITIONS

"Access Credentials" means any user name, identification number, password, license or security key, security token, PIN, or other security code, method, technology, or device, used alone or in combination, to verify an individual's identity and authorization to access and use the Platform.
"Authorized User" means Client's employee, consultant, contractor, and agent who is authorized by Client to access and use the Platform under the rights granted to Client pursuant to this Agreement.
"Brand Features" means a party's trade names, trademarks, service marks, logos, domain names, and other distinctive brand features.
"Client Data" means any data specific to Client's operation that is provided by Client to ParkMobile to be used in the provision of Services that is not available to ParkMobile publicly or by other means.
"Confidential Information" means information that one party (or an affiliate) discloses to the other party under this Agreement, and that is marked as confidential or would normally be considered confidential information under the circumstances. It does not include information that is independently developed by the recipient, is rightfully given to the recipient by a third party without confidentiality obligations or becomes public through no fault of the recipient.
"Documentation" means any manuals, instructions, or other documents or materials that ParkMobile provides or makes available to Client in any form or medium and which describe the functionality, components, features, or requirements of the Services.
"IP Rights" means any and all registered and unregistered rights granted, applied for, or otherwise now or hereafter in existence under or related to any patent, copyright, trademark, trade secret, database protection, or other intellectual property rights laws, and all similar or equivalent rights or forms of protection, in any part of the world.
"Parking Information" means parking zones, parking rates, parking restrictions, selected payment methods, and other information necessary for the provision of the Services for a specific Parking Location.

"Parking Location" means the location or locations of Client's on-street parking, off-street parking, reservation parking, parking lots, parking decks, permitted parking, and other facilities where ParkMobile Users may park.
"ParkMobile Application" means any and all mobile and/or web applications, services, or interfaces developed, hosted, or managed by, on behalf of, or in partnership with ParkMobile and that are made available to the general public and that facilitates the payment of parking transactions.
"ParkMobile User" means an end user that uses the ParkMobile Application.
"ParkMobile User Data" means information, data, and other content, in any form or media, that is submitted, posted, or otherwise transmitted by or on behalf of a ParkMobile User, directly or indirectly, through the ParkMobile Application.
"PCI Data" means, as applicable, payment card number, cardholder name, expiration date, card verification code or value, service code, and/or security-related information used to authenticate cardholders and/or authorize payment card transactions
"Personal Data" means (i) any information about an identified or identifiable individual; or (ii) information that is not specifically about an identifiable individual but, when combined with other information, may identify an individual. Personal Data includes names, email addresses, postal addresses, telephone numbers, government identification numbers, financial account numbers, payment card information, license plate information, online identifiers (including IP addresses and cookie identifiers), network and hardware identifiers, geolocation information, and any information that constitutes "personal data" or "personal information" within the meaning of any relevant and applicable data privacy or protection laws.
"Platform" means access-controlled mobile and/or web applications, services or interfaces developed, hosted, or managed by, on behalf of, or in partnership with ParkMobile that are made available to Client to administer, configure, manage and/or monitor parking sessions, parking rates, and/or parking restrictions associated with Client's Parking Locations.
"Resultant Data" means data and information related to Client's, Authorized Users' and/or ParkMobile Users' use of the Services that is used by ParkMobile in an aggregate and anonymized manner, including to compile statistical and performance information related to the provision and operation of the Services.
"Services" means the ParkMobile Application, the Platform, and all other services provided by ParkMobile under this Agreement.

Exhibit B

Payment Schedule

USER FEES		
On Demand User Fee	$0.40	per transaction

The parties designate ParkMobile as the merchant of record. Client agrees to pay ParkMobile $0.20 + 3% of the total transaction amount per transaction for this service, which shall be in addition to the User Fee (above). On or before the 15th day of each month, ParkMobile will disburse to Client all parking fees ParkMobile received during the preceding month from ParkMobile Users on behalf of Client as a direct result of this Agreement, less any amounts owed to ParkMobile.

Exhibit C

Insurance Specifications

General liability insurance. VENDOR shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual

liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

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

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

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

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

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

Other provisions or requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

Agency's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the

VENDOR ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the VENDOR, the City and VENDOR may renegotiate VENDOR's compensation.

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

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

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

Cyber Technology Errors and Omissions. VENDOR shall procure and maintain insurance with limits in an amount not less than $1,000,000 per occurrence/loss, $2,000,000 general aggregate, which shall include the following coverage:

- Liability arising from the unauthorized release of information for which an entity has the legal obligation to keep private, such as personally identifiable information (PII) and protected health information (PHI).
- Network security liability arising from the unauthorized use of, access to, or tampering with computer systems, including hacker or denial of service attacks.
- Liability arising from the failure of technology products (software and hardware) required under the contract for VENDOR to properly perform the intended services.
- Claims alleging the failure of computer security that result in the transmission of malicious code, deletion, destruction or alteration of data, or the denial of service.
- Electronic Media Liability arising from personal injury, plagiarism or misappropriation of ideas, domain name infringement or improper deep-linking or framing, and infringement or violation of intellectual property rights.
- Liability arising from the rendering, or failure to render, professional services.
- Defense costs in regulatory proceedings (state and federal) involving a violation of privacy laws or intellectual property rights.
- Crisis management and other expert services.

If coverage is maintained on a claims-made basis, the VENDOR shall maintain such coverage for an additional three (3) years following termination of the contract.

Cyber liability insurance. VENDOR shall procure and maintain Cyber Security and Privacy Liability insurance in an amount of no less than $1,000,000 per occurrence/loss which shall include the following coverage:

- Liability arising from the theft, dissemination and/or use of confidential or personally identifiable information; including credit monitoring and regulatory fines arising from such theft, dissemination or use of the confidential information.
- Network security liability arising from the unauthorized use of, access to, or tampering with computer systems.
- Liability arising from the failure of technology products (software) required under the contract for VENDOR to properly perform the services intended.
- Electronic Media Liability arising from personal injury, plagiarism or misappropriation of ideas, domain name infringement or improper deep-linking or framing, and infringement or violation of intellectual property rights.
- Liability arising from the failure to render professional services

If coverage is maintained on a claims-made basis, VENDOR shall maintain such coverage for an additional period of three (3) years following termination of the contract.

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Nick Smith, Mayor
MEETING DATE: June 17, 2026
SUBJECT: Liaison Appointment
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Endorse liaison effective immediately.

DISCUSSION
Council liaisons are designated for each of our city boards, committees, commissions, and task force. The liaison role is described in the Boards, Committees and Commissions Handbook. Council is asked to endorse the following liaison which become effective immediately.

1. Planning Commission – Nicholas Mourlam

OPTIONS
N/A

FINANCIAL IMPACT:
There is no fiscal impact.

FOCUSED PRIORITY AREA: Not Applicable.

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Leticia Livian, Human Resources Director

MEETING DATE: June 17, 2026

SUBJECT: AB 2561 Reporting: Vacancies, Recruitment, and Retention

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

RECOMMENDATION

Staff recommends that the City Council receive the report for information purposes only during the public hearing at which the City will report on workforce vacancies, recruitment, and retention efforts. The City's recognized employee organizations will be provided an opportunity to make a presentation on such subjects.

DISCUSSION

AB 2561 requires public agencies, including the City, to hold at least one (1) public hearing per year to discuss vacancies, recruitment and retention efforts. This communication along with the public presentation discusses the City's legal obligations under the new law, which took effect January 1, 2025. This presentation is for informational purposes only regarding the status of the City's vacancies, recruitment, and retention efforts.

AB 2561 was introduced to address the issue of job vacancies in local government, which adversely affects the delivery of public services and employee workload. Among other requirements, the bill mandates that public agencies conduct a public hearing to present the status of vacancies, recruitment, and retention efforts during a public hearing before the agency's governing body and identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

In compliance with the new legal obligations, the City is required to do the following:

Public Hearing – Report on Vacancies: For the calendar year 2025, the City's annual average percentage of vacancies (i.e., regular, full-time equivalent) was 12%.

Employee Organization Participation: Allow the recognized employee organization for each bargaining unit at the City to make presentations during the public hearing concerning vacancies and recruitment and retention efforts. Human Resources notified the three (3) represented bargaining units at the City of the opportunity to present: General Employee Association (GEA), Management Employee Association (MEA) and Police Officer Association (POA).

Additional Reporting for High Vacancy Rates: If vacancies within a single bargaining unit meet or exceed 20% of authorized full-time positions in that bargaining unit, upon request of the recognized employee organization for that bargaining unit, the City must provide additional information during the public hearing, including the following: (1) the total number of vacancies within the bargaining unit; (2) the number of applicants; (3) the average number of days to fill positions; and (4) opportunities to improve compensation and working conditions for employees in the bargaining unit.

For the calendar year 2025, within the City's bargaining units with recognized employee organizations, all were under the 20% vacancy rate, which is summarized below:

Bargaining Group	2025 Annual Average
General Employee Association (GEA)	9.68%
Police Officer Association (POA)	17.92%
Management Employee Association (MEA)	12.67%

For the calendar year 2025, within the City's non-represented employee groups were all under the 20% vacancy rate, which is summarized below:

Non-represented Groups	2025 Annual Average
Non-Represented Management & Confidential Groups	10.93%
Department Head Group	11.46%

OPTIONS

N/A - For informational purposes only.

FINANCIAL IMPACT:

There is no direct fiscal impact associated with conducting the public hearing.

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: Leticia Livian, Human Resources Director
MEETING DATE: June 17, 2026
SUBJECT: Ordinance Amending the Salary Classification Schedule - POA
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Introduce and hold a first reading of an ordinance to amend the salary classification schedule, and waive further reading; and approve the amendment; and
2. Direct that a summary of a proposed ordinance be published as approved by the City Attorney.

DISCUSSION

Pursuant to Article 25 of the City Charter and Pacific Grove Municipal Code (PGMC) Section 4.20.280, the City Council must approve and adopt any amendments to the City's Salary Schedule.
In 2024, the City Council approved a Memorandum of Understanding (MOU) between the City of Pacific Grove and the Police Officers' Association (POA). The MOU established compensation adjustments, including a 3% cost of living adjustment (COLA) for each of the following fiscal years:

- Fiscal Year 2024–2025
- Fiscal Year 2025–2026
- Fiscal Year 2026–2027

The COLAs for Fiscal Years 2024–2025 and 2025–2026 have already been implemented through prior amendments to the Salary Schedule.

The proposed amendment to the Salary Schedule implements the final 3% COLA for Fiscal Year 2026–2027, as previously approved by the City Council through the POA MOU.

This action does not represent a new compensation change, but rather fulfills the City's contractual obligation under the existing MOU. Approval of this amendment ensures that compensation for POA-represented classifications remains consistent with the terms negotiated and approved by the City Council.

Failure to adopt the updated Salary Schedule would result in inconsistency with the approved MOU and delay implementation of the agreed-upon compensation adjustments.

The proposed amendment to the Salary Schedule implements the final year of the 3% COLA

previously approved by the City Council as part of the POA MOU. Adoption of this amendment ensures compliance with the City's contractual obligations and maintains alignment between the Salary Schedule and negotiated agreements.

Below are the new hourly rates with the 3% COLA.

Classification	Step 1A	Step 2B	Step 3C	Step 4D	Step 5E	Step 6F	Step 7G
Police Officer	50.63	53.16	55.81	58.60	61.54	64.62	67.84
Police Sergeant	58.50	61.42	64.49	67.72	71.10	74.66	78.39

The requested change to the salary schedule is for Police Officer and Police Sergeant only. All other classifications in the salary schedule remain the same. To view the entire salary schedule, please refer to the City's website.

OPTIONS

- Provide alternative direction to staff
- Decline to adopt the amendment (not recommended, as it would conflict with the approved MOU)

FINANCIAL IMPACT:

The fiscal impact of the 3% COLA for Fiscal Year 2026–2027 has already been accounted for in the City's long-term financial planning and will be incorporated into the Fiscal Year 2026–2027 budget. The exact cost will depend on staffing levels and step placement but is consistent with projections included at the time the MOU was approved. The 3rd year COLA for POA is estimated to be approximately $92,000.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Proposed Ordinance

ORDINANCE NO. 26-XXX

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING THE CLASSIFICATION SCHEDULE FOR POA CLASSIFICATIONS

Findings

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

2. The COLAs for FY 2024–2025 and FY 2025–2026 have previously been implemented; and

3. The City Council now desires to implement the final three percent (3%) COLA for FY 2026–2027 as required by the adopted MOU; and

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

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

6. In the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq. Enactment of this ordinance action does not constitute a "project" as defined by California Environmental Quality Act (CEQA) because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment pursuant Section 15378.

ORDINANCE

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

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

SECTION 2. The position classification plan approved and adopted by the City Council pursuant to Charter Article 15 and PGMC § 4.20.280 is amended for POA classifications of Police Officer and Police Sergeant with the following salary schedule:

	Hourly Rates

Classification	Step 1A	Step 2B	Step 3C	Step 4D	Step 5E	Step 6F	Step 7G
Police Officer	$50.63	$53.16	$55.81	$58.60	$61.54	$64.62	$67.84
Police Sergeant	$58.50	$61.42	$64.49	$67.72	$71.10	$74.66	$78.39

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

SECTION 4. In accord with Article 15 of the City Charter, this ordinance shall become effective on July 5, 2026.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 15th day of July 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: Fred Marsh, Administrative Services Director

MEETING DATE: June 17, 2026

SUBJECT: Ordinance to Adopt the Fiscal Year 2026-27 Update to the Operating and Capital Improvement Budget for Fiscal Years 25-26 and 26-27; Resolution authorizing continued operations under the current Fiscal Year 2025-26 Budget

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

RECOMMENDATION

1. Approve the resolution authorizing continued operations under the current Fiscal Year 2025-26 Budget
2. Introduce and hold the first reading of an ordinance to adopt the Fiscal Year 2026-27 Update to the Operating and Capital Improvement Budget for Fiscal Years 25-26 and 26-27.
3. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

DISCUSSION

Staff will be presenting tonight as part of a PowerPoint presentation a draft of the City's proposed 2026-27 Update to the two year budget for Fiscal Years 2025-26 and 2026-27. These items are subject to additional changes from staff as well as feedback from the City Council. A revised version of the update to the 26-27 budget will be presented at the second reading of the ordinance at the July 17th City Council meeting. Due to the fact that the enactment of the ordinance will not occur until July, staff is also requesting that Council also adopt a resolution allowing for continued operations under the current Fiscal Year 2025-26 budget until the ordinance is enacted.

OPTIONS

- Approve resolution and ordinance
- Provide alternate direction

FINANCIAL IMPACT:

The fiscal impact of the proposed Fiscal Year 2026-27 update to the budget for Fiscal Years 25-26 and 26-27 is contained in the attached budget document.

FOCUSED PRIORITY AREA: Financial Sustainability

Attachments

Continuing Operations Resolution for Budget
Budget Ordinance
Attachment A
Attachment B
PPT

RESOLUTION NO. 26-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AUTHORIZING CONTINUED OPERATIONS UNDER THE CURRENT FISCAL YEAR 2025-26 BUDGET

FINDINGS

WHEREAS, the City Council has not yet adopted the budget for Fiscal Year 2026-27; and

WHEREAS, it is necessary to ensure the uninterrupted provision of essential public services and the continued operation of all City departments; and

WHEREAS, the City Council finds it in the public interest to authorize expenditures at levels consistent with the current Fiscal Year 2025-26 budget until the new budget is adopted;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pacific Grove as follows:

1. **Authorization to Continue Operations**

The City Manager is hereby authorized to continue operating under the Fiscal Year 2025-26 budget, including all appropriations, staffing levels, and expenditure limits, until the Fiscal Year 2026-27 budget is formally adopted.

