



NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

SPECIAL CLOSED SESSION MEETING AGENDA

Wednesday, July 15, 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:
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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. Public Employment (Government Code Section 54957)
Title: City Manager

ADJOURNMENT



NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING AGENDA

Wednesday, July 15, 2026, 6:00 P.M.

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

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

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

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

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

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

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

JOIN THE ZOOM WEBINAR TO PARTICIPATE LIVE AT:

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AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE: Councilmember Mourlam

1. **APPROVAL OF AGENDA**

2. **PRESENTATIONS**

- A. Certificate of Appreciation: Pacific Grove High School Baseball Team **PAGE 9**

Reference: Nick Smith, Mayor

Recommended Action: Receive the presentation.

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

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

- A. Report on Closed Session by City Attorney

- 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 of the June 17, 2026 Special and Regular Meetings **PAGE 11**

Reference: Sandra Kandell, City Clerk

Recommended Action: Approve the minutes.

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

B. Minutes of the July 7, 2026 City Council Special Meeting **PAGE 18**

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 Setting the Appropriations Limit for FY 2026-2027, also known as the “Gann Limit” **PAGE 21**

Reference: Fred Marsh, Administrative Services Director

Recommended Action: Approve a resolution setting the Appropriations Limit for Fiscal Year 2026-2027, also known as the “Gann Limit”

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

B. Declaring the Results of the June 2, 2026 Primary Election **PAGE 28**

Reference: Sandra Kandell, City Clerk

Recommended Action: Approve a resolution declaring the results of the June 2, 2026 Statewide Direct Primary Election

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

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

Reference: Leticia Livian, Human Resources Director **PAGE 34**

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

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

B. Second Reading of an Ordinance to Adopt the Fiscal Year 2026-27 Update to the Operating and Capital Improvement Budget for Fiscal Years 25-26 and 26-27 **PAGE 38**

Reference: Fred Marsh, Administrative Services Director

Recommended Action: Hold second reading and adopt an ordinance adopting the Fiscal Year 2026-27 Update to the Operating and Capital Improvement Budget for Fiscal Years 25-26 and 26-27.

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

8. **REPORTS – INFORMATION ONLY**

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

A. Boards Commissions and Committees Quarterly Reports **PAGE 44**

Reference: Sandra Kandell, City Clerk

Recommended Action: Receive the report.

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

B. Check Register, Purchase Order Report, and Financial Status Report **PAGE 47**

Reference: David Stiles, Senior Accountant

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. FY26/267 CIP Engineering Services Time Extension **PAGE 69**

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

Recommended Action:

1. Authorize a time extension with Neil Engineers Corp for the continued execution of the FY 25/26 and FY 26/27 Capital Improvement Plan engineering services.
2. Alternatively, discuss and take other action on this item.

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

B. Ordinance Amending City Municipal Code Chapter 2.16 (Purchasing System and Procedures)

Reference: Fred Marsh, Administrative Services Director **PAGE 72**

Recommended Action:

1. Introduce and hold first reading of Ordinance amending Municipal Code Chapter 2.16 (Purchasing System and Procedures).
2. Direct that publication of the ordinance be satisfied by publication of a summary approved by the City Attorney.

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

C. Appointments to Regional Agencies **PAGE 86**

Reference: Nick Smith, Mayor

Recommended Action: Motion to approve appointments to regional boards effective immediately.

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

D. Appointments to City Boards, Committees, Commissions, and Task Force **PAGE 87**

Reference: Nick Smith, Mayor

Recommended Action: Approve appointments to City Boards, Committees, Commissions, and Task Force.

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

E. Memorandum of Understanding between the City of Pacific Grove and the Management Employees Association (MEA) **PAGE 93**

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

F. Compensation and Benefits Plan for Department Heads and Non-Represented Management and Confidential Group Employees **PAGE 116**

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

G. Agreement with Bob Murray & Associates for Executive Recruitment Services **PAGE 152**

Reference: Leticia Livian, Human Resources Director

Recommended Action:

1. Authorize an agreement with Bob Murray and Associates for executive recruitment services, in an amount not to exceed \$38,500;
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

H. Appointment of City Council Subcommittee to Serve as Advisors through the Process of Hiring an Interim City Manager and a Permanent Replacement

Reference: Nick Smith, Mayor **PAGE 181**

Recommended Action:

1. Create a City Council Subcommittee to advise in the selection of an Interim City Manager and the process to select a permanent City Manager, comprising of Mayor Nick Smith and Council Member Cynthia Garfield, to dissolve once a permanent City Manager has been selected.
2. Take alternative action.

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

I. One-Year Extension Agreement for the Mark43 Records Management System.

Reference: Casey J. Day, Chief of Police

Recommended Action: PAGE 182

1. Approve and authorize the Chief of Police to execute a one-year extension agreement with Mark43 for continued use of the Police Department's Records Management System (RMS) in an amount not to exceed approximately \$41,404.00.
2. Take other action.

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.

12. **UNFINISHED AND ONGOING BUSINESS**

13. **NEW BUSINESS**

A. POA Grievance Appeal Hearing **PAGE 219**

Reference: Alex Lorca

Recommended Action:

1. Hold a hearing for a grievance submitted by the Pacific Grove Police Officer Association and;
2. Uphold the decision of the grievance by the City Manager on this matter.

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

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

A. Conference with Labor Negotiators (Government Code Section 54957.6)

City Negotiators: Alex J. Lorca, City Attorney

Employee Organization: Police Officers Association

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: Nick Smith, Mayor
MEETING DATE: July 15, 2026
SUBJECT: Certificate of Appreciation: Pacific Grove High School Baseball Team
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Receive the presentation.

Attachments

Certificate of Appreciation



CERTIFICATE OF RECOGNITION

This certificate is respectfully presented in honor of

Pacific Grove High School Baseball Team

In recognition of their 2026 CCS Division 6 Championship. This was the school's first CCS win in 13 years and the first time in school history that the baseball team made it to the Northern California Division 5 championship game.

MATT MOGENSEN
City Manager



NICK SMITH
Mayor



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: July 15, 2026
SUBJECT: Minutes of the June 17, 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 6-17-26



5DRAFT MEETING MINUTES

CITY COUNCIL

SPECIAL CLOSED SESSION MEETING

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

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

Join the Zoom Meeting to participate live at:

https://www.cityofpacificgrove.org/Zoom_Closed

CALL TO ORDER

Mayor Smith called the special closed session meeting to order at 5:00 p.m. Present in Council Chamber: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Mourlam, Poduri, and Rau.

APPROVAL OF THE AGENDA

Action: Upon motion by Councilmember Rau and seconded by Mayor Pro Tem Amelio, Council voted 7-0, to approve the Special Closed Session Meeting Agenda.

SPECIAL CLOSED SESSION MEETING

PUBLIC COMMENT ON SPECIAL CLOSED SESSION MEETING MATTERS

No public comments received.

- 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



DRAFT MEETING MINUTES

CITY COUNCIL

REGULAR MEETING

Wednesday, June 17, 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](https://www.cityofpacificgrove.org/Zoom_CC)

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Councilmember Garfield led the pledge of allegiance.

1. APPROVAL OF AGENDA

Action: At request of staff, Regular Agenda items 13A and 13B were pulled from the agenda and not considered.

Action: Upon motion by Councilmember Rau and seconded by Councilmember Garfield, Council voted 7-0 to approve the Regular Meeting Agenda.

2. PRESENTATIONS

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

- 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

City Attorney Alex Lorca reported staff provided an update to Council, Council provided further direction, however, no reportable action was taken.

- B. Council and staff made general announcements.

4. GENERAL PUBLIC COMMENT

General Public Comment received from Karl Lindstrom, Vince Tuminello, Richard Davis, Jean Anton, David Ericksen, and Mike Gibbs.

- A. Written General Public Comment

CONSENT AGENDA

Action: Consent Agenda item 9B was pulled and considered at the end of the Regular Agenda.

5. APPROVAL OF CITY COUNCIL MEETING MINUTES

- A. Minutes the June 3, 2026 Special and Regular Meetings

Action: Approved the minutes.

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

6. RESOLUTIONS

- A. Resolution Calling November 3, 2026 Municipal Election for Mayor and Council Members

Action: Adopted Resolution No. 26-021 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.

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

7. ORDINANCES

8. REPORTS – INFORMATION ONLY

- A. Boards, Commissions and Committees Quarterly Report

Action: Received 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

Action: Received 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

Action: Received the Check Register, Purchase Order Report, and Financial Status Report.

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

9. REPORTS – REQUIRING ACTION

- A. Amendment to ClientFirst Consulting Group LLC Contract for Enterprise Resource Planning System Selection and Implementation

Action: Authorized 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 *This item was pulled and moved to the end of the Regular Agenda.*

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

Action: Endorsed Nicholas Mourlam as Liaison to the Planning Commission effective immediately.

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. AB 2561 Reporting: Vacancies, Recruitment, and Retention

Action: The City's recognized employee organizations were provided an opportunity to make a presentation on such subjects. Presentations were received from General Employees Association Vice President Nathan Porchas and President Garrett McCown, Management Employees Association President Phillip Anderson and Treasurer Mary Weyant, and Police Officers Association President Paul Nagamini, Vice President Fitzgerald Brown, and Treasurer Robert Rutledge.

Public comment received from Inge Lorentzen Daumer and Christie Italiano-Thomas.

Action: Council received the report for information purposes only during the public hearing at which the City reported on workforce vacancies, recruitment, and retention efforts.

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

B. Ordinance Amending the Salary Classification Schedule - POA

No public comment received.

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Rau, Council voted 7-0 to

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
Public comment received from Inge Lorentzen Daumer.

Action: Upon motion by Mayor Smith and seconded by Mayor Pro Tem Amelio, Council voted 7-0 to

1. Approve Resolution No. 26-022 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; and
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) ***During the Approval of the Agenda, this item was removed from the agenda.***

Reference: Che Johnson, Chief Negotiator and Leticia Liviain, 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 ***During the Approval of the Agenda, this item was removed from the agenda.***

Reference: Che Johnson, Chief Negotiator and Leticia Liviain, 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
Public comment received from David Ericksen, Sally Moore, Karl Lindstrom, Inge Lorentzen Daumer, and Christie Italiano-Thomas.

Action: Upon motion by Councilmember Rau and seconded by Mayor Smith with a friendly and accepted amendment to add “and other corridors” for exploration, Council voted 7-0, to 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.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

- 9.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 ***This item was pulled from the Consent Agenda.***
Public comment received from Inge Lorentzen Daumer.

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Rau, Council voted 7-0 to 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.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

ADJOURNMENT

Council adjourned the regular meeting at 8:33 p.m.

Respectfully Submitted,

Sandra Kandell
City Clerk

Approved by Mayor: _____ Date _____

Attest by City Manager: _____ Date _____



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Sandra Kandell, City Clerk/DEI Coordinator
MEETING DATE: July 15, 2026
SUBJECT: Minutes of the July 7, 2026 City Council Special Meeting
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve the minutes.

Attachments

Draft Minutes 7-7-26



DRAFT MEETING MINUTES

CITY COUNCIL SPECIAL MEETING

Tuesday, July 7, 2026, 6:00 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 special closed session meeting to order at 6:00 p.m. Present in Council Chamber: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Mourlam, and Rau. Absent: Councilmember Poduri.

PLEDGE OF ALLEGIANCE

Mayor Smith led the pledge of allegiance.

1. APPROVAL OF AGENDA

Action: Upon motion by Councilmember Rau and seconded by Mayor Pro Tem Amelio, Council voted 6-1, Councilmember Poduri absent, to approve the Special Closed Session Meeting Agenda.

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

- A. Council and staff made general announcements.

SPECIAL MEETING AGENDA

3. NEW BUSINESS

- A. Resolution of the City Council of the City of Pacific Grove Submitting a Proposed General Transactions and Use Tax to the City's Voters at the Election to be held on November 3, 2026

Public comment received from Inge Lorentzen Daumer, Chris Thomas, and Mike Gibbs.

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Mayor Smith, Council voted 6-0-1, Councilmember Poduri absent, to adopt a resolution of the City Council of the City of Pacific Grove submitting a proposed General Transactions and Use Tax to the City's voters at the election to be held on November 3, 2026 and direct staff to transmit the resolution to the Monterey County Elections Office and to the Clerk of the Board of Supervisors.

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

ADJOURNMENT

Council adjourned the regular meeting at 6:42 p.m.

Respectfully Submitted,

Sandra Kandell
City Clerk

Approved by Mayor: _____ Date _____

Attest by City Manager: _____ Date _____

DRAFT



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Fred Marsh, Administrative Services Director
MEETING DATE: July 15, 2026
SUBJECT: Resolution Setting the Appropriations Limit for FY 2026-2027, also known as the “Gann Limit”
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve a resolution setting the Appropriations Limit for Fiscal Year 2026-2027, also known as the “Gann Limit”

DISCUSSION

Article XIII B of the California Constitution requires cities to adopt an annual Appropriations Limit, based on population and economic growth factors, as prescribed by State law. Staff has calculated the Appropriations Limit for FY 2026-2027 and recommends that Council adopt a resolution establishing the limit at \$55,667,338. Estimated City tax revenue appropriations subject to the limit total \$29,726,500, indicating that the City is not at risk of exceeding its limit.

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

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

Data on the change in California per capita income, county population, and city population for use in the calculation are provided by the State Department of Finance as required by Revenue and Taxation Code, section 2227. Staff has followed the procedures set forth in section 7910, subdivision (a) of the Government Code. Documentation supporting this year’s Appropriations Limit has been made available to the public for fifteen days at the City’s website. Any judicial challenge must be brought within 45 days of the date of adoption of a resolution setting the Appropriations Limit.

OPTIONS

- Approve a resolution setting the Appropriations Limit for Fiscal Year 2026-2027
- Provide alternate direction

FINANCIAL IMPACT:

There is no fiscal impact from the adoption of this report

FOCUSED PRIORITY AREA: Financial Sustainability

Attachments

Gann Limit Resolution

Gann Limit Calculation

State Population Information

Price Factor

RESOLUTION NO. 26-

**RESOLUTION OF THE CITY OF PACIFIC GROVE ESTABLISHING THE
FISCAL YEAR 2026-27 APPROPRIATION LIMIT**

FINDINGS

1. The City is required to establish an appropriations limit for each fiscal year in accordance with Article XIII B of the Constitution of the State of California (related to Proposition 4 on the November 6, 1979 ballot) and Proposition 111 passed by the voters in June 1990 expanding the growth factors that can be used in the calculation.
2. The City Council conducted a public hearing regarding the City's Fiscal Year 2026-2027 Appropriation limit on June 17, 2026.
3. The public hearing was noticed and advertised as required by law.
4. The Council received testimony and other evidence regarding the Appropriation Limit to be established for the City.
5. The Council elects to use the change in California per capita personal income and change in population for the County of Monterey as adjustment factors to calculate the City's Appropriation Limit for the Fiscal Year 2026-2027.

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

1. The foregoing Findings are adopted as findings of the City Council as though set forth in full.
2. The Appropriation Limit for Fiscal Year 2026-2027 shall be \$ 55,667,338.
3. The Notice of Public Hearing and State of California Department of Finance calculation factors are hereby approved and by this reference are incorporated as set forth in its entirety.
4. This Resolution shall take effect immediately following passage and adoption.

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

AYES:

NOES:

ABSENT:



City of Pacific Grove Budget Appropriations Limit

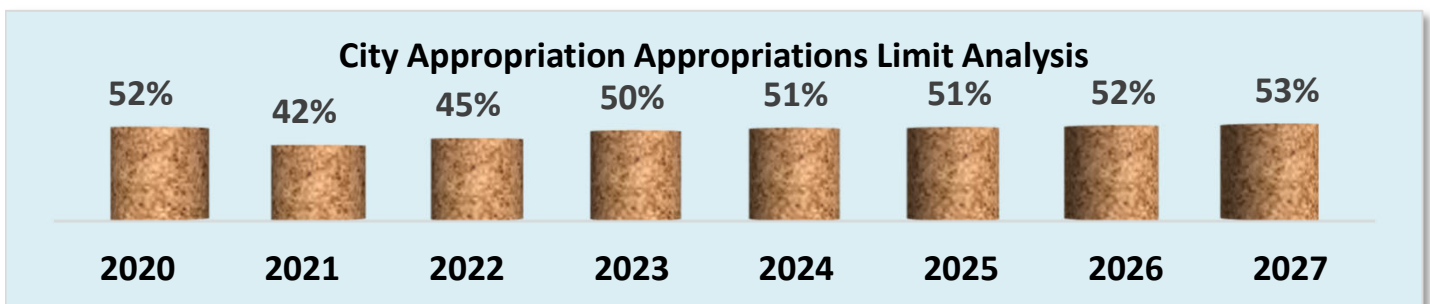
The Gann Initiative was approved by California voters in November 1979. The purpose was to limit the spending of tax proceeds by government agencies by limiting expenditures. An agency is restricted from approving expenditures in excess of its limit. If a City receives more revenue than the appropriation limit, the revenue must be returned to the taxpayers through a tax reduction or refund. Before each fiscal year, the City Council must adopt, by resolution, an appropriations limit using the cost of living data provided by the state of California, and population and per capita income data provided by the California Department of Finance. The limit is different for each agency and changes each year. The limit can be increased for an emergency as declared by the Governor.

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

Fiscal Year	Gann Limit	% Limit Increase	Budgeted Tax Revenues	% of Limit	Change in Gann Limit	County Population Factor	City Population Factor	California Per Capita Income
2020	39,099,658	4.80%	20,195,000	52%	1,789,056	1.00910	1.0048	1.0385
2021	40,432,345	3.41%	16,821,000	42%	1,332,687	0.99690	0.9938	1.0373
2022	42,655,071	5.50%	19,319,000	45%	2,222,725	0.99520	0.9978	1.0573
2023	45,591,100	6.88%	22,629,000	50%	2,936,030	0.99380	0.9879	1.0755
2024	47,653,437	4.52%	24,336,000	51%	2,062,337	1.00080	0.9984	1.0444
2025	49,842,649	4.59%	25,660,000	51%	2,189,212	1.00940	1.0063	1.0362
2026	53,132,095	6.60%	27,861,900	52%	3,289,445	1.00150	0.9957	1.0644
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



FISCAL YEAR 2026-27

Attachment B

Annual Percent Change in Population Minus Exclusions*

January 1, 2025 to January 1, 2026, and Total Population January 1, 2026

City	County	Percent Change 25-26	Population Minus Exclusions 1-1-25	Population Minus Exclusions 1-1-26	Total Population 1-1-26
Pacific Grove	Monterey	-0.53	14,974	14,894	14,894
County Total	Monterey	-0.17	422,021	421,294	436,755

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

May 1, 2026

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2026, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2026–27. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2026–27 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

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

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2026.** Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

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

/s Erika Li
Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2026–27 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2026-27	4.95

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2026–27 appropriation limit.

2026–27:

Per Capita Cost of Living Change = 4.95 percent
Population Change = -0.14 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.95 + 100}{100} = 1.0495$

Population converted to a ratio: $\frac{-0.14 + 100}{100} = 0.9986$

Calculation of factor for FY 2026–27: $1.0495 \times 0.9986 = 1.0480$



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: July 15, 2026
SUBJECT: Declaring the Results of the June 2, 2026 Primary Election
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve a resolution declaring the results of the June 2, 2026 Statewide Direct Primary Election

DISCUSSION

City Charter Article 9 requires that the results of Municipal Elections be declared by action of the Council at its first public meeting after certification of the election results.

Council's adoption of the attached resolution will accomplish this declaration for Measure C disapproved by the voters of the City of Pacific Grove. The Council's declaration follows the receipt of the Statement of Votes Cast produced by the Monterey County Elections Department, dated July 1, 2026, and attached as Exhibit A to the proposed resolution.

OPTIONS

None.

FINANCIAL IMPACT:

There is no fiscal impact for adopting this resolution.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Proposed Reso
Exhibit A to Proposed Resolution

RESOLUTION NO. 26-XXX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE
DECLARING THE RESULTS OF THE STATEWIDE DIRECT PRIMARY
ELECTION HELD IN THE CITY OF PACIFIC GROVE
ON TUESDAY, JUNE 2, 2026**

WHEREAS, February 18, 2026, the City Council adopted Resolution No. 26-006 ordering a special election to be held June 2, 2026 and requesting County Elections to conduct the election.

WHEREAS, the returns from all the consolidated election precincts regularly established for holding said election have been duly received by this Council in the form of a document entitled “Certificate of Registrar of Voters and Canvass of the Votes Case at the City of Pacific Grove, held on June 2, 2026,” attached hereto, marked Exhibit A, and incorporated herein by this reference; and

WHEREAS, this Council, pursuant to law and the City Charter has met on this 15th day of July, 2026, to canvass the returns and to declare the results of the election; and

WHEREAS, this Council then and there, in public, proceeded to and did canvass the returns of the election, according to law and the City Charter; and

WHEREAS, it appearing to this Council that all absent voter ballots have been received and returned and accounted for, and the Council, as the canvassing board of the City, having canvassed the returns from all voting precincts, including the absent voter ballots, has determined the results of the statewide direct primary election;

WHEREAS, this action does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines Section 15378.

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

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

SECTION 2. The City Clerk hereby is authorized and directed to enter upon the records of this Council a statement of the results of the June 2, 2026 statewide direct primary election, which are hereby declared to be as follows: the total number of votes cast at the election in each of said voting precincts, and in all of said City; the total number of absent voter ballots cast at the election; the total number of votes cast at the election; as is set out in Exhibit A.

SECTION 3. Measure C, having received the lowest number of votes cast at said election, 2,579, does not receive the majority and fails.

SECTION 5. This resolution shall take effect immediately following passage and adoption.

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 J. LORCA, City Attorney

CERTIFICATE OF REGISTRAR OF VOTERS

In the Matter of the CANVASS OF THE VOTES CAST
at the **City of Pacific Grove**
held on June 2, 2026

} ss

I, **Gina Martinez**, Registrar of Voters of the County of Monterey, State of California hereby
certify;

THAT an election was held within the boundaries of the **City of Pacific Grove** on June 2,
2026 for the purpose of submitting **MEASURE C** to the qualified electors and; I caused to have
processed and recorded the votes from the canvass of all ballots cast at said election within the
boundaries of the **City of Pacific Grove**.

I HEREBY FURTHER CERTIFY that the record of votes cast at said election is set forth in
Exhibit "A" attached hereto and incorporated herein by reference as though fully set forth at
length.

IN WITNESS WHEREOF, I have hereunto affixed my hand and official seal this Wednesday,
July 1, 2026 and filed this date with the **City of Pacific Grove**.



Gina Martinez
Registrar of Voters



Exhibit A

1 Measure C: City of Pacific Grove							
		Registered Voters	Voters Cast	Turnout (%)	YES	NO	Total Votes
Electionwide	Vote by Mail (VBM)	10503	5810	55.32%	2486	3107	5593
Electionwide	Polling Place (PP)	10503	284	2.70%	93	172	265
Electionwide	Total	10503	6094	58.02%	2579	3279	5858
Statewide	Vote by Mail (VBM)	10503	5810	55.32%	2486	3107	5593
Statewide	Polling Place (PP)	10503	284	2.70%	93	172	265
Statewide	Total	10503	6094	58.02%	2579	3279	5858
2nd State Board of Equalization District	Vote by Mail (VBM)	10503	5810	55.32%	2486	3107	5593
2nd State Board of Equalization District	Polling Place (PP)	10503	284	2.70%	93	172	265
2nd State Board of Equalization District	Total	10503	6094	58.02%	2579	3279	5858
19th Congressional District	Vote by Mail (VBM)	10503	5810	55.32%	2486	3107	5593
19th Congressional District	Polling Place (PP)	10503	284	2.70%	93	172	265
19th Congressional District	Total	10503	6094	58.02%	2579	3279	5858
17th State Senatorial District	Vote by Mail (VBM)	10503	5810	55.32%	2486	3107	5593
17th State Senatorial District	Polling Place (PP)	10503	284	2.70%	93	172	265
17th State Senatorial District	Total	10503	6094	58.02%	2579	3279	5858
30th State Assembly District	Vote by Mail (VBM)	10503	5810	55.32%	2486	3107	5593
30th State Assembly District	Polling Place (PP)	10503	284	2.70%	93	172	265
30th State Assembly District	Total	10503	6094	58.02%	2579	3279	5858
5th Supervisorial District	Vote by Mail (VBM)	10503	5810	55.32%	2486	3107	5593
5th Supervisorial District	Polling Place (PP)	10503	284	2.70%	93	172	265
5th Supervisorial District	Total	10503	6094	58.02%	2579	3279	5858
City of Pacific Grove	Vote by Mail (VBM)	10503	5810	55.32%	2486	3107	5593
City of Pacific Grove	Polling Place (PP)	10503	284	2.70%	93	172	265
City of Pacific Grove	Total	10503	6094	58.02%	2579	3279	5858
Unincorporated - Unincorporated Area	Vote by Mail (VBM)	10503	5810	55.32%	2486	3107	5593
Unincorporated - Unincorporated Area	Polling Place (PP)	10503	284	2.70%	93	172	265
Unincorporated - Unincorporated Area	Total	10503	6094	58.02%	2579	3279	5858
Total - Vote by Mail (VBM)		10503	5810	55.32%	2486	3107	5593
Total - Polling Place (PP)		10503	284	2.70%	93	172	265
Contest Total		10503	6094	58.02%	2579	3279	5858

*** Indicates vote data was suppressed due to voter privacy settings.

1 Measure C: City of Pacific Grove						
		Registered Voters	Voters Cast	Turnout (%)	1 YES	1 NO
5003	Total	1875	1071	57.12%	423	600
5004	Total	1785	1125	63.03%	494	593
5005	Total	1601	926	57.84%	359	539
5006	Total	1882	1157	61.48%	533	573
5007	Total	1748	962	55.03%	404	518
5008	Total	1612	853	52.92%	366	456
Total - Vote by Mail (VBM)		10503	5810	55.32%	2486	3107
Total - Polling Place (PP)		10503	284	2.70%	93	172
Contest Total		10503	6094	58.02%	2579	3279

*** Indicates vote data was suppressed due to voter privacy settings.



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: July 15, 2026
SUBJECT: Second Reading of an Ordinance Amending the Salary Classification Schedule - POA
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

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

DISCUSSION

No changes were made between the first and second readings of this ordinance. The City Clerk caused a summary of the ordinance to be published on June 25, 2026.

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: July 15, 2026
SUBJECT: Second 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.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Hold second reading of an ordinance adopting the Fiscal Year 2026-27 Update to the Operating and Capital Improvement Budget for Fiscal Years 25-26 and 26-27.

DISCUSSION

No changes were made between the first and second readings of the ordinance. The City Clerk caused a summary of the ordinance to be published on June 25, 2026.

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 the 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

Budget Ordinance
Attachment A
Attachment B

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		Summary by Fund Type	
	Revenues	Expenditures		
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 - Cemetery 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
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: July 15, 2026
SUBJECT: Boards Commissions and Committees Quarterly Reports
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines
Section 15378

RECOMMENDATION

Receive the report.

Attachments

HRC Quarterly Report

Quarterly Report (April - June)
Historic Resources Committee
from Jean Anton, Chair

25 June 2026

The **Historic Resources Committee** meets monthly on the fourth Wednesday of each month. Since February we have been a full committee, now consisting of Jean Anton, Chair, Glynis Greening, Vice Chair, Lydia Collins, Steve Covell, and Kate Disney.

From the City website:

The Committee was created by ordinance to hear and make determinations regarding additions and deletions to the historic resources inventory. The Committee also performs such other duties relating to the historical preservation of the community as further described in Chapter 23.76 of the Pacific Grove Municipal Code. Any property may be added to the City's Historic Resources Inventory in accordance with the requirements of Municipal Code Section 23.76.030(a). Inclusion on the Inventory is based on the criteria listed in Municipal Code Section 23.76.025 and is not limited to a specific year of construction. The consent of the property owner is not required for inclusion on the Inventory.

initial Historical Determinations are made when the committee decides if a property might be eligible for the Historic Resources Inventory. These are houses that are fifty or more years old but not currently on the HRI. Since my last report we looked at 421 Eardley which was determined ineligible for the HRI.

Historic Determinations are properties which may be added to or deleted from the **Historic Resources Inventory (HRI)** either by initiation of the historic resources committee or by submittal of a historic determination application by the property owner. Since my last report, one house was requested be removed from the HRI. 116 15th Street was removed from the HRI after receiving reports from a structural engineer and licensed contractor that the building could not be saved due to its considerable dilapidated condition.

Another task concerns **Architectural Permits** for all houses currently on the HRI. We check the designs to make sure they meet the standards set forth by the Secretary of the Interior. The approved APs in this quarter were for 124 Caledonia, 158 12th Street, 108 15th Street, and 610 Granite with the inclusion of a Tree Permit with Development.

A **Historic Preservation Permit** is an exception to regular zoning regulations when such an exception is necessary to permit the preservation or restoration of a building listed on the HRI.

We approved permits for 841 Laurel and 108 15th Street.

Deletions proposed for removal due to loss of integrity must demonstrate the loss of integrity was not the result of any illegal act or willful neglect by the owner or agent of the owner. (see 116 15th Street above.)



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: July 15, 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 June 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 - June 2026
Check Register by Detail - June 2026
FY26 P12 Purchase Order Report
FY26 June Financial Status Report

Check Register - Summary by Fund - June 2026

Fund	Transaction Amount
01 - General Fund Total	\$ 2,024,405.15
04 - Hyperbaric Chamber Total	6,390.80
06 - State Franchise Peg Total	13,000.00
17 - Local Streets And Roads Total	30,720.00
18 - Gas Tax Fund Total	30,963.03
20 - Rstp-(Tamc) Total	33,483.71
24 - Stillwell Children'S Pool Total	56.80
27 - Lighthouse Maint.& Impv. Total	15,146.14
31 - Operating Donations Total	10,701.98
40 - Poetry Promotion Fund Total	314.10
63 - Capital Improv Proj Fund Total	135,406.04
70 - Emp Benefit Fund Total	45,704.48
71 - Workers Comp Fund Total	1,000.83
72 - Liability Ins Fund Total	3,390.00
74 - Local Water Project Total	133,375.98
75 - Cemetery Fund Total	9,349.06
76 - Sewer Fund Total	151,696.87
77 - Golf Fund Total	10,589.10
Grand Total	\$ 2,655,694.07

Check Register - Summary by Detail - June 2026

Fund	Check Date	Name	DESCRIPTION	Amount
01 - GENERAL FUND	06/05/26	ALLISON BROOKS	RFND CANCEL CLASS	\$ 25.00
		ANN KROLL	RFND CANCEL CLASS	25.00
		ANNE BAUER-CIVIELLO	RFND REQUESTED	138.00
		AUGUSTA WELTY	RFND CANCEL CLASS	25.00
		BERLIN BERNALDO	RFND CANCEL CLASS	25.00
		CHANDRA WEAVER	RFND CANCEL CLASS	25.00
		DANIELLE ELISCHER	RFND CANCEL CLASS	12.50
		ERIN HENRY	RFND REQUESTED	157.50
		FREDERICK BENSCH	RFND REQUESTED	62.25
		GABRIELLA BOWER	DAMAGE DEPOSIT RFND	570.00
		GABRIELLE DYE	RFND CANCEL CLASS	25.00
		HEATHER BOWERS	RFND CANCEL CLASS	25.00
		JENNIFER TRAVIS	RFND CANCEL CLASS	25.00
		JENNY GENTILLY	RFND REQUESTED	345.00
		JESSICA MCDONALD	RFND CANCEL CLASS	12.50
		KATIE BAREFOOT	RFND CANCEL CLASS	25.00
		KATIE LEE	RFND CANCEL CLASS	25.00
		LAURA HAMAKER	RFND CANCEL CLASS	25.00
		LIA SIMMONS	RFND CANCEL CLASS	25.00
		MEGAN MCKENNA	RFND REQUESTED	373.50
		MEGAN WHAM JOYCE	RFND CANCEL CLASS	25.00
		MELISSA HART	RFND REQUESTED	337.50
		NATALIE DESROCHERS	RFND CANCEL CLASS	25.00
		NICOLE RIVERA	RFND CANCEL CLASS	25.00
		NICOLE TERFLINGER	RFND CANCEL CLASS	12.50
		SARA DAVI	RFND CANCEL CLASS	50.00
		SARAH TOW	RFND REQUESTED	78.00
		STEPHANIE ALEXANDER	RFND CANCEL CLASS	12.50
		TAYLOR HOGAN	RFND CANCEL CLASS	25.00
		VANESSA ANAYA	RFND CANCEL CLASS	25.00
		XIAOHUI WU	RFND CANCEL CLASS	25.00
		CALIFORNIA AMERICAN	300 FOREST IRRIG	91.90
			139 GRAND AVE	100.28
			304 16TH ST FIRE	103.78
			B & G 15%	159.23
			611 CENTRAL AVE	174.85
			SUNSET-CORPYARD18%	191.07
			585 LAUREL	227.25
			130 LIGHTHOUSE IRRIG	227.25
			610 OCEANVW IRRIGPK	301.84
			165 FOREST AVE FIR	327.67
			600 PINE	346.79
			300 FOREST FIRE-50%	447.64
			300 FOREST FIRE-50%	447.64
			ST FUND 50%	530.76
			300 FOREST AVE	531.96
			100 OCEANVW IRRIG	531.96
			196 OCEANVW IRRIG	531.96
			711 OCEANVIEW IRRG	587.10
			515 JUNIPERO	626.49
			580 PINE	650.11
			1025 MORSE-PLATT PK	824.05
			304 16TH ST BDOM-FR	893.16
			1051 OCEANVIEW IRRG	911.06
			707 OCEANVIEW-NAIAD	930.36
			863 OCEANVIEW IRRG	981.78
			550 CENTRAL	1,091.35
			620 OCEANVIEW/BATH	1,326.05
			616 OCEANVIEW IRRG	2,906.18
			150 FOREST-JEWELL P	3,136.02
			980 PIEDMONT BALL P	3,586.10
			391 OCEANVW-BERWICK	7,816.61
			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
			765 LIGHTHSE IRRIG	84.85
			800 LIGHTHSE PLANTE	84.85
			792 LIGHTHSE IRRIG	84.85
			582 LIGHTHSE IRRIG	84.85
			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
			616 OCEANVW-SWIM PL	1,589.33
			930 SINEX	1,590.25
			114 CALEDONIA PK	1,748.28
			230 17-MILE DRIVE	2,559.96
		1-800 PLUMBER + AIR	FD WASHING REPAIRS	4,600.00
		4LEAF	FY 25/26 BUILDING S	80,805.62

Check Register - Summary by Detail - June 2026

Fund	Check Date	Name	DESCRIPTION	Amount
		ALENA RACHELLE WAGR	PMT FOR DANCE CLASS	\$ 654.50
		AMAZON CAPITAL SERV	B&G BACKFLOW VALVE	191.18
			LIB BOOKS & MATERIA	267.65
			PW ANT TRAPS	14.43
			PD OFFICE SUPPLIES	912.71
			PD OFFICE SUPPLIES	18.55
			LIB SUPPLIES	27.74
			FORESTRY SUPPLIES	41.50
			PW CONTAINERS	44.46
			FD OFFICE SUPPLIES	60.72
			LIB BOOKS & MATERIA	90.72
			PW CREDIT SUPPLIES	(14.71)
		AMERICAN RED CROSS	LIFEGUARD TRAINING	240.00
		ARCPPOINT LABS OF MO	HR PRE EMPLY SCREEN	168.30
			HR DOT SERVICES	1,750.00
		AT&T CALNET 3	ADMIN INTERNET 3342	32.47
			CH GENRTR ALARM 325	32.97
		BOUND TREE MEDICAL,	FD MEDICAL SUPPLIES	894.10
		BURKE, WILLIAMS & S	CITY ATTY SERVICES	2,242.50
		CENGAGE LEARNING	LIB BOOKS & MATERIA	201.02
			LIB BOOKS & MATERIA	269.19
			LIB BOOKS & MATERIA	33.21
		CENTRALSQUARE TECHN	FIN SOFTWARE TRAINI	90.00
		COMCAST	PW INTERNET 0194117	228.86
			PD INTERNET 0387836	151.24
			PW INTERNET 0389527	106.24
		DIANNE LYLE	PMT FOR JAZZ CLASSE	112.00
		DISASTER KLEENUP SP	WATER MITIGATION CL	5,747.48
		DWAN ELEVATOR CO	ELEVATOR INSPECTION	4,500.00
		FEDEX	PD SHIPPING	11.45
		FERGUSON ENTERPRISE	B&G CLUB HOUSE	1,470.29
			IRRIGATION SUPPLIES	243.22
		GEMMA PETERSON	PMT FOR YOGA CLASSE	896.00
		GREEN FIELDS FALCON	GULL ABATEMENT FY25	24,480.00
		HARRIS & ASSOCIATES	CONTRACT PLANNING S	10,920.00
		HAYWARD LUMBER COMP	FD REPAIR SUPPLIES	118.82
			B&G REPAIR SUPPLIES	1,036.91
			STREET SUPPLIES	106.04
		IMPERIAL COUNTY OFF	MRC FY26 Q3 JAN-MAR	467.77
		JEANNE BYRNE ARCHIT	RFND PERMIT FEES	3,237.00
		KIMBALL MIDWEST	MECH SUPPLIES	1,530.44
			FD REPAIR SUPPLIES	394.94
			PD REPAIR SUPPLIES	102.43
		LEHR	PD REPAIR UNIT 1	159.83
		LIEBERT CASSIDY WHI	LEGAL SERVICES JAN	970.00
			LEGAL SERVICES JAN	1,018.50
			LEGAL SERVICES JAN	1,164.00
			LEGAL SERVICES JAN	2,085.50
		MIDWEST TAPE	LIB BOOKS & MATERIA	43.69
		MISSION LINEN SUPPL	FIRE DEPT LINEN UNI	317.62
		MISSION UNIFORM SER	LINEN / UNIFORM CLE	129.66
			LINEN / UNIFORM CLE	255.34
			LINEN / UNIFORM CLE	469.14
			LINEN / UNIFORM CLE	469.14
			LINEN / UNIFORM CLE	469.15
		MONTEREY BAY PEST C	RODENT CONTROL FOR	135.00
			RODENT CONTROL FOR	180.00
			RODENT CONTROL FOR	490.00
		MONTEREY COUNTY HEA	HAZ MAT REGISTRATIO	2,856.00
			HAZ MAT REGISTRATIO	1,472.00
			REC POOL PERMIT	1,011.00
			HAZ MAT REGISTRATIO	1,077.00
		MONTEREY COUNTY WEE	CDD ORD AMND TITLE	126.90
			VACANCY RECRUIT AD	177.66
			CDD PH 421 EARDLEY	279.18
			CDD PH 108 15TH	304.56
			CDD PH 841 LAUREL	304.56
			CDD PH 689 MERMAID	304.56
		CITY OF MONTEREY	FY26 FIRE SERVICES	286,394.00
		NATIONAL DEMOGRAPHI	CONSULTING CITY COU	37,500.00
		ODP BUSINESS SOLUTI	FIN OFFICE SUPPLIES	102.71
		PACIFIC CHESS ACADE	PMT CHESS CLASSES	1,638.00
		PACIFIC GAS & ELECT	PW ADMIN ELEC 5508	1,743.53
			REC ELECTRIC 0956	4,373.95
			GOLF STREET 3438	39.61
			REC ELECTRIC 4030	393.26
		PACIFIC GROVE HARDW	FD REPAIR SUPPLIES	263.60
			POOL REPAIR SUPPLIE	221.84
			PD REPAIR SUPPLIES	116.03
			LIB REPAIR SUPPLIES	117.88
			STREET SUPPLIES	108.57
			MECH SUPPLIES	92.40
			REC REPAIR SUPPLIES	25.85
			MUSEUM SUPPLIES	2.17

Check Register - Summary by Detail - June 2026

Fund	Check Date	Name	DESCRIPTION	Amount
			CDD REPAIR SUPPLIES	\$ 10.97
			B&G REPAIR SUPPLIES	817.09
		PARMA	FIN MEMBERSHIP DUES	300.00
		RAYMOND M GORDANO	REIMBURSE BOOTS	250.00
		PRIMO BRANDS	REC WATER SERVICES	104.98
		REGIONAL GOVERNMENT	PAYROLL ADVISORY AP	568.70
		RENTAL DEPOT MONTER	EQUIPMT RENTAL	525.01
		RINCON CONSULTANTS,	RINCON - HOUSING EL	1,540.00
		SAFETY-KLEEN SYSTEM	B&G OIL COLLECTION	348.54
		SAME DAY SHRED	CMO CONFIDNT SHRED	55.00
		SENTRY ALARM SYSTEM	LIB FIRE ALARM SYST	14,830.58
		STURDY OIL COMPANY	MECH STOCK	975.76
		TOM'S SITE SERVICES	PW PORTABLE TOILETS	1,142.98
		TOPE'S TREE SERVICE	CONTRACT TREE SERVI	6,170.00
		TRUCKSIS ENTERPRISE	CC BANNERS FOR PARA	150.99
		VERIZON BUSINESS	PD PORT ACCESS	118.08
		WARREN KNOX	RFND PERMIT FEES	688.82
		WATSONVILLE FORD	PD REPAIR UNIT 2	731.46
			PD REPAIR UNIT 2	249.43
		WELLS FARGO VENDOR	KONICA LEASE FY25/2	169.21
			KONICA LEASE FY25/2	169.21
			KONICA LEASE FY25/2	195.01
			KONICA LEASE FY25/2	195.01
			KONICA LEASE FY25/2	216.78
			KONICA LEASE FY25/2	216.78
			KONICA LEASE FY25/2	216.80
			KONICA LEASE FY25/2	216.80
			KONICA LEASE FY25/2	216.80
			KONICA LEASE FY25/2	216.80
			KONICA LEASE FY25/2	216.80
			KONICA LEASE FY25/2	216.80
			KONICA LEASE FY25/2	232.67
			KONICA LEASE FY25/2	232.67
		WILSON'S PLUMBING &	GOLF COURSE REPAIRS	516.74
		VIVIAN L. VALERO	FIREARM TRAINING WK	556.00
			FIREARM TRAINING WK	556.00
		MONTEREY BAY PEST C	RODENT CONTROL FOR	135.00
			RODENT CONTROL FOR	175.00
06/08/26		MARK'S BARN AUTO BO	B&G REPAIRS UNIT 59	500.00
			REPAIR PW UNIT 59	5,823.08
06/09/26		VESTIS SERVICES, LL	PD LINENS	951.48
		SANDRA KANDELL	ARMA CONF TRAVEL AD	207.90
			SEMINAR REIMBURSMEN	606.97
		THE MONTEREY COUNTY	AD FOR ERP SERVICES	151.20
		US BANK	M KHASIMI MS 365	0.74
			S HOFFMAN TRANS UNI	100.00
			D GONZALES CACEO MB	100.00
			S ARRIOLA BCC NAMEP	101.60
			A CANALES OFF SUPPL	116.44
			M MOGENSEN MEETINGS	155.00
			F MARSH CSMFO/CSUMB	162.56
			D DELFINO CPCA MEMB	185.00
			PD TRVL 5084 DEPT S	185.39
			L LIVIAN HR TRAININ	197.00
			A CANALES BOOKS/MAT	228.94
			M KHASIMI LINKEDIN	239.88
			D DELFINO AMMO CLAS	250.00
			S ARROLA CC MEAL	251.28
			M KHASIMI EQUIP REP	261.49
			M KHASIMI GIS LIC	275.00
			M KHASIMI MISAC REG	350.00
			B ANDERSON SOCIAL E	359.00
			B ANDERSON UNIFORM	368.48
			D GH0 CJPIA TRAININ	370.80
			D DELFINO DEPT PICS	466.54
			D GH0 VOLUNTEER EVN	564.99
			K CLARK OFFICE SUPP	573.89
			M KHASIMI MISAC LOD	633.49
			M KHASIMI ZOOM SFTW	673.95
			PD TRVL 5092 TRAINI	894.41
			M KHASIMI DOCK STAT	894.60
			L LIVIAN AI SUBSCR	50.00
			D GONZALES MTY CTY	52.50
			S HOFFMAN CODE BOOK	58.81
			D GH0 SUBSCRIPTIONS	68.99
			S ARROLA CMO POSTAG	71.90
			S ARRIOLA WRKNG LNC	74.50
			S ARRIOLA CMO SUBSC	83.25
			S HOFFMAN FED EX	2.46
			L LIVIAN PERSONAL C	6.45
			J HALABI APPLE SUBC	9.99
			A CANALES LIB SBSCP	13.00
			M MOGENSEN SUBSCRPT	18.00
			J MEDAWAR AI SUBSCP	20.00

Check Register - Summary by Detail - June 2026

Fund	Check Date	Name	DESCRIPTION	Amount
			K CLARK PROGRM SUPP	\$ 38.24
			L FRATI CSMFO MEETI	50.00
			S KANDELL CMCA CONF	1,080.21
			B ANDERSON CHIEF CO	1,268.06
			C DAY CHIEF TRAININ	1,379.27
			D GONZALES CODE TRN	1,660.39
			PD TRVL 5084 CONF/T	2,020.79
06/10/26		KRAEMER ENGINEERING	RETAINER INV 002	(4,653.33)
06/12/26		AFLAC	DED:5200 AFLAC PREM	577.44
			DED:5201 AFLAC P/T	1,415.93
		CALIF LAW ENFORCMEN	DED:3200 LTD PD	640.00
		CALPERS HEALTH	DED:109 HEALTH	668.15
			DED:116 HEALTH	560.29
			DED:4304 HLTH RETRO	(2,762.43)
			DED:118 HEALTH	1,456.76
			DED:3081 HEALTH EMP	987.69
			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:2071 HEALTH	2,126.00
			DED:104 HEALTH	2,241.16
			DED:3051 HEALTH EMP	2,922.15
			DED:2072 HEALTH	3,627.00
			DED:108 HEALTH	4,342.36
			DED:132 HEALTH	5,077.62
			DED:2073 HEALTH FAM	7,567.50
			DED:130 HEALTH	7,811.76
			DED:105 HEALTH	8,740.56
			DED:103 HEALTH	8,964.64
		CITY OF PACIFIC GRO	DED:3301 AFLAC MED	1,821.23
		EFT	DED:*SCA STATE TAX	17,466.77
			DED:*FT FEDERAL TX	43,961.55
			DED:*FM MEDICARE	12,689.10
		PACIFIC GROVE CITY	DED:7000 ASSOC DUES	735.75
		MASS MUTUAL (457 PL	DED:3999 ROTH IRA	3,268.00
			DED:4000 DEF COMP	13,643.60
		MASS MUTUAL GROUP W	DED:5203 WHOLE LIFE	406.21
		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	404.23
			DED:1010 WORK COMP	3,375.57
			DED:1003 WORK COMP	6,545.69
			DED:1005 WORK COMP	1,535.42
			DED:7510 PERS REIMB	56.58
			DED:200 DENTALEOER	126.32
			DED:2102 DENTAL+1EE	830.44
			DED:2101 DENTALEOEE	1,326.36
			DED:2103 DENTAL FAM	1,149.40
			DED:0005 SUTA	155.76
		PERS	DED:2003 PERS OTHER	175.81
			DED:0004 SURV BEN	89.28
			DED:0019 PERS RT SF	(3.44)
			DED:0018 PERS SP SF	882.36
			DED:0009 PERS OTHER	624.08
			DED:08 PERS OTHER	359.81
			DED:0022 PERS SP MS	366.47
			DED:2001 PERS	2,255.06
			DED:0006 PERS CITY	7,144.16
			DED:0017 PERS RG SF	9,398.28
			DED:0011 PERS ER SF	10,456.55
			DED:01 PERS	8,765.03
			DED:2000 PERS EMPLY	3,885.91
			DED:07 PERS CITY	5,763.83
			DED:0021 PERS REG M	15,467.58
			DED:0020 PERS ER M3	16,263.13
			DED:0002 PERS	2,892.33
		POLICE OFFICERS ASS	DED:7205 ASSOC DUES	857.90
			DED:7204 ASSOC DUES	8.00
		LEGAL SHIELD	DED:6104 LEGAL SVC	29.30
		STATE DISABILITY TA	DED:0026 SDI	5,956.71
		STANDARD INSURANCE	DED:3500 LIFE INS	1,464.75
		TRANSAMERICA EMPLOY	DED:5202 TRANSAMERI	311.82
		U.S. BENCOR/MIDAMER	DED:4007 HRA	225.00
		UNION BANK OF CALIF	DED:4005 PARS-457	2,810.34
		VISION SERVICE PLAN	DED:2502 VISIONEOEE	278.88
			DED:300 VISIONEOER	26.56
			DED:2503 VISION+1EE	185.64
			DED:2504 VISION FAM	171.36
		CALIF LAW ENFORCMEN	EE2524 OCT/NOV 2025	64.00

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Fund	Check Date	Name	DESCRIPTION	Amount
	06/19/26	PERS	JUN 2026 UAL	\$ 395,585.00
		AMAZON CAPITAL SERV	REC PROGRAM SUPPLIE	10.79
			REC PROGRAM SUPPLIE	18.56
			REC PROGRAM SUPPLIE	21.61
			HR EMPLOYEE EVENT	28.41
			REC PROGRAM SUPPLIE	32.21
			PD OFFICE SUPPLIES	32.33
			MECH STOCK	42.60
			REC PROGRAM SUPPLIE	50.73
			REC PROGRAM SUPPLIE	54.61
			PW OFFICE SUPPLIE	57.57
			PW OFFICE SUPPLIES	60.93
			REC PROGRAM SUPPLIE	77.49
			B&G SUPPLIES	78.64
			REC PROGRAM SUPPLIE	244.57
			REC PROGRAM SUPPLIE	606.25
			REC PROGRAM SUPPLIE	919.05
			REC PROGRAM SUPPLIE	1,388.66
		ACCENT CLEAN & SWEE	FY 25/26 STREET SWE	18,810.00
		ALEXANDER WINN	REFND PERMIT FEES	215.00
		AMERICAN RED CROSS	STAFF TRAINING	153.00
		AMERICAN SUPPLY COM	JANITORIAL SUPPLIES	10,433.43
		ANTHONY VENEZIA	RFND CANCEL CLASS	50.00
		AT&T	LH INTERNET 3200212	112.35
		AT&T CALNET 3	PD DATA LINES 8120	1,057.31
			ADMIN PHONE 3242	2,168.00
		BILLS PLUMBING, DRA	BACKFLOW REPAIRS	669.51
		BOUND TREE MEDICAL,	PD HEAT PACKS	66.88
			PD MEDICAL GLOVES	2,541.87
		CA DEPT OF JUSTICE	PD BACKGROUND CHKS	49.00
		CALTRONICS BUSINESS	KONICA COPIES FY26	93.48
			KONICA COPIES FY26	124.14
			KONICA COPIES FY26	181.03
			KONICA COPIES FY26	209.01
			KONICA COPIES FY26	577.97
			KONICA COPIES FY26	814.70
		CDW GOVERNMENT INC	IT EQUIPMENT REPAIR	413.10
		CENGAGE LEARNING	LIB BOOKS & MATERIA	33.21
			LIB BOOKS & MATERIA	33.21
		CENTRALSQUARE TECHN	FINANCE SOFTWARE JU	5,211.10
			FIN CREDIT TRAINING	(1,620.00)
		CHANDLER BLUHM	RFND PERMIT FEES	215.00
		CHRISTOPHER DINNER	B&G GUTTER REPAIRS	528.15
		CROSSROADS SOFTWARE	PD ECITE SOFTWARE	2,500.00
		L.N. CURTIS & SONS	EQUIPMENT NEW FIRE	191.19
		DENISE DUFFY & ASSO	MND CRESPI POND	2,880.00
		ENGINEERED FIRE SYS	FD PLAN REVIEW MAY	1,080.00
		EWING IRRIGATION PR	B&G CH IRRIGATION	24.40
		FEDEX	PD LATE FEE SHIPPIN	6.10
		FENTON & KELLER	LEGAL SERVICES	3,950.00
		AT&T MOBILITY	PD CELL PHONES 5185	1,771.75
			LIB PHONES 1990	224.97
		FLEXTG LLC	REC KONICA LEASE CO	137.89
		FOREST HILL ACE HAR	B&G SUPPLIES	9.72
		GACHINA LANDSCAPE M	PARK MOWING SERVICE	1,387.00
		GARDAWORLD	MAY EXCESS FEES	83.32
			JUNE SERVICE FEES	107.10
		GRANITE CONSTRUCTIO	STREET SUPPLIES	608.95
		GROVE MARKET	REC PRGRM SUPPLY AP	70.47
			REC PROGRAM SUPPLIE	217.79
		HARRIS & ASSOCIATES	CONTRACT PLANNING S	7,556.25
		HOMETEK	MEMORIAL BENCH	165.00
		INTERNATIONAL BUSIN	PD CLOUD SERVICES	63.21
		INGRAM LIBRARY SERV	LIB BOOKS & MATERIA	5,390.96
		IPS GROUP, INC	METER FEES MAY	1,609.88
			METER FEES APRIL	1,677.09
		LEXIPOL LLC	PD POLICY & DTB'S	4,000.06
		MELISSA BIRDWELL	RFND PERMIT CANCEL	34.50
		MICHAEL WACHS	RFND REQUESTED	157.50
		MIDWEST LIBRARY SER	LIB BOOKS & MATERIA	129.08
			LIB SUPPLIES	11.47
			LIB SUPPLIES	7.16
			LIB SUPPLIES	22.94
			LIB BOOKS & MATERIA	44.58
			LIB BOOKS & MATERIA	291.46
		MONTEREY BAY PEST C	RODENT CONTROL FOR	135.00
			RODENT CONTROL FOR	175.00
			RODENT CONTROL FOR	175.00
			RODENT CONTROL FOR	200.00
		MONTEREY COUNTY HEA	PD SART APRIL 2026	2,052.00
			PD SART MARCH 2026	2,052.00
			PD SART JULY 2025	52.00
		MONTEREY COUNTY WEE	CDD PH 123 12TH AD	355.32
			CDD PH 273 LIGHTHOU	355.32

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Fund	Check Date	Name	DESCRIPTION	Amount
			PH 689 MERMAID	\$ 355.32
			BEST OF WEDDING/FAM	1,986.36
			IT CLASS HR ADVERTI	126.90
			VACANCY ADVERTISING	177.66
		MONTEREY FIRE EXTIN	FIRE EXTNGR MAINT	1,079.84
		MONTEREY ONE WATER	REC SEWER TRMT	731.88
			PD SEWER TRMT	853.86
			MUSEUM SEWER TRMT	243.96
			FD SEWER TRMT	487.92
			B&G SEWER TRMT	4,382.92
			LIB SEWER TRMT	121.98
			PW SEWER TRMT	121.98
		MP EXPRESS	PD PKG STICKERS	417.57
		QUADIENT FINANCE US	CPG POSTAGE JUNE	1,000.00
		ODP BUSINESS SOLUTI	CDD OFFICE SUPPLIES	132.47
			CDD OFFICE SUPPLIES	152.96
		O'REILLY AUTO ENTER	PW VEHICLE REPAIRS	20.94
			MECH RETURN CREDIT	(79.16)
			PD VEHICLE REPAIRS	279.95
			MECH STOCK	368.28
			STRT VEHICLE REPAIR	57.36
			B&G VEHICLE REPAIRS	210.01
		ORLANDO PEREZ	BOOT REIMBURSEMENT	196.65
		PACIFIC LIBRARY PAR	LIB CONTRACT SERVIC	3,992.00
		PACIFIC WEST WATER	CMO WATER SERVICES	271.81
			ASD WATER SERVICES	42.85
			CDD WATER SERVICES	42.85
		PATRICIA NOFZIGER	PMT FOR TAI CHI CLA	175.00
		LYNN PEAVEY COMPANY	PD SUPPLIES	78.72
		POWERDMS, INC.	POWERTIME SUBSCRPTN	3,817.03
		PURE WATER	PW WATER SERVICE	30.20
			MECH WATER SERVICE	30.20
			B&G WATER SERVICE	30.20
			STREET WATER SERVIC	30.20
		PRIMO BRANDS	FD WATER SERVICE MA	107.96
			PD WATER SVCS MAY	376.14
		RINCON CONSULTANTS,	RINCON CONTRACT MAY	5,693.50
		ROBERT HALF	IT SUPPORT TEMP	6,840.00
		SABRINA HEILPERN	RFND ON ACCOUNT	19.00
		SANTA ROSA UNIFORM	PD AWARDS	629.79
		SARAH GREENLEE	RFND CREDIT ON ACCT	40.00
		SENTRY ALARM SYSTEM	CITY-WIDE ALARM AND	16.00
			CITY-WIDE ALARM AND	190.00
		SPCA OF MONTEREY CO	PD ANIMAL SVC MAY	1,450.00
		STEVEN HEALY SEPARA	RFND PERMIT FEES	2,110.00
		STURDY OIL COMPANY	B&G FUEL MAY	2,355.62
			PD FUEL MAY	6,518.39
			A/R FUEL MAY	8,023.62
			STREET FUEL MAY	1,177.80
		TASHA STEVENS	RFND REQUESTED	157.50
		BLUE STAR INVESTIGA	PD BACKGROUNDS	3,450.00
		TORO PETROLEUM CORP	FD DIESEL JUNE	2,263.04
		WATSONVILLE CHRYSL	PD REPAIRS UNIT 7	1,153.47
		BRIAN WHITSON	MONTHLY MUSEUM JANI	2,100.00
		SWIFT CAR WASH	PD CAR WASHES JULY	320.00
		YUMI DAVIS	RFND REQUESTED	210.00
		ZOE PARIS	RFND REQUESTED	34.50
06/22/26		FEDEX	PD SHIPPING	47.99
06/23/26		VERIZON BUSINESS	REC PHONES MAY	37.35
			IT PHONES MAY	45.21
			FD PHONES MAY	63.89
			PD PHONES MAY	99.94
			CMO PHONES MAY	127.84
			CDD PHONES MAY	132.99
			ADMIN PHONES MAY	174.76
			CMO EQUIPMT PHONES	233.49
			PW PHONES MAY	668.21
			PW DATA MAY	62.07
			IT DATA MAY	70.81
			LIB DATA MAY	76.02
06/26/26		AFLAC	DED:5200 AFLAC PREM	577.44
			DED:5201 AFLAC P/T	1,415.93
		CALPERS HEALTH	DED:118 HEALTH	1,456.76
			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:2071 HEALTH	2,126.00
			DED:104 HEALTH	2,241.16
			DED:116 HEALTH	560.29
			DED:109 HEALTH	668.15
			DED:3081 HEALTH EMP	987.69
			DED:137 TRIO 95076	1,166.58
			DED:128 HEALTH EMP	1,168.86

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Fund	Check Date	Name	DESCRIPTION	Amount
			DED:112 HEALTH	\$ 1,168.86
			DED:3051 KAISEREO	2,922.15
			DED:2072 HEALTH	3,627.00
			DED:108 HEALTH	4,342.36
			DED:132 HEALTH	5,077.62
			DED:2073 HEALTH FAM	7,567.50
			DED:130 HEALTH	7,811.76
			DED:105 HEALTH	8,740.56
			DED:103 HEALTH	8,964.64
		CITY OF PACIFIC GRO	DED:3301 AFLAC MED	1,821.23
		EFT	DED:*SCA STATE TAX	17,544.01
			DED:*FT FEDERAL TX	45,239.03
			DED:*FM MEDICARE	13,064.58
			DED:*FT FEDERAL TX	(45,239.03)
			DED:*SCA STATE TAX	(17,544.01)
			DED:*FM MEDICARE	(13,064.58)
		PACIFIC GROVE CITY	DED:7000 ASSOC DUES	763.00
		MASS MUTUAL (457 PL	DED:4000 DEF COMP	13,643.60
			DED:3999 ROTH IRA	3,268.00
		MASS MUTUAL GROUP W	DED:5203 WHOLE LIFE	406.21
		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	591.24
			DED:1005 WORK COMP	1,474.30
			DED:1010 WORK COMP	3,331.99
			DED:1003 WORK COMP	6,524.08
			DED:7510 PERS REIMB	56.58
			DED:200 DENTALEOER	135.20
			DED:2101 DENTALEOEE	1,419.60
			DED:2102 DENTAL+1EE	888.68
			DED:2103 DENTAL FAM	1,230.04
		PERS	DED:0005 SUTA	159.66
			DED:2003 PERS OTHER	175.81
			DED:0004 SURV BEN	88.35
			DED:0018 PERS SP SF	823.41
			DED:08 PERS OTHER	359.81
			DED:0022 PERS SP MS	261.87
			DED:0009 PERS OTHER	618.54
			DED:2001 PERS	2,255.06
			DED:0002 PERS	2,892.33
			DED:0006 PERS CITY	7,132.91
			DED:0017 PERS RG SF	9,398.28
			DED:0011 PERS ER SF	10,396.61
			DED:01 PERS	8,765.03
			DED:2000 PERS EMPLOY	3,885.91
			DED:07 PERS CITY	5,763.83
			DED:0021 PERS REG M	14,908.20
			DED:0020 PERS ER M3	15,581.12
			DED:0019 PERS RT SF	(3.44)
		POLICE OFFICERS ASS	DED:7205 ASSOC DUES	857.90
		LEGAL SHIELD	DED:6104 LEGAL SVC	29.30
		STATE DISABILITY TA	DED:0026 SDI	6,106.45
		TRANSAMERICA EMPLOY	DED:5202 TRANSAMERI	311.82
		U.S. BENCOR/MIDAMER	DED:4007 HRA	225.00
		UNION BANK OF CALIF	DED:4005 PARS-457	4,680.05
		VISION SERVICE PLAN	DED:2502 VISIONEOEE	278.88
			DED:2503 VISION+1EE	185.64
			DED:2504 VISION FAM	171.36
			DED:300 VISIONEOER	(26.56)
			DED:2504 VISION FAM	(171.36)
			DED:2503 VISION+1EE	(185.64)
			DED:2502 VISIONEOEE	(278.88)
			DED:300 VISIONEOER	26.56
		EFT	REISSUED 34790 VOID	75,392.21
06/25/26		PACIFIC GAS & ELECT	CALEDONIA ST	0.02
			165 FOREST AVE	244.06
			117 COMMUNITY CTR	307.13
			CEDD - 9.5%	315.42
			CITY MANAGER - 9.5%	315.42
			FIRE DEPT - 24%	330.11
			BEACH BOAT STORAGE	349.07
			POLICE DEPT	368.29
			17 MILE DRIVE	413.22
			550 CENTRAL AVE	433.97
			FOREST & CENTRAL DR	448.63
			FOREST 40 FT E/O LH	556.28
			POLICE DEPT - 43%	591.43
			17TH ST & LAUREL	653.82
			FIRE DEPT - 24%	796.85
			580 PINE AVE - LOAN	1,046.81
			FOREST CENTRL SPR	0.06
			17 MI DR BALLPARK	0.23
			117 RECREATION ROOM	2.97