2. **Limitations**

No new programs, projects, or capital expenditures not previously authorized in the current budget shall be initiated without prior Council approval.

3. **Duration**

This authorization shall remain in effect until the Adoption of the Fiscal Year 2026-27 budget.

4. **Effective Date**

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 17th day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

ORDINANCE NO. 26-xxx

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE ADOPTING THE OPERATING AND CAPITAL PROJECTS BUDGET FOR THE FISCAL YEAR (FY) 2026-27;

FACTS

1. The City Council held a public hearing and first reading of an ordinance to adopt the FY 2026-27 Operating and Capital Projects Budget.

2. The City Manager is recommending adoption of the FY 2026-27 Budget to reflect the City Council's expressed goals for the fiscal year budget.

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

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

5. In the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq.

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

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

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

SECTION 2. That the City Council does hereby approve and adopt the operating budget and capital improvement program for the City for FY 2026-27, as summarized in Attachments A and B to this ordinance.

SECTION 3. That the City Council authorizes at the closeout of Fiscal Year 2025-26 by the Administrative Services Department the carryover of any unspent and encumbered funds for operations and capital projects and any other unspent funds for active capital projects, to be reappropriated in the Fiscal Year 2026-27 budget for continued use in the same manner so long as there are sufficient available fund balances to finance these commitments.

SECTION 4. In accord with Article 15 of the City Charter, this ordinance shall become effective upon adoption hereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 15th day of July, 2026, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:

_____

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
ALEX LORCA, City Attorney

ATTACHMENT A - GENERAL FUND BUDGETED EXPENSES BY DEPARTMENT
FISCAL YEAR 2026-27

	Expenditures
City Council	$ 339,800
City Manager	1,158,398
Economic Development	509,345
City Attorney	865,000
Finance	1,411,296
Information Services	1,240,962
Community Development	2,498,477
Police	7,984,569
Fire	4,090,791
Public Works	4,443,516
Library	1,244,321
Museum	441,843
Recreation	1,804,081
Debt Services & Obligations	6,588,293
Other Transfers	674,903
Capital Outlay	225,500
Capital Project Transfers	500,000
Total General Fund Budgeted Expenses	**$ 36,021,095**

ATTACHMENT B - BUDGETED REVENUES / EXPENSES BY FUND
FISCAL YEAR 2026-27

Fund Number / Name	FY26-27 Amended Budget Revenues	FY26-27 Amended Budget Expenditures	Summary by Fund Type	
01 - General Fund	$ 34,437,400	$ 36,021,095	$ 34,437,400	$ 36,021,095
63 - Capital Improv Proj Fund	506,682	850,000	506,682	850,000
Enterprise Funds				
74 - Local Water Project	1,001,146	1,066,388		
75 - Cemetery Fund	548,987	901,149		
76 - Sewer Fund	4,095,902	9,404,531		
77 - Golf Fund	624,381	460,097		
78 - Sewer Lateral Loans	3,908	30,000	6,274,324	11,862,165
Internal Service Funds:				
70 - Emp Benefit Fund	377,424	373,485		
71 - Workers Comp Fund	1,000,299	977,316		
72 - Liability Ins Fund	918,944	958,386	2,296,667	2,309,188
Special / Other Funds:				
03 - Carillon Fund	353	-		
04 - Hyperbaric Chamber	11,491	17,250		
05 - Environmental Enhancement	2,802	-		
06 - State Franchise Peg	49,171	60,000		
07 - Library Bldg & Equip Fund	27,292	28,000		
08 - Museum Improvement	8,073	40,000		
09 - Downtown Business Distric	31,760	33,500		
10 - Hospitality Imprvmt Dist.	540,566	554,560		
11 - Library Book Fund	42,154	43,575		
12 - Fire Emerg Equip Fund	24,575	12,880		
15 - Housing Fund	26,132	161,775		
17 - Local Streets And Roads	784,575	818,000		
18 - Gas Tax Fund	426,993	462,452		
22 - Asset Seizure Fund	188	-		
24 - Lovers Point Pool	1,605	8,000		
25 - Recreation Donation Fund	11,475	-		
26 - Chautauqua Hall Fund	543	-		
27 - Lighthouse Maint.& Impv.	135,351	133,946		
28 - Senior Housing Fund	379	-		
31 - Operating Donations	2,365	-		
34 - Cdbg Grant Fund	29,474	73,673		
36 - Calhome Reuse Account	22,444	24,000		
40 - Poetry Promotion Fund	42,232	17,400		
41 - Yount Income Fund	8,485	-		
42 - Pub Safety Aug Fund	528,452	562,908		
43 - Slesf Fund	188,879	245,388		
45 - Abandoned Vehicle Program	10,984	-		
47 - Rmra Fund	430,826	420,261		
55 - General Plan Maintenance Fee	9,681	-		
69 - Coastal Conservancy Grant	3,031	-		
85 - Library Trust Fund	13,141	-		
86 - Cemetary Endowment Fund	129,319	-		
90 - Yount Nonexpendable Fund	8,000	8,000		
91 - Strong Disbursements	9,307	-		
92 - Mcindoo Donation	1,167	-		
93 - Reiko Koo Estate Donation	487	-	3,563,751	3,725,568
Total Budgeted Revenues and Expenses	**$ 47,078,824**	**$ 54,768,016**	**$ 47,078,824**	**$ 54,768,016**

City of Pacific Grove, CA
FY 2026-27 Budget Update
6/17/2026



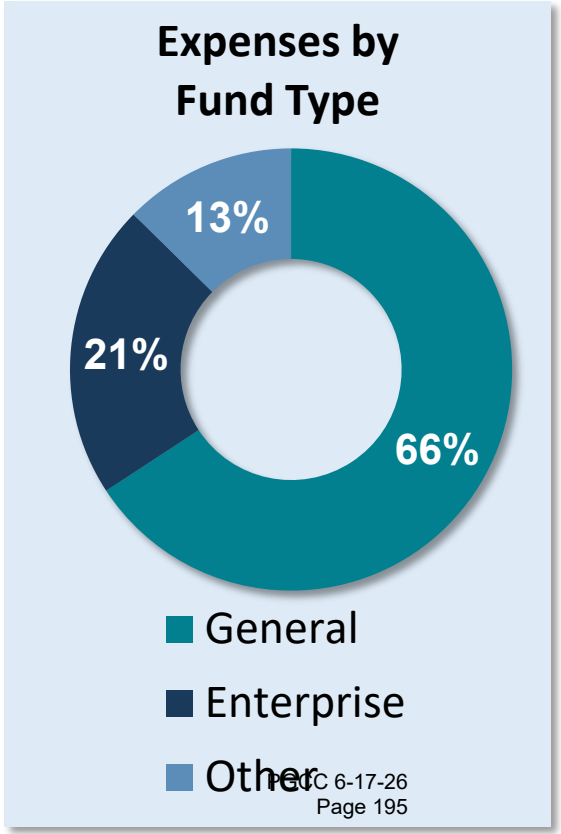
Presentation Overview

1. **FY26-27 Budget by Fund**
   - Overview of all fund types
   - Overview of Capital Program
2. **General Fund Revenues**
   - Revenues by major categories
3. **General Fund Expenses**
   - Charts by dept and object
4. **Summary of Major Changes**
   - General Fund
   - Enterprise / Other Funds
5. **Updated Staff Plan**
   - Summary across all depts
   - Proposed reclassifications
6. **General Fund Five Year Forecast**
   - General Fund reserve levels

FY26-27 Budget by Major Fund Type (In Millions)
All Funds

Fund Type	Revenues / Transfers	Expenses / Transfers	Net Change	Ending Reserves
General	$34.4	$36.0	-$1.6	$12.7
Enterprise	6.3	11.9	-5.6	2.3
Internal Service	2.3	2.3	0.0	0.7
Capital Project	0.5	0.9	-0.4	1.0
Special / Other	3.6	3.7	-0.1	3.4
Totals	**$47.1**	**$54.8**	**-$7.7**	**$20.1**
$ Change *	**$1.6**	**$-0.4**	**$1.9**	**$0.1**
% Change *	**4%**	**-1%**		

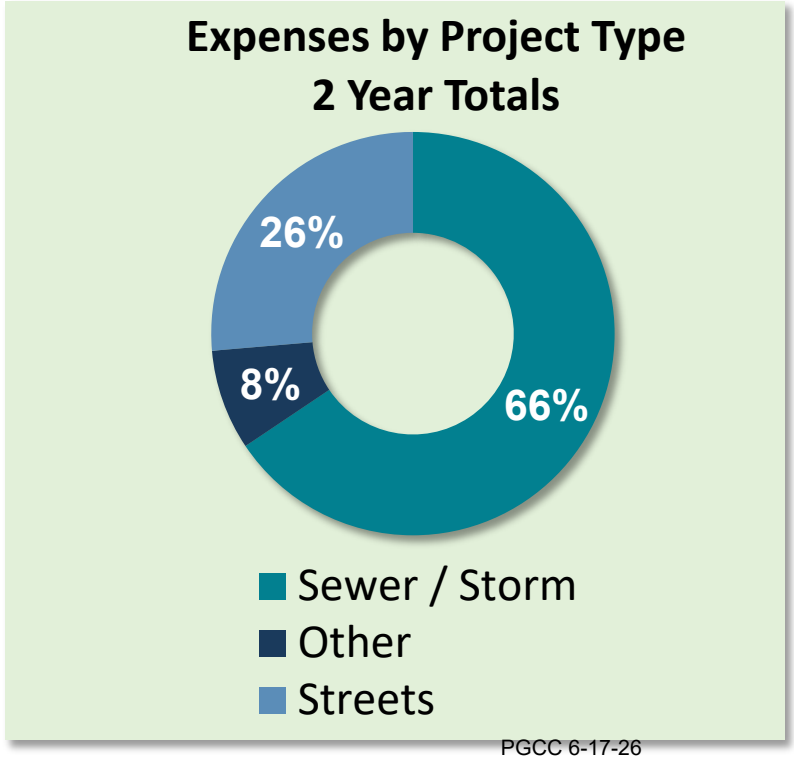
* Change from original two year budget



Two Year Capital Program (In Millions)

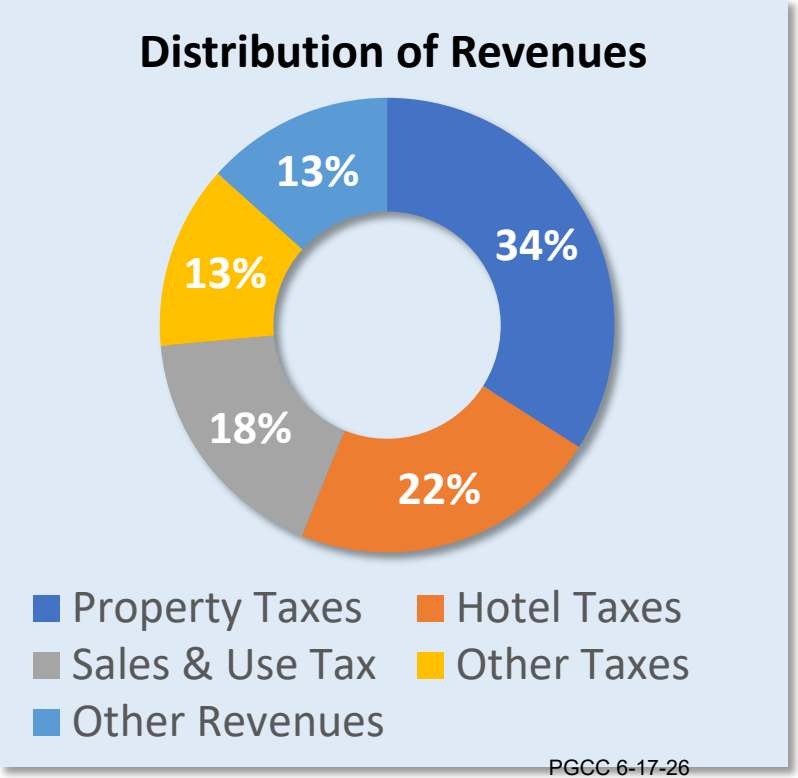
Project Type	25-26	26-27	2 Year Total
Transportation	$3.92	$0.50	$4.42
Waste/Storm Water	5.00	6.00	11.00
Capital / Other	1.58	.67	2.25
Totals	**$10.50**	**$7.17**	**$17.67**

Note: The budgeted amounts for FY 25-26 include cip carryovers from prior fiscal years



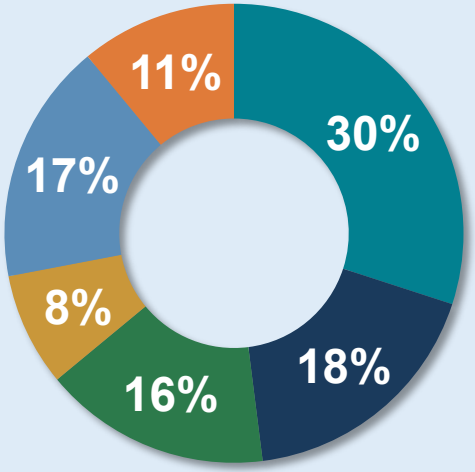
FY26-27 General Fund – Revenues (In Millions)

Category	FY25-26	FY26-27
Property Taxes	$11.1	$11.6
Hotel Taxes	$7.3	$7.6
Sales & Use Tax	$5.9	$6.0
Utility Users Tax	$2.2	$2.2
Other Taxes	$2.1	$2.3
Licenses & Permits	$1.0	$1.1
Charges for Service	$2.1	$2.2
Other Revenues	$1.7	$1.4
Total Revenues	**$33.5 M**	**$34.4 M**



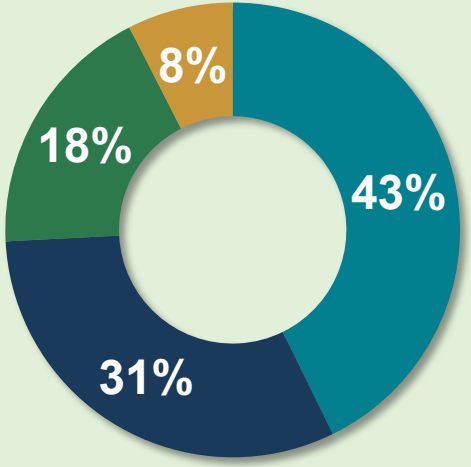
FY26-27 General Fund Expenses/Transfers ($36 Million)

Expenses by Department



- Police
- Fire
- Public Works
- Development
- Administration
- Recreation/Other

Expenses by Major Category



- Personnel
- Operating
- Debt / Pension Liability
- Capital / Other

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General Fund – Summary of Major Changes

General Fund - Revenues

Property Taxes + $269k
Based upon revised estimates from HDL.

TOT Revenue + $703k
Reflects the addition of the Kimpton Hotel.

General Fund - Expenses

Salaries & Benefits ($94k)
Reflects changes anticipated new MOUs.