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Fund	Check Date	Name	DESCRIPTION	Amount
			LOVERS POINT	\$ 4.64
			BERWICK PARK	5.10
			PLATT PK SPRNKL	5.80
			17 MI DR BALLPARK	8.65
			CALEDONIA PK LIGHTS	10.27
			FOREST CENTRL SPR	10.35
			168 16TH ST	10.70
			17 MI DR BALLPARK	11.40
			162 16TH STREET	12.52
			CORP YARD DM & 5TH	14.59
			PARKING LOT LIGHT	14.79
			CORP YARD SUNSET DR	15.91
			GRAND AV & PK PL	20.40
			1307 FORST SINEX SI	20.41
			LOVERS POINT	24.65
			1307 FORST PINE SIG	24.97
			117 RECREATION ROOM	19.05
			PHONE BOOTH-BERWICK	25.60
			CHAUTAUQUA HALL	27.58
			PLATT PK SPRNKL	27.69
			COR MELROSE	38.43
			CITY COUNCIL - 3%	41.26
			RECREATION - 3%	41.26
			CHAUTAUQUA HALL	47.16
			PIEDMONT & MORELAND	48.65
			101 CH -FIN - 50%	50.43
			101 CH -CEDD - 50%	50.43
			1307 FORST SINEX SI	62.24
			1307 FORST PINE SIG	72.89
			117 COMMUNITY CTR	86.17
			17TH ST & LAUREL	88.79
			300 16TH ST.	93.56
			FINANCE - 7%	96.28
			CITY COUNCIL - 3%	99.61
			RECREATION - 3%	99.61
			OCEANVIEW & 17TH	112.94
			COR MELROSE	125.79
			CEDD - 9.5%	130.67
			CITY MANAGER - 9.5%	130.67
			17 MI DR BALLPARK	137.64
			CONCESSION STAND	155.52
			117 COMMUNITY CTR	179.57
			FOREST 40 FT E/O LH	181.81
			300 FOREST AVE	196.73
			620 OCEAN VIEW POOL	206.77
			FIRE DEPT	209.02
			PUBLIC LIBRARY	231.50
			FINANCE - 7%	232.42
			FOREST & CENTRAL DR	1,387.22
			POLICE DEPT - 43%	1,427.70
			PUBLIC LIBRARY	1,455.22
06/30/26		AMAZON CAPITAL SERV	REC PROGRAM SUPPLIE	7.23
			LIB SUPPLIES	9.72
			REC PROGRAM SUPPLIE	9.82
			REC PROGRAM SUPPLIE	10.91
			REC PROGRAM SUPPLIE	11.46
			LIB SUPPLIES	13.56
			LIB BOOKS & MATERIA	17.47
			LIB SUPPLIES	19.98
			LIB SUPPLIES	21.63
			REC PROGRAM SUPPLIE	21.76
			LIB BOOKS & MATERIA	22.23
			REC PROGRAM SUPPLIE	22.92
			REC PROGRAM SUPPLIE	22.92
			LIB POSTAGE STAMPS	25.88
			LIB SUPPLIES	26.30
			ECON DEV LOTTERY	28.77
			REC OFFICE SUPPLIES	32.85
			REC OFFICE SUPPLIES	32.95
			REC PROGRAM SUPPLIE	33.35
			REC PROGRAM SUPPLIE	33.64
			LIB SUPPLIES	39.80
			LIB BOOKS & MATERIA	42.55
			CMO OFFICE SUPPLIES	49.00
			LIB SUPPLIES	50.14
			REC OFFICE SUPPLIES	54.61
			LIB BOOKS & MATERIA	54.69
			LIB SUPPLIES	56.77
			LIB SUPPLIES	57.50
			REC PROGRAM SUPPLIE	58.10
			LIB BOOKS & MATERIA	71.52
			LIB SUPPLIES	72.52
			CMO BADGES /KEY CAR	86.28
			LIB BOOKS & MATERIA	87.33

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Fund	Check Date	Name	DESCRIPTION	Amount
			REC PROGRAM SUPPLIE	\$ 94.74
			LIB SUPPLIES	99.99
			MECH TOOLS	112.90
			REC PROGRAM SUPPLIE	114.70
			REC PROGRAM SUPPLIE	156.57
			REC PROGRAM SUPPLIE	181.14
			LIB BOOKS & MATERIA	197.05
			REC PROGRAM SUPPLIE	203.36
			B&G TENNIS NET	218.49
			B&G PICKLEBALL NET	229.41
			LIB SUPPLIES	278.39
			REC PROGRAM SUPPLIE	329.98
			LIB BOOKS & MATERIA	330.25
			REC PROGRAM SUPPLIE	351.82
			PD OFFICE SUPPLIES	351.98
			LIB BOOKS & MATERIA	359.65
			LIB BOOKS & MATERIA	360.05
			LIB BOOKS & MATERIA	446.35
			REC PROGRAM SUPPLIE	843.49
		CALIFORNIA AMERICAN	643 HYDRANTS HYDT	47.02
			MECH 5%	52.34
			165 FOREST-MUSEUM	65.01
			CENTRAL 4 IN FIRE	65.01
			600 PINE AVE FIRE	65.01
			300 FOREST AVE	65.01
			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
			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
			304 16TH ST FIRE	103.78
			582 LIGHTHSE IRRIG	104.14
			139 GRAND AVE	126.80
			B & G 15%	157.01
			SUNSET-CORPYARD18%	188.41
			585 LAUREL	227.25
			130 LIGHTHOUSE IRRI	227.25
			300 FOREST FIRE-50%	370.84
			300 FOREST FIRE-50%	370.84
			ST FUND 50%	523.38
			300 FOREST AVE	531.96
			711 OCEANVIEW IRRG	531.96
			196 OCEANVW IRRIG	531.96
			100 OCEANVW IRRIG	551.26
			580 PINE	647.15
			515 JUNIPERO	670.79
			1025 MORSE-PLATT PK	697.55
			611 CENTRAL AVE	747.11
			863 OCEANVIEW IRRG	872.48
			1051 OCEANVIEW IRRG	878.90
			304 16TH ST BDOM-FR	916.78
			550 CENTRAL	1,046.33
			620 OCEANVIEW/BATH	1,376.26
			930 SINEX	1,551.85
			114 CALEDONIA PK	1,770.94
			616 OCEANVW-SWIM PL	1,787.18
			980 PIEDMONT BALL P	2,930.25
			616 OCEANVIEW IRRG	2,935.36
			230 17-MILE DRIVE	3,602.24
			150 FOREST-JEWELL P	3,721.11
			391 OCEANVW-BERWICK	7,784.48
			707 OCEANVIEW-NAIAD	8,459.58
			610 OCEANVW IRRIGPK	288.87
			165 FOREST AVE FIR	330.63
			600 PINE	342.43
			300 FOREST IRRIG	134.29
		AARON PRIDGEN	RFND REQUESTED	726.75
		ALEXANDRA BELECHE	RFND REQUESTED	157.50
		CARMEN ELIZA ABAD	RFND REQUESTED	142.00
		ERIC MEYER	RFND REQUESTED	501.00
		ESTHER ENEA	RFND REQUESTED	69.00
			RFND REQUESTED	112.00
		GUADALUPE ARIAS-BRU	RFND CREDIT ON ACCT	6.00
		JENNIFER LAUCHAIRE	RFND CREDIT ON ACCT	255.50
		KATIE NILSSON	RFND REQUESTED	250.50
		KRISTA KNUFFKE	RFND CREDIT ON ACCT	23.00
		MARIA KEILMEN-HEUBL	RFND DAMAGE DEPOSIT	570.00
		MEGAN WHAM JOYCE	RFND CREDIT ON ACCT	46.00
		NICHOLAS ALIOTTI	RFND REQUESTED	270.00

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Fund	Check Date	Name	DESCRIPTION	Amount
		SAMANTHA FISCHER	RFND REQUESTED	\$ 138.00
		SIDNEY PETITT	RFND CREDIT ON ACCT	255.50
		SUSAN CORPUS	RFND REQUESTED	64.50
		YUMI DAVIS	RFND CREDIT ON ACCT	83.00
		INT'L SOCIETY OF AR	PW MEMBERSHIP	315.00
		4LEAF	FY 25/26 BUILDING S	19,745.68
			FY 25/26 BUILDING S	67,037.79
		ALENA RACHELLE WAGR	PMT FOR DANCE CLASS	2,835.00
		ALLSTAR FIRE EQUIPM	FD EQUIPMENT	3,028.41
		AMERICAN LOCK & KEY	CITY HALL REPAIRS	212.50
		ARCPOINT LABS OF MO	PRE EMPLY SCREEN DO	1,160.00
		AT&T	REC PHONE 096	31.76
			ADMIN PHONE 253	31.76
		AT&T CALNET 3	LIB INTERNET 3343	251.36
			CH GENRTR ALARM 325	32.66
		BETTER IMPACT USA I	VOLUNTEER SUBSCPTN	1,250.00
		BOUND TREE MEDICAL,	FD MEDICAL SUPPLIES	197.80
			FD MEDICAL SUPPLIES	470.85
		BURKE, WILLIAMS & S	CITY ATTY SERVICES	1,950.00
		CA DEPT OF JUSTICE	CMO BACKGROUND CKS	608.00
		CAPE INC	PD MEMBERSHIP RENEW	60.00
		CAPE ROMAIN Solutio	WATCHGUARD LIC RENE	840.00
		CENGAGE LEARNING	LIB BOOKS & MATERIA	104.88
		CINCINNATI FAN & VE	FD BLDG REPAIRS	3,216.96
		COMCAST	PW INTERNET 0389527	106.24
			PD INTERNET 0387836	151.24
			CH INTERNET 0085844	153.24
			REC INTERNET 021497	102.49
			PW INTERNET 0194117	228.86
			CH TV 0039031	14.13
		CHOMP	PD HOSPITAL SVCS	28.00
		COMMUNITY HUMAN SER	JPA SUPPORT MEMBER	24,575.00
		L.N. CURTIS & SONS	EQUIPMENT NEW FIRE	20.65
			EQUIPMENT NEW FIRE	5,722.52
		DEMCO INC	LIB SUPPLIES	322.52
			LIB SUPPLIES	296.34
		DROUGHT RESISTANT N	CITY HALL PLANTS	314.29
		DWAN ELEVATOR CO	YOUTH CENTER ELEVAO	5,625.00
		FENTON & KELLER	LEGAL SERVICES	40,860.00
		GENERAL CODE	UPDATED PAGES	5,957.00
		HDL COREN & CONE	PROP TAX PROCESS SV	3,657.50
		HINDERLITER, DE LLA	SALES TX SVCAPRIL-J	1,611.42
			TOT TAXES APRIL - J	648.02
		HOMETEK	MEM BENCH INSCRPTIO	165.00
		INTERNATIONAL BUSIN	PD CLOUD SVCS MAY	63.21
		JD REPAIRS INC	FD UNIT 2601 WARRNT	184.04
			FIRE TRUCK REPAIRS	11,209.93
		JENNIFER FUGITT	MILEAGE PER DIEM RE	231.27
		KRAEMER ENGINEERING	JUNE RETAINER	(5,154.48)
		LANGUAGE LINE SERVI	PD LANGUAGE SVCS	6.45
		MIDWEST LIBRARY SER	LIB SUPPLIES	10.49
			LIB BOOKS & MATERIA	32.48
			LIB BOOKS & MATERIA	32.10
		MIDWEST TAPE	LIB BOOKS & MATERIA	56.80
		MONTEREY BAY PEST C	RODENT CONTROL FOR	180.00
			RODENT CONTROL FOR	375.00
		MONTEREY CO. BUSINE	CITY CNCL MEMBERSHI	500.00
		MONTEREY COUNTY WEE	CDD PH 116 15TH AD	279.18
			CDD PH 801 LH AD	291.87
			FIN PH APPROP LIMIT	164.97
			CDD PH RFP OBJ DESI	152.28
			FIN 2ND READ ORD	152.28
			CM 2ND RD SALARY OR	101.52
			FIN 2ND RD BUDGET O	101.52
			FIN PH APPROP LIMIT	120.00
		ODP BUSINESS SOLUTI	CDD OFFICE SUPPLIES	174.09
			FIN OFFICE SUPPLIES	217.94
			CDD OFFICE SUPPLIES	76.28
			PD OFFICE SUPPLIES	76.69
			PD OFFICE SUPPLIES	80.42
			PD OFFICE SUPPLIES	80.42
			PD OFFICE SUPPLIES	3.18
		PACIFIC GAS & ELECT	REC ELECTRIC 4030	518.15
			PW ADMIN ELEC 5508	1,954.10
		PIPE DOWN LAW ENFOR	PD PRACTICAL TRAINI	875.00
		POWERDMS, INC.	CA PUBLIC SAFETY	600.00
		PROPS & MEASURES	MANAGEMENT SERVICES	19,500.00
		PRIMO BRANDS	REC WATER SVCS JUNE	131.96
		REGIONAL GOVERNMENT	PARS FEES MAY	859.10
		RINCON CONSULTANTS,	RINCON - HOUSING EL	3,801.75
		VARAJIC CONSULTING	PMT CAMP CLASSES	4,410.00
		SIR SPEEDY	CITY CNCL BUS CARDS	98.11
		SOUTH BAY REGIONAL	BASIC POLICE ACADEM	8,378.00
			PD TRAING MATERIALS	1,174.00

Check Register - Summary by Detail - June 2026

Fund	Check Date	Name	DESCRIPTION	Amount
		THE MONTEREY COUNTY	AD FOR ERP PROCURMT	\$ 141.95
		TRIEPI SMITH & ASS	CMO PROF SERVICES	685.00
		VERIZON BUSINESS	PD PORT ACCESS JUNE	118.08
			CMO PHONES JUNE	143.74
			CDD PHONES JUNE	131.82
			FIN PHONES JUNE	182.84
			PD DATA 371210040	538.04
			PW PHONES JUNE	659.97
			PD PHONES JUNE	99.94
			IT DATA JUNE	70.81
			LIB DATA JUNE	76.02
			PW DATA JUNE	62.07
			FD PHONES JUNE	62.85
			IT PHONES JUNE	45.21
			REC PHONES JUNE	37.35
			PD FUEL CARD JUNE	44.34
		WEX BANK	JUL 2026 VISION	631.37
04 - HYPERBARIC CHAMBER		VISION SERVICE PLAN	HYPERBARIC CHM INSU	6,390.80
06 - STATE FRANCHISE PEG		ARTHUR J. GALLAGHER	AMP RENEWAL FY26 CO	13,000.00
17 - LOCAL STREETS AND ROADS	06/05/26	ACCESS MEDIA PRODUC	LOVERS POINT SIDEWA	30,720.00
18 - GAS TAX FUND		JMS CEMENT CONTRACT	CEM 4%	42.46
		CALIFORNIA AMERICAN	FY 25/26 ON-CALL TR	13,384.00
	06/12/26	4LEAF	JUN 2026 UAL	2,373.42
	06/19/26	PERS	TRAFFIC SIGNAL MAIN	535.00
		BEAR ELECTRICAL SOL	TRAFFIC SIGNAL MAIN	300.00
		DAVE'S REPAIR SERVI	GAS TANK MAINT	340.78
		STURDY OIL COMPANY	GAS TAX FUEL MAY	1,177.80
	06/25/26	PACIFIC GAS & ELECT	FOREST AVE SUNSET A	54.61
			FOREST AV SUNSET AV	51.92
			FOREST AVE SUNSET A	19.54
			FOREST AV SUNSET AV	13.66
			19TH & SUNSET DR.	16.56
			PW ELECTRIC 4482	9,032.95
	06/30/26	CALIFORNIA AMERICAN	CEM 4%	41.87
		BEAR ELECTRICAL SOL	TRAFFIC SIGNAL MAIN	250.00
			TRAFFIC SIGNAL SERV	2,720.00
		GRANITE CONSTRUCTIO	STREET SUPPLIES	608.46
20 - RSTP-(TAMC)	06/19/26	GHD INC.	CEDAR, SUNSET, CONG	33,483.71
24 - STILLWELL CHILDREN'S POOL	06/30/26	AMAZON CAPITAL SERV	POOL TESTING SUPPLY	56.80
27 - LIGHHOUSE MAINT.& IMPV.	06/05/26	CALIFORNIA AMERICAN	90 ASILOMAR	137.85
		AT&T CALNET 3	LH PHONE 3247	32.39
		PACIFIC GROVE HARDW	LH REPAIR SUPPLIES	398.05
	06/19/26	AMAZON CAPITAL SERV	LH GIFTSHOP W/TAX	42.10
		ALL STAR PAINTING &	POINT PINOS LIGHTHO	11,550.00
		BELLA TERRA PUBLISH	LH GIFTSHOP MERCH	71.03
		MONTEREY ONE WATER	LH SEWER TRMT	121.98
		RAUL M. GARCIA	LH CLOCK REPAIRS	210.00
		ZIGA MEDIA LLC	PW PT PINOS STICKER	409.00
	06/25/26	PACIFIC GAS & ELECT	ASILOMAR BLVD PG LH	169.26
			ASILOMAR BLVD PG LH	52.37
	06/30/26	CALIFORNIA AMERICAN	90 ASILOMAR	137.85
		AT&T CALNET 3	LH PHONE 3247	32.14
		DENNIS TARMINA	LIGHHOUSE REPAIRS	774.12
		ESCARRAGA'S LUXURY	LH CLEANING MAY	504.00
31 - OPERATING DONATIONS	06/05/26	HUNTER PORTER ELDRI	LH CLEANING JUNE	504.00
	06/19/26	OJLA	CHAUTAUQUA HALL PRO	9,821.98
40 - POETRY PROMOTION FUND		MONTEREY ONE WATER	CHINESE PAVLN WORK	880.00
	06/30/26	AMAZON CAPITAL SERV	POETRY SEWER TRMT	177.66
63 - CAPITAL IMPROV PROJ FUND	06/10/26	KRAEMER ENGINEERING	POETRY PROMO SUPPLY	136.44
	06/19/26	CLIENTFIRST TECHNOL	19TH STREET REHAB (	69,799.88
	06/30/26	KRAEMER ENGINEERING	ADVISORY FOR ERP SY	7,931.25
70 - EMP BENEFIT FUND	06/02/26	CALPERS HEALTH	19TH STREET REHAB (	57,674.91
	06/19/26	CLAREMONT BEHAVIORA	JUN26 RET & CHANGES	9,125.59
	06/26/26	STANDARD INSURANCE	EAP JUNE SERVICES	752.45
			JUL 2026 LIFE PREMI	3,038.43
			JUN 2026 DENTAL	7,054.52
	06/30/26	PARS	PARS FEES APRIL	426.97
		CALPERS HEALTH	JUL26 RET & CHANGES	19,071.72
		PERS	FY 25/26 1959SURVIV	6,234.80
71 - WORKERS COMP FUND	06/12/26		JUN 2026 UAL	1,000.83
72 - LIABILITY INS FUND			JUN 2026 UAL	890.00
	06/19/26	COMPUTERSHARE CORPO	PERS POB PAYMENT FY	2,500.00
74 - LOCAL WATER PROJECT	06/05/26	CALIFORNIA AMERICAN	1313 OCEAN VIEW BLV	2,778.91
		MONTEREY COUNTY HEA	LWP HAZ MAT REGISTR	1,077.00
		PACIFIC GAS & ELECT	LWP ELECTRIC 0792	11,119.20
		PERC WATER CORPORAT	LWP O&M SERVICES FY	38,776.85
	06/19/26	MONTEREY ONE WATER	LWP SEWER TRMT	24,188.63
		PERC WATER CORPORAT	LWP O&M SERVICES FY	45,043.39
	06/30/26	CALIFORNIA AMERICAN	1313 OCEAN VIEW BLV	10,392.00
75 - CEMETERY FUND	06/05/26		SEWER 8%	84.92
			1254 DELMONTECEM70%	626.63
		HAYWARD LUMBER COMP	CEM REPAIR SUPPLIES	48.90
		KIMBALL MIDWEST	CEM REPAIR SUPPLIES	203.06
		MISSION UNIFORM SER	LINEN / UNIFORM CLE	469.15

Check Register - Summary by Detail - June 2026

Fund	Check Date	Name	DESCRIPTION	Amount
76 - SEWER FUND		PACIFIC GROVE HARDW	CEM REPAIR SUPPLIES	\$ 14.81
	06/12/26	PERS	JUN 2026 UAL	4,105.92
	06/19/26	LLORIN-VELASQUEZ CO	FY 25/26 CEMETERY J	2,700.00
		STURDY OIL COMPANY	CEM FUEL MAY	267.24
	06/25/26	PACIFIC GAS & ELECT	CEMETERY - 1%	13.75
			CEMETERY - 1%	33.20
			CEMETERY	34.36
			CREST & RIPPLE	7.77
	06/30/26	CALIFORNIA AMERICAN	SEWER 8%	83.74
			1254 DELMONTECEM70%	619.82
		LYDIA MATTA	MILEAGE REIMBURSEMT	35.79
	06/05/26	CALIFORNIA AMERICAN	263 GROVE ACRES	266.15
			100 OCEANVW IRRIG	84.85
			1273 CRESPI POND 50	116.19
		DON CHAPIN CO., INC	SEWER LINE MAINTENA	3,306.24
			SEWER LINE MAINTENA	3,373.44
			SEWER LINE MAINTENA	3,598.56
			SEWER LINE MAINTENA	3,641.12
			SEWER LINE MAINTENA	4,049.92
			SEWER LINE MAINTENA	4,418.40
			SEWER LINE MAINTENA	4,450.88
		KIMBALL MIDWEST	SEWER SUPPLIES	132.19
		MISSION UNIFORM SER	LINEN / UNIFORM CLE	469.14
		NEILL ENGINEERS COR	ADMIN ENGINEERING S	1,000.00
			ADMIN ENGINEERING S	1,000.00
		PACIFIC GAS & ELECT	PW SEWER ELEC 4175	46.14
		RYAN YOUNGBAR	REIMBURSE SAFETY BO	169.32
		WALLACE GROUP	SCSMP 1, 6, 9 CIP24	17,343.52
	06/09/26	US BANK	D GH0 BACKFLO TRNG	385.00
	06/10/26	KRAEMER ENGINEERING	19TH STREET REHAB (	23,266.63
	06/12/26	PERS	JUN 2026 UAL	12,774.67
	06/19/26	BOOT BARN INC	SEWER SAFETY BOOTS	226.14
		DON CHAPIN CO., INC	SEWER LINE MAINTENA	1,910.72
			SEWER LINE MAINTENA	2,979.20
			SEWER LINE MAINTENA	3,003.84
		O'REILLY AUTO ENTER	SEWER VEHICLE RPRS	28.16
		PACIFIC GAS & ELECT	PW SEWER ELEC 5126	1,275.66
		PURE WATER	SEWER WATER SERVICE	30.20
		STURDY OIL COMPANY	SEWER FUEL MAY	1,627.07
		SUBURBAN PROPANE	SEWER PROPANE	699.21
	06/22/26	CALIFORNIA TRUCK RE	SEWER REPR UNIT 44&	390.00
	06/25/26	PACIFIC GAS & ELECT	PUMP STATION	27.58
			471 OCEAN VIEW BL.	17.96
			520 OCEAN VIEW BLVD	25.10
			EARDLEY PUMP #1	58.22
			1996 SUNSET DR.	75.01
			PUMP RUSSELL SVC CT	64.18
			471 OCEAN VIEW BL.	64.18
			17TH & OCNVW	71.99
			OCEANVIEW BLVD & 8T	5.80
			PUMP SUNSET ARENA	11.07
			PUMP RUSSELL SVC CT	12.82
			1996 SUNSET DR.	16.26
			520 OCEAN VIEW BLVD	4.82
			O V 9TH PUMP #2	1,058.73
			PUMP SUNSET ARENA	503.19
			360 OCEAN VIEW BLVD	345.76
			PUMP 17TH & OCNVW	240.80
			EARDLEY PUMP #1	199.24
			PUMP SUNSET ARENA	159.39
	06/30/26	CALIFORNIA AMERICAN	1273 CRESPI POND 50	129.87
			100 OCEANVW IRRIG	84.85
			263 GROVE ACRES	356.98
		AT&T	PW SEWER PHONE 293	31.76
			PW SEWER PHONE 057	31.76
			PW SEWER PHONE 139	31.76
			PW SEWER PHONE 126	31.76
		DON CHAPIN CO., INC	SEWER LINE MAINTENA	2,756.32
			SEWER LINE MAINTENA	3,802.40
		KRAEMER ENGINEERING	19TH STREET REHAB (	45,414.75
77 - GOLF FUND	06/05/26	CALIFORNIA AMERICAN	77 ASILOMAR FIRE SV	103.78
			1273 CRESPI POND 50	116.18
			1254 DELMONTEGOLF30	268.56
			77 ASILOMAR GOLF HS	1,557.77
	06/19/26	PACIFIC GROVE GOLF	MAY FOOD SVCS	3,500.00
		PSTS	GOLF CLUB REPAIRS	2,805.00
	06/25/26	PACIFIC GAS & ELECT	1313 OCEAN VIEW BLV	107.35
			1313 OCEAN VIEW BLV	32.06
	06/30/26	CALIFORNIA AMERICAN	77 ASILOMAR GOLF HS	1,599.11
			1254 DELMONTEGOLF30	265.64
Grand Total			77 ASILOMAR FIRE SV	103.78
				\$ 2,655,694.07

FPP0016 Purchase Order Details
PO Dates Between Jun 1, 2026 and Jun 30, 2026

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Approval Group	Vendor	PO Nbr	PO Line Item	Check #	Invoice	Orig Encumbrance	Changes	Payments	PO Balance	
CITY HALL	CLIENTFIRST TECHNOLOGY CONSULTING	26000161	ADVISORY FOR ERP SYSTEM			14,940.00	0.00	0.00	14,940.00	
			ADVISORY FOR ERP SYSTEM	116409	19758	0.00	0.00	7,931.25	(7,931.25)	
		Total for PO 26000161					14,940.00	0.00	7,931.25	7,008.75
	Total for CLIENTFIRST TECHNOLOGY CONSULTING					14,940.00	0.00	7,931.25	7,008.75	
	DELL MARKETING LP	26000159	VLA SOFTWARE LICENSE			24,750.41	0.00	0.00	24,750.41	
			Total for PO 26000159					24,750.41	0.00	0.00
		26000165	COMPUTER MONITORS			6,905.76	0.00	0.00	6,905.76	
	Total for PO 26000165					6,905.76	0.00	0.00	6,905.76	
	Total for DELL MARKETING LP					31,656.17	0.00	0.00	31,656.17	
	SHI INTERNATIONAL CORP	26000166	BACKUP SOFTWARE ANNUAL SUBSCRIPTION			4,743.20	0.00	0.00	4,743.20	
			Total for PO 26000166					4,743.20	0.00	0.00
		Total for SHI INTERNATIONAL CORP					4,743.20	0.00	0.00	4,743.20
Total for CITY HALL						51,339.37	0.00	7,931.25	43,408.12	
CITY MANAGER	GENERAL CODE	26000164	CODE SUPPLMT 99 UPDATE			5,957.00	0.00	0.00	5,957.00	
			Total for PO 26000164					5,957.00	0.00	0.00
	Total for GENERAL CODE					5,957.00	0.00	0.00	5,957.00	
Total for CITY MANAGER						5,957.00	0.00	0.00	5,957.00	
COMMUNITY DEVELOPMENT DEPARTMENT	RINCON CONSULTANTS, INC	26000160	RINCON CONTRACT MAY 1, 2026- MAY 1, 2027			23,336.00	0.00	0.00	23,336.00	
			RINCON CONTRACT MAY 1, 2026- MAY 1, 2027	116461	74985	0.00	0.00	5,693.50	(5,693.50)	
		Total for PO 26000160					23,336.00	0.00	5,693.50	17,642.50
	Total for RINCON CONSULTANTS, INC					23,336.00	0.00	5,693.50	17,642.50	
Total for COMMUNITY DEVELOPMENT DEPARTMENT						23,336.00	0.00	5,693.50	17,642.50	
POLICE DEPARTMENT	SOUTH BAY REGIONAL PUBLIC SAFETY	26000163	BASIC POLICE ACADEMY			8,378.00	0.00	0.00	8,378.00	
			BASIC POLICE ACADEMY	116587	226509	0.00	0.00	8,378.00	(8,378.00)	
		Total for PO 26000163					8,378.00	0.00	8,378.00	0.00
Total for SOUTH BAY REGIONAL PUBLIC SAFETY					8,378.00	0.00	8,378.00	0.00		
Total for POLICE DEPARTMENT						8,378.00	0.00	8,378.00	0.00	
PUBLIC WORKS DEPARTMENT	AMERICAN SUPPLY COMPANY	26000158	JANITORIAL SUPPLIES MONTHLY STMT			10,433.43	0.00	0.00	10,433.43	
			JANITORIAL SUPPLIES MONTHLY STMT	116392	STMT-0240-053126	0.00	0.00	10,433.43	(10,433.43)	
		Total for PO 26000158					10,433.43	0.00	10,433.43	0.00
	Total for AMERICAN SUPPLY COMPANY					10,433.43	0.00	10,433.43	0.00	
	DISASTER KLEENUP	26000156	WATER MITIGATION			5,747.48	0.00	0.00	5,747.48	

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Approval Group	Vendor	PO Nbr	PO Line Item	Check #	Invoice	Orig Encumbrance	Changes	Payments	PO Balance
PUBLIC WORKS DEPARTMENT	SPECIALISTS	26000156	CLEANUP						
			WATER MITIGATION CLEANUP	116302	SI-60432	0.00	0.00	5,747.48	(5,747.48)
			Total for PO 26000156			5,747.48	0.00	5,747.48	0.00
	Total for DISASTER KLEENUP SPECIALISTS					5,747.48	0.00	5,747.48	0.00
	GREEN FIELDS FALCONRY	26000154	GULL ABATEMENT FY25/26			25,000.00	0.00	0.00	25,000.00
			GULL ABATEMENT FY25/26	116307	PG_001-26	0.00	0.00	24,480.00	(24,480.00)
			Total for PO 26000154			25,000.00	0.00	24,480.00	520.00
	Total for GREEN FIELDS FALCONRY					25,000.00	0.00	24,480.00	520.00
	JD REPAIRS INC	26000162	FIRE TRUCK REPAIRS UNIT #6414			11,209.93	0.00	0.00	11,209.93
			FIRE TRUCK REPAIRS UNIT #6414	116566	9606	0.00	0.00	11,209.93	(11,209.93)
			Total for PO 26000162			11,209.93	0.00	11,209.93	0.00
	Total for JD REPAIRS INC					11,209.93	0.00	11,209.93	0.00
	JMS CEMENT CONTRACTORS INC	26000155	LOVERS POINT SIDEWALK IMPROVEMENTS (20%			30,720.00	0.00	0.00	30,720.00
			LOVERS POINT SIDEWALK IMPROVEMENTS (20%	116314	R-260 LOVERS POINT	0.00	0.00	30,720.00	(30,720.00)
			Total for PO 26000155			30,720.00	0.00	30,720.00	0.00
Total for JMS CEMENT CONTRACTORS INC					30,720.00	0.00	30,720.00	0.00	
MARK'S BARN AUTO BODY	26000157	REPAIR PW UNIT 59			5,823.08	0.00	0.00	5,823.08	
		REPAIR PW UNIT 59	116355	3087	0.00	0.00	5,823.08	(5,823.08)	
		Total for PO 26000157			5,823.08	0.00	5,823.08	0.00	
Total for MARK'S BARN AUTO BODY					5,823.08	0.00	5,823.08	0.00	
Total for PUBLIC WORKS DEPARTMENT						88,933.92	0.00	88,413.92	520.00
Overall Total						177,944.29	0.00	110,416.67	67,527.62



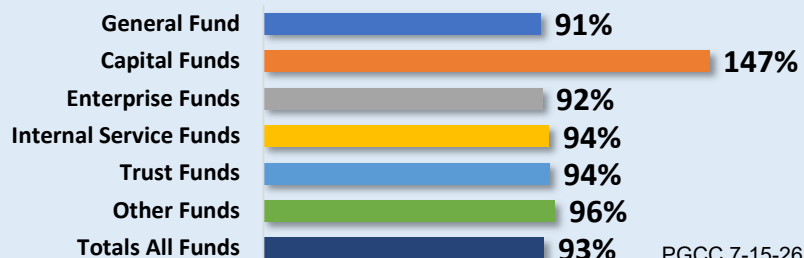
Revenues by Fund - FY 2025-26 (Unaudited)
Through June 2026
100% of Budget Year Complete

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	\$ 31,344,185	94%	\$ 31,552,650	\$ (1,576,147)	\$ 15,609,656
Other Funds Included	1,027,610	174,767	17%	36,514	(110,640)	60,419
General Fund	34,488,261	31,518,952	91%	31,589,164	(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	1,213,699	94%	1,530,429	263,641	482,582
Cemetery	580,902	641,100	110%	689,388	(267,207)	766,398
Sewer	4,099,809	3,556,097	87%	4,251,266	(3,535,874)	6,521,660
Golf	956,538	952,576	100%	949,883	(41,144)	917,793
Sewer Lateral Loans	3,908	10,239	200%	14,477	(26,092)	155,482
Enterprise Funds	6,929,903	6,373,711	92%	7,435,443	(3,606,676)	8,843,915
Employee Benefit	316,299	266,127	84%	237,754	3,599	65,661
Worker's Compensation	925,299	1,008,099	109%	612,467	8,351	772,664
Liability Insurance	753,944	606,772	80%	956,667	(128,223)	773,000
Internal Service Funds	1,995,542	1,880,998	94%	1,806,888	(116,273)	1,611,326
Library	23,141	26,492	114%	48,851	13,141	610,620
Cemetery	121,734	117,702	97%	209,448	121,734	2,411,891
Yount	8,000	-	0%	33,673	-	807,008
Trust Funds	152,875	144,194	94%	291,972	134,875	3,829,519
Library / Poetry	101,677	144,281	142%	134,161	(723)	317,397
Museum	8,073	7,396	92%	21,724	(32,927)	265,456
Public Safety	732,890	628,644	86%	777,308	(133,319)	445,245
Housing	48,956	56,146	115%	79,967	(363,927)	299,633
Streets	1,935,351	1,737,469	90%	1,572,242	(2,405,918)	531,169
Lighthouse	126,917	123,685	97%	131,689	(60,966)	163,206
Community Development/CDBG	41,957	43,522	104%	56,658	(370,444)	348,797
ARPA	-	-	0%	31,067	-	-
Downtown/Hospitality Districts	561,700	534,119	95%	512,732	-	58,804
Cable Franchise / Other	62,750	204,494	200%	178,865	(150,441)	168,488
Other Funds	3,620,271	3,479,756	96%	3,496,413	(3,518,665)	2,598,194
Totals All Funds	\$ 47,693,534	\$ 44,143,051	93%	\$ 45,271,020	\$ (9,752,529)	\$ 33,858,144

* Excludes Proposed Adjustments and Rollovers

Analysis: P12 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.

Budgeted Revenues / YTD % of Budget - By Fund Type



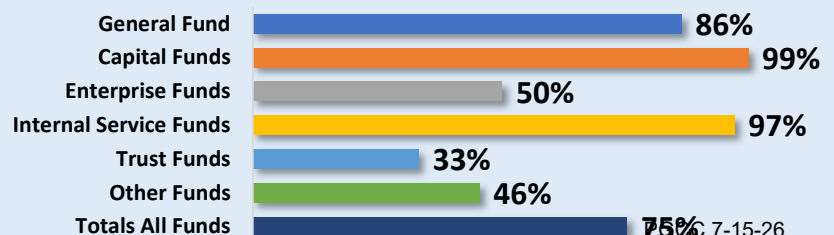


Expenses by Fund - FY 2025-26 (Unaudited)
Through June 2026
100% of Budget Year Complete

Fund	Expenses					
	Revised Budget	YTD	YTD % of Projected	Purchase Orders	YTD % with POs	Prior YTD
Main Fund - Fund 01	\$ 35,036,798	\$ 30,991,650	88%	\$ 2,456,153	95%	\$ 31,057,969
Other Funds Included	1,138,250	138,484	12%	176,886	28%	26,296
General Fund	36,175,048	31,130,134	86%	2,633,039	93%	31,084,265
Capital Projects	1,465,685	1,458,222	99%	-	99%	852,513
Capital Funds	1,465,685	1,458,222	99%	-	99%	852,513
Local Water Project	1,025,105	1,095,652	107%	2,587	107%	1,589,634
Cemetery	848,109	737,153	87%	-	87%	637,908
Sewer	7,635,683	2,533,570	33%	1,883,487	58%	3,068,077
Golf	997,682	905,726	91%	10,500	92%	680,160
Sewer Lateral Loans	30,000	4,261	14%	-	14%	-
Enterprise Funds	10,536,579	5,276,362	50%	1,896,574	68%	5,975,779
Employee Benefit	312,700	348,616	111%	-	111%	360,522
Worker's Compensation	916,948	941,501	103%	-	103%	1,189,139
Liability Insurance	882,167	751,946	85%	-	85%	680,967
Internal Service Funds	2,111,815	2,042,063	97%	-	97%	2,230,628
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	63,770	62%	-	62%	58,227
Museum	41,000	40,749	99%	-	99%	58,809
Public Safety	866,209	755,411	87%	3,313	88%	653,985
Housing	412,883	104,941	25%	-	25%	95,603
Streets	4,341,269	1,456,766	34%	1,181,243	61%	1,315,793
Lighthouse	187,883	122,989	65%	-	65%	124,491
Community Development/CDBG	412,401	24,206	6%	39,000	15%	212,491
ARPA	-	-	0%	-	0%	832,740
Downtown/Hospitality Districts	561,700	522,964	93%	-	93%	489,596
Cable Franchise / Other	213,191	156,746	74%	42,394	93%	97,528
Other Funds	7,138,936	3,248,542	46%	1,265,950	63%	3,939,263
Totals All Funds	\$ 57,446,063	\$ 43,161,323	75%	\$ 5,795,563	85%	\$ 44,090,297

Analysis: P12 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.

Budgeted Expenses / YTD % of Budget By Fund Type





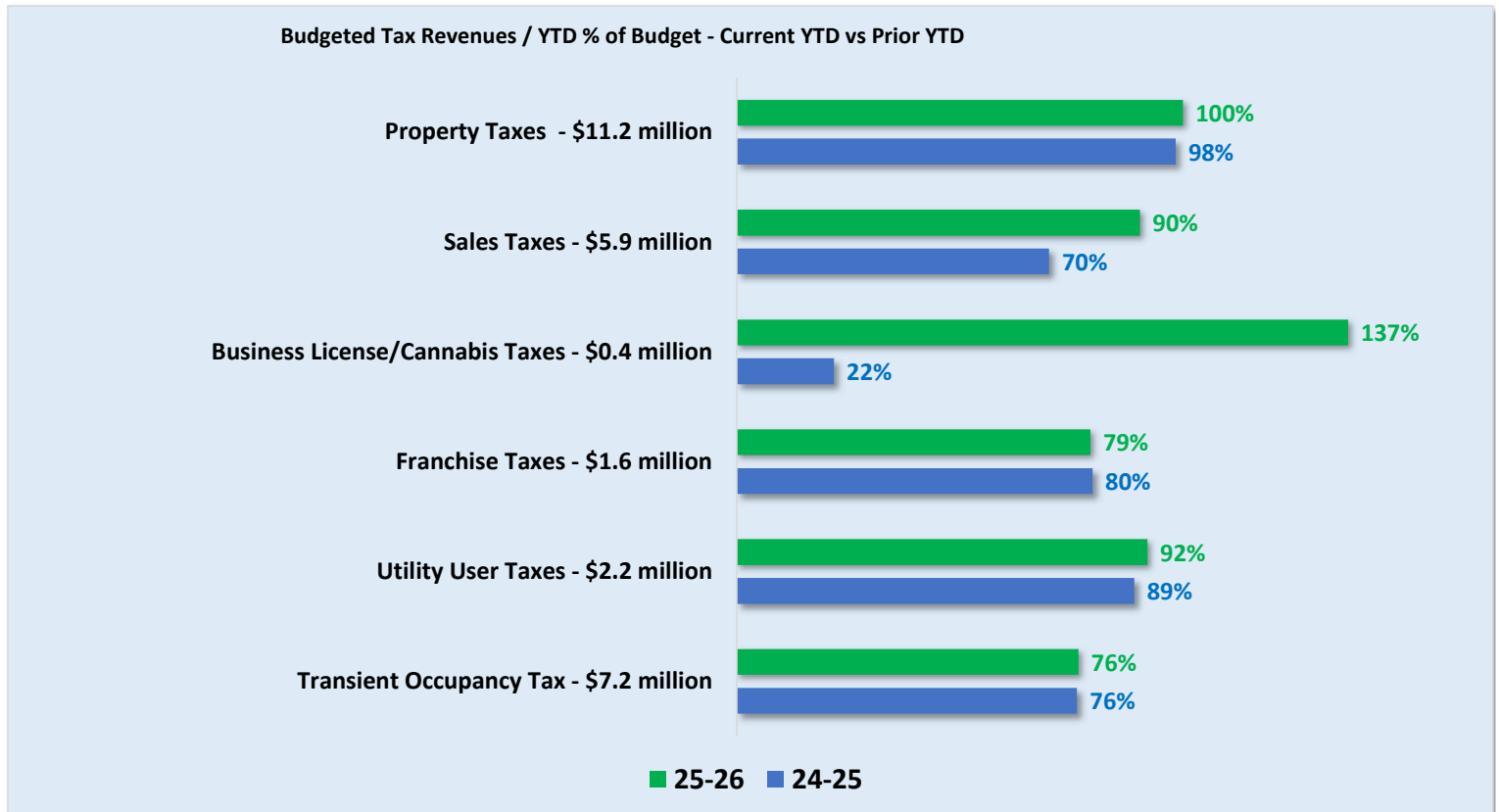
General Fund Revenues - FY 2025-26 (Unaudited)
Through June 2026
100% of Budget Year Complete

Revenue Account	Revised Budget	YTD Revenues	YTD % of Budget	Prior YTD Revenues	Prior YTD % of PY Actual
Property Taxes	\$ 11,222,700	\$ 11,200,395	100%	\$ 10,451,991	98%
Sales Taxes	5,945,600	5,361,893	90%	4,730,138	70%
Business License/Cannabis Taxes	416,000	568,788	137%	292,589	22%
Franchise Taxes	1,603,400	1,268,127	79%	1,265,347	80%
Utility User Taxes	2,183,500	2,006,108	92%	2,166,345	89%
Transient Occupancy Tax	7,213,700	5,513,110	76%	5,735,916	76%
Litter Abatement	210,000	168,090	80%	159,319	75%
Construction Permits	932,200	1,230,082	132%	1,029,176	100%
Zoning Enforcement	206,000	429,921	200%	216,401	100%
Plan Check Fees	606,700	620,687	102%	559,232	100%
Parking Meters	351,200	318,220	91%	326,598	90%
Water Entitlements	287,600	117,172	41%	1,596,572	99%
Interest Earned	350,000	463,025	132%	1,224,646	100%
Investment Market Value Gain/Loss	-	21,805	200%	324,907	100%
Indirect Cost Reimbursement	578,600	414,000	72%	414,000	24%
Total Major Revenues	32,107,200	29,701,423	93%	30,493,177	81%
Total General Fund [Main] Revenues	\$ 33,460,651	\$ 31,344,185	94%	\$ 31,552,650	84%

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: P12 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.

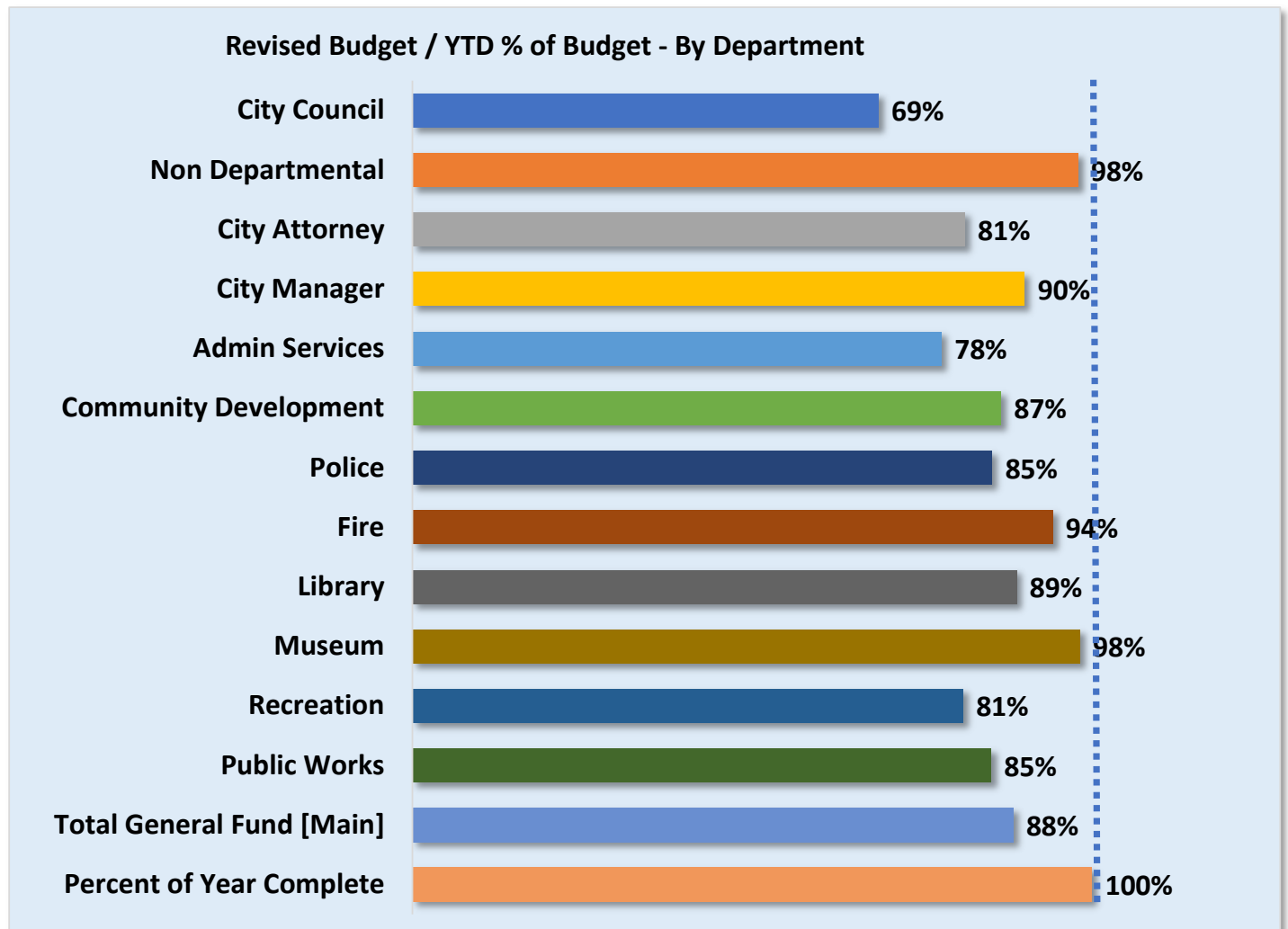




General Fund Expenses (including Transfer) by Department - FY 2025-26 (Unaudited)
Through June 2026
100% of Budget Year Complete

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	\$ 189,607	69%	137%	\$ 5,957	71%	\$ 205,646
Non Departmental	7,034,619	6,892,259	98%	0%	-	98%	1,098,047
City Attorney	915,000	743,999	81%	74%	307,195	115%	1,098,047
City Manager	1,651,679	1,488,370	90%	96%	39,216	92%	1,508,300
Admin Services	2,699,548	2,102,194	78%	93%	139,472	83%	3,622,272
Community Development	2,439,321	2,113,984	87%	109%	620,226	112%	2,608,724
Police	7,981,343	6,811,286	85%	105%	376	85%	8,800,353
Fire	4,078,497	3,843,213	94%	107%	1,187,633	123%	5,351,322
Library	1,201,910	1,069,157	89%	104%	1,671	89%	1,137,084
Museum	424,493	417,130	98%	109%	-	98%	348,118
Recreation	1,802,832	1,461,767	81%	129%	372	81%	1,209,986
Public Works	4,531,191	3,858,684	85%	94%	154,040	89%	4,476,763
al General Fund [Main]	\$ 35,036,798	\$ 30,991,651	88%	99%	\$ 2,456,156	95%	\$ 31,464,662

Analysis: P12 expenses are slightly lower than budgeted due to Police, Public Works, Admin, Recreation, and Community Development operating under budget.

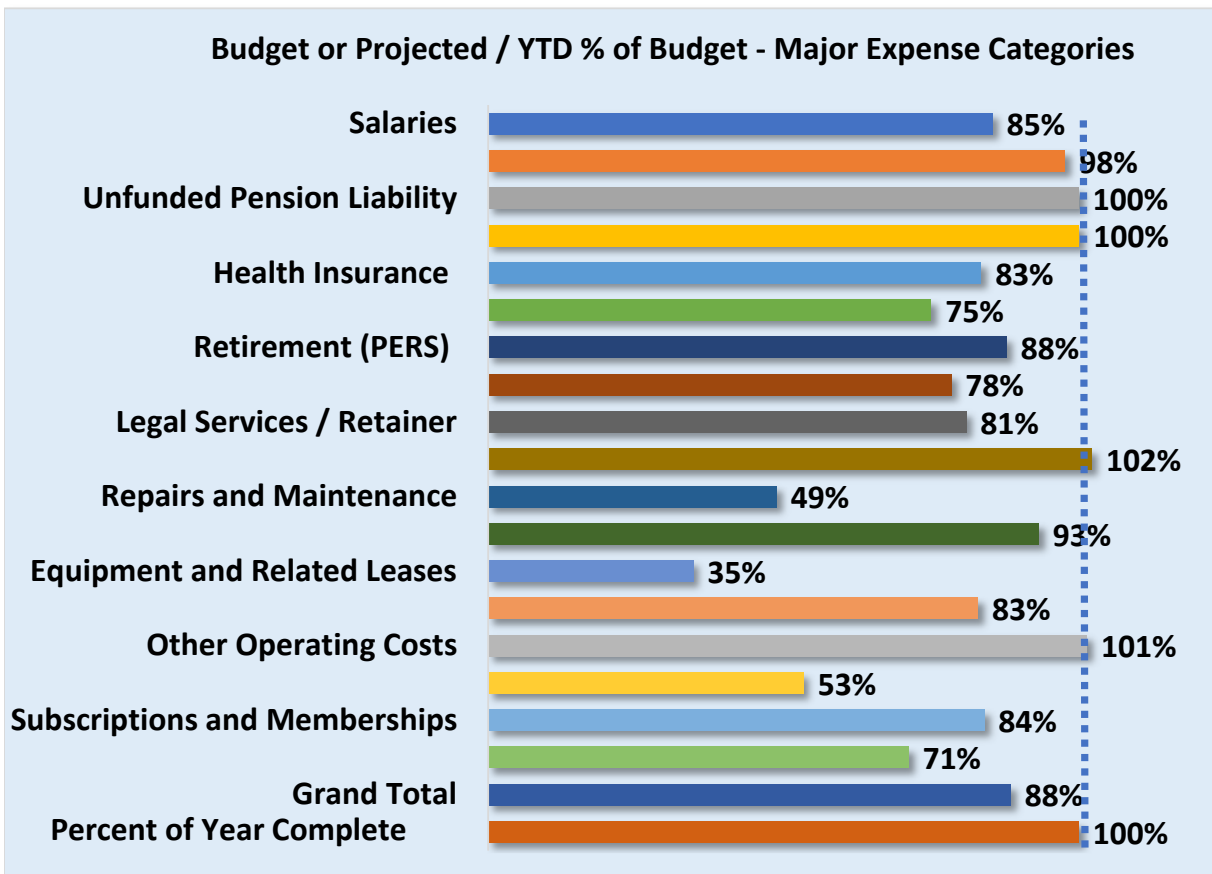




General Fund Expenditure Report - FY 2025-26 (Unaudited)
Through June 2026
100% of Budget Year Complete

Expense Line Item	Revised Budget	YTD	YTD % of Budget	Purchase Orders	YTD % with POs
Salaries	11,628,459	9,932,943	85%	-	85%
Contract/Professional Services	6,661,694	6,510,412	98%	2,033,205	128%
Unfunded Pension Liability	4,747,019	4,747,020	100%	-	100%
Debt Service	1,512,562	1,513,591	100%	-	100%
Health Insurance	1,368,833	1,142,438	83%	-	83%
Internal Service Charges	1,364,000	1,023,000	75%	-	75%
Retirement (PERS)	1,150,254	1,010,046	88%	-	88%
Fund Transfers Capital / Other	1,117,600	876,701	78%	-	78%
Legal Services / Retainer	966,000	782,123	81%	331,318	115%
Utilities	900,968	920,654	102%	-	102%
Repairs and Maintenance	682,892	333,581	49%	16,268	51%
Other Employee Benefits	634,618	591,789	93%	-	93%
Equipment and Related Leases	519,780	180,653	35%	22,411	39%
Supplies	461,800	383,106	83%	6,672	84%
Other Operating Costs	456,050	462,377	101%	6,244	103%
Software Licenses and Support	397,569	212,294	53%	34,080	62%
Subscriptions and Memberships	285,200	239,698	84%	5,957	86%
Meetings / Travel / Training	181,500	129,184	71%	-	71%
Grand Total	35,036,798	30,991,609	88%	2,456,156	95%

Analysis: P12 expenditures are below budget primarily due to savings in Salaries, Repairs, and Equipment.





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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Daniel Gho, Public Works Director/Deputy City Manager
MEETING DATE: July 15, 2026
SUBJECT: FY26/267 CIP Engineering Services Time Extension
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Authorize a time extension with Neil Engineers Corp for the continued execution of the FY 25/26 and FY 26/27 Capital Improvement Plan engineering services,
2. Alternatively, discuss and take other action on this item.

DISCUSSION

The City of Pacific Grove (City) Public Works Department utilizes outside engineering services to execute vital Capital Improvement Plan (CIP) projects by providing technical consultation, project design, and surveying services. Neil Engineers Corp (Neil Engineers) has provided the City with engineering services since 1964.

In 1991, the role of Neil Engineers expanded from a project-based service to the function of City Engineer via a formalized professional services agreement. In 2008, a new professional services agreement with Neil Engineers was executed, with the same scope, to reflect an increased monthly retainer of \$1,000, previously \$750. The current contract, executed in 2008, has been renewed by yearly extensions and has maintained the same \$1,000 monthly retainer. The City has used this agreement for a variety of administrative engineering functions, including project consultation, surveying, plan review, and public hearings.

In addition to the existing executed professional services agreement that allows for administrative engineering functions, on an annual basis, staff recommends an agreement to authorize specific project-based engineering services. In Fiscal Year 2025/26, the City Council authorized an agreement with Neil Engineering for project-based engineering in an amount not to exceed \$546,718 plus a 10% contingency. To date, \$223,445.42 has been expended under the existing contract. City staff is not requesting any additional funding for these services, only a time extension is being requested to align with the 2-year budget.

This extension will allow for the continued progression of the CIP projects noted below. This list includes FY 24/25 project carryforwards, CIP projects adopted in the FY25/26, and newly approved projects for the 26/27 Budget:

Projects with status updates:

- FY 25/26 Street Rehabilitation (Being engineered)
- FY 25/26 Mandated ADA Improvements (Completed)
- FY 25/26 Sewer Force Main Replacement: Arena Avenue (Engineering completed, RFP will be released soon)
- FY24/25 Street Rehabilitation (Carry over, construction underway)
- FY24/25 Crack & Slurry Seal (Carry over & completed)
- Pedestrian Safety - Central/Fountain & Grand/Fountain (Carry over & completed)
- Recreation Trail Improvements – Esplanade Park (Carry over & completed)
- 2026 Crack and Slurry Seal (New for FY 2026/27)
- 2026 Road Rehab (New for FY 2026/27)

Although a two-year budget was approved, City staff only requested a one-year agreement with Neil Engineers to address the identified projects in FY 25/26 and to finalize the FY 24/25 carryovers. Adequate funding is still available within the existing contract, and only a time extension (July 1, 2026 – June 30, 2027) is being requested to align with FY 2026/27.

Standard bidding procedures were suspended in accordance with Pacific Grove Municipal Code (PGMC) section 2.16.080 “Bidding procedures- Dispensation When,” which provides that the purchasing agent, the City Manager, may dispense with bid procedures for purchase of services when in his sole discretion and judgment it is in the best interest of the City when (d) a service (such as attorney, accountant, architect or specialized consultant) involves specialized knowledge or personal skill.

Neill Engineers has worked with the city since 1964. Their vast and incomparable institutional knowledge and robust experience with the City provide them with specialized knowledge and skill regarding the City’s existing infrastructure that is necessary to most efficiently and effectively design, plan, and execute CIP projects.

If approved, the City will circulate an extension for execution, Attachment #1, for the Mayor’s signature.

Failure to authorize this agreement will result in significant delays in the above-referenced CIP projects.

OPTIONS

1. Do not authorize the agreement.
2. Provide alternative direction. Please note this option would significantly delay the above-referenced projects.

FINANCIAL IMPACT:

This is only a time extension. No additional funding is being requested.

Engineering services are included within individual CIP project budgets and approved as part of the annual budget.

FOCUSED PRIORITY AREA: Infrastructure

Attachments

Extension Letter



**PUBLIC WORKS DEPARTMENT
CITY OF PACIFIC GROVE
2100 Sunset Drive, Pacific Grove CA 93950 | (831) 648-5722**

July 15, 2026

Sherman W. Low
Neill Engineers Corp.
P.O. Box LL
Carmel, CA 93921

SUBJECT: FY26/27 Agreement Extension Letter – Capital Improvements Engineering Services

The term of your agreement, for Capital Improvements Engineering Services, with the City of Pacific Grove was from 7/1/2025 through 6/30/2026.

This letter is to renew your contract with the City of Pacific Grove for a time extension for the next twelve months (July 1, 2026 through June 30, 2027) at the current rate set forth in the agreement.

This addendum is not in effect until signed by all parties.

Sherman Low, Neill Engineers

Date

Daniel Gho, Public Works Director

Date

Nick Smith, Mayor

Date



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: July 15, 2026
SUBJECT: Ordinance Amending City Municipal Code Chapter 2.16 (Purchasing System and Procedures)
CEQA: Does not constitute a Project per California Environmental Quality Guidelines Section 15378

RECOMMENDATION

1. Introduce and hold first reading of Ordinance amending Municipal Code Chapter 2.16 (Purchasing System and Procedures).
2. Direct that publication of the ordinance be satisfied by publication of a summary approved by the City Attorney.

DISCUSSION

This item returns to the Council due to an inadvertent error in the original presentation. During the first reading before the Council on June 3, 2026, the ordinance itself was not provided; only the proposed amendments to the Municipal Code were presented. This item includes the ordinance in the proper format for Council consideration. No changes to the prior presentation or ordinance have been made.

As a charter city, the City of Pacific Grove maintains local autonomy over its municipal affairs and is exempt from the provisions of the California Public Contract Code, except where municipal ordinances or Council agreements dictate otherwise. The City of Pacific Grove operates a purchasing system designed to secure high quality goods and services at the lowest reasonable cost, maximize financial accountability, and maintain good internal controls. Staff has prepared a proposed ordinance amending Chapter 2.16, with the key revisions discussed below, with the goals of adjusting for inflation, enhancing efficiencies, and minimizing delays in processing.

1. Increase in Open Market Purchasing Threshold for Staff (PGMC 2.16.160(a))

This amendment adjusts the baseline authority for open market purchases performed by the Purchasing Agent (City Manager) or their designees from the prior maximum of \$40,000 to \$50,000. This adjustment reduces the volume of routine administrative items brought to the City Council, optimizing agenda space for major agenda items.

2. Establishment of Process for CPI Adjustments (PGMC 2.16.160(b))

To prevent the purchasing limits from becoming obsolete due to future inflation, the ordinance allows for the adjustment of this limit on July 1st of every five fiscal years using the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose area, rounded to the nearest \$5,000.

3. Other Administrative Changes

- Modifying various sections to allow the City Manager to, either through procedures or on a case-by-case basis, delegate any of the powers and duties of the purchasing agent provided for by this Chapter to the Administrative Services Department or other employees. (PGMC 2.16.010)
- Clarifying that the procedure for determining bid amounts for determining the lowest responsible bidder shall not deduct the amount received by the City in sales tax for purchases involving the use of State or Federal grant funds, including pass through funds. (PGMC 2.16.100)
- Clarifying that the procedures for the disposal of City surplus supplies and equipment (PGMC 2.16.110)
 - Applies to items with an individual cost of \$5,000 or more
 - Allows the City to donate such items to another governmental entity or charitable organization
 - Does not allow for the purchase of these items directly by employees

4. Preserved Protections and Council Safeguards

Note that the expansion of the open market limits does not dilute public transparency or compromise fiscal oversight. The following statutory protections are in place:

- 1. Monthly Check Register Reports:** In compliance with PGMC 2.16.160(c), a complete check register report detailing every single transaction executed under open market authority must continue to be provided to the City Council on a monthly basis.
- 2. Anti-Project Splitting Rules:** Section 2.16.160(d) and Section 2.16.420 strictly prohibit dividing public works projects or general procurement undertakings into smaller component parts to intentionally evade formal bidding procedures or bypass council authority boundaries.
- 3. Council Resolutions for Large Procurements:** Any contract for services or public works projects exceeding the new adjusted limit (\$50,000) requires a formal resolution or motion approved by the City Council. Furthermore, under PGMC 2.16.080, even if competitive bidding procedures are legally dispensed via a standard exception (e.g., sole source, emergency, or unique specialized skill), council approval by resolution is required for any purchase exceeding the Purchasing Agent's limit.

Procurement Tier	Prior Version	Proposed Change	Required Process / Approval Authority
Micro-Purchases / Exempt Bids	Under \$2,500	Under \$7,500 (PGMC 2.16.080)	It is recommended, (not required) that staff obtain bids
Open Market Purchases	\$7,500 to \$40,000	\$7,500 to \$50,000	Requires minimum of 3 written quotes, unless an exemption is approved by the City Manager or Administrative Services Director. (PGMC 2.16.190, 2.16.080)
Formal Contract Procurements	Over \$40,000	Over \$50,000 (PGMC 2.16.160 a)	Formal competitive bidding; newspaper publication 10 days prior; Council approval via resolution or motion

OPTIONS

1. Take No Action
2. Provide Alternate Direction to Staff

FINANCIAL IMPACT:

The adoption of this ordinance has no fiscal impact to the City. Long-term fiscal benefits include reduced administrative overhead, fewer legal advertising expenses for mid-tier contracts, and improved staff productivity.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Proposed Ordinance
Redlined Purchasing Policy Updates

ORDINANCE NO. 26 - ____

AN ORDINANCE OF THE CITY OF PACIFIC GROVE AMENDING PACIFIC GROVE MUNICIPAL CODE CHAPTER 2.16 “PURCHASING SYSTEMS AND PROCEDURES”

FINDINGS 1. Currently, PGMC Section 2.16.160 requires the City Council to approve any purchase of goods or services the cost of which exceeds \$40,000. Purchases of less than that amount can be approved by the City’s Purchasing Agent (PGMC 2.16.160).

2. The current purchase limit has not been changed since 2021. According to the Bureau of Labor Statistics, approximately \$50,000 is now required to purchase what could have been purchased for \$40,000 in 2021, due to inflation.

3. In addition to edits to clean up Chapter 2.16, this amendment provides a mechanism to change the maximum purchase authority value every five years, based on changes in the consumer price index, to prevent the approved value from again becoming out of date.

4. In the enactment of this ordinance, the City followed the California Environmental Quality Act (CEQA) Guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq. Amendment of PGMC Chapter 2.16 does not constitute a “project” as that term is defined by CEQA.

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

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

SECTION 2. The text of the Pacific Grove Municipal Code set forth in existing Chapter 2 Administration and City Government shall be changed as shown in Attachment 1:

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 19th day of August, 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

Chapter 2.16

PURCHASING SYSTEM AND PROCEDURES

Sections:

2.16.010 Purchasing procedures by city manager.

The city manager is the city's purchasing agent, ~~who can also delegate any of these duties to the Administrative Services Department and other employees.~~ They The city manager and Administrative Services Department ~~He or she~~ shall establish the procedure and forms to carry out such duty in accordance with the charter and this chapter. The city manager may, either through procedures or on a case-by-case basis, delegate any of the powers and duties of the purchasing agent provided for by this Chapter to the Administrative Services Department or other employees. [Ord. 1405 N.S. § 2, 1984].

2.16.020 Applicability of chapter.

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

2.16.030 Encumbrance of funds.

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

2.16.040 Declaration of policy.

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

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

2.16.050 Estimates of requirements.

Departments shall file ~~detailed annual budgeted~~ estimates of their requirements for supplies, services, materials and equipment in such manner, at such times, and for such future periods as the Administrative Services dDepartment purchasing agent shall prescribe. [Ord. 1405 N.S. § 2, 1984].