Other Expenses / Transfers + $161k
Includes CDD study and revised fire costs

Expenditure Reductions ($94k)
Reflects cuts to travel and legal expenses

Golf Enterprise Fund

Net Revenues + $174k
Based upon new contract with Courseco

Sewer Enterprise Fund

Net Revenues ($900k)
Budget appropriations moved from FY27 to FY26 for the Sewer Force Maintenance Replacement project (–$1.3M). Additional $400k needed for Sewer Collection System Master Plan.

Other Funds

Museum Fund + $40K
Estimated costs for fence replacement

Proposed Staffing Reclassifications for FY 2026-27 (No Changes in FTE for FY 26-27 – 107.5)

The staffing changes below were made due to address departmental needs.
Any cost increases were offset by reductions in these departments' operating costs:

Community Development:

- Administrative Assistant to Administrative Coordinator

Information Technology:

- Management Analyst to IT Management Analyst

Library:

- Administrative Analyst to Management Analyst

Administrative Services:

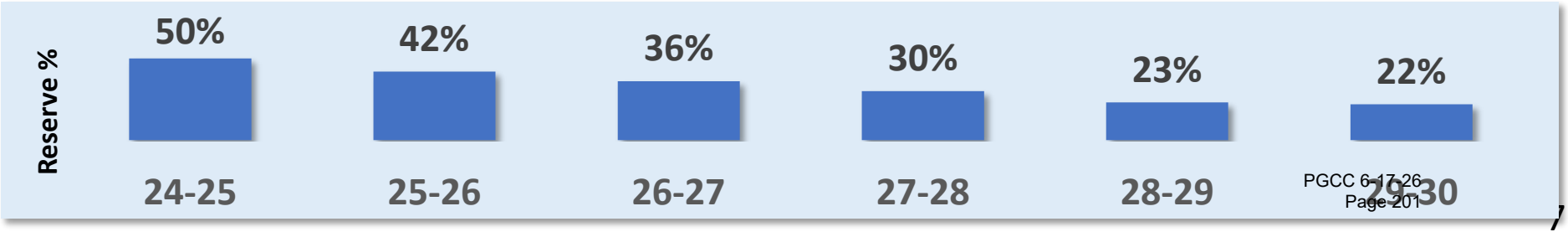
- Management Analyst to Program Manager

Recreation:

- Elevate the 30 hour Recreation Admin Assistant and reclassify that position to a 30-hour Admin Coordinator, do not backfill Recreation Coordinator position.

Updated General Fund 5-Year Forecast (In Millions)

	24-25	25-26	26-27	27-28	28-29	29-30
Revenues / Transfers In	$35.2	$ 33.6	$34.4	$35.4	$36.5	$37.7
Expenses / Transfers Out	35.0	35.0	36.0	37.3	38.8	38.2
Net Change for Fiscal Year	$ 0.1	$ (1.4)	$ (1.6)	$ (1.9)	$ (2.3)	$ (0.5)
Projected Ending Reserves	$ 15.7	$ 14.3	$ 12.7	$ 11.2	$ 8.9	$ 8.4
Projected Reserve Level	50%	42%	36%	30%	23%	22%
Change from 2 Year Budget	N/A	↑6%	↑9%	↑12%	↑14%	↑17%



Proposed Gann Limit for FY 2026-27

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

Fiscal Year	Gann Limit	% Limit Increase	Budgeted Tax Revenues	% of Limit	Change in Gann Limit	County Population Factor	City Population Factor	California Per Capita Income
2027	55,667,338	4.77%	29,726,500	53%	2,535,243	0.99830	0.9947	1.0495

TAXES SUBJECT TO APPROPRIATIONS LIMIT

BUDGETED TAX REVENUES	Budget FY 2026-27
Property Tax	$ 9,013,000
Utility User Tax	2,212,700
Sales & Use Tax	6,021,400
Transient Occupancy Tax	7,618,100
Business License Tax	490,800
Franchise Taxes	1,625,700
Property Transfer Tax	155,300
Motor Vehicle in Lieu Fees	2,589,500
TOTAL BUDGETED TAX REVENUES	**$29,726,500**

Recommendations (can just state to adopt items 1-6)

1. Receive the report and provide staff feedback regarding the proposed update to the Budget for Fiscal Year 2026-27.
2. Approve the resolution authorizing continued operations under the current Fiscal Year 2025-26 Budget.
3. Request the City Attorney to read the title of the ordinance.
4. Motion to waive further reading of the ordinance.
5. Introduce and hold the first reading of an ordinance to adopt the Fiscal Year 2026-27 Update to the Operating and Capital Improvement Budget for Fiscal Years 25-26 and 26-27.
6. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the 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: Che Johnson, Chief Negotiator and Leticia Livian, Human Resources Director

MEETING DATE: June 17, 2026

SUBJECT: Memorandum of Understanding between the City of Pacific Grove and the Management Employees Association (MEA)

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

RECOMMENDATION

1. Approve a resolution approving the Memorandum of Understanding between the City of Pacific Grove and the Management Employees Association to cover the period of July 1, 2026, through June 30, 2027.
2. Take an alternative action related to this item.

DISCUSSION

The City and Management Employees Association (MEA) have been negotiating a successor to the Memorandum of Understanding (MOU) that is set to expire June 30, 2026.

The attached resolution implements the tentative agreement reached with MEA. MEA's membership preauthorized this agreement. Below are key items that have been negotiated:

- One year agreement, term ending June 30, 2027.
- No increase to salary/cost of living adjustment (COLA).
- Paid holiday closure beginning Christmas Eve and through New Year's Day.
- Increase to PTO accruals by 8 hours more a month in lieu of a separate sick leave bank.
- Increase to monthly employer health contributions:
    - Employee only, from $950 to $997.50
    - Employee plus a dependent, from $1,475 monthly to $1,548.75 monthly
    - Employee plus two or more dependents, from $1,975 monthly to $2,073.75 monthly

The annual employer cost of the healthcare increase is estimated to be $7,515.

- Adding a monthly employer dental contribution to cover increase cost to dental:
    - Employee only, city contributes $4.44
    - Employee plus one dependent, City contributes $8.96
    - Employee plus two or more dependents, City contributes $10.92

The annual employer cost of dental the increase is estimated to be $694.56.

- All other terms and conditions in the current MOU are unchanged.

The negotiations were fully collaborative and were based on shared interests of the MEA employees, and the City. This is a continuation of the MEA's ongoing approach to seek what is best for its members, and to do so in the larger context of what is best for the City as a whole.

Approval of the attached resolution confers authority upon the City Manager to take all steps necessary to implement this MOU and authorizes budget adjustments, if necessary, to implement expenditures during FY 26/27.

OPTIONS

1. Not approve
2. Provide alternative direction

FINANCIAL IMPACT:

It is anticipated that the impact to the fiscal year 26/27 budget will increase by approximately $8,209.56.

FOCUSED PRIORITY AREA: Community Development

Attachments

Resolution

MEA MOU

RESOLUTION NO. 26 - _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE APPROVING THE MEMORANDUM OF UNDERSTANDING WITH THE PACIFIC GROVE MANAGEMENT EMPLOYEES ASSOCIATION.

FINDINGS

1. The City of Pacific Grove and the Management Employees Association (MEA) have negotiated and have reached agreement on a successor Memorandum of Understanding amending the Memorandum of Understanding that governs wages, benefits, hours and working conditions Management Employee Association members.

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

RESOLUTION

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

SECTION 1. The City Council finds each recital set forth above to be true and correct, and by this reference incorporates each as an integral part of this Resolution.

SECTION 2. The City Council approves the attached Memorandum of Understanding with the Management Employees Association that covers the period July 1, 2026, through June 30, 2027.

SECTION 3. The City Manager is authorized to execute all documents and to perform all other necessary City acts to implement the Memorandum of Understanding.

SECTION 4. This resolution confers authority upon the City Manager to take all steps necessary to implement this MOU and authorizes budget adjustments if necessary to implement expenditures during FY 26/27.

SECTION 5. This Resolution shall take effect immediately following its adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 1st day of June 17, 2026 by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

_____

_____
NICK SMITH
Mayor

ATTEST:

_____
SANDRA KANDELL
City Clerk

APPROVED AS TO FORM:

_____
ALEX LORCA
City Attorney

CITY OF PACIFIC GROVE

MEMORANDUM OF UNDERSTANDING MANAGEMENT EMPLOYEES ASSOCIATION

July 1, 2026 – June 30, 2027

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Memorandum of Understanding Between
City of Pacific Grove and
Management Employees' Association

July 1, 2026 - June 30, 2027

In accordance with State requirements, the City of Pacific Grove, through its negotiating team, and the Pacific Grove Management Employees' Association, through its negotiating team, have met and conferred in good faith on matters within the scope of representation. As a result of these meetings, the parties make the following Memorandum of Understanding as required and subject to the conditions of Government Code Section 3503.1.

ARTICLE 1 ADMINISTRATIVE

1.1 Parties
This agreement is made and entered into between the City of Pacific Grove (herein called the "City") and the Pacific Grove Management Employees' Association, (herein called the "Association").

1.2 Recognition
The City recognizes the Pacific Grove Management Employees' Association as the exclusive representative of the employees of the City in the Management Unit.

1.3 Unit Description
The Management Unit consists of all regular employees of the City occupying positions in the following non-confidential designated job classes:

Accountant
Construction Project Manager
IT Analyst
Librarian
Management Analyst
Planner, Principal
Program Manager
Public Works Superintendent
Senior Librarian
Senior Recreation Coordinator

1.4 Coverage
This Memorandum of Understanding applies only to full-time positions in the Management Association.

1.5 Duration and Scope of MOU
The MOU shall govern the period July 1, 2026 - June 30, 2027. It is understood that as to any terms not covered by this MOU. Section 4.20 of the Pacific Grove Municipal Code and *Policy & Procedures Manual* is applicable.

1.6. Nondiscrimination

The provisions of this Memorandum of Understanding shall be applied equally to all employees covered hereby without discrimination because of Association membership.

Employees may elect to exercise their right to join and participate in the activities of the Association for the purpose of representation in all matters of their working conditions and employer-employee relations.

1.7 Association Dues

Employees in classifications and positions recognized to be represented by the Association may authorize the City to deduct specified amounts for payment of dues to the Association. The City is not a party to any matters regarding the process and any other terms applicable to employee authorization or rescission of authorization for such deductions. Such matters are exclusively between the Association and affected employee(s) only.

The Association will maintain records of employee authorizations for such payroll deductions and will provide the City with a document identifying unit employees who have authorized payroll deductions and the amount that each employee has authorized the City to deduct. The City will rely upon the list of employees and the deduction amounts contained in the document provided by the Association, subject to the following terms:

Deduction of membership dues will cease starting with the next pay period following the effective date of promoting or demoting out of the association.

No payroll deductions shall be made under this Section during any pay period in which an employee's earnings, after all other deductions are made, are insufficient to cover the full amount authorized.

When an employee is in a non-pay status for an entire pay period, no deduction will be made to cover the pay period from future earnings.

In the case of an employee who is in a non-pay status during less than an entire pay period and whose earnings, after all other deductions are made, are insufficient to cover the full amount authorized under this Section, no deduction shall be made from future earnings to cover the pay period.

The City shall transmit to the Association, as soon as reasonably possible, the aggregate of such deductions, along with an itemized statement of the deductions taken. Dues deducted and paid to the Association in error shall be refunded to City upon presentation of proof of such error. The Association shall indemnify, defend, and hold the City harmless against any liability arising in any forum, whether judicial, administrative, or otherwise, from any claims, demands, or other action relating to the City's compliance with any obligations imposed under Section 1.7 including but not limited to payroll deductions made in reliance on information provided by the Association and the Association's use of monies collected under these provisions.

1.8 Release Time for Association Business

Up to three (3) designated Association representatives (in addition to the Association's business agent) shall be allowed, as long as there is no disruption in work, a reasonable amount of release time off without loss of pay for purposes of participating in meetings and conferring or meeting and consulting sessions with City representatives on matters within the scope of

representation. Such Association representatives shall first obtain permission through the appropriate management channel before leaving the work or work location.

New Employee Orientation: The City provides new employee orientation on an as needed basis. The City shall provide MEA with prior notice of a new employee orientation and with prior approval shall provide a reasonable amount of paid release time to meet with the employee.

1.9 Contracting Out/Bidding

The City has the right to contract out bargaining unit services, however, when feasible, the City will perform cost analysis to meet the best interest of the City. In the event that the City exercises its right to contract out bargaining unit work, the City shall provide at least 45 days' notice prior to issuing a request for proposal, request for quotes, or renewing or extending an existing contract, to perform services that are within the scope of work of the job classifications represented by MEA. Notice shall be provided to Association along with an opportunity for the Association to meet and confer on the impacts and effects of this decision and comply with current law.

1.10 Safety

The City recognizes its obligation and is committed to providing a safe place of employment for its employees. To assist in accomplishing this goal, it is agreed that the City reserves the right to adopt reasonable City rules and regulations, which become effective when posted. City agrees to meet and discuss with the Association proposed changes prior to implementation.

The Association agrees that it is the duty of all employees to comply with all reasonable rules and regulations and to be alert to all unsafe places, equipment and conditions and to report any such unsafe practices or conditions to their immediate supervisor.

Association representatives shall have reasonable access to work locations of unit employees to inspect worksites to ensure a safe work place.

1.11 Safety Committee

The City shall convene a Safety Committee to discuss the provision of safety equipment appropriate to specific job classifications.

ARTICLE 2 COMPENSATION

2.1 Salary

For fiscal year 2026/2027 the Parties have agreed to maintain the status quo regarding salary rates.

2.2 Management Time Compensation

Due to the unique aspects of their normal job duties, employees shall receive Management Time Compensation is lieu of paid management leave, overtime, or compensatory time in the amount of 3% of base salary.

2.3 Salary Step on Promotion or Reclass

The salary of an employee who is promoted or reclassified to a class having a higher salary range shall be adjusted to the first step of the new salary range or to the next higher step that provides a minimum of five percent (5%) salary increase.

2.4 Bilingual Pay

Bilingual pay is $200 monthly for Spanish speaking skills used in assignments that routinely and consistently require Spanish communication skills. The Department Head will make a determination with City Manager approval, if Spanish bilingual skills are being used routinely and consistently.

Employees may test and pass the test for Spanish (verbal) skills. Bilingual Pay is effective the first full pay period after HR receives the passing results. If the assignment changes and there is no longer a need for Spanish speaking skills, the bilingual pay will be removed at the next full pay period.

If the employee fails the Spanish test, they may retest after 6 months.

ARTICLE 3 INSURANCE BENEFITS

3.1 Employee Health Plan Eligibility

Association employees shall be entitled to participate in the City-sponsored group health plans including medical, dental, and vision as well as optional benefits.

Eligible employees enrolling in the group health plans within 60 days following their appointment will be covered subject to the contract limitation with the group health plan carrier. Coverage shall commence when the employee is eligible for coverage under CalPERS rules and the group health plan carriers' rules.

Human Resources will notify employees of annual open enrollment periods to change group health plans or enroll in additional benefits; unless the employee can certify a qualifying loss of coverage. (an eligible spouse, domestic partner, or minor child requiring health coverage because of a court order; new children by birth or adoption, or placement of adoption; new family members due to marriage or domestic partnership registration; or those whose health plan was cancelled due to an involuntary loss of coverage).