2.16.060 Requisitions.

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

2.16.070 Purchase orders.

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

2.16.080 Bidding procedures – Dispensation when.

Purchases of supplies, services, materials and equipment shall be by quotation or bid procedures as set forth in this chapter. Such procedures may be dispensed with by the purchasing agent [or Administrative Services Director](#), in ~~their~~ [his or her sole](#) discretion and judgment as to the best interest of the city, as follows:

- (a) When an emergency requires that an order be placed immediately with the nearest available source of supply;
- (b) When the amount involved is less than \$~~72,500~~;
- (c) When the supply, service, material or equipment can be obtained from only one vendor or supplier;
- (d) When a service, such as that available from an attorney, accountant, architect or specialized consultant, involves a specialized knowledge or personal skill;
- (e) When supplies or equipment, such as communication systems, traffic signals, and parking meters, have been uniformly adopted in the city or otherwise standardized;
- (f) When the supplies, equipment or materials are such that suitable technical or performance specifications are not available and the city is unable to develop descriptive specifications;
- (g) When the article can be purchased more economically through the central purchasing authority of another governmental agency;
- (h) When specific used supplies, materials or equipment will best serve the city's needs; or
- (i) When reasonably necessary for the preservation or protection of public peace, health, safety or welfare of persons or property.

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

2.16.090 Competitive negotiation.

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

2.16.100 Lowest responsible bidder – Determining.

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

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

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

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

(k) Local Business Preference.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.16.110 Surplus supplies and equipment.

All using departments shall submit to the [Administrative Services Department](#)~~purchasing agent~~, at such time and in such form as ~~the department~~~~he or she~~ shall prescribe, reports showing all supplies and equipment [with an original individual cost over \\$5,000](#) which are no longer used~~_,~~ or which have become obsolete or worn out. The purchasing agent [or their designees](#) shall have authority to sell all supplies and equipment which cannot be used by any department or which have become unsuitable for city use, or to exchange the same for, or trade in the same on, new supplies and equipment, [donate to another governmental entity or charitable organization, or dispose of if no other option is available.](#) [Employees are not eligible to purchase or receive surplus property directly from the City.](#) The purchasing agent [or their designees](#) shall ~~strive utilize all appropriate means~~ to realize maximum return possible on such sales, exchanges and trades. [Ord. 1405 N.S. § 2, 1984].

2.16.120 Inspection – Testing.

The purchasing agent [or their designees](#) shall inspect supplies and equipment delivered and [review](#) contractual services performed, to determine their conformance with the specifications set forth in the order or contract.

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

2.16.130 Illegal contracts – Interest by city employee, officer.

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

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

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

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

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

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

2.16.140 Interference with bidding procedure by officer or employee.

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

2.16.150 Officer defined.

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

2.16.155 Exemption from Public Contract Code.¹

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

2.16.157 Optional purchasing procedures for special assessment districts.

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

Article II. Open Market Purchases

2.16.160 Authorized for purchases by the purchasing agent [or their designees](#).

(a) Purchases of supplies, services, materials, equipment and contractual services, including public works [projects](#), having an estimated market value under \$~~5035~~,000² may be made by the purchasing agent in the open market, as hereinafter described in this article, without observing the formal contract procedures prescribed in Articles III and IV of this chapter.

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

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

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

2.16.170 Quotations – Notice of invitation.

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

2.16.180 Quotations – Submission in writing.

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

2.16.190 Quotations – Number required.

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

2.16.200 Quotations – Rejection.

The purchasing agent or their designee, ~~at in their his or her sole~~ discretion, may reject:

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

2.16.210 Award of purchase orders.

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

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

2.16.220 Formal contract procedure.

Except as otherwise provided herein, purchases and contracts for supplies, services and equipment of estimated market value amounts greater than the maximum amount for which the purchasing agent is authorized, as specified in section 2.16.160~~Article II of this chapter~~, shall be by contract, approved by the council by resolution or motion, with the lowest responsible bidder pursuant to the procedure prescribed in this article except when such procedures may be dispensed with as defined in Article I of this chapter or as otherwise provided by law. Standard contracts may be used when approved by city attorney and council by resolution or motion. Contracts shall be provided to council prior to approval. Standard contracts may be incorporated by reference into an agenda report with specification of the parties, term, scope of work, price, and contingencies to extend the term and/or increase the price. (The procedures prescribed in Article IV of this chapter shall be observed in the case of all public works projects, as defined in Article IV of this chapter, involving expenditures greater than the maximum amount for which the purchasing agent is authorized, as specified in Article II of this chapter.) [Ord. 22-017 § 4, 2022; Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

2.16.230 Notice inviting bids.

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

2.16.240 Published notice.

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

2.16.250 Bidders' list.

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

2.16.260 Bidders' security.

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

2.16.270 Bid opening procedure.

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

2.16.280 Rejection of bids.

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

2.16.290 Open market purchase.

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

2.16.300 Tie bids.

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

2.16.310 Performance bonds.

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

Article IV. Public Works Contracts

2.16.320 Written contract.

Every project involving an expenditure greater than the maximum amount for which the purchasing agent is authorized, as specified in Article II of this chapter, for the erection, improvement or repair of public buildings

and works, in all sewer and street work, and in furnishing materials or supplies for same shall be let by written contract, approved by the council by resolution, with the lowest responsible bidder in accordance with the procedures prescribed in this article. PGMC [2.16.080](#) notwithstanding, dispensation of bid procedures for projects described in this section shall be made only as allowed in this article. [Ord. 14-005 § 2, 2014; Ord. 1667 N.S. § 1, 1989; Ord. 1405 N.S. § 2, 1984].

2.16.330 Notice inviting bids.

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

2.16.340 Bidders' security.

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

2.16.350 Bid opening procedure.

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

2.16.360 Tabulation of bids.

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

2.16.370 Tie bids.

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

2.16.380 Acceptance or rejection of bids.

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

2.16.390 Work by day labor.

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

2.16.400 Emergencies – Contracts let without bids.

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

2.16.410 Performance bonds.

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

2.16.420 Splitting projects.

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

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

2

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



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: July 15, 2026
SUBJECT: Appointments to Regional Agencies
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Motion to approve appointments to regional boards effective immediately.

DISCUSSION

The City is a member of several regional agencies and a self-insurance pool that jointly provides us with vital planning and services. Our participation requires designation of a representative to their respective board of directors. The following appointments require Council approval. They become effective immediately upon approval.

1. Assoc. of Monterey Bay Area Gov'ts (AMBAG) – Councilmember Garfield (alternate)
2. California Joint Powers Insurance Authority (CJPIA) – Mayor Smith

OPTIONS

None.

FINANCIAL IMPACT:

None.

GOAL ALIGNMENT: Not Applicable.



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Nick Smith, Mayor
MEETING DATE: July 15, 2026
SUBJECT: Appointments to City Boards, Committees, Commissions, and Task Force
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve appointments to City Boards, Committees, Commissions, and Task Force.

DISCUSSION

City committees play an important role in our city government. We are fortunate to have many highly qualified residents willing to serve on our committees.

I've used information gleaned from many sources to select these appointments: applications, resumes, personal contacts, observations, and feedback from City staff and residents. I've taken into consideration demonstrated commitment to the City and fit to the committee's mission.

Terms for committee positions are 4 years for Charter committees and 2 years for Ordinance committees. Incumbents are not automatically reappointed. Terms of office begin February 1 and end January 31 of the respective year. Mayoral appointments to City committees must be confirmed by Council (City Charter, Art. 26).

Appointments for confirmation are as follows:

Charter committees

- Planning Commission: Scott Brooks
- Library Board: Chris Thomas

OPTIONS

Not applicable.

FINANCIAL IMPACT:

There is no fiscal impact.

GOAL ALIGNMENT: Not Applicable.

Attachments

Redacted Applications



CITY OF PACIFIC GROVE
www.ci.pacific-grove.ca.us

**Application for Appointment to a
Public Board, Commission, or Committee**

Persons interested in being appointed to serve on a board, commission, or committee of the City of Pacific Grove are invited to complete the following application.

Name:

Scott Brooks

Street Address:

City:

Pacific Grove

State:

CA

ZIP Code:

93950

Residence Telephone Number:

Work Telephone Number:

E-Mail Address:

Name of Board, Commission, or Committee on which you would like to serve:

Planning Commission

Brief Description of Background and Qualifications (Additional Information May Be Attached on Separate Sheets): ATTACHMENT OF A RESUME IS DESIRABLE.

Thank for you considering me as a candidate for our town's Planning Commission.

For the past three and a half years I have served as a member, secretary, and current chair for our Architectural Review Board. It has been an absolute pleasure to serve our town, meet our staff and community, and constructively collaborate with the other exceptional members of the board. I believe in public service and the positive impact that government, and particularly local government, can have on its community.

As a public servant and Senior Counsel for the Legal Investment Team at the California State Teachers' Retirement System, I provide counsel to our Investment Branch as they invest a fund of over \$400 billion to secure the financial future of California's educators. As a transactional attorney, I extensively review and evaluate numerous financial documents and help negotiate various investments. I have 15 years of experience as an attorney, and my professional responsibilities require a significant attention to detail; communication and collaboration with a host of different parties – including my fellow investment counsel, external and opposing counsel, staff, and members; and the evaluation and application of statutes and regulations. I also attend and take minutes for the CalSTRS's Investment Committee, a twelve-member board. I am therefore familiar with the deliberations and procedures of a public board, including the Bagley-Keene Act, Brown Act, and Robert's Rules of Order.

Looking forward to continuing to serve our wonderful town. Please let me know if there is anything further you need. Many thanks, Scott.

I hereby certify that I am a registered voter of the City of Pacific Grove (not required for EDC appointees)

Signature of Applicant:

/s/ Scott Brooks

Date:

June 9, 2026

FOR CITY USE ONLY

Appointed to: _____

Date of Appointment: _____ **Expiration:** _____

Date of Reappointment: _____ **End of Term:** _____

Date Certification of Appreciation Awarded: _____



CITY OF PACIFIC GROVE

www.cityofpacificgrove.org

Application for Appointment to a Public Board, Commission, or Committee

Persons interested in being appointed to serve on a board, commission, or committee of the City of Pacific Grove are invited to complete the following application.

Name:

Chris Thomas

Street Address:

City:

Pacific Grove

State:

CA

ZIP Code:

93950

Residence Telephone Number:

Work Telephone Number:

n/a

E-Mail Address:

Name of Board, Commission, or Committee on which you would like to serve.

Library Advisory Board

Brief Description of Background and Qualifications (Additional Information May Be Attached on Separate Sheets and Attachment of Resume is Desirable):

My wife and I purchased our home in Pacific Grove in 2020 and made it our full-time residence following my retirement in 2023. While I am a relatively new resident, I bring an engaged and fresh perspective and a strong commitment to preserving and enhancing the qualities that make Pacific Grove unique. Nearly every day, I walk my dog, Maya, throughout the city-covering approximately 100 miles each month-which gives me a firsthand appreciation of Pacific Grove's neighborhoods, schools, businesses, public spaces, and the people who call this community home. My service as president of a condominium association board provided governance experience gave me some of the skills I need to be on the Library Advisory Board. I managed budgets and reserve planning, evaluated capital improvement projects, and addressed resident concerns. Because our building dated to 1881, proposed improvements required consideration of architectural character, neighborhood compatibility, and applicable regulations. This experience required familiarity with zoning requirements and municipal codes. Throughout my career, I developed skills in leadership, strategic planning, financial oversight, and organizational management that are directly applicable to public service. I established short-and long-term objectives, evaluated program effectiveness, managed resources responsibly, and worked with diverse groups to resolve complex issues and build consensus. I have a strong understanding of both macroeconomic and microeconomic principles, allowing me to assess issues from a broad economic perspective while considering their practical impacts on residents, businesses, and the community. I would bring that analytical approach, along with a commitment to fairness, transparency, and thoughtful stewardship, to the work of the Library Advisory Board.

I hereby certify that I am a registered voter of the City of Pacific Grove (not required for EDC appointees).

Signature of Applicant

Date:

06.24.26

FOR CITY USE ONLY

Date of

Appointment: _____

Expiration: _____

Date of

Reappointment: _____

End of Term: _____

Date

Certification of Appreciation Awarded: _____

Chris Thomas

Pacific Grove, CA 93950

EDUCATION

MBA Finance, 1993 The Wharton School, University of Pennsylvania

BA Economics, 1983 The University of Texas at Austin

WORK EXPERIENCE

General Manager, Genesis of Spring, Houston, TX

September 2023-December 2024

After retiring from North Freeway Hyundai in July 2023, returned in September to open the company's new Genesis store.

- Reviewed contracts with lenders and set up the finance department
- Recruited, hired, trained management, sales, and finance personnel.
- Established vendor relationships.
- Developed departmental processes for sales, F&I, accounting, inventory control, and customer service operations.
- Coordinated vehicle inventory acquisition and transportation logistics.

General Sales Manager, North Freeway Hyundai, Houston, TX

2002-2024

Helped the company grow Gross Profit from Sales from \$4,000,000 to \$20,000,000

Personnel Management

- Hired, supervised and mentored 30 employees including managers and sales staff to improve performance, accountability, and customer satisfaction.
- Led sales operations, goal setting, coaching, scheduling, and performance reviews.
- Developed sales strategies that increased revenue growth, customer retention, and productivity.
- Monitored KPIs, sales metrics, and individual performance.
- Conducted regular team meetings and one-on-one coaching sessions to reinforce sales techniques and operational standards.
- Managed conflict resolution, disciplinary actions, and employee development initiatives.
- Collaborated with the owner to implement operational improvements.
- Created a positive work culture focused on teamwork, professionalism, and accountability.
- Implemented incentive to improve morale and sales performance.
- Created and implemented strategies for marketing on social media, radio and tv

Vendor Management

- Managed relationships with multiple vendors and service providers, ensuring timely delivery, quality performance, and contract compliance.
- Negotiated pricing, terms, and service agreements to reduce costs and improve operational efficiency.
- Coordinated vendor onboarding, documentation, and ongoing performance evaluations.
- Monitored vendor invoices, purchase orders, and payment schedules for accuracy and budget adherence.
- Resolved vendor disputes and service issues quickly to minimize operational disruptions.
- Identified new vendors to improve pricing competitiveness and expand sourcing options.

Independent Futures Trader, Chicago, IL

1993-2002

Managed a self-directed portfolio trading futures contracts across equity indexes, commodities, interest rates, and currencies.

- Conducted technical and fundamental market analysis to identify trading opportunities and manage risk exposure.
- Executed long-term trading strategies using market data, chart analysis, and economic indicators.

- Monitored global financial markets, economic releases, and geopolitical events affecting futures pricing and volatility.
- Applied disciplined risk management techniques including stop-loss orders, position sizing, and capital allocation strategies.
- Utilized trading platforms and analytical software to execute trades efficiently and monitor market conditions in real time.

Stockbroker, Prudential-Bache Securities

San Antonio, TX

1983-1985

- Advised individual retail clients on investment strategies, portfolio allocation, equities, mutual funds, ETFs, bonds, and retirement planning.
- Ensured compliance with FINRA, SEC, and firm regulations while maintaining accurate client records and documentation.
- Collaborated with internal specialists on retirement, insurance, and estate planning solutions.

PERSONAL

Condo Board President in Chicago 1995-1997

- Directed board meetings, coordinated agendas, and ensured compliance with governing documents and state regulations.
- Oversaw annual operating budgets, reserve planning, vendor contracts, and financial reporting.
- Led capital improvement and maintenance projects, including budgeting, contractor selection, and project oversight.
- Worked with homeowners to address concerns, resolve disputes, and improve community communication.

Escape from Alcatraz finisher 2024 & 2006. I walk 100 miles/mo through Pacific Grove with my dog. Cycling, swimming, gardening and reading.



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: July 15, 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

Proposed 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 Comparable Economic Enhancements and Election of Terms

If during the term of this agreement, the General Employees Association (GEA) negotiates the same terms as this agreement but it includes additional economic enhancements, (such as a COLA for 2026), MEA shall automatically receive those economic enhancements. However, if during the term of this agreement, GEA negotiates different terms, then MEA shall have the

option to keep their originally negotiated terms, or change their terms to the same terms as GEA. This me too provision shall sunset at the end of this agreement.

2.3 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.

2.4 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.

2.5 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 is 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 3.5. 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 grievable.
- 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 PEPPRA.

- 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, stepchild, grandparent, grandchild, 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, stepparent, stepchild, 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: July 15, 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 & Conf Comp & 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 grievable.
- 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 PEPPRA.

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 PEPPRA.

- 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.
- Contribution.** New CalPERS Members shall pay 50% of the normal cost of their pension benefit.
- 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)



Contents

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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 grievable.
- 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 PEPPRA.

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 PEPPRA.

- 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.

- 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.
- During the Holiday Closure, the City shall designate departments or divisions which will close operations to the public.
- 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.
- 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. Engineer License Pay

An employee who possesses and maintains a valid, current License/Certificate of Registration as a Professional Engineer issued by the State of California in the discipline of Civil Engineering or Traffic Engineering shall receive additional compensation equal to five percent (5%) of the employee's base salary.

To remain eligible for this compensation, the employee must maintain the required license in good standing throughout the period for which the pay is received.

5.8. 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.

5.9. 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.

5.9.1. 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.

5.10. 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: Leticia Livian, Human Resources Director
MEETING DATE: July 15, 2026
SUBJECT: Agreement with Bob Murray & Associates for Executive Recruitment Services
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Authorize an agreement with Bob Murray and Associates for executive recruitment services, in an amount not to exceed \$38,500;
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

The City Manager tendered his resignation on June 2026, creating the need to initiate a recruitment for the next City Manager.

In 2023, when the City last conducted a City Manager recruitment, the City Council established a subcommittee to review proposals from executive recruitment firms. The subcommittee conducted a thorough review of eight California public agency recruitment firms. Following that review, Bob Murray & Associates was selected based on several factors, including:

- Overall value;
- Responsiveness to the Request for Proposals, including addressing all required elements;
- Experience, qualifications, and demonstrated track record;
- Recruitment approach, timeline, and schedule;
- Placement guarantee;
- Advertising and networking strategy;
- Commitment to diversity in the recruitment process; and
- Candidate screening and interview process.

Bob Murray & Associates is located near Sacramento and has a strong reputation in public sector executive recruitment. Since 2024, the firm has facilitated more than 30 successful City Manager placements in California. The recruitment would be led by Gary Phillips, President of Bob Murray & Associates, who would serve as the City's primary contact.

Because the City recently worked with Bob Murray & Associates on its prior City Manager recruitment, the firm has an existing understanding of the City's organizational structure, community priorities,

governance environment, and the qualities needed in a successful City Manager for Pacific Grove. The City Council, in partnership with City Human Resources, will coordinate the recruitment efforts and work with Bob Murray & Associates throughout the process to support a thoughtful, organized, and timely recruitment.

This prior experience provides value to the City by reducing the time needed to orient the recruitment firm to the organization and allowing the process to move forward more efficiently and strategically. Rather than beginning the recruitment process from the ground up, Bob Murray & Associates can build upon its prior knowledge of the City, while also updating the candidate profile to reflect the City Council's current priorities, organizational needs, and community expectations.

This familiarity is especially valuable given the importance of maintaining continuity during a leadership transition. A recruitment firm that already understands the City's culture, challenges, and expectations is better positioned to assist the City Council and Human Resources in developing a focused recruitment strategy, identifying qualified candidates, and communicating the opportunity effectively to prospective applicants. The recruitment process will include meetings with the City Council and key staff to refine the candidate profile, confirm recruitment priorities, and establish a timeline that supports the City's operational needs.

The all-inclusive professional services flat fee for conducting the City Manager recruitment is \$35,000. Services provided for this fee consist of all steps outlined in Bob Murray & Associate's proposal (proposal), including design and distribution of the recruitment brochure, advertising, marketing and promotion, administrative support, public records research, comprehensive background reporting on the final candidates, postage, technology, and three days of on-site meetings. Optional services are available for additional fees as outlined in the proposal if requested.

The City's standard Professional Services Agreement will be used for this engagement.

OPTIONS

1. Take no action
2. Provide alternative direction to staff

FINANCIAL IMPACT:

The expenditure is not to exceed \$38,500 (\$35,000 plus a 10% contingency) in FY 2026/2027.

Sufficient funds are available in the City Manager's budget for the funding of this expenditure.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Agreement

CITY OF PACIFIC GROVE PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICE AGREEMENT (“PSA”) FOR NON-CONSTRUCTION PROJECTS (“Agreement”) is made and effective as of **July 15, 2026**, between the City of Pacific Grove (“City”), a municipal corporation and **Bob Murray and Associates**, a 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 **July 16, 2026** and shall remain and continue in effect until the tasks described herein are completed, but in no event later than **June 30, 2027**, unless sooner terminated pursuant to the provisions of this Agreement.

2. SCOPE OF WORK

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

3. PERFORMANCE

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

CONSULTANT is bound by the contents of City’s Request for Proposal on file hereto and incorporated herein as Exhibit D, and the contents of the proposal submitted by CONSULTANT, available on file at the City Clerk’s Office, hereto and incorporated herein as Exhibit E. In the event of conflict, the requirements of City’s Request for Proposals and this Agreement shall take precedence over those contained in CONSULTANT’s proposals.

4. CITY MANAGEMENT

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

5. PAYMENT

- a. The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed **\$38,500** 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 C attached to and part of this Agreement.

13. INDEPENDENT CONSULTANT

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

To City: Nick Smith, Mayor
nsmith@cityofpacificgrove.org
City of Pacific Grove
300 Forest Avenue Pacific Grove, CA 93950
Attention: City Clerk

To CONSULTANT: Gary Phillips, Executive Vice President
garyp@bobmurrayassoc.com
Bob Murray & Associates
1544 Eureka Road, Suite 280
Roseville, CA 95661

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.

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

CONSULTANT

By: _____
Leticia Livian, Human Resources Director

By: _____
Gary Phillips, Executive Vice President
Bob Murray & Associates

Date: _____

Date: _____

By: _____
Nick Smith, Mayor

By: _____
Fred Marsh, City Administrative
Services Depart.

Date: _____

Date: _____

Approved As to Form: _____
Alex Lorca, City Attorney

Date: _____

Attachments:
Exhibit A Consultant's Proposal



**BOB MURRAY
& ASSOCIATES**

Experts In Executive Search

A Proposal to Conduct an Executive Recruitment
for the Position of
CITY MANAGER
on behalf of the



1544 Eureka Road, Suite 180
Roseville, CA 95661
(916) 784-9080
(916) 784-1985 fax

June 26, 2026

Mayor Nick Smith and Members of the City Council
City of Pacific Grove
300 Forest Ave.
Pacific Grove, CA 93950

Submitted via email to: llivian@cityofpacificgrove.org

Dear Mayor Smith and Members of the City Council:

Bob Murray & Associates is pleased to submit a proposal to conduct the City Manager recruitment for the City of Pacific Grove. The following details our unique qualifications and describes our systematic–yet flexible–method of identifying, recruiting, and screening outstanding candidates on your behalf. Bob Murray & Associates is proud to offer straightforward, *all-in pricing*, eliminating surprises and making the experience simple and stress-free. This proposal includes information on our proven process, a timeline, and a guarantee.

As the premier public sector executive search firm specializing in positions that report directly to elected boards/councils, we understand the unique dynamics, high expectations, and political acumen required of leaders in these critical roles. We don't just fill positions—we ensure the candidates we present to City of Pacific Grove are well-aligned with your organization's goals, values, and culture. Our team is composed of experienced executive recruiters and former public-sector executives—professionals who are passionate about public service and attuned to current trends in government leadership. With over 34 years of experience and a network of more than 40,000 professionals and organizations, we've built a strong reputation for delivering exceptional candidates and achieving repeat success with our clients.

Bob Murray & Associates recognizes that we work at the pleasure of the City Council and our job is to facilitate the Council in finding the City's next City Manager. Our best practice is to establish a strong partnership with the Council, to ensure the placement of a City Manager who is ideally suited to its needs. In developing this collaborative approach, we will seek the opportunity to meet with the council members individually to discuss their expectations for the City's new City Manager. The feedback received from the council members will be essential in providing guidance when recruiting and screening candidates for the position.

Current and recent recruitments we have completed similar in scope to your upcoming search include the following including over 40 City & County Management recruitments over the last 3 years:

2026

- Sonoma, CA (City Manager) - *current*
- Lemon Grove, CA (City Manager) - *current*
- South Lake Tahoe, CA (City Manager) - *current*
- Lake Forest, CA (Assistant City Manager) -*current*
- Arvin, CA (City Manager) - *current*
- Marin County, CA (County Executive Officer)
- Marin County, CA (Assistant County Executive Officer)
- Lawndale, CA (City Manager)
- Manhattan Beach, CA (Deputy City Manager)
- Marina, CA (City Manager)
- Pacifica, CA (City Manager)
- Sausalito, CA (City Manager)
- Concord, CA (City Manager)
- Santa Rosa, CA (City Manager)
- Monterey, CA (City Manager)
- Eugene, OR (City Manager)
- Cathedral City, CA (City Manager)
- Hanford, CA (City Manager)

2025

- Hayward, CA (City Manager)
- Apple Valley, CA (Town Manager)
- Davis, CA (City Manager)
- Hanford, CA (City Manager)
- Live Oak, CA (City Manager)
- Oakdale, CA (City Manager)
- Fowler, CA (City Manager)
- Louisville, CO (City Manager)
- Healdsburg, CA (Assistant City Manager)

2024

- Vernon, CA (City Administrator)
- Folsom, CA (City Manager)
- Murrieta, CA (City Manager)
- Aliso Viejo, CA (City Manager)
- Manhattan Beach, CA (City Manager)
- Emeryville, CA (City Manager)
- Reno, NV (City Manager)
- Clovis, CA (City Manager)
- Clayton, CA (City Manager)
- Vancouver, WA (City Manager)
- Orinda, CA (City Manager)

- Pinole, CA (City Manager)
- Novato, CA (City Manager)
- Saratoga, CA (City Manager)
- Sparks, NV (City Manager)
- Salinas, CA (City Manager)

We work as a team on every search at Bob Murray & Associates. Your Project Lead would be Gary Phillips, who would not only direct and supervise the project team from beginning to end but also serve as the Recruiter for the project as well.

To learn first-hand about the quality of our services and why the majority of our engagements come from repeat and referred clients, we invite you to contact the references listed on page 14 of the attached proposal.

We look forward to your favorable consideration of our qualifications. Please do not hesitate to contact us at (916) 784-9080 with any questions.

Sincerely,



Valerie Gaeta Phillips
President, Bob Murray & Associates

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THE RECRUITMENT PROCESS

Bob Murray & Associates' recruiters are specialists in finding positive placements and providing security and fairness to candidates and clients while ensuring the integrity of the search process. Outlined below are the steps in our proven recruitment process, refined through our 34+ years of experience in executive recruiting.

STEP 1 DEVELOP THE CANDIDATE PROFILE

Our understanding of the City of Pacific Grove's needs will be key to a successful search. Gary Phillips will meet virtually with the City and key stakeholders to learn as much as possible about the ideal candidate for the City Manager position. Key stakeholders often include:

- Council/Board Members - up to **seven** virtual one-on-one meetings with the Recruiter
- Internal Stakeholders (e.g. Department Heads) - up to **two** virtual group meetings with the Recruiter
- External Stakeholders (e.g. Chamber of Commerce, Community Groups) - **one** virtual one-on-one or group meeting with the Recruiter

Internal and External Stakeholders

We find that many of our clients value a recruitment process that opens the opportunity for employees, community members, business leaders, and organization representatives to provide input regarding the ideal candidate. Our recruiters are skilled in virtually facilitating group staff meetings, forums for the business community, and/or town hall meetings that provide for equitable involvement from a variety of constituencies.

If the City of Pacific Grove desires, we will work with the City to create a customized virtual community and/or staff input process. *Please note: Virtual facilitation of stakeholder meetings is included in the professional fee. On-site Recruiter facilitation is available for an additional fee - please refer to "Costs and Guarantee" on page 7 for pricing information.*

Online Stakeholder Surveys

Sometimes clients are seeking input from a wider range of stakeholders—such as community members, business leaders, and organization representatives—online surveys are ideal to solicit input regarding qualities of the ideal candidate. Our experienced recruiters excel at crafting targeted, thoughtful, open-ended questions and can design a customized survey, providing a link for easy sharing on your website. After closing, your dedicated Recruitment Coordinator will send you the survey

response data for your review and analysis. This proposal includes one Online Survey. Additional Online Surveys are available under Optional Services (please refer to page 7).

We want to become familiar with the values and culture of the organization, as well as to understand the current and future issues, challenges, and opportunities in the City of Pacific Grove.

Mr. Phillips will review and help define the City's wish-list regarding the ideal candidate's personality, management style, knowledge, skills, and abilities and will work with the City to identify expectations regarding education and experience. The City and Mr. Phillips will discuss compensation, benefits, and other key information necessary to ensure that outstanding candidates are attracted to this opportunity. The profile we develop together at this stage will drive subsequent recruitment efforts.

STEP 2 DESIGN/DISTRIBUTE BROCHURE AND ADVERTISEMENTS

Mr. Phillips and your dedicated Recruitment Coordinator will use the candidate profile developed with the City of Pacific Grove to create a professional recruitment brochure, with the assistance of our professional graphic designer. The four-page, full-color brochure will describe the community, organization, position, ideal candidate, and compensation and will include pictures provided by the City of Pacific Grove that you feel best represent your organization and your community.

Upon your approval, Mr. Phillips will send the brochure by email (and postal mail if desired) to a targeted audience, personally inviting potential candidates to apply for the City Manager position. We will also place the recruitment brochure on our [website](#), which attracts over 11,000 unique hits weekly and is a trusted resource for candidates seeking executive and professional positions. Two sample brochures are included in this proposal package for your reference.

Mr. Phillips will also design an effective advertising campaign appropriate for the City Manager recruitment. Our broadest outreach comes through our active social media involvement on LinkedIn as well as our monthly newsletter where upcoming and current positions are featured. Sources such as *Western City Magazine*, PublicCEO, and the Careers in Government website will be used to reach an extensive local government audience, while position-specific postings will be chosen to attract candidates who have built their careers in and are committed to the City Manager field.

Suggested City Manager-specific advertising sources for the City of Pacific Grove's search include but are not limited to:

- League of California Cities - Western City Magazine
- League of Women in Government

- Engaging Local Government Leaders
- International Network of Asian Pacific Islander Public Administrators
- Local Government Hispanic Network
- National Forum for Black Public Administrators

Bob Murray & Associates does not typically place ads with job aggregators or general job posting sites such as CareerBuilder, Monster, or Indeed, as we have found that the broad reach of these sites does not necessarily lead to quality candidates for executive and professional positions.

Reaching Diverse Candidates

Bob Murray & Associates, a woman- and minority-owned business, is **proud of its commitment to attracting and placing diverse candidates**. Nearly 50% of our last 100 placements were women; Hispanic placements 25%; African American placements 13%; Asian placements 21%; and Native American placements at 1%. Not only do we place advertisements with websites designed to attract minority and female candidates, but our President, Valerie Phillips, is a member herself of many diversity-focused organizations including the Local Government Hispanic Network, the League of Women in Government, the Professional Women's Network, Mexican Professionals, and Women Leading Government. She networks frequently with fellow members to gain insight into which potential candidates are leaders in their field.

Mr. Phillips will seek to reach candidates in communities and organizations with demographic profiles and populations served like that of the City of Pacific Grove, to maximize the potential for individuals from a wide variety of backgrounds, cultures, and life experiences to be considered for the City Manager position.

STEP 3 RECRUIT CANDIDATES

The strongest candidates are often those who are successful and content in their current positions and need to be sold on a new opportunity. Our extensive network of contacts, developed through **over 2,100 successful placements**, is a primary source for identifying and obtaining referrals for these candidates. Our in-house database of 40,000 current and former executive and professional candidates is a valuable resource that can only be built over time—time that we have invested into perfecting our process for finding the right candidates for our clients. Our aggressive outreach efforts are focused on phone calls to personally invite potential applicants, answer questions, and allay any reservations, and these efforts are essential to the success of the City Manager recruitment.

STEP 4 SCREEN CANDIDATES

Following the closing date for the recruitment, Mr. Phillips will screen all resumes we have received, using the criteria established in the candidate profile as a basis upon which to narrow the field of candidates. Internal candidates receive sensitive consideration, and Mr. Phillips will discuss with the City how the City of Pacific Grove wishes to proceed with these candidates.

STEP 5 CONDUCT PRELIMINARY INTERVIEWS

Mr. Phillips will personally interview the top 10 to 15 candidates from the resume screening, with the goal of determining which candidates have the greatest potential to succeed in your organization. To reduce travel-related expenses to our clients and increase efficiency in the search process, these interviews are typically conducted via Zoom, Teams, or other convenient videoconferencing applications. However, because Ms. Beers is local to the area, she will conduct in-person interviews with select candidates from the local region when appropriate, allowing for additional flexibility and a more personalized assessment of those applicants.

STEP 6 SEARCH PUBLIC RECORDS

Under the direction of Mr. Phillips, your dedicated Recruitment Coordinator will conduct a review of published print and online articles for each recommended candidate. Sources include Lexis-Nexis™, Google, publicly available social media activity and professional profiles, and outreach through our established network of contacts within the industry. The purpose of this process is to identify information that may warrant additional inquiry, provide a more complete understanding of each candidate's professional reputation and public presence, and uncover any potential concerns that could impact their suitability for the position. Any findings that require clarification or further investigation will be thoroughly explored before finalist recommendations are presented to the City of Pacific Grove.

STEP 7 MAKE RECOMMENDATIONS

Based on our findings during the preliminary interview process, Mr. Phillips will meet with the City virtually or on site to share the complete applicant list and recommend a limited number of candidates for further consideration. Mr. Phillips will make specific recommendations and will help facilitate discussions regarding the candidate pool, but the final determination of interviewees will be up to you.

We typically recommend 6-8 candidates that we feel best match your expectations and prepare a detailed report on each candidate. This virtual "Recommended Finalist" eBook is provided to each member of the decision-making body and includes:

- ✦ Candidate list with Recommended Finalists identified in *Group 1* and *Group 2* (primary and secondary recommendations), as well as *Internal* candidates
- ✦ Summary of experience and education for each Recommended Finalist candidate
- ✦ Complete cover letter and resume for each Recommended Finalist candidate
- ✦ List of *Other Applicants* (those who did not meet minimum qualifications or were otherwise unsuitable, based on our screening process)

Bob Murray & Associates maintains all search records for a period of seven (7) years following each recruitment, and we are happy to forward cover letters and resumes for each applicant by postal mail or email as soon as the recruitment closes to new applications.

STEP 8 FACILITATE PANEL INTERVIEWS

Our years of experience will be invaluable as we help you develop an interview process that objectively assesses the qualifications of each candidate. We will work with the City of Pacific Grove to craft and implement an interview approach that fits your needs. This may include panel and/or individual interviews by the City; key stakeholders, community/employee interview panels; writing and presentation samples; meet-and-greets; or other specialized process elements Mr. Phillips help the City of Pacific Grove to design.

Mr. Phillips will be present on-site during the panel interviews to facilitate as necessary during the process and to guide discussion to consensus regarding final candidates. Bound interview books will be provided for each interview panel member containing:

- ✦ Recruitment brochure with candidate profile
- ✦ Interview schedule
- ✦ Suggested interview questions
- ✦ Experience summary, cover letter, resume, and rating form for each candidate
- ✦ Ranking forms for use during the panel interview process

We will work closely with your staff to coordinate and schedule interviews. Our goal is to ensure that each candidate has a positive experience, as the way the entire process is conducted will influence the final candidates' perception of your organization.

STEP 9 CONDUCT BACKGROUND AND REFERENCE CHECKS

Mr. Phillips and your Recruitment Coordinator will conduct detailed reference checks for up to two (2) final candidates. To gain an accurate and honest appraisal of the candidates' strengths and weaknesses, we will talk candidly with people who have direct knowledge of their work and management style. In addition to gaining a 360-degree

view of candidates from the perspective of their supervisors, subordinates and peers for the past several years, we will make a point of speaking confidentially to individuals who may have further insight into a candidate's abilities but who may not be on their preferred list of contacts.

Your Recruitment Coordinator will work with the two (2) final candidates and our professional backgrounding firm, HireRight, to conduct credit, civil litigation, criminal, and motor vehicle record checks and verify candidates' degrees.

STEP 10 ASSIST IN NEGOTIATIONS

We recognize the critical importance of successful negotiations and can serve as your representative during this process. Mr. Phillips knows what other organizations have done to put deals together with great candidates and what the current market is like for City Manager positions in organizations like the City of Pacific Grove's. Your Recruiters will be available to advise you regarding current approaches to difficult issues, such as housing and relocation. We will represent your interests and advise the chosen candidate and you regarding salary, benefits, and employment agreements, with the goal of putting together a deal that results in the appointment of your chosen candidate. With our proven experience and vested interest in a positive outcome, we can turn a very difficult aspect of recruitment into one that is straightforward and agreeable for all parties involved.

COMPLETE ADMINISTRATIVE ASSISTANCE

We receive many unsolicited testimonials each year from clients and candidates alike noting our prompt, considerate, accurate, and professional service during the search process. Throughout the recruitment, in time intervals that suit the City of Pacific Grove, we will provide you with updates on the status of the search and attend to all administrative details on your behalf.

Candidates receive immediate acknowledgement of their applications, as well as personal phone calls and/or emails (as appropriate) advising them of their status at each critical point in the recruitment. Candidates who receive preliminary or final interviews and are not chosen to move forward in the interview process will receive personal calls from Mr. Phillips on behalf of the City of Pacific Grove.

It is our internal company standard that all inquiries from clients and candidates receive a response within the same business day whenever possible, and certainly within 24 hours if the inquiry is received during the work week. Mr. Phillips will be available to the City of Pacific Grove by office phone, cell phone, and email at any time to ensure a smooth and stress-free recruitment process.

COSTS AND GUARANTEE

PROFESSIONAL FEE AND EXPENSES

The **all-inclusive professional services fee** for conducting the City Manager recruitment on behalf of the City of Pacific Grove is **\$35,000**. Services provided for in this fee consist of all steps outlined in this proposal, including design and distribution of the recruitment brochure, advertising, marketing and promotion, administrative support, public records research, comprehensive background reporting on the final candidates, postage, technology, and **three** days of on-site meetings. This proposal is valid for 60 days from the date of the proposal.

*Optional Services are listed below and are in addition to the professional services fee. Expense reimbursement for **Consultant travel** related to additional on-site meeting days is billed at the actual rate (airfare/mileage, lodging) and is the responsibility of the City of Pacific Grove.*

The professional fee does not limit the amount of time invested by Bob Murray & Associates in promoting a successful outcome for this project. In fact, our mission for this project is to ensure we assist in identifying the right candidate for the City of Pacific Grove. Therefore, Mr. Phillips will contact the City at the first anniversary of the placement to confirm an effective transition has occurred.

Optional Services

- ✦ **Additional virtual stakeholder meetings:** \$250/meeting
- ✦ **Additional on-site meeting days:** \$1,500/day/Consultant, plus travel expenses
- ✦ **Online Surveys:** \$500/each (includes preparing recommended questions, preparing and sharing the survey link, closing the survey, and sending the survey response data for your review and analysis)
- ✦ **Additional background checks:** \$300/candidate
- ✦ **Additional reference checks:** \$500/candidate
- ✦ **Additional hires:** \$9,000/candidate

GUARANTEE

In the event a candidate recommended by our firm resigns or is terminated within the first 12 months of employment, Bob Murray & Associates will provide the City of Pacific Grove with professional services to secure a replacement. Services will be provided at no cost, aside from the following *reimbursable* expenses incurred on the City of Pacific Grove's behalf during the new search:

- ✦ Brochure design and distribution (\$695 reprint only, \$1,275 edit/reflow/reprint)(*if needed*)
- ✦ Advertising actual costs (estimated at \$2,975)
- ✦ Public records search for all new candidates (\$500)
- ✦ Background Checks (\$300/candidate)
- ✦ Reference Checks (\$500/candidate)
- ✦ Consultant travel reimbursement (if travel is needed)
- ✦ *Plus any applicable Optional Services, if desired*

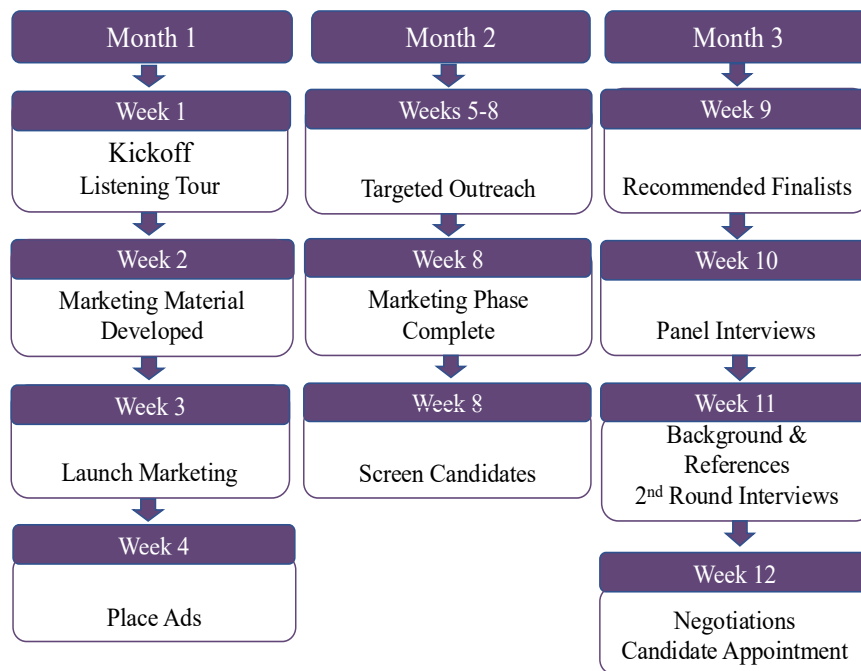
In the event that a placement is not made from the initial recruitment, Bob Murray & Associates will provide professional services to conduct one additional recruitment. Services will be provided at no cost. However, the City of Pacific Grove will be responsible for the *reimbursable* expenses as noted above.

We are confident in our ability to recruit outstanding candidates and do not expect the City to find it necessary to exercise this provision of our proposal.

RECRUITMENT SCHEDULE

We are prepared to start work on this assignment upon receipt of a signed professional services agreement or other written, authorized notification. A full search can be completed in 12-13 weeks from the date of initial meetings with our client.

The final recruitment schedule will be determined in collaboration with City of Pacific Grove. A typical timeline of tasks and events is included here for reference, however we can often expedite certain elements of the process in order to complete the search in 12 to 13 weeks.



FIRM PROFILE

OUR STAFF

Bob Murray & Associates is a small firm focusing exclusively on executive search services. We have a team of sixteen (16):

- Valerie Gaeta Phillips, *President and Owner*
- Gary Phillips, *Executive Vice President*
- Yasmin Beers, *Vice President & Senior Executive Recruiter*
- Adele Fresé, *Senior Executive Recruiter*
- Stacy Stevenson, *Senior Executive Recruiter*
- Jon Lewis, *Senior Executive Recruiter*
- Jeff Mori, *Executive Recruiter*
- Michael Ishii, *Executive Recruiter*
- Ian Schmutzler, *Executive Recruiter*
- Troy Brown, *Executive Recruiter, Career Coach*
- Stephanie Dietz, *Career Coach*
- Melanie Richardson, *Career Coach*
- Kathy Lolas, *Executive Recruitment Coordinator and Operations Manager*
- Grace Owens, *Senior Recruitment Coordinator*
- Steph Souza, *Recruitment Coordinator*
- Alexandria Huesca, *Recruitment Support*

Please see your lead recruiter's biography below:

GARY PHILLIPS, EXECUTIVE VICE PRESIDENT AND RECRUITER



Since joining Bob Murray & Associates, Mr. Phillips has completed over 125 searches for executives and professionals in a wide variety of fields including animal services, city and general management, planning, legal counsel, cyber security, and human resources. Gary's clients have ranged from municipal government to non-profit and private sector organizations, and he has sourced outstanding candidates for positions from the level of division managers up to City Managers, Executive Directors, and General Managers.

Gary started his career with a New York-based Fortune 100 company and quickly became a Senior Manager, building and running a large customer service organization that eventually expanded to 13 countries in Europe. He proceeded to hold senior leadership positions in several Fortune 500 companies, with noted successes such as building an organization from two to 250 employees worldwide and growing a company from 800 to 1200 employees.

As part of an executive acquisition and recruiting team, Gary helped build a start-up enterprise software company in San Francisco, recruiting top-notch talent and building a world-class organization. He has maintained customer relationships in the public sector and the private sector, including medical and financial institutions. He prides himself on finding key talent and offering the best customer service to his clients.

Mr. Phillips, along with Ms. Gaeta-Phillips, is involved in his community as a soccer coach, as an organizer of fundraisers for Autism Speaks and the UC Davis M.I.N.D. Institute, and as a sponsor of the Northern California Special Olympics. Mr. Phillips received his Associate of Science degree and completed additional coursework at Rochester Institute of Technology, NY.

CORPORATION

Bob Murray & Associates was founded in May 2000 and operated under the corporation name MBN Services, Inc. until June 2014; our new corporation name is GVP Ventures, Inc., incorporated in California in 2014. Contact information for the corporation and the firm is as follows:

GVP Ventures, Inc. OR Bob Murray & Associates
1544 Eureka Road, Ste. 180
Roseville, CA 95661
(916) 784-9080
apply@bobmurrayassoc.com

Our corporation and firm are financially sound (and have been so since 2000), with documentation from our accountant available to your organization prior to final execution of a professional service agreement. We have never been involved in any litigation, aside from our personnel serving as expert witnesses when called to do so.

PROFESSIONAL ASSOCIATIONS

Our firm, represented by either our President or our Executive Vice President, are involved in the following organizations to remain engaged with current and future issues relevant to the work we conduct on behalf of clients like City of Pacific Grove:

- California Special Districts Association
- California City Management Foundation (CCMF)
- Engaging Local Government Leaders (ELGL)
- International City/County Management Association (ICMA)
- International Network of Asian Public Administrators (I-NAPA)
- League of California Cities
- League of Women in Government
- Municipal Management Association of Northern California (MMANC)
- Municipal Management Association of Southern California (MMASC)
- National Forum for Black Public Administrators (NFBPA)

Members of our leadership team not only attend events sponsored by these associations but are also frequently called upon to serve as panel members and to provide specialized lectures regarding industry-specific issues. Recent and upcoming speaking engagements and trainings provided by our staff include:

- "Role of the Chief" class, annually presented by Jon Lewis on behalf of the California Police Chiefs Association;
- MMANC and MMASC annual mock interviews;
- Annual League of California Cities Booth; and
- Annual League of California Cities City Manager's Conference (City Manager hosted event).

REFERENCES

Clients and candidates are the best testament to our ability to conduct quality searches. Clients for whom Bob Murray & Associates has recently conducted similar searches are listed below:

CLIENT: City of Ventura, CA
POSITION: City Manager
POSITION: Assistant City Manager
POSITION: City Attorney
REFERENCE: Mr. Joe Schroeder, Former Mayor
(949) 584-6478

CLIENT: City of Monterey, CA
POSITION: City Manager
REFERENCE: Mayor Tyller Williamson,
(831) 760-5173

CLIENT: City of Folsom, CA
POSITION: City Manager
REFERENCE: Ms. Allsion Garcia, Human Resources Director
(916) 461-6050

We appreciate the City of Pacific Grove's consideration of our proposal and look forward to working with you.





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: July 15, 2026
SUBJECT: Appointment of City Council Subcommittee to Serve as Advisors through the Process of Hiring an Interim City Manager and a Permanent Replacement
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Create a City Council Subcommittee to advise in the selection of an Interim City Manager and the process to select a permanent City Manager, comprising of Mayor Nick Smith and Council Member Cynthia Garfield, to dissolve once a permanent City Manager has been selected,
2. Take alternative action.

DISCUSSION

Following the announcement of the departure of the current City Manager, the City Council will be launching a recruitment for a new City Manager. While the recruitment is underway, there will be a need for City Council feedback on recruitment materials and process clarifications. Also, an interim City Manager needs to be identified to fill the role until the permanent City Manager is onboarded. To facilitate the process to identify and bring forward an interim city manager candidate for City Council approval on an upcoming City Council Agenda, it is recommended that a City Council subcommittee be established.

I am recommending that the subcommittee be established to include two members: Mayor Smith and Council Member Garfield.

OPTIONS

Do not appoint a City Council subcommittee.

FINANCIAL IMPACT:

There is no financial impact resulting from this item.

GOAL ALIGNMENT: 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: Casey J. Day, Chief of Police
MEETING DATE: July 15, 2026
SUBJECT: One-Year Extension Agreement for the Mark43 Records Management System.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Approve and authorize the Chief of Police to execute a one-year extension agreement with Mark43 for continued use of the Police Department's Records Management System (RMS) in an amount not to exceed approximately \$41,404.00.
2. Take other action.

DISCUSSION

BACKGROUND

The Pacific Grove Police Department currently utilizes Mark43 as its Records Management System (RMS), which serves as the Department's primary platform for the creation, management, retention, and reporting of law enforcement records and operational data. The system supports daily police operations, mandated reporting requirements, records management functions, and information-sharing responsibilities.

The Department's current five-year agreement with Mark43 is scheduled to expire. Staff is recommending a one-year extension to maintain uninterrupted access to this critical public safety system while allowing sufficient time to evaluate available RMS solutions and determine the most appropriate long-term technology platform for the Department and the City.

DISCUSSION

The Records Management System is a critical operational system for the Police Department. Any transition to a new RMS provider requires extensive planning, including system implementation, data migration, employee training, system configuration, hardware and software considerations, and evaluation of potential impacts to daily operations.

A short-term extension of the existing agreement allows the Department to maintain operational continuity while conducting a comprehensive review of available RMS platforms. This approach

provides the opportunity to evaluate long-term options based on functionality, cost, integration capabilities, sustainability, and the operational needs of the Department without creating unnecessary disruption or avoidable transition expenses.

Approving the one-year extension does not commit the City to a long-term agreement with Mark43. Instead, it provides a responsible transition period during which the Department can complete its evaluation and return with future recommendations regarding the City's long-term RMS needs.

OPTIONS

N/A

FINANCIAL IMPACT:

The cost of the one-year extension is approximately \$41,404.00 and is included within the Police Department's adopted operating budget for the current fiscal year. Approval of this extension does not require additional appropriations or funding beyond amounts already approved by the City Council.

FOCUSED PRIORITY AREA: Infrastructure

Attachments

OriginalContract2021
2026OrderForm

SOFTWARE LICENSE AND SERVICES AGREEMENT

This Software License and Services Agreement (this “**Agreement**”) is effective as of June 28, 2021 (the “**Effective Date**”) by and between Mark43, Inc. (“**Mark43**”), with a place of business at 250 Hudson Street, 3rd Floor, New York, NY 10013, and the City of Pacific Grove (“**Subscriber**”), with a place of business at 300 Forest Avenue, Pacific Grove, CA 93950.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS.

- 1.1 “**Affiliate**” means, with respect to any entity, any other entity who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.
- 1.2 “**Affiliated Agency**” means any other government agency to which Subscriber is legally or contractually bound to share information.
- 1.3 “**Applicable Law(s)**” means, with respect to any party, any federal, state or local statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or other requirement of any international, federal, state or local court, administrative agency or commission or other governmental or regulatory authority or instrumentality, domestic or foreign, applicable to such party or any of its properties, assets or business operations.
- 1.4 “**Applications**” means the applications purchased by Subscriber as described in Schedule A.
- 1.5 “**Authorized Users**” means employees of Subscriber and any Affiliated Agency who are authorized to access and use the Applications through the applicable security designation(s), pursuant to which full or limited access to the applicable Applications may be granted.
- 1.6 “**Documentation**” means the user guides and user manuals for the SaaS Services that Mark43 provides to Subscriber.
- 1.7 “**Go Live**” means the date of cutover to each respective Mark43 Application.
- 1.8 “**Integrated Application**” means a third-party product, database or application requested by Subscriber and approved by Mark43 that will be installed, linked or enabled by Subscriber for use in connection with the SaaS Services (e.g. NCIC).
- 1.9 “**Integrated Application Data**” means all data, information, content and other materials stored on an Integrated Application.
- 1.10 “**Integrated Application Provider**” means any third party, including other vendors, state agencies and local agencies, that control products and/or databases with which Mark43 SaaS Services are to be interfaced.
- 1.11 “**Intellectual Property Rights**” means all intellectual and industrial property rights, whether now existing or existing in the future, including without limitation, (i) all patent rights, including any rights in pending patent applications and any related rights; (ii) all copyrights and other related rights throughout the world in works of authorship, including all registrations and applications therefor; (iii) all trademarks, service marks, trade dress or other proprietary trade designations, including all registrations and applications therefor (iv) all rights throughout the world to proprietary know-how, trade secrets and other confidential information, whether arising by law or pursuant to any contractual obligation of non-disclosure; and (v) all other rights covering industrial or intellectual property recognized in any jurisdiction.
- 1.12 “**Professional Services**” means any implementation, training, project management, consulting and other services (outside the scope of the Support Services) that are described in a Statement of Work.
- 1.13 “**SaaS Services**” means the Applications, Software, and related software-as-a-service, hosting, maintenance and/or support services made available by Mark43 for remote access and use by Subscriber, including any Documentation thereto.
- 1.14 “**Services**” means the services provided or required to be provided by or through Mark43, including without limitation, SaaS Services and Professional Services.

- 1.15 **"Software"** means the object code version of Mark43's computer software and all Updates made available by Mark43 to Subscriber under this Agreement.
- 1.16 **"Statement of Work"** means a detailed plan of work to be agreed by the Parties in conjunction with this Agreement.
- 1.17 **"Subscriber Data"** means all data, information, content and other materials stored or transmitted by Subscriber and any Authorized User through the SaaS Services (i) in their user accounts; and (ii) on any Integrated Application, excluding any Third-Party Data and any Mark43 Data.
- 1.18 **"Term"** means the Initial Term and any Renewal Terms.
- 1.19 **"Third-Party Component"** means a third-party application incorporated in, integrated with or accessed through the SaaS Services (e.g. a mapping provider).
- 1.20 **"Third-Party Data"** means any data, information, content and other materials made available by any third party, including without limitation through a Third-Party Component.
- 1.21 **"Updates"** means any and all new releases, new versions, patches and other updates for the SaaS Services that Mark43 makes generally available without additional charge to its other subscribers of the SaaS Services.
- 1.22 **"Website"** means any Internet website through which Mark43 provides the SaaS Services under this Agreement.

2. PROVISION OF THE SERVICES AND SOFTWARE.

- 2.1 **SaaS Services.** Subject to the terms of this Agreement, and during the Term, Mark43 hereby grants a non-exclusive, non-transferable, non-sublicensable license to Subscriber and its Authorized Users to access and use the SaaS Services through the Website for Subscriber's internal purposes and in accordance with the terms and conditions of this Agreement. Mark43 will be responsible for hosting the Website, and Subscriber and its Authorized Users will be responsible for obtaining internet connections and other third-party software, hardware and services necessary for it to access the Website through the Internet, including without limitation as set forth in **Schedule D**. Subscriber will be responsible to Mark43 for compliance with the restrictions on use and other terms and conditions of this Agreement by any of its Authorized Users.
- 2.2 **Professional Services.** Mark43 offers Professional Services in connection with the SaaS Services as further described on **Schedule A** and the Statement of Work. To the extent any Professional Services involve the development of any customization or configuration to the SaaS Services, all Intellectual Property Rights to such customization or configuration will be solely owned by Mark43 and will be deemed to be included in the definition of SaaS Services and licensed to Subscriber on the terms set forth herein.
- 2.3 **Access to Documentation.** Mark43 will provide Subscriber via the Website or other means with access to the Documentation, as may be updated from time to time. Subscriber may print copies of, use, and permit its Authorized Users to use, the Documentation solely in connection with the use of the SaaS Services.
- 2.4 **Support Services.** Subject to the terms and conditions of this Agreement, Mark43 will provide to Subscriber the support services detailed on **Schedule B** (the **"Support Services"**).
- 2.5 **Restrictions on Use.** Subscriber and its Authorized Users will not (and will not permit any third party to): (i) share Subscriber's or any Authorized User's login credentials; (ii) reverse engineer, decompile, disassemble, or otherwise attempt to discern the source code, underlying ideas, algorithms, file formats, or interface protocols of the SaaS Services or of any files contained in or generated by the SaaS Services; (iii) copy, modify, adapt or translate the SaaS Services or the Third-Party Data, or otherwise make any use, resell, distribute or sublicense the SaaS Services or the Third-Party Data other than in connection with this Agreement; (iv) make the SaaS Services available on a "service bureau" basis or allow any third parties to use the SaaS Services; (v) disclose the SaaS Services or any of its components to third parties; (vi) remove or modify any proprietary marking or restrictive legends placed on the SaaS Services or the Third-Party Data; (vii) use the SaaS Services or the Third-Party Data in violation of any Applicable Law; (viii) create or augment any mapping-related dataset including a mapping or navigation dataset, business listings database, mailing list, or telemarketing list) for use in an implementation that is not connected to the Services; (ix) introduce into the Services any viruses, worms, defects, Trojan horses, malware, or any items of a destructive nature; (x) use the Services to post advertising or listings; (xi) use the Services to defame, abuse, harass, stalk, or threaten others; (xii) permit access or use of the Services by any individual outside

the United States; (xiii) hide or obscure any Authorized User's location; (xiv) permit access or use of the Services, for any activities other than to enhance Subscriber's own services, where reliance solely on, or failure to use, the Services could lead to death, personal injury, or property damages. Subscriber and its Authorized Users will not access the SaaS Services if in direct competition with Mark43, and will not allow access to the SaaS Services by any party who is in direct competition with Mark43, except with Mark43's prior written consent. Subscriber shall comply with additional restrictions on use of the Services in accordance with the Third-Party Component Terms.

- 2.6 Security Obligations.** Subscriber agrees it and its Authorized Users shall securely manage their respective password(s) for access to the SaaS Services. Subscriber agrees it shall notify Mark43 promptly in the event it becomes aware of any unauthorized access or use of the SaaS Services, or of any of its or its Authorized Users passwords or accounts. Unless expressly stated otherwise in this Agreement, a single username or password may not be used by more than one (1) Authorized User. In addition, Authorized Users may log into the SaaS Services from only one location at any given time; concurrent usage (or sign in) under a single username is prohibited, unless Subscriber has a business justification for concurrent usage, in which case Subscriber is responsible for providing approval for such usage to the applicable Authorized Users. Subscriber is responsible for all activities conducted within user accounts in use of the SaaS Services. Subscriber shall comply with all applicable local, state, federal and regional or other laws and regulations applicable in connection with use of the SaaS Services, including all those related to data privacy and the transmission of technical or personal data. Subscriber agrees to (a) provide true, accurate, current and complete registration data for each account it creates via the SaaS Services, and (b) maintain and promptly update the registration data to keep it true, accurate, current and complete.
- 2.7 Changes to Services.** Mark43 may make changes and Updates to its Services, provided that it does not materially derogate the overall quality of the Services. Mark43 does not guarantee that the Services are or will remain compatible with any particular third-party software or equipment, and may, upon written notice, terminate its support for, any software or equipment of Subscriber that Mark43 determines are incompatible with the operation of the Services.
- 2.8 Data Sharing.** Mark43 will allow Subscriber to grant other agencies specified levels of access to Subscriber Data pursuant to an executed data-sharing agreement between agencies, and with permissions subject to the parameters laid out in the relevant data-sharing agreement. Subscriber shall provide Mark43 with a copy of the executed data-sharing agreement prior to allowing any such data-sharing. As between Mark43 and Subscriber, Subscriber will be solely responsible for any liabilities that arise as a result of such data-sharing.

3. PROPRIETARY RIGHTS; SUBSCRIBER DATA.

- 3.1 Ownership of Subscriber Data.** As between Mark43 and Subscriber, Subscriber owns the Subscriber Data. Mark43 will have, and Subscriber hereby grants and agrees to grant to Mark43, a royalty-free, worldwide, transferable, sublicensable, irrevocable, perpetual license to use the Subscriber Data to configure and/or provide the SaaS Services, Software, Support Services and Professional Services to Subscriber, and/or to prevent or address service or technical problems, in accordance with this Agreement and the Documentation, or otherwise in accordance with Subscriber's requests or instructions. Mark43 may also use Subscriber Data in anonymized and/or aggregated form to develop analytics that may be used to provide products and services to Subscriber and/or to other Mark43 customers, provided that: (a) Mark43 makes available to Subscriber functionality and services based on anonymized data obtained from other Mark43 customers that are similar to the functionality and services provided to such other customers based on the anonymized data; and (b) Mark43 may not sell or offer for sale any Subscriber Data, whether in Subscriber identifiable, or anonymized and aggregated form. Mark43 shall comply with its obligations under all Applicable Laws in its provision of the Services and use of Subscriber Data.
- 3.2 Ownership and Reservation of Rights to Mark43 Intellectual Property.** As between Mark43 and Subscriber, Mark43, its Affiliates and/or its licensors own all right, title and interest in and to the Services, Software, Work Product and all related technology and Intellectual Property Rights. Subject to the limited rights expressly granted hereunder, and except with respect to Third-Party Components, Mark43 reserves all rights, title and interest in and to the Services, Software, and Work Product, including all related technology and Intellectual Property Rights. No rights are granted to Subscriber hereunder other than as expressly set forth in this Agreement or as required by Applicable Law.
- 3.3 Subscriber Feedback.** Subscriber and its Authorized Users may elect to provide Mark43 with suggestions, enhancement requests, recommendations and other feedback concerning the SaaS

Services, Software, Support Services or Professional Services (the “**Subscriber Feedback**”). Subscriber hereby assigns and agrees to assign all Subscriber Feedback to Mark43 without lien or encumbrance and agrees that Subscriber Feedback will be the sole property of Mark43 and that Mark43 may use Subscriber Feedback in its discretion without obligation to Subscriber. Mark43 has no obligation to make Subscriber Feedback an improvement. For the avoidance of doubt, Subscriber Feedback does not constitute Confidential Information of Subscriber hereunder.

- 3.4 **Usage Data.** Mark43 may collect certain information in connection with Subscriber's access to or use of the Services, such as access records, date and time stamps, transaction and activity records and system performance data (“**Usage Data**”). Mark43 may use Usage Data to deliver and manage its products and services, perform maintenance and support, and develop, test, analyze, and improve the Services and other Mark43 products and services, and generate statistical data about usage of its products and services. As between Mark43 and Subscriber, Mark43 owns the Usage Data.
- 3.5 **Data Security.** Terms applicable to the privacy and security of Subscriber Data are set forth in the Data Processing Addendum attached as **Schedule F** hereto (the “**Data Processing Addendum**”).

4. THIRD-PARTY COMPONENTS AND INTEGRATED APPLICATIONS.

- 4.1 **Third-Party Components.** Third-Party Components may be made available to Subscriber through the SaaS Services. In connection with the functionality provided by and/or through Third-Party Components, Subscriber hereby accepts and agrees to be bound by the terms and conditions set forth in **Schedule E**, which may be updated from time to time upon notice to Subscriber (the “**Third-Party Component Terms**”). In the event of any inconsistency or conflict between the Third-Party Component Terms and the terms of this Agreement, the Third-Party Component Terms shall govern with respect to Subscriber's access to and use of the applicable Third-Party Component.
- 4.2 **Integrated Applications.** To the extent Subscriber installs, links to or enables any Integrated Application for use with the SaaS Services, Subscriber grants and agrees to grant (and will cause the applicable Integrated Application Provider to grant) to Mark43 permission to access, retrieve, view, store, copy, modify and process Integrated Application Data from Subscriber's existing account(s) on each such Integrated Application to the extent necessary to facilitate the interoperability of such Integrated Application with the SaaS Services. To the extent Subscriber requires an Integrated Application Provider's assistance to install, link to or enable any Integrated Application for use with the SaaS Services, Subscriber shall separately contract with each such Integrated Application Provider for any such assistance. In no event will Mark43 be responsible for any Integrated Application or Integrated Application Data, or for any failure of an Integrated Application to properly interoperate with the Mark43 Solution; provided, however, to the extent that Mark43 creates, pursuant to the Statement of Work, an interface for an Integrated Application hereunder, Mark43 shall be responsible for such interface only, subject to the terms and conditions of this Agreement and the applicable Statement of Work. Mark43 may at any time, in its sole reasonable discretion, including upon the request of an Integrated Application Provider or due to an actual or potential security threat, disable any connection between an Integrated Application and the Applications, and any access, retrieval and viewing of Integrated Application Data via the Applications. For the avoidance of doubt, Subscriber's access to and use of Integrated Applications and Integrated Application Data shall be subject to the terms and conditions of Subscriber's agreement(s) with the applicable Integrated Application Provider.