3.2 City Paid Health Premiums

(a) City shall pay the employer required statutory minimum contribution for employees enrolled in the PERS health plans as required by the Public Employee Medical and Hospital Care Act (PEMHCA).

(b) Health care premiums include medical, dental and vision.

(c) For employees participating in all three health plans: medical, dental and vision.

(d) Effective for July 2026 premiums, the employer contribution will increase to the chart amounts below.

Plan Enrollment Level	Monthly Employer Contribution (amount excludes PEMHCA)
Employee Only	$997.50
Employee + 1 Dependent	$1,548.75
Employee + 2 or More Dependents	$2,073.75

(e) Medical Premium Re-opener
Contract will be re-opened to meet and discuss medical premiums only, if premiums increase an average of 15% between all four eligible plans for CalPERS Region 1 (PERS Platinum, PERS Gold, Anthem HMO Select, and Blue Shield Trio HMO) at one or more of the employee only, employee plus one, or employee plus family enrollment levels. Only enrollment levels that meet the 15% average increase criteria will be subject to the re-opener. No rounding shall be applied for purposes of this section (e.g. an average increase of 14.995% at the employee-only enrollment level does not meet the 15% percent requirement.)

3.3 City Dental Contribution

The City shall contribute toward the monthly premium for employees participating in group dental. Effective for July 2026 dental premiums, the employer contribution amount is listed below.

Plan Enrollment Level	Monthly Employer Contribution (amount excludes PEMHCA)
Employee Only	$4.44
Employee + 1 Dependent	$8.96
Employee + 2 or More Dependents	$10.92

3.4 Rate of Contribution Cash in Lieu (Grandfathered Employees)

The City shall contribute $368.75 per month ($171.20 for each of twenty- six pay periods) for current employees who are not participating in medical health plan coverage at the time of MOU ratification. This option in not available to new hires or current employees participating in the City's medical health plan coverage. There is no opt-in for this program and employees who opt out will no longer be allowed to receive this benefit but may be able to participate in the New program outlined in Section 3.4. This contribution terminates 6/30/27.

3.5 Rate of Contribution Cash in Lieu (New Employees)

Beginning January 2021, employees who are not currently grandfathered in the cash-in-lieu program may opt out of health (medical, dental and vision) during open enrollment and receive $250 per month taxable cash in lieu ($115.38 for each twenty-six pay periods). Employees who receive the cash-in-lieu, must provide proof of other coverage for medical.

3.6 Proof of Other Coverage

Employees who opt out of the medical plan and receive cash in lieu must provide the following:

(a) proof the employee and all individuals for whom the employee intends to claim a personal exemption deduction ("tax family"), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period");

and

(b) the employee must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The City will not make an in lieu payment if the City knows the employee or tax family member doesn't have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied.

3.7 Section 125 Plan

Employees may elect to participate in three Section 125 programs offered by the City. The available programs are Pre-Tax Premium Option, Dependent Care, and Flexible Spending Account. Each of these programs shall be administered in accordance to the IRS Code. For purposes of information, the following provides a description of the programs.

- Pre-Tax Premium Option- Permits payment of health insurance premiums subject to salary deduction with pre-tax income.
- Dependent Care- Permits payment of eligible dependent care with pre-tax income.
- Flexible Spending Account- Permits payment of eligible health care expenses not reimbursed by health insurance with pre-tax income.
- Optional Insurance Programs (e.g. AFLAC or other pre-tax offerings sponsored by the City.

3.8 457 Deferred compensation Plan

The City will match up to $100.00 per pay period of any MEA member's contribution to the City's Deferred Compensation Plan authorized under the Internal Revenue Code Section 457.

3.9 Group Life Insurance

The City shall provide at its cost Group Life Insurance with Accidental Death and Dismemberment at a minimum benefit of $75,000.

3.10 Short Term/ Long Term Disability Plan (STD/ LTD)

The City shall provide at its cost supplemental Short-Term and Long-Term Disability Insurance.

3.11 State Disability Income Protection Plan

Association employees are covered by the State Disability Income (SDI) Protection Plan at their expense. Accrual banks may be integrated with SDI benefits.

3.12 Medical, Dental, and Vision Insurance

The City and Association agree to periodically review health insurance policies currently in place to provide the most favorable insurance coverage available.

3.13 Medicare

Medicare is withheld for employees.

3.14 Workers Compensation Salary Continuation

Association members who suffer a bona fide on the job injury or illness, as determined under the provisions of the California Workers' Compensation laws, and who, as a result of such injury or illness, are unable to work in their regularly assigned position or other position as determined by the City will be entitled to receive full salary and benefits for the first 90 days of such absence from the date of the incurred injury or illness. No charge to the member's sick leave, vacation, compensatory time off or other leave will be made during the 90 days from the date of the

incurred injury. It is noted that the City offers a Disability Insurance policy which establishes additional benefits for absences due to disabilities.

If a claim has been filed with, but not yet finally accepted or rejected by, the City's Worker's Compensation provider, the employee will be required to use any accrued and available paid leave to cover their absence. If the claim is finally accepted, the employee's leave banks will be restored for days actually used, up to 90 days.

FMLA/CFRA will automatically be activated for employee's off work for a week. FMLA/CFRA will run until the employee returns to work. or until exhausted. FMLA/CFRA will mirror W/C leave even when intermittent.

ARTICLE 4 FITNESS INCENTIVE

4.1 Fitness Reimbursement Program Overview.

A. City will reimburse up to $500 per calendar year for employee's personal fitness costs. Eligible covered fitness reimbursement are listed below.

- Fitness Classes (Yoga, Pilates, Cycling, etc.)
- Fitness Subscriptions (such as Peloton, etc.)
- Gym Membership
- Weight Management Programs (such as Weight Watchers)
- Registration fees for 5K's, 10'k, half and full running marathons

B. Reimbursement for fitness expenses not listed above, will be subject to the City Manager's discretion and approval. To avoid declination of reimbursement, items not listed should be pre-approved by the City Manager, or designee. Declination of reimbursement for items not listed above are not grieveable.

C. Annual requests for reimbursement must be submitted by December 1st of calendar each year.

D. To be eligible for reimbursement, a requesting employee must be in active status and remain a current employee through December 31st of the year in which seeking reimbursement.

E. Subject to IRS guidelines, the fitness incentive is taxable income.

ARTICLE 5 RETIREMENT

This MOU shall incorporate the two tiered retirement system to address Classic Members and New CalPERS Members required for Miscellaneous Employees by the California Public Employees' Pension Reform Act (PEPRA) of 2013.

5.1 Definition

The terms Classic Member and New CalPERS members are defined by PERS law and regulations, but in general these are construed to have the following meanings:

A. Classic CalPERS Member

"Classic Member" is typically defined as an employee who was hired on or before December 31, 2012, or is a member of a reciprocal retirement system.

B. New Employee

"New Employee" means an employee of a public employer who is employed for the first time by any public employer on or after January 1, 2013, and who was either:

- Not employed by any other public employer prior to that date; or

- Employed by another public employer prior to that date, but who was not subject to reciprocity between his new employer's plan and another public retirement system.

C. New CalPERS Member

"New Member" means an individual who either:

- Becomes a member of the plan for the first time on or after January 1, 2013 and either (i) was not a member of any other public retirement system prior to that date or (ii) was a member of another public retirement system prior to that date but was not subject to reciprocity between his new employer's plan and another public retirement system; or

- Was an active member in the plan and, after a break in service of more than six months, returned to active membership in that plan with a new employer.

5.2 Service Pension for Classic Members

The retirement formula expressed in Government Code Section 21354 commonly known as 2% at 55 local miscellaneous members shall apply to covered Classic Members.

5.3 Cost Sharing - Service Pension for Classic Members

The parties shall engage in sharing the City's employer contribution towards retirement benefits in accordance with Government Code Section 20516. Cost-sharing shall be in effect and will require the employee to pay the portion of the employer contribution.

A. For the duration of the MOU, the employee shall pay a total of 12% of the employee and employer share (7% of the employee share and 5% of the employer share).

B. The City completed a contract amendment with CalPERS under Section 20516 that allows for employee cost sharing of the employer rate and provides member's contribution to be credited to each member's account. Following the expiration of the current MOU, the City will initiate a contract amendment with CalPERS to end the Section 20516 amendment if not re-negotiated at that time. The Association recognizes that the CalPERS amendment process may take up to 90 days or longer for the amendment to become effective.

5.4 Final Compensation for Classic Members
"Final Compensation" shall be applied for retirement purposes as specified in Government Code Section 20042, as one year's highest compensation.

5.5 Credit for Unused Sick Leave for Classic Members
Employees shall be given service credit upon retirement for unused sick leave as specified in Government Code Section 20965.

5.6 New CalPERS Members Benefit Rate, Contribution and Final Compensation
New CalPERS Members shall receive and make contributions for PERS benefits in compliance with PEPRA.

A. **Benefit Rate** New Members benefit rate shall be MISC 2% @ 62.
B. **Contribution** New Members shall pay 50% of the normal cost of their pension benefit.
C. **Final Compensation** Three-year average final compensation period.

5.7 1959 Survivor's Allowance
The "1959 Survivor's Allowance Fourth Level" as defined in Government Code Section 21574 shall apply to both Classic and New CalPERS Members.

5.8 Military Service Credit
Military Service Credit as defined in Government Code Section 21024 shall apply to both Classic and New CalPERS Members

5.9 Continued Application
The Parties agree that all elements of the CalPERS article shall have continued application until or unless it is amended by mutual agreement of the parties.

ARTICLE 6 LEAVE PROVISIONS

6.1 Sick Leave
Sick leave is replaced by paid time off (PTO). However, employees who were previously employed by the City in a part-time status, may utilize their accumulated sick leave.

6.2 Sick Leave Buyout
Upon separation of employment, other than retirement, the employee shall be entitled to be paid for 50% of his/her sick leave accumulated at the time of such termination.

Upon retirement the employee shall be entitled to be paid for 50% of any accumulated sick leave in excess of that for which retirement credit is given.

In the event the employee is terminated by virtue of a conviction of a felony or any other illegal act, the City shall have no obligation to provide sick leave buy-out.

6.3 Personal Necessity Leave
Employees may use accrued sick leave and or PTO leave in the event of the personal illness or injury of a family member, including father, mother, brother, sister, spouse, registered domestic partner, child, step-child, grandparent, or in-laws.

6.4 Bereavement Leave

Up to a maximum of five (5) days of paid leave will be granted per occurrence in the case of the death of a family member, including father, mother, brother, sister, spouse, child, step parent, step child, grandparent, grandchild, in-laws, registered domestic partner, child of registered domestic partner or any other member of the immediate household.

6.5 Paid Time Off (PTO)

A. Accrual Rate

PTO Accruals are based upon full years of consecutive employment.
Employees shall earn PTO according the rates set out in the following table.

Effective the first full pay period following City Council approval of the MOU, accruals earned will be as follows for all members of the MEA.

Years of Service	Hours Earned per Pay Period	Hours Earned per Month
Less than 5	9.231	20.000
5 to 6	10.154	22.000
7 to 8	10.462	22.667
9 to 10	10.769	23.333
11 to 12	11.077	24.000
13 to 14	11.385	24.667
15	11.692	25.333
16 plus	12.000	26.000
17	12.308	26.667
18	12.615	27.333
19	12.923	28.000
20 plus	13.231	28.667

B. PTO Accumulation

PTO shall not be accrued any time the employee's PTO balance exceeds 400 PTO hours.

C. Sick Leave Balances

Employees with Sick Leave balances may be retained as a sick leave bank.

Sick leave accrued before June 30, 2015 may be used as PTO or may be retained as a sick leave bank.

D. PTO/Vacation Buy-Back Program

Employees may sell back to the City up to 80 hours of their PTO/ vacation in any calendar year if both of the following conditions are met:

1. The employee has used (taken) at least 40 hours of PTO/ vacation during the preceding calendar year.

AND

2. The employee must have at least 40 hours of PTO/ vacation remaining after the buy-back of some of the accumulated vacation.

3. On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to eighty (80) hours of accrued PTO (in whole hour increments) which will be earned in the following calendar year at the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's PTO leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued at the time of the cash out.

E. PTO/Vacation Pay Out

PTO/Vacation leave balance shall be paid out upon employee's separation from employment in compliance with CalPERS rules and regulations.

6.6 Paid Holidays

Employees shall receive annually the following nine (9) paid holidays:

	Paid Holiday Schedule
1.	New Year's Day
2.	Memorial Day
3.	Independence Day
4.	Labor Day
5.	Veteran's Day
6.	Thanksgiving Day
7.	Thanksgiving Holiday/Day after Thanksgiving
8.	Christmas Eve Day
9.	Christmas Day

C. Paid Holiday Pay

Paid holidays will be calculated at eight (8) hours of holiday pay for full-time employees and will be calculated at six (6) hours of holiday pay for 30-hour weekly employees. Holiday pay is paid at the base hourly rate (8 hours x base pay, or 6 hours x base pay).

D. Holiday Schedule Observance

Unless otherwise provided, when a holiday falls on a Sunday, the following Monday shall be observed; a holiday falls on a Saturday, the prior Friday shall be observed. When a holiday falls on an employee's time off, the working day immediately preceding or immediately following such holiday, at the determination of the department manager and subject to approval of the personnel officer, shall be observed as a holiday.

E. Floating Holidays

Employees shall receive six (6) floating holidays each fiscal year (48 hours).

Employees may select the date upon which they shall use any floating holiday, subject to scheduling needs of the City. If a floating holiday is not used within the fiscal year, the time shall be forfeited.

Floating holidays denied due to staffing shortages or other operational reasons will be paid or accumulated at the employee's choice at the end of the fiscal year. The employee will have the burden to prove the request was made in a timely manner and then denied.

F. Prorated Allocation for New Employees

Employees who are hired during the Fiscal Year (FY) shall have the number of floating holidays prorated based upon their date of hire as follows:

Date of Hire	Number of Floating Days
July 1 to August 31	6 floating holidays
September 1 to October 31	5 floating holidays
November 1 to December 31	4 floating holidays
January 1 to February 28 (29)	3 floating holidays
March 1 to April 30	2 floating holidays
May 1 to June 30	1 floating holiday

G. Paid Holiday Closure

a. While an mou is in term, (i.e. not expired) the City shall establish a Holiday Closure for non - holiday work days beginning Christmas Eve through New Year' s Day. The maximum of closure hours shall be 32 hours.

For 2026 the holiday closure dates shall be:

- Monday - December 28th
- Tuesday – December 29th
- Wednesday – December 30th
- Thursday – December 31st

Subsequent years for the closure shall be enumerated in the subsequent MOU or by side letter as negotiated. In the event the MOU expires without a subsequent agreement or side letter extension, the Holiday Closure shall end.

b. Employee will receive 8 hours of straight time pay for each holiday closure day. If an employee is on an alternative work schedule, i.e. 10 hour days, employees shall use leave accruals for the remaining daily pay.

c. During the Holiday Closure, the City shall designate departments or divisions which will close operations to the public.

d. The City may designate employees as exempt from the holiday closure due to operational needs of the City. Such determination regarding exemption, shall be made by the respective department head and may be subject to final approval by the City Manager.

e. If an employee is scheduled to work (excluding standby) during the Holiday Closure, they will receive a bank of holiday closure hours for the actual number of hours worked

during the designated closure day. Such hours are to be used during the calendar year following Christmas, (2027 for 2026). Employees who do not use the hours in the designated calendar year shall forfeit the hours at the end of the calendar year. Banked Holiday Closure hours shall have no cash out value.

f. Employees covered by this Agreement must be in a City full-time paid status (i. e., not on an unpaid leave of absence, etc.) prior to December 23rd in the year to be eligible for Holiday Closure under this Section.
g. Holiday Closure hours are not counted as hours worked for determining overtime or CTO eligibility.

ARTICLE 7 WORKING CONDITIONS

7.1 Uniform

The City may provide field working uniforms and/or safety shoes for Public Works employees working out in the field.

7.1.1 Uniform Allowance

The City will provide a uniform allowance for designed members of field departments in the amount of $92.50 each calendar month. The classifications to which this Article applies shall be the Police Management Analyst and any other classification approved by the City Manager or designee.

7.2 Alternate Work Schedule

Employees may, upon approval of the appropriate Department Head and the City Manager, implement an alternative work schedule providing for 80 hours of work in two consecutive five-day Monday through Friday periods.

The schedule shall allow for adequate coverage of all activities normally and customarily covered during the Monday through Friday workweek. Approval by the appropriate Department Head and the City Manager shall not be unreasonably withheld.

7.3 Step Advancement

Employees are eligible for a salary step increase on their anniversary or new classification date following completion of 2,080 hours of paid service, or whichever is longer. Time spent on legally protected leaves of absence such as FMLA or CFRA count towards step increase eligibility. Salary step increases will be effective the first full pay period following the step eligibility date.

7.4 Work Outside Business Hours

Management employees receive management incentive compensation to recognize the unique aspects of the normal job duties. Management employees are expected to:

1. Regularly attend City Council Meetings and/or a City Advisory Board(s); to include preparation and presentation of agenda items; and

2. Regularly work on special projects, or City initiatives that may require work hours before or after normal business hours as well as be required to work weekends.
3. Be the first to staff the department outside of normal business hours, including weekends, when there is a critical need to complete work and/or during a natural disaster or emergency.

Management employees who do not work outside business hours as listed above or similarly, will forfeit the management incentive compensation. Department heads will monitor.

ARTICLE 8 CONTINUING EDUCATION AND PROFESSIONAL DEVELOPMENT

8.1 Tuition Reimbursement

Tuition Reimbursement is up to $3,000 in a fiscal year for qualified expenses per the MEA Education Reimbursement Program.

8.2 Professional Development Program

A lump sum payment of $500.00 shall be made by City to an employee represented by the Association who has completed a course of study and/or examination that results in attaining an acknowledged level of professional development – evidenced, for example, by degree, credential or certification – in the employee's field of work. To qualify for this payment, the achievement must demonstrate, as determined by the City Manager, attainment of a significant achievement based on national, state, or professional department standards.

The City Manager shall determine, prior to employee's embarking on the work and study required for the desired degree, credential or certification, whether the desired goal qualifies for the payment.

No more than three (3) such payments shall be paid to an individual during his or her tenure with the City.

8.3 City Training Day

Effective 2021, the City will close operations to the public for non-sworn personnel on a Monday in October and provide a mandatory employee "Training Day".

ARTICLE 9 MISC

9.1 MOU Negotiations Timing

At least six (6) months prior to the MOU expiring, management will initiate MOU negotiations with MEA.

9.2 Future Negotiations

The parties hereto acknowledge and agree that they have reached settlement regarding all total compensation and non-compensation items, and that said issues are settled through the period expiring June 30, 2027, provided that either party may request to meet and confer upon written notice given to the other party.

The parties therefore agree to waive any and all rights or obligations to meet and confer on any subject fully covered by this MOU with the exception of the economic re-opener, until a reasonable period prior to June 30, 2027.

ARTICLE 10 SAVINGS CLAUSE

If any Article or Section of this Memorandum of Understanding should be found invalid, unlawful or unenforceable by reason of any existing or subsequent enacted legislation or by judicial authority, all remaining Articles and Sections of this Memorandum of Understanding shall remain in full force and effect for the duration of the MOU. In the event of invalidation of any Article or Section, the City and the Association agree to meet within 30 calendar days of such invalidation for the sole purpose of meeting and conferring upon said Article or Section.

This MOU constitutes a full and complete agreement between the parties on all matters within the scope of representation.

Matt Mogensen, City Manager City of Pacific Grove	Phillip Anderson Management Employees' Association (MEA)
Che Johnson, Chief Negotiator	Mary Weyant Management Employees Association (MEA)
Leticia Livian, Human Resources Director City of Pacific Grove	
Date	Date

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Che Johnson, Chief Negotiator and Leticia Livian, Human Resources Director

MEETING DATE: June 17, 2026

SUBJECT: Compensation and Benefits Plan for Department Heads and Non-Represented Management and Confidential Group Employees

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

RECOMMENDATION

Approve a resolution approving the amended compensation and benefits plan for Department Heads and for the Non-Represented Management and Confidential Group Employees.

DISCUSSION

Non-represented management, confidential, and department head employees (non-represented groups) have a Compensation and Benefits Plan that outlines salary, benefits, and working conditions. Prior to the creation of the Compensation and Benefits Plan, the non-represented group received the same salary and benefit enhancements and concessions as the Management Employee Association (MEA). This was the City's past practice.

The Compensation and Benefits Plans formally tied the salary and benefit alignment with MEA. The Compensation and Benefits Plan states the non-represented group will receive the same improvements, or concessions to the working conditions, and benefits as the Management Employee's Association (MEA).

Recently, the City and the Management Employees Association (MEA) have come to a tentative agreement to improve salary, benefits, and working conditions in their Memorandum of Understanding dated July 1, 2026 – June 30, 2027. Therefore, beginning July 1, 2026, the non-represented group shall receive the same improvements of MEA if the MEA MOU is approved. If the MEA MOU is not approved, no changes will be made at this time for the non-represented groups.

In alignment with MEA, below are key items that will be implemented for the non-represented groups:

- No increase to salary/cost of living adjustment (COLA).
- Paid holiday closure beginning Christmas Eve and through New Year's Day.
- Increase to PTO accruals by 8 hours more a month in lieu of a separate sick leave bank.
- Increase to monthly employer health contributions:
    - Employee only, from $950 to $997.50
    - Employee plus a dependent, from $1,475 monthly to $1,548.75 monthly
    - Employee plus two or more dependents, from $1,975 monthly to $2,073.75 monthly

The annual employer increased cost for healthcare is estimated to be $12,900.

- Adding a monthly employer dental contribution to cover increase cost to dental:
  - Employee only, city contributes $4.44
  - Employee plus one dependent, City contributes $8.96
  - Employee plus two or more dependents, City contributes $10.92

The annual employer increased cost to dental is estimated to be $1,320

- All other terms and conditions in the current benefits and compensation plan are unchanged.

OPTIONS

1. No approve the resolution
2. Provide alternative direction

FINANCIAL IMPACT:

It is anticipated that the impact to the fiscal year 26/27 budget will increase by approximately $14,220.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

DH Resolution

Non-Rep Resolution

DH Compensation & Benefits Plan

Non-Rep Compensation & Benefits Plan

RESOLUTION NO. 26 - _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE APPROVING THE SALARY AND BENEFIT IMPROVEMENTS WITH THE PACIFIC GROVE DEPARTMENT HEAD GROUP (GROUP)

FINDINGS

1. The City of Pacific Grove and the Management Employees Association (MEA) have negotiated and have reached agreement on a successor Memorandum of Understanding amending the Memorandum of Understanding that governs wages, benefits, hours and working conditions Management Employee Association members.

2. Under the Compensation and Benefits Plan for the department head group (group), the group will receive the same improvements, or concessions to the working conditions and benefits as the Management Employee's Association (MEA). If the MEA MOU is not approved, no changes will be made at this time for the group.

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

RESOLUTION

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

SECTION 1. The City Council finds each recital set forth above to be true and correct, and by this reference incorporates each as an integral part of this Resolution.

SECTION 2. The City Council approves the improvements to salary, benefits, and working conditions of the department head group.

SECTION 3. The City Manager is authorized to execute all documents and to perform all other necessary City acts to implement the improvements.

SECTION 4. This resolution confers authority upon the City Manager to take all steps necessary to implement the improvements to the salary, benefits, and working conditions and authorizes budget adjustments if necessary to implement expenditures during FY 26/27.

SECTION 5. This Resolution shall take effect immediately following its adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 17th day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

_____

_____
NICK SMITH
Mayor

ATTEST:

_____
SANDRA KANDELL
City Clerk

APPROVED AS TO FORM:

_____
ALEX LORCA
City Attorney

RESOLUTION NO. 26 - _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE APPROVING THE SALARY AND BENEFIT IMPROVEMENTS WITH THE PACIFIC GROVE NON-REPRESENTED MANAGEMENT AND CONFIDENTIAL GROUP (GROUP)

FINDINGS

1. The City of Pacific Grove and the Management Employees Association (MEA) have negotiated and have reached agreement on a successor Memorandum of Understanding amending the Memorandum of Understanding that governs wages, benefits, hours and working conditions Management Employee Association members.

2. Under the Compensation and Benefits Plan for the non-represented management and confidential group (group), the group will receive the same improvements, or concessions to the working conditions and benefits as the Management Employee's Association (MEA). If the MEA MOU is not approved, no changes will be made at this time for the group.

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

RESOLUTION

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

SECTION 1. The City Council finds each recital set forth above to be true and correct, and by this reference incorporates each as an integral part of this Resolution.

SECTION 2. The City Council approves the improvements to salary, benefits, and working conditions of the non-represented management and confidential group.

SECTION 3. The City Manager is authorized to execute all documents and to perform all other necessary City acts to implement the improvements.

SECTION 4. This resolution confers authority upon the City Manager to take all steps necessary to implement the improvements to the salary, benefits, and working conditions and authorizes budget adjustments if necessary to implement expenditures during FY 26/27.

SECTION 5. This Resolution shall take effect immediately following its adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 17th day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

_____

_____
NICK SMITH
Mayor

ATTEST:

_____
SANDRA KANDELL
City Clerk

APPROVED AS TO FORM:

_____
ALEX LORCA
City Attorney

Compensation and Benefits Plan

The Department Head Group

July 1, 2021 (Amended 7/1/2026)

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City of Pacific Grove
Department Head Group
Compensation and Benefits Plan
Effective July 1, 2021

A. Purpose and Intent

This Compensation and Benefits Plan (Plan) is intended to establish compensation, benefits and terms and conditions of employment for Department Heads, the Chief of Police, and management classifications that report directly to the City Manager (collectively, the Department Head Group or Unit).

The City Manager has the authority to hire employees for classifications in the Department Head Group, and to adjust their compensation consistent with this Plan. Employees in the Department Head Group are exempt from the Fair Labor Standards Act (FLSA), are at-will employees, serve at the pleasure of the City Manager, and can be terminated with or without notice or cause and with no rights of appeal.

The Department Head Group will receive the same improvements or concessions to the working conditions and benefits as the Management Employee's Association (MEA). The Department Head Group may make recommendations to the Benefits and Compensation Plan to the City Manager on or about the same time when the MEA's Memorandum of Understanding has been approved by the City Council.

B. Unit Description

The covered employees in this unit consist of regular employees of the City of Pacific Grove (City) occupying positions in the job classes set forth below. Classes are not necessarily exclusive. The City Manager has the right to add classifications to this group as determined by the City Manager:

Department Heads:

- Administrative Services Director
- Assistant City Manager/Administrative Services Director
- Chief of Police
- Community Development Director
- Deputy City Manager
- Deputy City Manager/Public Works Director
- Library Director
- Human Resources Director
- Public Works Director

Key Personnel:

- City Clerk
- City Clerk/DEI Coordinator

C. Compensation

C.1. Salary

Salaries for this unit are listed in the salary schedule published on the City's website.

C.2. Management Time Compensation

Due to the unique aspects of their normal job duties, employees shall receive Management Time Compensation in lieu of paid management leave, overtime, or compensatory time in the amount of 3% of base salary.

C.3. Salary Steps

Salary steps for classifications in this unit span from one (1) to seven (7) steps with an approximate 5% salary difference between each step.

The salary of an employee who is promoted or reclassified to a class having a higher salary range shall be adjusted to the first step of the new salary range or to the next higher step that provides a minimum of five percent (5%) salary increase.

D. Insurance Benefits

D.1. Employee Health Plan Eligibility

The City contracts with the California Public Employees' Retirement System (CalPERS) for participation under the Public Employees Medical and Hospital Care Act (Government Code Section 22750, et. seq. ["PEMHCA"]), for the purpose of providing medical insurance benefits for employees, and employees who have retired from employment with the City and who constitute "annuitants" as defined by PEMHCA.

a) Unit employees shall be entitled to participate in the City-sponsored group health plans including medical, dental, and vision as well as optional benefits.

b) Eligible employees enrolling in the group health plans within 60 days following their appointment with the City will be covered subject to the contract limitation with the group health plan carrier. Coverage shall commence when the employee is eligible for coverage under CalPERS rules and the group health plan carriers' rules.

c) Human Resources will notify employees of annual open enrollment periods to change group health plans or enroll in additional benefits - unless the employee can certify a qualifying loss of coverage allowing such a change. (an eligible spouse, domestic partner, or minor child requiring health coverage because of a court order; new children by birth or adoption, or placement of adoption; new family members due to marriage or domestic partnership registration; or those whose health plan was cancelled due to an involuntary loss of coverage).

D.2. City Paid Health Premiums

a) City shall pay the employer required statutory minimum contribution for eligible employees and annuitants (as defined by Government Code section 22760) enrolled in the CalPERS health plans as required by PEMHCA.

b) Health care premiums include medical, dental and vision.

c) In addition to the PEMHCA contribution set forth above, and for active City employees participating in any three health plans: medical, dental and vision:

Effective with the July 2026 premiums, the employer contribution will increase to the chart amounts below.

Plan Enrollment Level	Monthly Employer Contribution (amount excludes PEMHCA)
Employee Only	$997.50
Employee + 1 Dependent	$1,548.75
Employee + 2 or More Dependents	$2,073.75

d) Medical Premium Re-opener
Contract will be re-opened to meet and discuss medical premiums only, if premiums increase an average of 15% between all four eligible plans for CalPERS Region 1 (PERS Platinum, PERS Gold, Anthem HMO Select, and Blue Shield Trio HMO) at one or more of the employee only, employee plus one, or employee plus family enrollment levels. Only enrollment levels that meet the 15% average increase criteria will be subject to the re-opener. No rounding shall be applied for purposes of this section (e.g. an average increase of 14.995% at the employee-only enrollment level does not meet the 15% percent requirement.)

D.3. City Dental Contribution

The City shall contribute toward the monthly premium for employees participating in group dental effective with the July 2026 premiums. The employer contribution amount is listed below.

Plan Enrollment Level	Monthly Employer Contribution (amount excludes PEMHCA)
Employee Only	$4.44
Employee + 1 Dependent	$8.96
Employee + 2 or More Dependents	$10.92

D.4. Rate of Contribution Cash In Lieu

Beginning January 2021, employees who are not currently grandfathered in the cash-in-lieu program may opt out of health (medical, dental and vision) during open enrollment and receive $250 per month taxable cash in lieu ($115.38 for each twenty-six pay periods). Employees who receive the cash-in-lieu, must provide proof of other coverage for medical.