5. FEES AND PAYMENT TERMS.

- 5.1 **Fees for the Services.** Subscriber will pay Mark43 fees as stated in **Schedule A** (the “**Fees**”) attached hereto in accordance with the payment schedule set forth in **Schedule A**. All Fees due hereunder will be due and payable by Subscriber within thirty (30) days of the invoice date. All payments of Fees are non-refundable. All amounts stated in this Agreement or on any invoice are in U.S. dollars, and all payments will be made in U.S. dollars.
- 5.2 **Overdue Payments.** Any payment not received from Subscriber by the due date shall accrue late charges at the rate of 1.5% of the outstanding balance per month, or the maximum rate permitted by Applicable Law, whichever is lower, from the date such payment was due until the date paid.
- 5.3 **Taxes.** Subscriber will pay all taxes, including sales, use, excise, and other governmental fees, duties, and charges (and any penalties, interest, and other additions thereto) that are imposed on Subscriber or Mark43 with respect to the transactions and payments under this Agreement (excluding taxes based on Mark43's income or employment) (“**Indirect Taxes**”). All Fees are exclusive of Indirect Taxes. If any such taxes are required to be withheld on any payment, Subscriber will pay

such additional amounts as are necessary so that the net amount received by Mark43 is equal to the amount then due and payable under this Agreement.

6. TERM AND TERMINATION.

6.1 Term.

- (a) Initial Term. The initial term of this Agreement begins on the Effective Date and will continue for the period set forth on Schedule A, unless and until terminated in accordance with Section 6.2 (the "Initial Term").
- (b) Renewal Terms. Upon expiration of the Initial Term or any Renewal Term, this Agreement will automatically renew for successive periods as set forth on Schedule A (each, a "Renewal Term") at the rates set forth on Schedule A, unless either party provides the other with written notice of non-renewal at least thirty (30) days prior to the expiration of the then-current term.

6.2 Temporary Suspension and Termination.

- (a) Termination for Breach by Either Party. Either party may terminate this Agreement upon written notice to the other party, if the other party breaches a material term of this Agreement and such breach remains uncured for thirty (30) days after the other party's receipt of such notice.
- (b) Suspension of Services. To the extent permitted by Applicable Law, in addition to any other rights or remedies it may have under this Agreement or by Applicable Law, Mark43 may immediately suspend provision of the Services without liability to Subscriber: (a) if Subscriber's account is more than sixty (60) days past due, until paid in full; (b) if Subscriber breaches Section 2.5 (Restrictions on Use) or Section 2.6 (Security Obligations); (c) to avoid harm or liability to Mark43, its Affiliates or its other customers, including in the case of denial of service attacks or other disruptions; or (d) if required by Applicable Law or requested by a governmental authority. Subscriber shall remain liable for any fees and other amounts payable under this Agreement during any period of suspension. Mark43 will use commercially reasonable efforts to restore Subscriber's rights to use and access those portions of the Services or accounts that gave rise to the suspension promptly after Subscriber has resolved the problem giving rise to the suspension.
- (c) Termination for Non-Appropriation. Subscriber's payment obligation under this Agreement extends only to funds appropriated annually by Subscriber or Subscriber's governing body for the purpose of this Agreement. For each succeeding fiscal period covered by this Agreement, Subscriber or other applicable agency or department responsible for this Agreement agrees to include in its budget request appropriations sufficient to cover the annual financial obligations under this Agreement. If Subscriber is appropriated insufficient funds to continue annual payments under this Agreement, Subscriber may terminate this Agreement by giving Mark43 not less than thirty (30) days' prior written notice. Upon termination under this paragraph, Mark43 shall be entitled to compensation for all Services rendered prior to the effective termination date, plus any prepaid Fees, as well as reimbursement for reasonable costs actually incurred in closing out this Agreement.

6.3 Effect of Termination. In the event of any termination or expiration of this Agreement,

- (a) Subscriber will pay Mark43 all amounts payable hereunder as of the termination or expiration date;
- (b) All rights and licenses granted hereunder to Subscriber (as well as all rights granted to any Authorized Users of Subscriber) will immediately cease, including but not limited to all use of the SaaS Services; and
- (c) Mark43 will provide records to Subscriber in accordance with its transition assistance services ("Transition Assistance") as set forth in Schedule C.
- (d) Subscriber will, upon written request of Mark43, either return to Mark43 or provide Mark43 with written certification of the destruction of, all documents, computer files and other materials containing any Confidential Information of Mark43 that are in Subscriber's possession or control.

6.4 Survival. The following provisions will survive any termination or expiration of this Agreement: Section 3.1 ("Ownership of Subscriber Data"), Section 4 ("Third-Party Components and Applications"), Section 6.3 ("Effect of Termination"), Section 7 ("Confidentiality"), Section 8.2 ("Disclaimer"), Section 9 ("Limitation of Liability"), Section 10 ("Indemnification"), Section 11 ("Miscellaneous"), Schedule C ("Transition Assistance") and this Section 6.4 ("Survival").

7. CONFIDENTIALITY.

- 7.1 **Definition of Confidential Information.** For the purposes of this Agreement, “**Confidential Information**” means: (a) with respect to Mark43, the SaaS Services, and any and all source code relating thereto, as well as Documentation and non-public information or material regarding Mark43’s legal or business affairs, financing, customers, properties or data, and (b) with respect to Subscriber, any non-public information or material regarding Subscriber’s legal or business affairs, financing, customers, properties or data. Notwithstanding any of the foregoing, Confidential Information does not include information which: (i) is or becomes public knowledge without any action by, or involvement of, the party to which the Confidential Information is disclosed (the “**Receiving Party**”); (ii) is documented as being known to the Receiving Party prior to its disclosure by the other party (the “**Disclosing Party**”); (iii) is independently developed by the Receiving Party without reference or access to the Confidential Information of the Disclosing Party and is so documented; or (iv) is obtained by the Receiving Party without restrictions on use or disclosure from a third person who did not receive it, directly or indirectly, from the disclosing party.
- 7.2 **Use and Disclosure of Confidential Information.** The Receiving Party will, with respect to any Confidential Information disclosed by the Disclosing Party before or after the Effective Date: (i) use such Confidential Information only in connection with the Receiving Party’s performance of this Agreement; (ii) subject to Section 7.4 below, restrict disclosure of such Confidential Information within the Receiving Party’s organization to only those of the Receiving Party’s employees and independent contractors who have a need to know such Confidential Information in connection with the Receiving Party’s performance of this Agreement and (iii) except as provided herein, not disclose such Confidential Information to any third party unless authorized in writing by the Disclosing Party to do so.
- 7.3 **Protection of Confidential Information.** The Receiving Party will protect the confidentiality of any Confidential Information disclosed by the Disclosing Party using at least the degree of care that it uses to protect its own confidential information (but no less than a reasonable degree of care).
- 7.4 **Employee and Independent Contractor Compliance.** The Receiving Party will, prior to providing any employee or independent contractor access to any Confidential Information of the Disclosing Party, inform such employee or independent contractor of the confidential nature of such Confidential Information and require such employee or independent contractor to comply with the Receiving Party’s obligations hereunder with respect to such Confidential Information.
- 7.5 **Compelled Disclosure.** A disclosure by one party of Confidential Information of the other party to the extent required by Applicable Law will not be considered a breach of this Agreement, provided the party so compelled promptly provides the other party with prior notice of such compelled disclosure (to the extent legally permitted) and provides reasonable assistance, at the other party’s cost, if the other party wishes to contest the disclosure.
- 7.6 **Public Records.**
- (a) For purposes of this Section 7 (Confidentiality), the term “**Public Records Request**” shall mean any request for the disclosure of records pursuant to the State of California Public Records Act law, federal Freedom of Information Act or other comparable law.
 - (b) To the extent Subscriber is subject to a Public Records Request that seeks the disclosure of any information or materials provided by Mark43 to Subscriber prior to or during the Term of this Agreement. The Subscriber shall, prior to any disclosure, promptly notify Mark43 of such Public Records Request (to the extent legally permitted to do so) and provide reasonable assistance, at Mark43’s cost, if Mark43 wishes to contest the disclosure. Subscriber shall also identify for Mark43 the information or materials it intends to disclose, and provide Mark43 at least ten (10) days to review prior to disclosure, or if such time is not available or permitted under Applicable Law, at least as much time as would be reasonable to allow Mark43 to meaningfully review and seek appropriate relief. For the avoidance of doubt, and without limiting the foregoing, Subscriber hereby acknowledges that Mark43 shall have no implicit or explicit obligation to challenge, oppose or defend against any request described herein.
 - (c) Public Records Requests for Subscriber Data maintained in the Mark43 system (such as Case Reports and Forms) are not subject to the provisions of this Section 7.6. Mark43 may charge Subscriber for all reasonable time spent by Mark43 personnel assisting Subscriber in responding to a Public Records Request seeking the disclosure of any Subscriber Data or other information collected or maintained by Mark43 in connection with the SaaS Services.

7.7 CJIS Standards; Employee Background Checks.

- (a) Subscriber understands and agrees that Mark43 utilizes third-party vendors (each, a "**Hosting Provider**") to host the SaaS Services. As of the Effective Date of this Agreement, Mark43 utilizes Amazon Web Services (AWS) as its Hosting Provider for the SaaS Services.
- (b) Subscriber may request reasonable records from Mark43 from time to time to assess Mark43's adherence to requirements of the applicable CJIS Security Policy promulgated by the FBI. For the avoidance of doubt, Subscriber may need the consent of Hosting Provider to obtain any records or information from Hosting Provider.
- (c) Subscriber, or if Subscriber is located in the State of California, Mark43's CLETS host agency, will have the opportunity to run background checks on Mark43 employees that will have direct access to Subscriber Data in the production environment (such employees, the "**Covered Employees**"), provided that Mark43 may assume that a Covered Employee has been cleared by Subscriber if Mark43 does not receive an adverse response from Subscriber within thirty (30) days of a submission of a background check request.

8. REPRESENTATIONS AND WARRANTIES.

- 8.1 **Power and Authority.** Each party represents and warrants that it has the full right, power and authority to enter into this Agreement and to discharge its obligations hereunder and that the person signing this Agreement on behalf of the party has the authority to bind that party. Subscriber represents and warrants that it has obtained, and shall have, all necessary approvals, consents, and authorizations necessary for procurement under this Agreement and that its obligations under this Agreement do not, and shall not, exceed any budget authority limitations, during the Term of this Agreement.

- 8.2 **Disclaimer.** USE OF THE APPLICATIONS IS NOT, AND IS NOT INTENDED TO BE, A SUBSTITUTE FOR THE PROFESSIONAL JUDGMENT OF AUTHORIZED PARTIES, INCLUDING DISPATCHERS, LAW ENFORCEMENT OFFICERS, INVESTIGATORS OR FIRST RESPONDERS. THE APPLICATIONS ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND THE DATA PROVIDED BY MARK43 THEREIN (INCLUDING ANY THIRD-PARTY DATA) SHOULD NOT REPLACE OTHER EMERGENCY INFORMATION AND SHOULD NOT BE EXCLUSIVELY RELIED-UPON IN AN EMERGENCY SCENARIO. SUBSCRIBER SHALL BE RESPONSIBLE FOR ALL ITS OWN ACTIONS OR FAILURE TO ACT IN CONNECTION WITH THE APPLICATIONS, INCLUDING WITH RESPECT TO COMPLIANCE WITH APPLICABLE LAWS, AND MARK43 ASSUMES NO RESPONSIBILITY OR RISK FOR SUBSCRIBER'S USE OR MISUSE OF, OR FAILURE TO USE, THE INFORMATION PROVIDED THROUGH THE APPLICATIONS. CUSTOMER ACKNOWLEDGES THAT THE APPLICATIONS DO NOT PROVIDE LEGAL ADVICE.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MARK43 MAKES NO WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE APPLICATION. MARK43 DOES NOT WARRANT THAT THE SERVICE WILL BE ERROR FREE OR UNINTERRUPTED OR THAT SUBSCRIBER DATA WILL BE SECURE OR NOT LOST OR DAMAGED. THE LIMITED WARRANTIES PROVIDED HEREIN ARE THE SOLE AND EXCLUSIVE WARRANTIES PROVIDED TO SUBSCRIBER IN CONNECTION WITH THE PROVISION OF THE SERVICES. MARK43 SHALL NOT BE LIABLE FOR DELAYS, INTERRUPTIONS, SERVICE FAILURES OR OTHER PROBLEMS INHERENT IN USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS OR OTHER SYSTEMS OUTSIDE ITS REASONABLE CONTROL, INCLUDING ANY HARM OR DAMAGES CAUSED BY ITS HOSTING PROVIDERS. MARK43 MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH RESPECT TO ANY THIRD-PARTY DATA, THIRD-PARTY COMPONENT, INTEGRATED APPLICATION, OR ON BEHALF OF ANY INTEGRATED APPLICATION PROVIDER.

9. LIMITATION OF LIABILITY.

- 9.1 **Liability Exclusion.** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR FOR ANY OTHER DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE FURNISHING, PERFORMANCE, OR USE, OR FAILURE OF THE SERVICES, THE THIRD-PARTY COMPONENTS OR THE THIRD-PARTY DATA PROVIDED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, PERSONAL INJURY, DEATH, DAMAGE TO PROPERTY, ENVIRONMENTAL DAMAGE, LOSS OF PROFITS, REVENUES, ANTICIPATED SAVINGS,

CUSTOMERS, OPPORTUNITIES, DAMAGE TO PRIVACY, REPUTATION OR GOODWILL OR UNAVAILABILITY OF THE SERVICES, REGARDLESS OF WHETHER THE PARTY LIABLE OR ALLEGEDLY LIABLE WAS ADVISED, HAD OTHER REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF.

- 9.2 **Limitation of Damages.** MARK43'S MAXIMUM LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER, REGARDLESS OF THE CAUSE OF ACTION (WHETHER IN CONTRACT, TORT, BREACH OF WARRANTY OR OTHERWISE), WILL NOT EXCEED THE AGGREGATE AMOUNT OF THE FEES PAID AND PAYABLE TO MARK43 BY SUBSCRIBER DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE DATE ON WHICH THE CLAIM ARISES. MARK43 SHALL HAVE NO LIABILITY ARISING OUT OF OR RELATING TO THE THIRD-PARTY COMPONENTS OR THE THIRD-PARTY DATA.
- 9.3 **Exceptions.** NOTWITHSTANDING THE FOREGOING, THE EXCLUSIONS AND LIMITATIONS OF LIABILITY SET FORTH IN SECTION 9.1 AND SECTION 9.2 SHALL NOT APPLY TO DAMAGES ARISING FROM EITHER PARTY'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT OR EITHER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

10. INDEMNIFICATION.

- 10.1 **Indemnification by Mark43.** Mark43 shall indemnify, defend, and hold harmless Subscriber, and its employees, officers, and directors from and against any and all third-party claim alleging that Subscriber's use of the Services in the form provided by Mark43 and when used in accordance with the Documentation and in compliance with this Agreement infringes that third party's U.S. copyright, U.S. patent issued as of the Effective Date, or U.S. trademark, and shall pay the amount of any adverse final judgment or settlement to which Mark43 consents. Mark43 shall have no obligation or liability under this Section 10.1 (Indemnification by Mark43) to the extent the third party claim arises from: (a) Subscriber's or its Affiliates' failure to incorporate a software or other update or upgrade made available by Mark43 that would have avoided the alleged infringement; (b) modification of the Services, any Application, Software or Hardware by anyone other than Mark43; (c) specifications, instructions, features, functions or designs or other elements provided by or requested by Subscriber or its Affiliates; (d) use of the Services, any Application or Software in combination with any other product, service, process or material not provided by Mark43 (including, without limitation, Third-Party Applications, Third-Party Data and Subscriber Data); or (e) use of the Services, any Application or Software in a manner not contemplated by this Agreement. If the Services are (or Mark43 believes are likely to become) the subject of a claim for which Mark43 would be obligated to defend and indemnify pursuant to this Section, then Mark43 may, at its sole option, obtain for Subscriber the right to continue use of the Services or replace or modify the Services, as applicable, provided there is no material loss of functionality. If neither of the foregoing options is reasonably available to Mark43, in its judgment, then use of the Services may be terminated at the option of Mark43 and Mark43's sole liability will be to refund any prepaid fees for the Services applicable to periods following the effective date of termination. The remedies provided in this Section 10.1 (Indemnification by Mark43), are Subscriber's sole and exclusive remedies for any third-party claims of infringement or misappropriation of Intellectual Property Rights by the Services.
- 10.2 **Indemnification by Subscriber.** To the extent consistent with Applicable Law, Subscriber shall indemnify, defend, and hold harmless Mark43, its Affiliates, and their respective employees, officers, and directors from and against any and all third-party claim arising out of or related to (a) Subscriber's breach of Section 2.5 (Restrictions on Use), Section 2.6 (Security Obligations) or Section 3.2 (Ownership and Reservation of Rights to Mark43 Intellectual Property); (b) Third-Party Applications or Subscriber Data, including any third-party claim alleging that Subscriber Data infringes or misappropriates the rights of a third party or violates any Applicable Law, and shall pay the amount of any adverse final judgment or settlement to which Subscriber consents; and (c) Mark43's disabling a connection to a Third-Party Application at Subscriber's request.
- 10.3 **Procedures.** Each party shall give the other party prompt notice of any claim to which an indemnification obligation under this Section 10 (Indemnification) may apply and shall reasonably cooperate with the indemnifying party, at its expense, in the defense or settlement of any claim. An indemnifying party's payment obligations under this Section 10 (Indemnification) will be diminished to the extent that it is materially prejudiced by the indemnified party's non-compliance with the foregoing procedures.

11. MISCELLANEOUS.

- 11.1 Notices.** Unless otherwise specified herein, all notices and other communications between the parties required or permitted by this Agreement or by Applicable Law, will be deemed properly given, if given by (i) personal service, (ii) registered or certified mail, postage prepaid, return receipt requested, or (iii) nationally recognized private courier service, to the respective addresses of the parties set forth below or such other addresses as the respective parties may designate by like notice from time to time. Notices so given will be effective upon (a) receipt by the party to which notice is given; or (b) on the fifth (5th) business day following mailing, whichever occurs first:

If to Mark43:

Mark43, Inc.
250 Hudson Street
3rd Floor
New York, NY 10013
Attn: David Jochim
Email: dave@mark43.com

If to Subscriber:

Pacific Grove Police Department
580 Pine Avenue
Pacific Grove, CA 93950
ATTN: Jocelyn Francis
Email: jfrancis@cityofpg.org

Copy to:

Mark43, Inc.
250 Hudson Street
3rd Floor
New York, NY 10013
Attn: General Counsel
Email: contractnotices@mark43.com

Copy to:

City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950
ATTN: City Clerk
Email: cityclerk@cityofpg.org

- 11.2 Assignment.** Neither party may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior, written consent of the other party; provided, however, that a party may, without the consent of the other party, assign or otherwise transfer this Agreement to any of its Affiliates or to an entity with or into which it is merged or consolidated or to which it sells its stock or other equity interests or all or substantially all of its assets. Any assignment or other transfer in violation of this section will be null and void. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the parties hereto and their permitted successors and assigns.
- 11.3 Governing Law.** This Agreement will be governed by the laws of the State of California, and any disputes between the parties may be resolved in a state or federal court of competent jurisdiction within the State of California. EACH PARTY HEREBY WAIVES ANY RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY ACTION OR LITIGATION IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT.
- 11.4 Dispute Resolution.** Prior to the initiation of any legal proceeding other than one for equitable relief as described in subsection (d) below, the parties shall first attempt to resolve their dispute informally, as follows:
- (a) Within five (5) business days following the written request of a party, designated individual(s) from Mark43 and Subscriber shall meet to resolve such dispute.
 - (b) The representatives referred to in paragraph (a) shall meet as often as the parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter at issue that the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of formal legal proceedings. The specified format for the discussions will be left to the discretion of the designated representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (c) If the representatives referred to in paragraph (a) above are unable to resolve the dispute within thirty (30) business days after the dispute is escalated to them, then either party may escalate the dispute to the Chief Operating Officer of Mark43 and the Chief of Police or City Manager, or comparable Subscriber official, for their review and resolution.
 - (d) The provisions of this Section 11.4 shall not be construed to prevent a party from instituting, and a party is authorized to institute, judicial or other proceedings either to (i) seek injunctive relief or (ii) avoid the expiration of any applicable legal or contractual limitations period.

- 11.5 Force Majeure.** Except with respect to failure to pay any amount due under this Agreement, nonperformance of either party will be excused to the extent that performance is rendered impossible by strike, fire, flood, governmental acts that are not caused by or within the control of the nonperforming party, orders or restrictions, failure of suppliers, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-performing party.
- 11.6 No Waiver.** The failure of either party to enforce at any time for any period any provision hereof will not be construed to be a waiver of such provision or of the right of such party thereafter to enforce each such provision, nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver of any rights is to be charged against any party unless such waiver is in writing signed by an authorized representative of the party so charged.
- 11.7 Amendment.** No modification, change or amendment to this Agreement shall be effective unless in writing signed by Subscriber and Mark43. No term included in any invoice, estimate, confirmation, acceptance, purchase order or any other similar document in connection with this Agreement will be effective unless expressly stated otherwise in a separate writing signed by Subscriber and Mark43.
- 11.8 Relationship of the Parties.** The relationship of the parties established by this Agreement is that of independent contractors and nothing contained herein will be construed to (a) give any party any right or authority to create or assume any obligation of any kind on behalf of any other party or (b) constitute the parties as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking.
- 11.9 Subcontractors.** Mark43 may draw on the resources of (and subcontract to) its Affiliates and third-party contractors and subcontractors, within or outside of the United States (each, a "**Mark43 Vendor**") for internal, administrative and compliance purposes or in connection with the hosting or provision of the Service and other products and services to be provided by Mark43 pursuant to this Agreement. Subscriber agrees that Mark43 may provide information, data and materials that Mark43 receives in connection with this Agreement (including Subscriber Data) to the Mark43 Vendors for such purposes. Mark43 shall be permitted to subcontract its obligations under this Agreement to the Mark43 Vendors identified on Schedule E as "Subcontractors" or such other subcontractors as approved in advance by Subscriber (each, a "**Subcontractor**"). Mark43 shall be responsible in accordance with the terms of this Agreement for performance failures by such Subcontractors that cause Mark43 to breach its obligations under this Agreement.
- 11.10 Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, to the extent the economic benefits conferred thereby to the parties remain substantially unimpaired, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions or affecting the validity or enforceability of any of such terms or provisions in any other jurisdiction.
- 11.11 Headings.** The titles and headings contained in this Agreement are for reference purposes only and shall not in any manner limit the construction or interpretation of this Agreement.
- 11.12 Counterparts.** This Agreement may be executed, including by electronic signature, in two or more counterparts, each of which shall be an original and all such counterparts together shall constitute one and the same instrument. Electronically executed or electronically transmitted (including via facsimile transmission) signatures have the full force and effect of original signatures.
- 11.13 Cumulative Remedies.** All remedies for breach of this Agreement are cumulative, and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.
- 11.14 Export Compliance.** In connection with this Agreement, each party will comply with all applicable import, re-import, export, and re-export control laws and regulations, including the Export Administration Regulations, the International Traffic in Arms Regulations, and country-specific economic sanctions programs implemented by the Office of Foreign Assets Control.
- 11.15 Compliance with Laws.** Each party shall comply with all Applicable Laws relating or pertaining to the use of the Services. Subscriber shall ensure that its use of all Subscriber Data complies with all Applicable Laws relating to the privacy of third parties or the protection of their personal data promulgated by any governmental, municipal, or legal authority having jurisdiction over Subscriber or the Subscriber Data covered by this Agreement. Each party shall comply with local anti-bribery laws as well as the U.S. Foreign Corrupt Practices Act, as well as any other Applicable Laws and regulations. In connection with its performance under this Agreement, neither party shall directly or

indirectly: (A) offer, pay, promise to pay, or authorize the payment of any money, gift or other thing of value to any person who is an official, agent, employee, or representative of any government or instrumentality thereof or to any candidate for political or political party office, or to any other person while knowing or having reason to believe that all or any portion of such money, gift or thing of value will be offered, given, or promised, directly or indirectly, to any such official, agent, employee, or representative of any government or political party, political party official or candidate; (B) offer, promise or give any person working for, or engaged by, the other party a financial or other advantage to (i) induce that person to perform improperly a relevant function or activity; or (ii) reward that person for improper performance of a relevant function or activity; or (C) request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement. Each party represents and warrants that it shall be responsible for compliance with this provision by all third parties engaged by it to perform services related to this Agreement and shall require that such third parties agree to comply with all legal requirements required of such party under this Agreement.

11.16 Piggybacking: The parties agree that this Agreement may be referenced to support purchases made within eighteen (18) months of the Effective Date by other local government entities within Monterey County as permitted under Applicable Law. Such purchases will be made pursuant to a direct contract by the local government entity and Mark43 upon the same terms and conditions and pricing set forth herein.

11.17 Entire Agreement. This Agreement supersedes all previous understandings, agreements and representations between the parties, written or oral and constitutes the entire agreement and understanding between the parties with respect to the subject matter thereof and incorporates all representations, warranties, covenants, commitments and understandings on which they have relied in entering into this Agreement, and, except as provided for herein, neither party makes any covenant or other commitment concerning its future action nor does either party make any promises, representations, conditions, provisions or terms related thereto.

11.18 Supporting Documents.

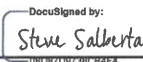
The following documents are, by this reference, expressly incorporated into this Agreement and are collectively referred to herein as the "Supporting Documents:"

- Schedule A: Services Schedule
- Schedule B: Support Services
- Schedule C: Transition Assistance
- Schedule D: Technical Requirements
- Schedule E: Third-Party Component Terms / Subcontractors
- Schedule F: Data Processing Addendum

This Agreement and the Supporting Documents shall be construed to be mutually complementary and supplementary whenever possible. In the event of a conflict that cannot be resolved, the provisions of this Agreement itself shall control over any conflicting provisions in any of the Supporting Documents.

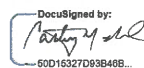
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

MARK43, INC.

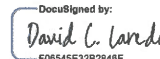
By: 
Name: **Steve Salberta**
Title: **Chief Financial Officer**
Date: **6/25/2021**

SUBSCRIBER

By: 
Name: **Bill Peake**
Title: Mayor
Date: **6/28/2021**

By: 
Name: **Cathy Madalone**
Title: Chief of Police
Date: **6/25/2021**

Approved as to Form

By: 
Name: **David C. Laredo**
Title: City Attorney
Date: **6/28/2021**

Approved as to Fiscal and Liability Provisions

By: 
Name: **Tori Hannah**
Title: Administrative Services Director
Date: **6/27/2021**

SCHEDULE A

Services Schedule

1. **Services.** The Services covered by this Agreement consists of the following:

a. **Professional Services:** Professional Services are detailed in the Statement of Work.

b. **SaaS Services:**

i. The Applications to be provided are as follows:

A. ANALYTICS (ANA) SKUs:

ANA 1: ANALYTICS BI SUITE VIEWER

Mark43's Analytics BI Suite Viewer includes the following capabilities:

- Interactive dashboards that update visualizations based on filters and legends.
- Drill into data points on visualizations for additional details and analysis.
- Mark43 RMS clients will be able to link from the interactive dashboards directly to Mark43 RMS reports and cases.
- Segment (Pivot) and Filter by any available data explorer field to narrow down queries.
- Visualize lat/long coordinates with pin and heat mapping functionality.
- Visualize data with tables, column graphs, bar graphs, scatter plots, line graph, area graph, pie chart, single value, funnel, timeline and donut graphics.
- Save dashboards for future access.
- Share dashboards with other Analytics Viewer and Explorer users at the department.
- Export data into a variety of formats (Text, Excel, CSV, JSON, HTML, Markdown and PNG).
- Data from RMS/CAD modules is available in near-real-time
- Analytics Viewer licenses provide licensees the ability to view and export business intelligence (BI) dashboards that are either (a) provided in Mark43's default BI suite or (b) created and shared by an Analytics Explorer of Subscriber. The number of user licenses for Analytics Viewers will be specified below.

ANA 1 SPECIFICATIONS/FEATURES:

- View/export business intelligence dashboards provided by Mark43
- View/export business intelligence dashboards created and shared by a Subscriber Analytics Explorer user.

ANA 2: ANALYTICS BI SUITE EXPLORER

Mark43's Analytics BI Suite (Explorer) includes the following capabilities:

- Interactive dashboards that update visualizations based on filters and legends.
- Drill into data points on visualizations for additional details and analysis.
- Mark43 RMS clients will be able to link from the interactive dashboards directly to Mark43 RMS reports and cases.
- Segment (Pivot) and Filter by any available data explorer field to narrow down queries.
- Visualize lat/long coordinates with pin and heat mapping functionality.
- Visualize data with tables, column graphs, bar graphs, scatter plots, line graph, area graph, pie chart, single value, funnel, timeline and donut graphics.
- Save dashboards for future access.
- Share dashboards with other Analytics Viewer and Explorer users at the department.
- Export data into a variety of formats (Text, Excel, CSV, JSON, HTML, Markdown and PNG).
- Data from RMS/CAD modules is available in near-real-time
- Analytics Explorer licenses provide licensees the ability to perform all the actions of a Analytics View user plus the ability to create, modify and delete business intelligence dashboards. Analytics Explorer users can share their business intelligence dashboards with all of the Analytics Viewer and Analytics Explorer users of Subscriber. Analytics Explorer users can explore the data from any Data Explorer based Dashboard. The number of user licenses for Analytics Explorer Users will be specified below.

ANA 2 SPECIFICATIONS/FEATURES:

- Analytics Explorer users can perform all the actions of an Analytics View user plus the ability to create, modify and delete business intelligence dashboards.
- Analytics Explorer users can share their business intelligence dashboards with all of the Analytics Viewer and Analytics Explorer users of Subscriber.
- Analytics Explorer users can explore the data from any Data Explorer based Dashboard.

Subscriber understands and agrees that third-party service providers may impose additional license, warranty and other terms on Subscriber. Subscriber agrees to enter into additional agreements as reasonably required by such third parties and Mark43, including, without limitation, a different warranty/SLA addressing uptime and maintenance.

B. COMPUTER AIDED DISPATCH (CAD) SKUs

N/A

C. DATA EXCHANGE (DEX) SKUs

N/A

D. DATA LAKE (DLK) SKUs

N/A

E. RECORDS MANAGEMENT SYSTEM (RMS) SKUs

RMS 1: RMS CORE

Mark43 Core Platform supports advanced functionality around report writing; data sharing; locations, persons, and entity management; and field-based reporting. RMS Core includes Mark43 Records Compliance functionality, which enables records personnel to efficiently generate compliance-related information required by governing LE authorities. The Records Compliance module seamlessly generates the Federal NIBRS, California CIBRS and SRS validations for officers, enabling workflows that ensure low error rates for submission, keep track of submissions, and generate the submission file from the data within the RMS.