D.5. Proof of Other Coverage

Employees who opt out of the City's medical plan and receive cash in lieu must provide the following:

(a) proof the employee and all individuals for whom the employee intends to claim a personal exemption deduction ("tax family") have, or will have, minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period");
and
(b) the employee must sign an attestation that the employee and their tax family have, or will have, such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year.

D.6. Section 125 Plan

Employees may elect to participate in three Section 125 programs offered by the City, as well as optional programs. The available programs are Pre-Tax Premium Option, Dependent Care, and Flexible Spending Account. Each of these programs shall be administered in accordance to the IRS Code. For purposes of information, the following provides a description of the programs.

- Pre-Tax Premium Option: Permits payment of health insurance premiums subject to salary deduction with pre-tax income.
- Dependent Care: Permits payment of eligible dependent care with pre-tax income.
- Flexible Spending Account: Permits payment of eligible health care expenses not reimbursed by health insurance with pre-tax income.
- Optional Insurance Programs (e.g. AFLAC or other pre-tax offerings sponsored by the City).

D.7. 457 Deferred Compensation Plan

The City will match up to $100.00 per pay period of any member's contribution to the City's Deferred Compensation Plan authorized under the Internal Revenue Code Section 457.

D.8. Group Life Insurance

The City shall provide, at its cost, Group Life Insurance with Accidental Death and Dismemberment at a minimum benefit of $75,000.

D.9. Supplemental Short-Term/Long Term Disability Plan (STD/LTD)

The City shall provide, at its cost, supplemental Short-Term and Long-Term Disability Insurance.

D.10. State Disability Income Protection Plan

Department Head Group employees shall be covered by the State Disability Income (SDI) Protection Plan at their expense. The SDI benefit may be integrated with City PTO leave benefits.

D.11. Medicare

Medicare is withheld for employees.

D.12. Workers Compensation Salary Continuation

Unit members who suffer a bona fide on-the-job injury or illness, as determined under the provisions of the California Workers' Compensation laws, and who, as a result of such injury or illness, are unable to work in their regularly assigned position or other position as determined by the City, will be entitled to receive full salary and benefits for the first 90 days of such absence from the date of the incurred injury or illness. No charge to the member's sick leave, vacation, personal time off, or other compensatory time off or other leave will be made during the first 90 days from the date of the incurred injury. The City also offers a Disability Insurance policy that establishes additional benefits for absences due to disabilities.

If a claim has been filed with, but not yet finally accepted or rejected by, the City's Worker's Compensation provider, the employee will be required to use any accrued and available paid leave to cover their absence. If the claim is finally accepted, the employee's leave banks will be restored for days actually used, up to 90 days.

FMLA/CFRA will automatically be activated for employee's off work for a week. FMLA/CFRA will run until the employee returns to work. or until exhausted. FMLA/CFRA will mirror W/C leave even when intermittent.

E. Fitness Reimbursement

A. City will reimburse up to $500 per calendar year for employee's personal fitness costs. Eligible covered fitness reimbursement are listed below.
   - Fitness Classes (Yoga, Pilates, Cycling, etc.)
   - Fitness Subscriptions (such as Peloton, etc.)
   - Gym Membership
   - Weight Management Programs (such as Weight Watchers)
   - Registration fees for 5K's, 10K's, half, and full running marathons

B. Reimbursement for fitness expenses not listed above, will be subject to the City Manager's discretion and approval. To avoid declination of reimbursement, items not listed should be pre-approved by the City Manager, or designee. Declination of reimbursement for items not listed above are not grieveable.

C. Annual requests for reimbursement must be submitted by December 1st of calendar each year.

D. To be eligible for reimbursement, a requesting employee must be in active status and remain a current employee through December 31st of the year in which seeking reimbursement.

E. Subject to IRS guidelines, the fitness incentive is taxable income.

F. Retirement

Employees in this group are eligible for retirement benefits as provided under the law. Those plans and benefits are described in this section for informational purposes only. The City does not provide these benefits under a separate contract. Therefore, where there is a conflict between the description of benefits provided in this Plan and what is provided under CalPERS laws and regulations, the CalPERS laws and regulations shall govern.

The City's CalPERS plans currently include a two-tiered retirement system to address Classic Members and New CalPERS Members as required by the California Public Employees' Pension Reform Act (PEPRA) of 2013.

F.1. Definitions

The terms "Classic Member" and "New CalPERS members" are defined by CalPERS law and regulations, but in general, are construed to have the following meanings:

A. Classic Member

"Classic Member" is determined by CalPERS through CalPERS rules and is typically defined as an employee who is not a "new member."

B. New CalPERS Member

"New Member" is defined by CalPERS and generally means an individual who either:

- Becomes a member of CalPERS for the first time on or after January 1, 2013 and either (i) was not a member of any other public retirement system prior to that date or (ii) was a member of another public retirement system prior to that date but was not subject to reciprocity between their new employer's plan and another public retirement system;
  or
- Was an active member in CalPERS and, after a break in service of more than six months, returned to active membership in CalPERS with a new employer.

F.2. Service Pension for Classic Members

The retirement formula expressed in Government Code Section 21354 commonly known as "2% at 55" local miscellaneous members shall apply to covered Classic Members.

The retirement formula expressed in Government Code Section 21362.2 commonly known as "3% at 50" local safety members shall apply to covered Classic Members, to the extent required by PEPRA.

F.3. Cost Sharing - Service Pension for Classic Members

The parties shall share the City's contribution towards retirement benefits in accordance with Government Code Section 20516, subdivision (a), as follows:

- Classic Members subject to this Compensation and Benefits Plan who are local miscellaneous members shall pay 5% of the employer share of PERS costs in addition to the employee's member contribution.
- Classic Members subject to this Compensation and Benefits Plan who are local safety members shall pay 5% of the employer share of PERS costs in addition to the employee's member contribution.

F.4. Final Compensation for Classic Members

"Final Compensation" shall be applied for retirement purposes as specified in Government Code Section 20042, as one year's highest compensation.

F.5. Credit for Unused Sick Leave for Classic Members

Employees shall be given service credit upon retirement for unused sick leave as specified in Government Code Section 20965.

F.6. New CalPERS Members Benefit Rate, Contribution and Final Compensation

New CalPERS Local Miscellaneous and Local Safety Members shall receive and make contributions for PERS benefits in compliance with PEPRA.

A. **Benefit Rate.** Per Government Code 7522.20, New Local Miscellaneous (non-safety) Members benefit rate shall be 2% @ 62. New Local Safety Members benefit rate shall be 2.7% @57 in accordance with Government Code 7522.25.
B. **Contribution.** New CalPERS Members shall pay 50% of the normal cost of their pension benefit.
C. **Final Compensation.** Final compensation is the three-year average of the final compensation period.

F.7. 1959 Survivor's Allowance

The "1959 Survivor's Allowance Fourth Level" as defined in Government Code Section 21574 shall apply to both Classic and New CalPERS Members. The employee cost is $2 per month.

F.8. Military Service Credit

Military Service Credit as defined in Government Code Section 21024 shall apply to both Classic and New CalPERS Members.

F.9. Continued Application

The City and the Department Head Group (collectively, the Parties) agree that all elements of the CalPERS article shall have continued application until or unless it is amended by mutual agreement of the Parties.

G. Leave Provisions

G.1. Sick Leave (applies only to "Legacy" Employees, hired before June 30, 2015)

A. Sick Leave Balances

Employees with sick leave balances may retain balances as a sick leave bank. Sick leave accrued before June 30, 2015 may be used as personal time off (PTO) or may be retained as a sick leave bank.

B. Sick Leave Buy Out

Upon separation of employment, other than retirement, the employee shall be entitled to be paid for 50% of their sick leave balance accumulated at the time of such termination.

Upon retirement, the employee shall be entitled to be paid for 50% of any accumulated sick leave in excess of that for which retirement credit is given.

In the event the employee is terminated by virtue of a conviction of a felony or any other illegal act, the City shall have no obligation to provide sick leave buy-out.

G.2. Personal Necessity Leave

Employees may use accrued sick leave or PTO leave in the event of the personal illness or injury of a family member, including father, mother, sibling, spouse, registered domestic partner, child, stepchild, grandparent, or in-laws.

G.3. Bereavement Leave

Up to a maximum of five (5) days of paid leave will be granted per occurrence in the case of the death of a family member, including father, mother, brother, sister, spouse, child, step parent, step child, grandparent, grandchild, in-laws, registered domestic partner, child of registered domestic partner or any other member of the immediate household.

G.4. Paid-Time Off (PTO)

A. Accrual Rate

PTO Accruals are based upon full years of consecutive employment.

Employees shall earn PTO according the rates set out in the following table.

Effective the first full pay period in July 2026, accruals earned will be as follows:

Years of Service	Hours Earned per Pay Period	Hours Earned per Month
Less than 5	9.231	20.000
5 to 6	10.154	22.000
7 to 8	10.462	22.667
9 to 10	10.769	23.333
11 to 12	11.077	24.000
13 to 14	11.385	24.667
15	11.692	25.333
16 plus	12.000	26.000
17	12.308	26.667
18	12.615	27.333
19	12.923	28.000
20 plus	13.231	28.667

B. PTO Accumulation for Employees

PTO shall not be accrued any time the employee's PTO balance exceeds 400 PTO hours.

A. PTO Buy-Back Program

Employees may sell back to the City up to 80 hours of their PTO/Vacation in any calendar year if both of the following conditions are met:

- The employee has used (taken) at least 40 hours of PTO/vacation during the preceding calendar year; and
- The employee must have at least 40 hours of PTO/vacation remaining after the buy-back of some of the accumulated vacation.

On or before the pay period that includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to eighty (80) hours of accrued vacation (in whole hour increments), which will be earned in the following calendar year at the employee's base rate of pay. On the pay day for the pay period that includes Thanksgiving in the following year, the employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued at the time of the cash out.

B. PTO/Vacation Payout

PTO leave balance shall be paid out at the base rate of pay upon employee's separation from employment.

G.5. Paid Holidays

Paid holidays will be calculated at eight (8) hours of holiday pay for full-time employees and will be calculated at six (6) hours of holiday pay for 30-hour weekly employees. Holiday pay is paid at the base hourly rate (8 hours x base pay, or 6 hours x base pay).

A. Paid Holiday Observation

Unless otherwise provided, when a holiday falls on a Sunday, the following Monday shall be observed; when a holiday falls on a Saturday, the prior Friday shall be observed. When a holiday falls during an employee's regularly scheduled time off, the working day immediately preceding, or immediately following such holiday, shall be observed as a holiday with the determination of the City Manager.

B. Paid Holiday Schedule

Employees shall receive annually the following nine (9) paid holidays:

	Paid Holiday Schedule
1.	New Year's Day
2.	Memorial Day
3.	Independence Day
4.	Labor Day
5.	Veteran's Day
6.	Thanksgiving Day
7.	Thanksgiving Holiday/Day after Thanksgiving
8.	Christmas Eve Day
9.	Christmas Day

G.6. Floating Holidays

Employees shall receive six (6) floating holidays each fiscal year.
Employees may select the date upon which they shall use any floating holiday, subject to scheduling needs of the City. If a floating holiday is not used within the fiscal year, the time shall be forfeited.

With the approval of the City Manager, floating holidays denied due to staffing shortages or other operational reasons will be paid or accumulated, at the employee's choice, at the end of the fiscal year. The employee will have the burden to prove the request was made in a timely manner and then denied.

A. Prorated Allocation for New Employees

Employees shall have the number of floating holidays prorated based upon their date of hire as follows:

Date of Hire	Number of Floating Days
July 1 to August 31	6 floating holidays

September 1 to October 31	5 floating holidays
November 1 to December 31	4 floating holidays
January 1 to February 28 (29)	3 floating holidays
March 1 to April 30	2 floating holidays
May 1 to June 30	1 floating holiday

G.7. Paid Holiday Closure

While an MOU is in term with MEA, (i.e. not expired) the City shall establish a Holiday Closure for non - holiday workdays beginning Christmas Eve through New Year' s Day for employees covered in this Plan. The maximum of closure hours shall be 32 hours.

For 2026 the holiday closure dates shall be:

- Monday - December 28th
- Tuesday – December 29th
- Wednesday – December 30th
- Thursday – December 31st

Subsequent years for the closure shall be enumerated in the subsequent MEA MOU or by side letter as negotiated. In the event the MEA MOU expires without a subsequent agreement or side letter extension, the Holiday Closure shall end as well for employees covered in this Plan.

A. Employee will receive 8 hours of straight time pay for each holiday closure day. If an employee is on an alternative work schedule, i.e. 10 hour days, employees shall use leave accruals for the remaining daily pay.
B. During the Holiday Closure, the City shall designate departments or divisions which will close operations to the public.
C. The City may designate employees as exempt from the holiday closure due to operational needs of the City. Such determination regarding exemption, shall be made by the respective department head and may be subject to final approval by the City Manager.
D. If an employee is scheduled to work (excluding standby) during the Holiday Closure, they will receive a bank of holiday closure hours for the actual number of hours worked during the designated closure day. Such hours are to be used during the calendar year following Christmas, (2027 for 2026). Employees who do not use the hours in the designated calendar year shall forfeit the hours at the end of the calendar year. Banked Holiday Closure hours shall have no cash out value.
E. Employees covered by this Agreement must be in a City full-time paid status (i. e., not on an unpaid leave of absence, etc.) prior to December 23rd in the year to be eligible for Holiday Closure under this Section.

H. Working Conditions

H.1. Step Advancement

A. Step Eligibility

Employees are eligible for a salary step increase upon their hire date anniversary, last reclassification/promotion/classification change anniversary, or after the completion of 2,080 hours of paid service from their last step increase, whichever is longer (step eligibility date), and upon successful performance. Time spent on legally protected leaves of absence such as FMLA or California Family Rights Act (CFRA) count towards step increase eligibility.

A step increase is discretionary and may be withheld due to marginal performance. Please refer to the City's Administrative Policy and Procedure Manual.

B. Step Increase Effective Date

The effective date of the step increase shall be the first full pay period following the employee's step eligibility date.

H.2. Work Outside Business Hours

Department Head Group employees receive management incentive compensation to recognize the unique aspects of the normal job duties. Management employees are expected to:

A. Regularly attend City Council Meetings and/or a City Advisory Board(s); to include preparation and presentation of agenda items; and
B. Regularly work on special projects, or City initiatives that may require work hours before or after normal business hours as well as be required to work weekends.
C. Be the first to staff the department outside of normal business hours, including weekends, when there is a critical need to complete work and/or during a natural disaster or emergency.

Management employees who do not work outside business hours as listed above or similarly, will forfeit the management incentive compensation. The City Manager will monitor.

H.3. Uniform Allowance

The City will contribute a $92.50 monthly uniform allowance for the sworn police personnel in the Department Head Group.

H.4. Call-Back Vehicles

The City will provide the Chief of Police with a vehicle for emergency response during off-duty time.

H.5. Personal Use Cell Phone Stipend

The City will pay a cell phone stipend of $50 per month (taxable) for employees using their personal cell phone for City-related business. Employees receiving this stipend shall keep the cell phone in service (voice & data) at all assigned times and shall maintain the phone in proper working order at the employee's expense. No employee will be allowed the personal cell phone stipend if they also maintain a City-provided cell phone. The City has no financial responsibility for upgraded, lost, or damaged personal cell phones.

Employees receiving the personal use cell phone stipend must provide their cell phone number to the City and have it published in the internal City directory. City-related communications made on a personal cell and the City-issued cell phone are subject to disclosure under the Public Records Act. Employees must provide City-related personal cell phone records upon request.

H.6. At-Will Status and Severance Pay

Employees in this Group are in the general service (i.e. at-will employees). For purposes of this Plan, general service or at-will status shall mean the City has right to terminate the employment relationship for any reason, with or without cause, with or without notice, without further obligation or liability except for the severance pay option provided under this Plan. This provision supersedes any contrary oral agreements between the City and any Department Head Group employee.

The City need not state reasons for release of an at-will or general service employees, and such employees have no right or expectation to have release or post-release proceedings, hearings, or appeals, except persons subject to the Public Safety Officer Procedural Bill of Rights (Govt. Code Section 3300 et seq). Specifically, the Chief of Police shall be afforded the protections of subdivision (c) of Section 3304 of the Government Code.

The following positions are at-will and subject to general service. These employees have no right to return to employment in a former position or a right to employment in a former position, or a right to employment in any other position within the City by reason of their employment status:

- Administrative Services Director
- Assistant City Manager
- Chief of Police
- City Clerk
- City Clerk/DEI Coordinator
- Community Development Director
- Deputy City Manager
- Deputy City Manager/Public Works Director
- Library Director
- Human Resources Director
- Public Works Director

No statement, whether oral or written, or conduct may change such status, except a formal resolution of the Council resolved at a duly held meeting adopting a change of the terms of this Plan. Apart from the Council at a duly noticed meeting no person employed by the City has the authority to modify the at-will or general service status of such of Department Head Group employees. The City Manager has discretion to include additional positions to this list.

A. Severance Option

Such at-will or general service employees shall be entitled to a severance option to receive one week of severance pay for each full year of completed service with the City for up to a maximum of four weeks if involuntarily terminated by the City following completion and execution of the City severance agreement. The amount of each week of severance pay shall be equivalent to the total salary for one week plus the pro rata share of the amount the City would have paid towards health benefits for that week.

Employees terminated for illegal activities, gross malfeasance or dereliction of duties or absence from employment without a good cause are not eligible for this severance option.

H.7. Discipline

The City will generally follow progressive discipline guidelines as outlined in the Pacific Grove Municipal Code Section 4.20.410 Discipline of officers and employees and the APPM; however, nothing in Section 4.20.410 modifies the at-will nature of the employment status for employees in this Department Head Group.

I. Continuing Education and Professional Development

I.1. Tuition Reimbursement

The City shall reimburse eligible tuition expenses up to $3,000 per fiscal year. Courses must be work-related and be pre-approved by the City Manager prior to enrolling. Classes must be taken during the employee's off-duty hours for which the employee is not receiving any form of compensation from the City. Employees must obtain a grade B or better for reimbursement. Upon successful completion of the course, the employee shall submit a request for reimbursement to the City Manager, with a grade record or other suitable certification, and proof of payment.

The tuition reimbursement program may be suspended at any time with or without notice pending City finances. However, reimbursement requests for courses pre-approved and in-process will be honored.

J. Term

The term of this Plan shall commence July 1, 2021 and shall continue in force until amended.

Compensation and Benefits Plan

Non-Represented Management and Confidential Group

July 1, 2021 (amended 7/1/2026)

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City of Pacific Grove
Non-Represented Management and Confidential Group

Compensation and Benefits Plan
Effective July 1, 2021

1. Purpose and Intent

This Compensation and Benefits Plan (Plan) is intended to establish compensation, benefits and terms and conditions of employment for Non-Represented Management, Police Commander (Administrative and Operations), and Confidential employees not represented by a bargaining group (collectively, the Non-Represented Management and Confidential Group or Unit). The City Manager has the authority to hire employees for classifications in the Non-Represented Management and Confidential Group, and to adjust their compensation consistent with this Plan.

With the exception of the Deputy City Clerk, employees in the Non-Represented Management and Confidential Group are exempt from the Fair Labor Standards Act (FLSA). The Non-Represented Management and Confidential Group are at-will employees, serve at the pleasure of the City Manager, and can be terminated with or without notice or cause and with no rights of appeal.

The Non-Represented Management and Confidential Group will receive the same improvements or concessions to the working conditions and benefits as the Management Employee's Association (MEA). The Non-Represented Management and Confidential Group may make recommendations to the Benefits and Compensation Plan to the City Manager on or about the same time when the MEA's Memorandum of Understanding has been approved by the City Council.

2. Unit Description

The covered employees in this unit consist of regular employees of the City of Pacific Grove (City) occupying positions in the job classes set forth below. Classes are not necessarily exclusive. The City Manager has the right to add classifications to this group.

Confidential:

- Deputy City Clerk (Non-exempt)
- Management Analyst (Exempt) (Assigned to Payroll or Human Resource functions)

Non-Represented Management

- Police Commander, Administrative (Sworn and Exempt)
- Police Commander, Operations (Sworn and Exempt)
- Program Manager, Senior (Exempt)

3. Compensation

3.1. Salary

Salaries for this unit are listed in the salary schedule as approved by City Council and published on the City's website.

3.2. Management Time Compensation for Exempt Unit Employees

Due to the unique aspects of their normal job duties, exempt employees shall receive Management Time Compensation in lieu of paid management leave, overtime, or compensatory time in the amount of 3% of base salary. Non-exempt employees are ineligible.

3.3. Salary Steps

Salary steps for classifications in this unit span from one (1) to seven (7) steps. Steps one (1) to five (5) have an approximate 5% salary difference between steps. Steps six (6) through seven (7) have an approximate 3.75% (former longevity steps), or 5% salary difference between steps depending on classification.

3.4. Bilingual Pay

Bilingual pay is $200 monthly for Spanish speaking skills used in assignments that routinely and consistently require Spanish communication skills. The Department Head will make a determination with City Manager approval, if Spanish bilingual skills are being used routinely and consistently.

Employees may test and pass the test for Spanish (verbal) skills. Bilingual Pay is effective the first full pay period after HR receives the passing results. If the assignment changes and there is no longer a need for Spanish speaking skills, the bilingual pay will be removed at the next full pay period.

If the employee fails the Spanish test, they may retest after 6 months.

4. Insurance Benefits

4.1. Employee Health Plan Eligibility

The City contracts with the California Public Employees' Retirement System (CalPERS) for participation under the Public Employees Medical and Hospital Care Act (Government Code Section 22750, et. seq. ["PEMHCA"]), for the purpose of providing medical insurance benefits for employees, and employees who have retired from employment with the City and who constitute "annuitants" as defined by PEMHCA.

a) Unit employees shall be entitled to participate in the City-sponsored group health plans including medical, dental, and vision as well as optional benefits.

b) Eligible employees enrolling in the group health plans within 60 days following their appointment with the City will be covered subject to the contract limitation with the group health plan carrier. Coverage shall commence when the employee is eligible for coverage under CalPERS rules and the group health plan carriers' rules.

c) Human Resources will notify employees of annual open enrollment periods to change group health plans or enroll in additional benefits - unless the employee can certify a qualifying loss of coverage allowing such a change. (an eligible spouse, domestic partner, or minor child requiring health coverage because of a court order; new children by birth or adoption, or placement of

adoption; new family members due to marriage or domestic partnership registration; or those whose health plan was cancelled due to an involuntary loss of coverage).

4.2. City Paid Health Premiums

a) City shall pay the employer required statutory minimum contribution for eligible employees and annuitants (as defined by Government Code section 22760) enrolled in the CalPERS health plans as required by PEMHCA.

b) Health care premiums include medical, dental and vision.

c) In addition to the PEMHCA contribution set forth above, and for active City employees participating in any three health plans: medical, dental and vision:

Effective for July premiums in 2026, the employer contribution will increase to the chart amounts below.

Plan Enrollment Level	Monthly Employer Contribution (amount excludes PEMHCA)
Employee Only	$997.50
Employee + 1 Dependent	$1,548.75
Employee + 2 or More Dependents	$2,073.75

1.1. City Dental Contribution

The City shall contribute toward the monthly premium for employees participating in group dental effective with the July 2026 premiums. The employer contribution amount is listed below.

Plan Enrollment Level	Monthly Employer Contribution (amount excludes PEMHCA)
Employee Only	$4.44
Employee + 1 Dependent	$8.96
Employee + 2 or More Dependents	$10.92

1.2. Rate of Contribution Cash In Lieu

Beginning January 2021, employees who are not currently grandfathered in the cash-in-lieu program may opt out of health (medical, dental and vision) during open enrollment and receive $250 per month taxable cash in lieu ($115.38 for each twenty-six pay periods). Employees who receive the cash-in-lieu, must provide proof of other coverage for medical.

1.3. Proof of Other Coverage

Employees who opt out of the City's medical plan and receive cash in lieu must provide the following:

(a) proof the employee and all individuals for whom the employee intends to claim a personal exemption deduction ("tax family") have, or will have, minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period");
and

(b) the employee must sign an attestation that the employee and their tax family have, or will have, such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year.

1.4. Section 125 Plan

Employees may elect to participate in three Section 125 programs offered by the City, as well as optional programs. The available programs are Pre-Tax Premium Option, Dependent Care, and Flexible Spending Account. Each of these programs shall be administered in accordance to the IRS Code. For purposes of information, the following provides a description of the programs.

- Pre-Tax Premium Option: Permits payment of health insurance premiums subject to salary deduction with pre-tax income.
- Dependent Care: Permits payment of eligible dependent care with pre-tax income.
- Flexible Spending Account: Permits payment of eligible health care expenses not reimbursed by health insurance with pre-tax income.
- Optional Insurance Programs (e.g. AFLAC or other pre-tax offerings sponsored by the City).

1.5. 457 Deferred Compensation Plan

The City will match up to $100.00 per pay period of any member's contribution to the City's Deferred Compensation Plan authorized under the Internal Revenue Code Section 457.

1.6. Group Life Insurance

The City shall provide, at its cost, Group Life Insurance with Accidental Death and Dismemberment at a minimum benefit of $50,000.

1.7. Supplemental Short-Term/Long Term Disability Plan (STD/LTD)

The City shall provide, at its cost, supplemental Short-Term and Long-Term Disability Insurance.

1.8. State Disability Income Protection Plan

Non-Represented Management and Confidential Group employees shall be covered by the State Disability Income (SDI) Protection Plan at their expense. The SDI benefit may be integrated with City PTO leave benefits.

1.9. Medicare

Medicare is withheld for employees.

1.10. Workers Compensation Salary Continuation

Unit members who suffer a bona fide on-the-job injury or illness, as determined under the provisions of the California Workers' Compensation laws, and who, as a result of such injury or illness, are unable to work in their regularly assigned position or other position as determined by the City, will be entitled to receive full salary and benefits for the first 90 days of such absence from the date of the incurred injury or illness. No charge to the member's sick leave, vacation, personal time off, or other compensatory time off or other leave will be made during the first 90 days from the date of the incurred injury. The City also offers a Disability Insurance policy that establishes additional benefits for absences due to disabilities.

If a claim has been filed with, but not yet finally accepted or rejected by, the City's Worker's Compensation provider, the employee will be required to use any accrued and available paid

leave to cover their absence. If the claim is finally accepted, the employee's leave banks will be restored for days actually used, up to 90 days.

FMLA/CFRA will automatically be activated for employee's off work for a week. FMLA/CFRA will run until the employee returns to work. or until exhausted. FMLA/CFRA will mirror W/C leave even when intermittent.

2. Fitness Reimbursement

2.1. Fitness Reimbursement Program Overview

A. City will reimburse up to $500 per calendar year for employee's personal fitness costs. Eligible covered fitness reimbursement are listed below.
   - Fitness Classes (Yoga, Pilates, Cycling, etc.)
   - Fitness Subscriptions (such as Peloton, etc.)
   - Gym Membership
   - Weight Management Programs (such as Weight Watchers)
   - 5K, 10K, ½ marathons and marathon registration fees

B. Reimbursement for fitness expenses not listed above, will be subject to the City Manager's discretion and approval. To avoid declination of reimbursement, items not listed should be pre-approved by the City Manager, or designee. Declination of reimbursement for items not listed above are not grieveable.

C. Annual requests for reimbursement must be submitted by December 1st of calendar each year.

D. To be eligible for reimbursement, a requesting employee must be in active status and remain a current employee through December 31st of the year in which seeking reimbursement.

E. Subject to IRS guidelines, the fitness reimbursement is taxable income.

3. Retirement

Employees in this group are eligible for retirement benefits as provided under the law. Those plans and benefits are described in this section for informational purposes only. The City does not provide these benefits under a separate contract. Therefore, where there is a conflict between the description of benefits provided in this Plan and what is provided under CalPERS laws and regulations, the CalPERS laws and regulations shall govern.

The City's CalPERS plans currently include a two-tiered retirement system to address Classic Members and New CalPERS Members as required by the California Public Employees' Pension Reform Act (PEPRA) of 2013.

3.1. Definitions

The terms "Classic Member" and "New CalPERS members" are defined by CalPERS law and regulations, but in general, are construed to have the following meanings:

A. Classic Member

"Classic Member" is determined by CalPERS through CalPERS rules and is typically defined as an employee who is not a "new member."

B. New CalPERS Member

"New Member" is defined by CalPERS and generally means an individual who either:

- Becomes a member of CalPERS for the first time on or after January 1, 2013 and either (i) was not a member of any other public retirement system prior to that date or (ii) was a member of another public retirement system prior to that date but was not subject to reciprocity between their new employer's plan and another public retirement system;
  or
- Was an active member in CalPERS and, after a break in service of more than six months, returned to active membership in CalPERS with a new employer.

3.2. Service Pension for Classic Members

The retirement formula expressed in Government Code Section 21354 commonly known as "2% at 55" local miscellaneous members shall apply to covered Classic Members.

The retirement formula expressed in Government Code Section 21362.2 commonly known as "3% at 50" local safety members shall apply to covered Classic Members, to the extent required by PEPRA.

3.3. Cost Sharing - Service Pension for Classic Members

The parties shall share the City's contribution towards retirement benefits in accordance with Government Code Section 20516, subdivision (a), as follows:

- Classic Members subject to this Compensation and Benefits Plan who are local miscellaneous members shall pay 5% of the employer share of PERS costs in addition to the employee's member contribution.
- Classic Members subject to this Compensation and Benefits Plan who are local safety members shall pay 5% of the employer share of PERS costs in addition to the employee's member contribution.

3.4. Final Compensation for Classic Members

"Final Compensation" shall be applied for retirement purposes as specified in Government Code Section 20042, as one year's highest compensation.

3.5. Credit for Unused Sick Leave for Classic Members

Employees shall be given service credit upon retirement for unused sick leave as specified in Government Code Section 20965.

3.6. New CalPERS Members Benefit Rate, Contribution and Final Compensation

New CalPERS Local Miscellaneous and Local Safety Members shall receive and make contributions for PERS benefits in compliance with PEPRA.

A. **Benefit Rate.** Per Government Code 7522.20, New Local Miscellaneous (non-safety) Members benefit rate shall be 2% @ 62. New Local Safety Members benefit rate shall be 2.7% @57 in accordance with Government Code 7522.25.

B. **Contribution.** New CalPERS Members shall pay 50% of the normal cost of their pension benefit.
C. **Final Compensation.** Final compensation is the three-year average of the final compensation period.

3.7. 1959 Survivor's Allowance

The "1959 Survivor's Allowance Fourth Level" as defined in Government Code Section 21574 shall apply to both Classic and New CalPERS Members. The employee cost is $2 per month.

3.8. Military Service Credit

Military Service Credit as defined in Government Code Section 21024 shall apply to both Classic and New CalPERS Members.

3.9. Continued Application

The City and the Non-Represented Management and Confidential Group (collectively, the Parties) agree that all elements of the CalPERS article shall have continued application until or unless it is amended by mutual agreement of the Parties.

4. Leave Provisions

4.1. Sick Leave (applies only to "Legacy" Employees, hired before June 30, 2015)

A. Sick Leave Balances

Employees with sick leave balances may retain balances as a sick leave bank. Sick leave accrued before June 30, 2015 may be used as personal time off (PTO) or may be retained as a sick leave bank.

B. Sick Leave Buy Out

Upon separation of employment, other than retirement, the employee shall be entitled to be paid for 50% of their sick leave balance accumulated at the time of such termination.

Upon retirement, the employee shall be entitled to be paid for 50% of any accumulated sick leave in excess of that for which retirement credit is given.

In the event the employee is terminated by virtue of a conviction of a felony or any other illegal act, the City shall have no obligation to provide sick leave buy-out.

4.2. Personal Necessity Leave

Employees may use accrued sick leave or PTO leave in the event of the personal illness or injury of a family member, including father, mother, sibling, spouse, registered domestic partner, child, stepchild, grandparent, or in-laws.

4.3. Bereavement Leave

Up to a maximum of five (5) days of paid leave will be granted per occurrence in the case of the death of a family member, including father, mother, brother, sister, spouse, child, stepparent, step child, grandparent, grandchild, in-laws, registered domestic partner, child of registered domestic partner or any other member of the immediate household.

4.4. Paid-Time Off (PTO)/Vacation

A. Accrual Rate

PTO Accruals are based upon full years of consecutive employment.
Employees shall earn PTO according the rates set out in the following table.

Effective the first full pay period in July 2026, accruals earned will be as follows:

Years of Service	Hours Earned per Pay Period	Hours Earned per Month
Less than 5	9.231	20.000
5 to 6	10.154	22.000
7 to 8	10.462	22.667
9 to 10	10.769	23.333
11 to 12	11.077	24.000
13 to 14	11.385	24.667
15	11.692	25.333
16 plus	12.000	26.000
17	12.308	26.667
18	12.615	27.333
19	12.923	28.000
20 plus	13.231	28.667

B. **PTO Accumulation**
PTO shall not be accrued any time the employee's PTO balance exceeds 400 PTO hours.

4.4.1. PTO/Vacation Buy-Back Program

Employees may sell back to the City up to 80 hours of their PTO/Vacation in any calendar year if both of the following conditions are met:

- The employee has used (taken) at least 40 hours of PTO/vacation during the preceding calendar year; and
- The employee must have at least 40 hours of PTO/vacation remaining after the buy-back of some of the accumulated vacation.

On or before the pay period that includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to eighty (80) hours of

accrued vacation (in whole hour increments), which will be earned in the following calendar year at the employee's base rate of pay. On the pay day for the pay period that includes Thanksgiving in the following year, the employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued at the time of the cash out.

4.4.2. PTO/Vacation Payout

PTO/Vacation leave balance shall be paid out at the base rate of pay upon employee's separation from employment.

4.5. Paid Holidays

Paid holidays will be calculated at eight (8) hours of holiday pay for full-time employees and will be calculated at six (6) hours of holiday pay for 30-hour weekly employees. Holiday pay is paid at the base hourly rate (8 hours x base pay, or 6 hours x base pay).

4.5.1. Paid Holiday Observation

Unless otherwise provided, when a holiday falls on a Sunday, the following Monday shall be observed; when a holiday falls on a Saturday, the prior Friday shall be observed. When a holiday falls during an employee's regularly scheduled time off, the working day immediately preceding, or immediately following such holiday, shall be observed as a holiday with the determination of the City Manager.

4.5.2. Paid Holiday Schedule

Employees shall receive annually the following nine (9) paid holidays:

	Paid Holiday Schedule
1.	New Year's Day
2.	Memorial Day
3.	Independence Day
4.	Labor Day
5.	Veteran's Day
6.	Thanksgiving Day
7.	Thanksgiving Holiday/Day after Thanksgiving
8.	Christmas Eve Day
9.	Christmas Day

4.6. Floating Holidays

Employees shall receive six (6) floating holidays each fiscal year.
Employees may select the date upon which they shall use any floating holiday, subject to scheduling needs of the City. If a floating holiday is not used within the fiscal year, the time shall be forfeited.

With the approval of the City Manager, floating holidays denied due to staffing shortages or other operational reasons will be paid or accumulated, at the employee's choice, at the end of the fiscal year. The employee will have the burden to prove the request was made in a timely manner and then denied.

4.6.1. Prorated Allocation for New Employees

Employees shall have the number of floating holidays prorated based upon their date of hire as follows:

Date of Hire	Number of Floating Days
July 1 to August 31	6 floating holidays
September 1 to October 31	5 floating holidays
November 1 to December 31	4 floating holidays
January 1 to February 28 (29)	3 floating holidays
March 1 to April 30	2 floating holidays
May 1 to June 30	1 floating holiday

4.7. Holiday Closure

While an MOU is in term with MEA, (i.e. not expired) the City shall establish a Holiday Closure for non - holiday workdays beginning Christmas Eve through New Year' s Day for employees covered in this Plan. The maximum of closure hours shall be 32 hours.

For 2026 the holiday closure dates shall be:

- Monday - December 28th
- Tuesday – December 29th
- Wednesday – December 30th
- Thursday – December 31st

Subsequent years for the closure shall be enumerated in the subsequent MEA MOU or by side letter as negotiated. In the event the MEA MOU expires without a subsequent agreement or side letter extension, the Holiday Closure shall end as well for employees covered in this Plan.

A. Employee will receive 8 hours of straight time pay for each holiday closure day. If an employee is on an alternative work schedule, i.e. 10 hour days, employees shall use leave accruals for the remaining daily pay.
B. During the Holiday Closure, the City shall designate departments or divisions which will close operations to the public.
C. The City may designate employees as exempt from the holiday closure due to operational needs of the City. Such determination regarding exemption, shall be made by the respective department head and may be subject to final approval by the City Manager.
D. If an employee is scheduled to work (excluding standby) during the Holiday Closure, they will receive a bank of holiday closure hours for the actual number of hours worked during the designated closure day. Such hours are to be used during the calendar year following

Christmas, (2027 for 2026). Employees who do not use the hours in the designated calendar year shall forfeit the hours at the end of the calendar year. Banked Holiday Closure hours shall have no cash out value.

E. Employees covered by this Agreement must be in a City full-time paid status (i. e., not on an unpaid leave of absence, etc.) prior to December 23rd in the year to be eligible for Holiday Closure under this Section.

5. Working Conditions

5.1. Step Advancement

5.1.1. Step Eligibility

Employees are eligible for a salary step increase upon their hire date anniversary, last reclassification/promotion/classification change anniversary, or after the completion of 2,080 hours of paid service from their last step increase, whichever is longer (step eligibility date), and upon successful performance. Time spent on legally protected leaves of absence such as FMLA or California Family Rights Act (CFRA) count towards step increase eligibility.

A step increase is discretionary and may be withheld due marginal performance. Please refer to the City's Administrative Policy and Procedure Manual.

5.1.2. Step Increase Effective Date

The effective date of the step increase shall be the first full pay period following the employee's step eligibility date.

5.2. Work Outside Business Hours

Exempt unit employees receive management incentive compensation to recognize the unique aspects of the normal job duties. Exempt unit employees are expected to:

A. Regularly attend City Council Meetings and/or a City Advisory Board(s); to include preparation and presentation of agenda items; and
B. Regularly work on special projects, or City initiatives that may require work hours before or after normal business hours as well as be required to work weekends.
C. Be the first to staff the department outside of normal business hours, including weekends, when there is a critical need to complete work and/or during a natural disaster or emergency.

Exempt unit employees who do not work outside business hours as listed above or similarly, will forfeit the management incentive compensation. The City Manager will monitor.

5.3. Uniform Allowance

The City will contribute a $92.50 monthly uniform allowance for uniformed police personnel in the Non-represented Management and Confidential Group.

5.4. Call-Back Vehicles

The City will provide the Police Commander with a vehicle for emergency response during off-duty time.

5.5. POST Certification Pay

Sworn Police Commander classifications who possess a POST Management Certificate shall receive a five percent (5%) certification pay.

5.6. Education Pay

Sworn Police Commander classifications who possess a master's degree from an accredited college or university in a related field shall receive a five percent (5%) education pay.

5.7. Personal Use Cell Phone Stipend

The City will pay a cell phone stipend of $50 per month (taxable) for employees using their personal cell phone for City-related business. Employees receiving this stipend shall keep the cell phone in service (voice & data) at all assigned times and shall maintain the phone in proper working order at the employee's expense. No employee will be allowed the personal cell phone stipend if they also maintain a City-provided cell phone. The City has no financial responsibility for upgraded, lost, or damaged personal cell phones.

Employees receiving the personal use cell phone stipend must provide their cell phone number to the City and have it published in the internal City directory. City-related communications made on a personal cell and the City-issued cell phone are subject to disclosure under the Public Records Act. Employees must provide City-related personal cell phone records upon request.

5.8. At-Will Status and Severance Pay

Employees in this Group are in the general service (i.e. at-will employees). For purposes of this Plan, general service or at-will status shall mean the City has right to terminate the employment relationship for any reason, with or without cause, with or without notice, without further obligation or liability except for the severance pay option provided under this Plan. This provision supersedes any contrary oral agreements between the City and any Non-Represented Management and Confidential Group employee.

The City need not state reasons for release of an at-will or general service employees, and such employees have no right or expectation to have release or post-release proceedings, hearings, or appeals, except persons subject to the Public Safety Officer Procedural Bill of Rights (Govt. Code Section 3300 et seq). Specifically, the Police Commander shall be afforded the protections of subdivision (c) of Section 3304 of the Government Code.

The following positions are at-will and subject to general service. These employees have no right to return to employment in a former position or a right to employment in a former position, or a right to employment in any other position within the City by reason of their employment status:

- Deputy City Clerk (Confidential, Non-exempt)
- Management Analyst (Confidential, Exempt)
- Police Commander, Administrative and Operations (Sworn and Exempt)
- Program Manager, Senior (Exempt)

No statement, whether oral or written, or conduct may change such status, except a formal resolution of the Council resolved at a duly held meeting adopting a change of the terms of this Plan. Apart from the Council at a duly noticed meeting no person employed by the City has the authority to modify the at-will or general service status of such of Non-Represented Management and Confidential Group employees. The City Manager has discretion to include additional positions to this list.

5.8.1. Severance Option

Such at-will or general service employees shall be entitled to a severance option to receive one week of severance pay for each full year of completed service with the City for up to a maximum of four weeks if involuntarily terminated by the City following completion and execution of the City severance agreement. The amount of each week of severance pay shall be equivalent to the total salary for one week plus the pro rata share of the amount the City would have paid towards health benefits for that week. Employees terminated for illegal activities, gross malfeasance or dereliction of duties or absence from employment without a good cause are not eligible for this severance option.

5.9. Discipline

The City will generally follow progressive discipline guidelines as outlined in the Pacific Grove Municipal Code Section 4.20.410 Discipline of officers and employees and the APPM; however, nothing in Section 4.20.410 modifies the at-will nature of the employment status for employees in this Non-Represented Management and Confidential Group.

6. Continuing Education and Professional Development

6.1. Tuition Reimbursement

The City shall reimburse eligible tuition expenses up to $3,000 per fiscal year. Courses must be work-related and be pre-approved by the City Manager prior to enrolling. Classes must be taken during the employee's off-duty hours for which the employee is not receiving any form of compensation from the City. Employees must obtain a grade B or better for reimbursement. Upon successful completion of the course, the employee shall submit a request for reimbursement to the City Manager, with a grade record (or other suitable certification), and proof of payment.

The tuition reimbursement program may be suspended at any time with or without notice pending City finances. However, reimbursement requests for courses pre-approved and in-process will be honored.

7. Term

The term of this Plan shall commence July 1, 2021 and shall continue in force until amended.

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

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Matthew Mogensen, City Manager
MEETING DATE:	June 17, 2026
SUBJECT:	Authorization for Staff to Explore the Feasibility of Expanding Paid Parking
CEQA:	Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Authorize staff to explore the feasibility of expanding paid parking on Ocean View Boulevard and report back to the City Council for further consideration and direction.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

Pacific Grove welcomes a significant number of visitors throughout the year. Ocean View Boulevard (OVB), especially is a popular location for visitors with access to the recreation trail, coastline, seal viewing area, Lovers Point, and points of interest outside the City boundary such as the Monterey Bay Aquarium and Cannery Row. Currently, the City of Monterey maintains paid parking generally throughout the Cannery Row/Monterey Bay Aquarium area. The meter rates are $2.25 per hour and up to $50 for the day in the parking structures on peak weekends. Pacific Grove parking is free to park except for spaces immediately adjacent to the American Tin Cannery (ATC) property. Free time limited parking exists on Sloat Avenue in the residential area and Central Avenue in the commercial area. On OVB, there are no time limitations between 1st Street and Fountain Avenue and parking is free. Due to the convenience of free parking with no time limitations, many visitors of Cannery Row or other visitor servicing destinations in the vicinity will park in Pacific Grove and walk a few blocks to the Aquarium. The same is true for Central Avenue and the residential blocks in between.

Exploration of Paid Parking Expansion

As part of the City's efforts to find ways to generate revenue for visitor serving impacts, staff is requesting City Council direction to explore the feasibility of expanding the existing Coastal Development Permt approved paid parking area that currently exists around the ATC. The ultimate intention of this effort would be to generate revenue from visitors that will fund the service demands that PG experiences with the high volume of visitors to the coastline. The service demands placed on PG for providing the one-of-a-kind visitor experience include: high wear and tear on the coastal trail and coastal bluff, additional public safety enforcement to remind visitors of rules and cite offenders, added maintenance demands on Lovers Point and its restrooms, and increased traffic enforcement due to the high traffic volumes. Presently, there are not many other opportunities for visitors to support these services through contributions through sales taxes or other means.

If directed, staff will explore the feasibility of paid parking expansion beyond the existing 101 parking meters to other areas in the City starting with Ocean View Blvd. This will include, but not be limited to, consulting with the Coastal Commission to learn more about the possibilities or restrictions, investigating ways that free parking can still be provided to residents, what sort of parking permit districts would be required in order to ensure residents are not adversely impacted in the surrounding area and any feedback local business may have.

Once staff has gathered adequate facts and information for the City Council to consider, staff will return to a future City Council Meeting for further discussion, public input and direction.

OPTIONS

1. Direct staff to explore paid parking in other areas of the City.
2. Do not authorize staff to explore feasibility of paid parking expansion.

FINANCIAL IMPACT:
There is no financial impact as a result of this discussion.

FOCUSED PRIORITY AREA: Financial Sustainability