RMS 1 PRODUCT SPECIFICATIONS/FEATURES:

- Arrest Reporting
- Case Management
- Case Supplemental Reporting
- Configurable Fields, Codes, and Validation Rules
- Field-Based Reporting
- Field Interviews / Racial profiling reporting
- File Attachments and Multimedia
- Gang Tracking
- Incident Reporting
- Location Verification / Resolution
- Master Entities / Name Index (Locations, Persons, Property, Organizations, and Vehicles)
- Missing Persons Reporting
- Multi-Agency Data Sharing
- Notifications and Agency-wide BOLO/Alerts
- PDF and CSV Exports
- Quick Search / Advanced Search
- Records Privacy (Sealing, Purging, and Expunging)
- Shapefile Management
- System Auditing
- Use of Force Reporting
- Tow / Impound Vehicle Reporting
- User Management

- Compliance code mapping for automated data capture
- View and create queue of reports needing records review
- Data validation during report submission to ensure compliant reporting
- Configurable fields and validation rules
- Ability for administrators to override automated SRS or NIBRS/CIBRS coding
- Automatically generate monthly SRS and NIBRS/CIBRS submissions
- Task & Request Tracking
- Records without a REN
- Behavior Crisis Report
- Flexible Report Configurations for custom report types (e.g. Permits, Registrations, False Alarm Reports, etc.)
- Media and Arrest Logs pursuant to the California Public Records Act
- NIBRS/CIBRS workspace features:
 - View history of previous NIBRS/CIBRS submissions and re-download previous submissions
 - Submission summary statistics to understand number of reports, number of reports with errors, and current error rates
 - Interactive dashboard allowing users to directly access reports that contain submission errors and require updates
 - Customized error message for improved usability and step-by-step instructions for resolving errors

RMS 2: RMS CASE MANAGEMENT MODULE

The Mark43 Case Management module enables detectives to seamlessly use the RMS to manage their cases. Incidents that require further investigation or follow-up may be referred to an investigator before they are closed or submitted to the prosecutor for a charging decision. Depending on the department's size and policies, the assignment may be made to a patrol officer, generally the officer who responded to the original incident, or the department's investigative unit. Functionality of this module requires RMS 1: RMS Core.

RMS 2 PRODUCT SPECIFICATIONS/FEATURES:

- View and create case assignment and routing queues
- Assign lead investigator, supervisors, and assigned unit
- Configurable case due dates and reminders
- Create and assign tasks and set due dates
- Create case notes for internal activity tracking
- View and download case associated files and multimedia
- Export case information to PDF
- Search and sort cases by a number of criteria, including date, assignee, investigative unit, status, and more
- Configurable case type templates
- Configurable role-based Case Management permissions and abilities
- Robust audit logs and activity tracking
- View case history from initial assignment through final disposition
- Separate statuses for compliance reporting (UCR/NIBRS/CIBRS) and internal case status tracking
- Seamless integration between Case Management and RMS reporting and master entity profiles modules
- Availability of Case Management data in Analytics BI Suite for robust reporting capabilities
- Case review and approval workflows
- Automated triggered notifications and alerts
- Link related cases to one another

RMS 3: RMS PROPERTY AND EVIDENCE MANAGEMENT MODULE

Mark43 Property and Evidence Management Module and accompanying mobile application that supports the intake, management, auditing, and dispositioning of in-custody property and evidence. Includes: barcode and label generation; tracking chain-of-custody; configuration of storage locations; configuration of chain-of-custody workflows; configuration of retention policies; ability to integrate with signature pads. Functionality of this module requires RMS 1: RMS Core.

RMS 3 PRODUCT SPECIFICATIONS/FEATURES:

- Seamless integration and data transfer between Property and Evidence Management Module with RMS reporting and master entity profiles
- Robust property and vehicle data collection including NIBRS/CIBRS and UCR mapped fields
- Cross-reference existing property and vehicles during data collection
- Item thermal label printing and barcode scanning for property and storage locations
- Chain-of-custody tracking and workflows
- Bulk evidence movement and processing
- Mobile evidence application for barcoding scanning, chain-of-custody updates, inventory/auditing, and more (Android and iOS supported)
- Signature pad hardware integration, as well as electronic signature capture through mobile evidence application
- Audit and inventory tools and reporting across storage locations and responsible personnel
- Configurable retention policies based on linked offense codes and reason for police custody of property
- Automated disposition requests upon retention policy expiration and release timers
- Automated triggered notifications and alerts
- Configurable notification routing for disposition requests and approvals
- Split items while maintaining integrity of chain-of-custody
- Property staff remarks
- Search and sort evidence across a variety of criteria
- Configurable storage location schema with up to ten layers of sub-locations
- Configurable role-based evidence permissions and abilities
- Support for unlimited property file and multimedia attachments
- Configurable evidence label export format
- CSV and PDF template exports available including receipts and pull-sheets

RMS 5: RMS HANDHELD MOBILE COLLECTION

RMS module that enables warrant administrators to actively log and track warrants within the Mark43 RMS. Functionality of this module requires RMS 1: RMS Core.

RMS 5 PRODUCT SPECIFICATIONS/FEATURES:

- Touch ID and Face ID login
- Capture and view photos
- Create notes using speech-to-text
- Scan driver's licenses (select State support)
- Set current location on map using phone GPS
- Search and view integrated master entity profiles (Persons, Property, Organizations, and Vehicles)
- Search and view RMS reports
- Archive capability
- Seamless sync of data between mobile and web RMS applications
- Create and pre-fill RMS report using mobile collection data

RMS 7: RMS FILLABLE PDFS

The Mark43 Fillable PDFs feature enables an agency to create a custom, fillable PDF template that populates information mapped from supported fields in a standard Mark43 RMS report type. Requires department license to Adobe Pro.

RMS 7 PRODUCT SPECIFICATIONS/FEATURES:

- Export custom, fillable PDF template based on non-Mark43 templates
- Populate the fillable PDF template with the information entered in the linked Mark43 report type
- Configure which supported fields populate the fillable PDF using Adobe Pro
- Support export templates that are not natively supported in the Mark43 RMS

RMS 8: QUICKCRASH REPORTING

Mark43's QuickCrash Reporting module allows for seamless and mobile data collection, documentation and reporting on vehicle collisions.

RMS 8 PRODUCT SPECIFICATIONS/FEATURES:

- MMUCC (Model Minimum Uniform Crash Criteria) Compliant Data Capture
- License Scanning
- Drag and Drop Diagram Builder
- Crash Data Sharing and Syncing between Devices
- License Plate Lookup
- Satellite Map with GPS Coordinates
- Narrative/Templates
- Narrative Dictation
- Media/Photos Section
- In-App Messaging
- PDF Rendering (email, send print)
- In-App Feedback
- Integrated with Mark43 RMS
- Ability to generate Statewide Integrated Traffic Reporting System (SWITRS) export file

2. **Initial Term.** The Initial Term is the five (5) year period commencing on the Effective Date.

3. **Renewal Terms.** Any Renewal Terms shall be for a period of one (1) year.

4. **Fees:** For the Initial Term, the following Fees will apply:

Recurring Fees:

<i>Mark43 SaaS Services Recurring Fees</i>	Qty (if applicable)	List Price	Price to Subscriber
ANA 1: Analytics BI Suite Viewer	Not to exceed 10 licenses	\$1,200.00	\$1,200.00
ANA 2: Analytics BI Suite Explorer	Not to exceed 3 licenses	\$1,440.00	\$1,440.00
RMS 1: RMS Core Type text here	Not to exceed 22 sworn	\$26,400.00	\$18,480.00
RMS 2: RMS Case Management	Not to exceed 22 sworn	\$10,560.00	\$2,640.00
RMS 3: RMS Property and Evidence Management	Not to exceed 22 sworn	\$10,560.00	\$2,640.00
RMS 5: Mobile Field Collection	Not to exceed 22 sworn	\$10,560.00	\$0.00
RMS 7: RMS Fillable PDFs	Included	\$7,000.00	\$4,900.00
RMS 8: QuickCrash Reporting	Not to exceed 22 sworn	\$2,640.00	\$0.00
Subtotal - Mark43 SaaS Services		\$70,360.00	\$31,300.00
<i>Mark43 Professional Services Recurring Fees</i>	Qty (if applicable)	List Price	Price to Subscriber
Support & Maintenance - Interfaces	3	\$6,000.00	\$0.00
Subtotal - Mark43 Professional Services		\$6,000.00	\$0.00

<i>Partner Products and Services Recurring Fees</i>			
	Qty (if applicable)	List Price	Price to Subscriber
No Partner Products or Services Included	-	-	-
Subtotal - Partner Products and Services		-	-
Total Recurring Fees		\$76,360.00	\$31,300.00*

*For the avoidance of doubt, this is the recurring fee that will serve as the baseline for the recurring fees to be charged during any Renewal Term. Additional increases may be applied at any time during the Initial Term if required quantities increase.

One-Time Fees:

<i>Mark43 Professional Services – One-Time Fees</i>		Qty (if applicable)	List Price	Price to Subscriber
Implementation Tenant: provisioning environments for configuration, testing, and training during the implementation period		N/A	\$70,360.00	\$31,300.00
DCM 2: RMS PDF Reports		1 source	\$15,000.00	\$10,250.00
DCM 4: Evidence Full Enterprise		1 source	\$25,000.00	\$17,750.00
IMP 2: Implementation Services		N/A	\$90,000.00	\$63,000.00
Interface Development: CopLink		N/A	\$0.00	\$0.00
Interface Development: Justice Partners (California Courts System)		N/A	\$15,000.00	\$10,500.00
Interface Development: Karpel (Monterey County District Attorney)		N/A	\$15,000.00	\$10,500.00
Interface Development: TriTech CAD – through County of Monterey		N/A	\$15,000.00	\$10,500.00
Interface Development: Crossroads Citations		N/A	\$0.00	\$0.00
Interface Development: Axon Evidence.com		N/A	\$0.00	\$0.00
Subtotal - Professional Services			\$175,000.00	\$122,500.00
<i>Partner Products and Services – One-Time Fees</i>		Qty (if applicable)	List Price	Price to Subscriber
No Partner Products and Services Included		-	-	-
Subtotal - Partner Products and Services			-	-
Total One-Time Fees			\$245,360.00	\$153,800.00

Mark43 will notify Subscriber of any changes to the fees for any Renewal Term at least forty-five (45) days prior to the start of the Renewal Term.

5. Payment Schedule.

- a. Initial Term: Subscriber will pay the Fees detailed in Section 4 above according to the following schedule during the Initial Term.

Year	Details of Payments and Due Dates	Amount Due
1	Year 1 Payment, due according to the following schedule:	\$173,800.00
	- Effective Date	\$66,140.00
	- Project Kickoff	\$30,760.00
	- Workflow Validation	\$30,760.00
	- Training Complete	\$15,380.00
	- Cutover/Go Live	\$15,380.00
	- Submission of first DOJ-accepted CIBRS/NIBRS report after Cutover/Go Live	\$15,380.00
2	Year 2 Payment, due on the first anniversary of the Effective Date.	\$26,300.00
3	Year 3 Payment, due on the second anniversary of the Effective Date.	\$26,300.00
4	Year 4 Payment, due on the third anniversary of the Effective Date.	\$26,300.00
5	Year 5 Payment, due on the fourth anniversary of the Effective Date.	\$26,300.00
	5 YEAR TOTAL	\$279,000.00

- b. Renewal Term: Fees for any Renewal Term will be paid in full in advance on the first day of the Renewal Term.

SCHEDULE B

Support Services

1. Support Services.

a. Error Reporting

When reporting a failure of the Services to perform substantially in conformance with the Agreement (an “Error”), Subscriber shall use the phone number, email address, or Mark43 Support Portal URL identified in the Agreement (or otherwise provided to Subscriber by Mark43 from time to time, including by email) during the hours of support set forth herein.

Subscriber personnel submitting support requests must be reasonably trained in the use and functionality of the Services and familiar with the Agreement and, before submitting a support request to Mark43 hereunder, must use reasonable efforts to ensure a perceived Error is not due to a problem with Subscriber’s (or its other third party providers’) equipment, systems, software or connectivity or due to improper, non-conforming or unauthorized use of the Services by or on behalf of Subscriber.

Subscriber will include with each support request, further detailed in Section D below: (i) Subscriber’s initial assessment of the Response Priority (including identification of the Error and the approximate percentage of Authorized Users impacted); (ii) sufficient information to enable Mark43 to identify and replicate the Error; and (iii) contact information for Subscriber personnel familiar with the Error who will be available to Mark43 to assist with resolution of the Error on an ongoing basis until the Error is resolved.

b. Response Priority Determination

Mark43 will validate Subscriber’s Response Priority designation, or notify Subscriber of its Response Priority designation if it is different than Subscriber’s. If requested, Mark43 will provide Subscriber with the basis of its determination. In the event of a conflict regarding the appropriate Response Priority designation, each party shall promptly escalate such conflict for resolution by the parties’ management, during which time the parties shall continue to handle the support issue in accordance with the Mark43 Response Priority designation. In the rare case that a conflict requires a management discussion, both parties shall be available within one hour of the escalation.

c. First Response, Resolution, and Updates

Upon notification by Subscriber of an Error in accordance with this Schedule and subject to Mark43’s identification and replication of the Error, Mark43 will respond to each case in accordance with the First Response Times and Communication Commitments described in the charts below. First Response Time is the period from the time the Error was logged with the Mark43 Support Team until Mark43 responds to Subscriber (and escalates within Mark43, if appropriate). A first response is defined as a non-automatic means where an agent will reach out to gather additional details and may not include a solution or workaround. Because of the widely varying nature of issues, it is not possible to provide specific resolution commitments. Actual resolution time will depend on the nature of the case and the resolution itself. Resolution methods are defined below. A resolution may consist of a fix, workaround, delivery of information, or other commercially reasonable solutions to the issue.

d. Subscriber’s Obligations

Mark43’s provision of the support services described in this Schedule is subject to Subscriber cooperating fully and on a timely basis with reasonable requests of Mark43 for accurate information and access to Subscriber personnel with sufficient availability and knowledge to enable Mark43 to provide the support services, including accurate information and assistance reasonably required to detect, replicate, and correct Errors. In the event Mark43’s response, resolution, or update times are negatively impacted by delayed responses by Subscriber personnel or Subscriber’s failure to otherwise comply with its obligations under this Schedule, timeframes will be extended.

First Response Commitment

Red	Orange	Yellow
------------	---------------	---------------

1 hour 24/7	2 hours 8am - 8pm EST, 7 days	8 hours 8am - 8pm EST M-F
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Communication Commitment

	Red	Orange	Yellow
Status page updates	A status update will be posted as soon as Mark43 is notified and updated every 30 minutes thereafter until resolved.	n/a	n/a
Email/phone updates	After initial Mark43 response, within 1 hour of any additional client questions about the same issue until resolved.	After initial Mark43 response, within 1 business day of any additional client questions until issue is resolved. Client will receive notification via email once the issue fix has been scheduled and again when the issue has been fixed.	After initial Mark43 response, within 2 business days of any additional client questions until issue is resolved. Client will receive notification via email once the issue has been fixed.

Priority Definitions

- *Red* - An Error due to Mark43's systems that results in the inoperability or substantial impairment of a core function for the majority of Subscriber's Authorized Users, provided there is no feasible workaround. Examples include: Authorized Users cannot access the Application; CAD units cannot be dispatched; reports cannot be created.
- *Orange* - An Error due to Mark43's systems that results in the inoperability or substantial impairment of a critical workflow for the majority of Subscriber's Authorized Users, provided there is no feasible workaround. Examples include: significant lagging/slowness; inability to process persons in custody; inability to export reports or cases for same or next day court deadlines; inability to submit reports.
- *Yellow* - An Error due to Mark43's systems for which a reasonable workaround is available.
- *None* - There are a number of low-impact issues, how-to questions, and feature requests that do not fall into one of the categories above and are not subject to the outlined First Response or Communication Commitments.

Issue Escalation & Resolution Methods: Customer-reported issues are escalated within Mark43 by a well-defined internal process. Mark43 works to resolve issues based on the issue severity/impact, by employing one or more of the following methods:

- Providing client with a reasonable workaround
- Adjusting system/hosting configurations or setup
- Direct database modifications
- Releasing a fix out-of-cycle (patching)
- Releasing a fix as part of the regular release cycle
- Other commercially reasonable solution

Subscriber will be notified of status changes either through Mark43's status page and/or via email updates in a support ticket.

2. **Service Level Agreement.** Mark43 shall provide the Applications in accordance with the following service levels ("SLA").

a. **Monthly Uptime Commitment.**

Following Cutover to the applicable In-Scope Mark43 Application, Mark43 will use commercially reasonable efforts to make the In-Scope Mark43 Application available with the Monthly Uptime Percentage corresponding to that Application (the “**Uptime Commitment**”), as follows:

- *RMS Application:* Mark43 will use commercially reasonable efforts to achieve a Monthly Uptime Percentage for the Mark43 RMS Application of no less than 99.90% in any calendar month.
- *CAD Application:* Mark43 will use commercially reasonable efforts to achieve a Monthly Uptime Percentage for the Mark43 CAD Application of no less than 99.95% in any calendar month.

For each In-Scope Mark43 Application, the “Monthly Uptime Percentage” is calculated as set forth below by subtracting from 100 percent the percentage of minutes during the month in which the In-Scope Mark43 Application experienced Downtime.

$$\text{Monthly Uptime Percentage} = (100) - ((\text{minutes of Downtime} * 100) / (\text{total minutes in month}))$$

b. **Service Credit Calculation.**

Subject to the SLA Exclusions, if Mark43 does not achieve the Uptime Commitment in any given month due to Downtime, Subscriber may be eligible for credits as described herein (the “**Service Credits**”), as follows:

- *RMS Application:* If Mark43 does not achieve the Uptime Commitment for the RMS Application, Subscriber will (to the extent legally permitted) be eligible pursuant to the terms of this SLA to receive a credit equal to 10 times the amount paid for the RMS Application in respect of the period in which the actual RMS Downtime for the month exceeded the RMS Downtime allowable within the Uptime Commitment, up to a maximum credit of 25% of one month’s subscription fee paid in consideration for the RMS Application, as illustrated here:

$$\text{RMS Service Credit} = (10) * ((1/12) * \text{annual subscription fee}) * ((\% \text{ of Downtime}) - (0.10\%))$$

- *CAD Application:* If Mark43 does not achieve the Uptime Commitment for the CAD Application, Subscriber will (to the extent legally permitted) be eligible pursuant to the terms of this SLA to receive a credit equal to 10 times the amount paid for the CAD Application in respect of the period in which the actual CAD Downtime for the month exceeded the CAD Downtime allowable within the Uptime Commitment, up to a maximum credit of 25% of one month’s subscription fee paid in consideration for the CAD Application, as illustrated here:

$$\text{CAD Service Credit} = (10) * ((1/12) * \text{annual subscription fee}) * ((\% \text{ of Downtime}) - (0.05\%))$$

c. **Requesting Service Credits.**

In order to receive a Service Credit, Subscriber must notify Mark43 in writing at 250 Hudson Street, 3rd Floor, New York, NY 10013, Attn: Accounting, with a copy to accounting@mark43.com, or such other address provided by Mark43 from time to time, within fifteen (15) days following the end of the month in which the Downtime occurred. Claims must include the words “SLA Credit Request” in the subject line; the dates and times of each Downtime incident that Subscriber is claiming occurred; and any documentation to corroborate Subscriber’s claim of Downtime, ensuring removal or redaction of any confidential or sensitive information in these logs. All claims are subject to review and verification by Mark43 prior to any Service Credits being granted. Mark43 will acknowledge requests for Service Credits within fifteen (15) business days of receipt and will inform Subscriber whether such claim request is approved or denied.

If Mark43 confirms that the Uptime Commitment has not been met in the applicable calendar month, Subscriber will be issued a Service Credit within one billing cycle following the month in which Subscriber’s request is confirmed by Mark43. Subscriber’s failure to provide the request and other information as required above will disqualify Subscriber from receiving a Service Credit. Service Credits will not entitle Subscriber to any refund or other payment from Mark43 and are non-transferable. The parties acknowledge and agree that Service Credits are intended as genuine pre-estimates of loss that may be suffered as a result of any failure to achieve Uptime Commitments and will not be deemed to be penalties. To the extent legally permitted, the issuance of a Service Credit by Mark43 hereunder is Subscriber’s sole and exclusive remedy for any failure by Mark43 to satisfy the Uptime Commitment.

d. **Additional Definitions.**

“**Downtime**” with respect to any single In-Scope Application means time in which the Application is not accessible or available to Subscriber for reasons other than those resulting directly or indirectly from an SLA Exclusion. For the avoidance of doubt, slow performance does not constitute lack of accessibility or

availability and shall not count as Downtime, unless there is a total loss of ability for the substantial majority of Authorized Users to perform any one of the In-Scope Application Features so as to constitute a total loss of service of that Application, in each case in Mark43's reasonable discretion. The concurrent loss of service of two or more In-Scope Application Features within the same Application will count as a single Downtime event. At the end of each month, Mark43 adds "Downtime" periods together to calculate the overall monthly "Downtime."

"In-Scope Mark43 Application" means the web-accessible Applications identified in subsection (a) above, provided that Subscriber has purchased a subscription for the Applications and signed a valid Agreement with Mark43. Under no circumstance shall any reference to an Application that Subscriber has not purchased a subscription and signed an Agreement for be construed to entitle Subscriber to use such Application. For the avoidance of doubt, In-Scope Mark43 Applications do not include mobile versions or Applications that are in beta testing.

"In-Scope Application Features" means, in each case:

- For RMS Application: (i) the ability to login to the Mark43 RMS; (ii) the ability to view and edit reports and names, property, and vehicles; (iii) the ability to view and edit cases; and (iv) the ability to search for entities within the RMS.
- For CAD Application: (i) the ability to login to the Mark43 CAD; (ii) the ability to view / edit / clear events; (iii) the ability to view and edit units; (iv) the ability to search for CAD tickets; and (v) the ability to receive real-time updates when actively connected to an internet-enabled network.

"Monthly Uptime Percentage" has the meaning set forth in Section 1 of this SLA.

"Scheduled Maintenance" means scheduled work related to the Mark43 Application or the hosting environment, which may cause inaccessibility or unavailability of the Mark43 Application. Except as set forth below, Mark43 shall provide at least seven (7) days' advance notice of Scheduled Maintenance whenever practicable, and in no circumstances less than three (3) days' advance notice. In the event that Mark43 determines it is appropriate to perform emergency work related to the Mark43 Application or emergency work is performed related to the hosting environment, such work will be deemed Scheduled Maintenance, provided Mark43 uses reasonable efforts under the circumstances to provide Subscriber with notice at least 24 hours prior to such emergency work. Notice of Scheduled Maintenance may be provided by email and, in the case of emergency work, may also be provided by telephone. The total amount of Scheduled Maintenance for the CAD Application shall not exceed 60 minutes during any 30-day period.

- e. **SLA Exclusions.** The Uptime Commitment does not apply to any inaccessibility or unavailability of an Application (the **"SLA Exclusions"**):

- That is not an In-Scope Mark43 Application;
- That occurs prior to Cutover;
- That results from Scheduled Maintenance;
- That results from a suspension or remedial action, as described in the Agreement;
- Caused by factors outside of Mark43's reasonable control, including any force majeure event, Internet access, or problems beyond the demarcation point of the Mark43 cloud environment;
- That results from actions or inactions of Subscriber or any third party;
- That is attributable to Subscriber's own computer equipment or devices, or failure of any software, hardware or service not supplied by Mark43 pursuant to the Agreement, including, without limitation, issues related to network connectivity, internet connectivity or network performance issues at any Subscriber locations, server downtime related to connectivity issues resulting from third-party-managed VPN access to a hosted server or Subscriber's internal network problems, or Software (including interfaces) that is not supplied or maintained by Mark43;
- That results from any Integrated Application, Third-Party Data, or any Subscriber-provided application or program; or
- That results from the failure by Subscriber, its Affiliates, or any Authorized User to incorporate a Software or Service update or upgrade made available by Mark43.

SCHEDULE C

Transition Assistance

1. Preparation.

- a. Subscriber will provide the desired cutoff date of the SaaS Services (the “**Cutoff Date**”) to Mark43, at which time all existing user accounts will be terminated.
- b. For one (1) year following the Cutoff Date, Mark43 will provide one (1) transition account for Subscriber to access the Applications and retrieve all Subscriber Data as further detailed below

2. Content.

- a. Upon Subscriber’s request, Mark43 will deliver and make available Subscriber Data to Subscriber within four (4) weeks of the Cutoff Date. Subscriber Data will be delivered as follows:
 - Searchable PDFs: Mark43 will create searchable PDFs of each record (each, a “**Record**”) and provide them to the Subscriber for download. Subscriber may request, and Mark43 will consider, other formats in which to create the Records, but the final format of all Records will be determined in Mark43’s sole discretion. Records can be uploaded to Subscriber’s new system by the Subscriber or its new vendor.
 - Database Export: Subscriber Data will be provided to Subscriber as an export of Mark43’s Microsoft SQL Server Data Lake database. To use the data, Subscriber will need to have access to its own Microsoft SQL Server database.
 - Document/File Export: Documents/file attachments stored within the Mark43 system will be provided to the Subscriber in a zipped folder. Within the folder the Subscriber will find all files with a unique ID appended to the filename. A csv file will be provided to relate the unique file ID with the attached entity type and Mark43 ID.
- b. If files are too large for practical internet transmission, an encrypted hard drive will be provided.

3. Support.

- a. Mark43 will maintain Subscriber Data in the Mark43 Applications for up to one (1) year following the Cutoff Date.
- b. Mark43 will resolve any issues it deems to be the result of errors in the Mark43 platform or export process for a period of six (6) months after the Cutoff Date.
- c. No less than two (2) years after the Cutoff Date, Mark43 will delete Subscriber Data from all Mark43 online systems (e.g. primary database, replica databases, search databases, application caches, etc.) other than database backups, audit logs and server system logs.
- d. Within six (6) months from the date of deletion of Subscriber Data from all Mark43 online systems, all Subscriber Data will be erased from database backups.
- e. Notwithstanding the foregoing, Mark43 reserves the right to retain Subscriber Data on audit logs and server system logs and in support tickets, support requests and direct communications with Mark43.

4. Additional Services.

- a. Ongoing Web Access: Subscriber may elect to purchase a read-only tenant of the Mark43 system. This service enables Subscriber to utilize a single user log-in to view and access data entered into the Mark43 system up to the date of termination or expiration of this Agreement. Under this service, Subscriber will not have permission to change, modify or update any Subscriber Data.
- b. Additional Professional Services: If the Subscriber requires additional Professional Services, these will be billed according to the current market rate for such Services.

5. **Fees.** In the event that any Fees have not been paid as required under this Agreement, Mark43 may decline to provide the support outlined in this Schedule C until such Fees are paid in full.

SCHEDULE D**Technical Requirements**

This Schedule lists the minimum technical requirements required for Mark43's RMS, CAD, Evidence Management and Data Exchange applications. This also describes the requirements for Mark43 interface servers. Integrated Application Providers and subcontractors may have additional requirements that are not listed here.

1. MARK43 RMS**1.1 RMS Workstation Requirements**

Item	Minimum	Recommended
Operating System	Windows 7+, Mac OS X 10.X	Windows 10, Mac OS 10.X
Processor	1x dual-core processor	1x quad-core processor or greater
Architecture	x64 / x86	x64
Memory	4 GB	6 GB+
Network Card	1x 2 Mbps+ NIC	1x 10 Mbps+ NIC
Display(s)	1x 1024x768	1x 1920x1080
Hard Drive	1 GB available space	5 GB available space
Graphics Card	N/A	N/A
Bandwidth	2 Mbps	5 Mbps+

1.2 RMS Workstation Site Internet Requirements

Mark43 RMS operates as a single-page application where most of the heavy download load is needed only on initial page load for each user. For RMS, Mark43 recommends an overall internet bandwidth connection of 1+ Mbps per concurrent user using that connection. Actual performance and usage may vary depending on user usage of other internet-connected applications and your ISP.

1.3 RMS Mobile Data Terminal Requirements

Item	Minimum	Recommended
Operating System	Windows 7+, Mac OS X 10.X	Windows 10, Mac OS 10.X
Processor	1x dual-core processor	1x dual-core processor or greater
Architecture	x64 / x86	x64
Memory	2 GB	4 GB+
Network Card	2 Mbps (4G LTE)	5 Mbps+ (4G LTE)
Display(s)	1x 1024x768	1x 1024x768+
Hard Drive	1 GB available space	5 GB available space
Graphics Card	N/A	N/A
Bandwidth	2 Mbps (4G LTE)	5 Mbps+ (4G LTE)

1.4 RMS Browser Requirements

Mark43 RMS is web-based and requires a modern web browser to access the system. Mark43 RMS supports the following browser versions that receive technical support and security updates from the browser vendor.

- Google Chrome (latest)
- Microsoft Edge (latest)
- Mozilla Firefox (latest)

1.5 RMS Smartphone Mobile Application Requirements

The Mark43 RMS Smartphone Mobile Application is available on iOS.

Item (iOS)	Supported	Recommended
Operating System	Apple iOS 10, 11, 12	Apple iOS 12
Device	iPhone 6, 6 Plus, 6S, 6S Plus iPhone SE iPhone 7, 7 Plus iPhone 8, 8 Plus iPhone X, XS, XS Max, XR iPad Air 2, 3rd gen iPad Mini 3, 4, 5th gen iPad Pro 1st gen, 2nd gen, 3rd gen iPad 5th gen, 6th gen	iPhone XS iPad gen 6

1.6 Evidence Smartphone Mobile Application Requirements

The Mark43 Evidence Smartphone Mobile Application is available on iOS and Android and requires network connectivity.

Item (iOS)	Supported	Recommended
Operating System	Apple iOS 10, 11, 12	Apple iOS 12
Device	iPhone 6, 6 Plus, 6S, 6S Plus iPhone SE iPhone 7, 7 Plus iPhone 8, 8 Plus iPhone X, XS, XS Max, XR iPad Air 2, 3rd gen iPad Mini 3, 4, 5th gen iPad Pro 1st gen, 2nd gen, 3rd gen iPad 5th gen, 6th gen	iPhone XS iPad gen 6

Item (Android)	Supported	Recommended
Operating System	Android 5+	Android 9
Device	Samsung Galaxy S7+	Samsung Galaxy S10

1.7 Evidence Barcode Printer Requirements

The Mark43 RMS Property and Evidence module requires a barcode printer to optimize the evidence management process. Mark43 integrates seamlessly with Zebra barcode printing hardware and requires the following printer:

- ZD420 model number ZD42043-C01E00EZ
- 2000T label
- 5095 Premium Resin ribbon (05095CT11007)
 - o Ribbon roll-only (05095GS11007)

Deviating from this hardware configuration will lead to smeared, stretched or otherwise incorrectly printed barcode labels. For departments with multiple printers, Mark43 recommends purchasing the same model for all locations.

1.8 Evidence Printer Server Requirements

In order for Mark43 RMS to communicate with the barcode printers, an intermediate server to route printing requests is required. This machine can be the same machine as the Interface Servers specified below or standalone in which case it will need the following specifications:

Item	Minimum	Recommended
Processor	2x 2.0+ GHz processors	2x 2.0+ GHz processors
Memory	2 GB	4 GB+
Hard Drive	32 GB HDD storage	64 GB HDD storage

1.9 RMS Fillable PDF Software Requirements

In order for the Subscriber to utilize Mark43 RMS 7 (RMS Fillable PDFs), the Subscriber must have at least one (1) Adobe Professional license.

2. **MARK43 CAD**

2.1 CAD Call Taker / Dispatcher Workstations

Mark43 recommends solely using the Mark43 CAD installed desktop application for CAD call takers and dispatchers. The installed application allows for multi-window functionality and a more seamless user experience for power-users of the CAD application.

Item	Minimum	Recommended
Operating System	Windows 8+	Windows 10
Processor	1x dual-core processor	2x quad-core processor or greater
Architecture	x64	x64
Memory	8 GB	16 GB+
Network Card	1x 5 Mbps+ NIC	1x 10 Mbps+ NIC
Display(s)	1x 1024x768 monitor	2x+ 1920x1080 monitors
Hard Drive	10 GB available space	20 GB available space
Graphics Card	Dedicated video card with 128MB+ memory	2x 512MB NVIDIA Quadro NVS 310, 4 MON
Bandwidth	2 Mbps per concurrent dispatcher	5 Mbps+ per concurrent dispatcher

2.2 CAD Call Taker / Dispatcher Workstation Site Internet Requirements

For CAD, Mark43 recommends an overall internet bandwidth connection of 2+ Mbps per concurrent user using that connection and a backup ISP connection with automatic failover. Actual performance and usage may vary depending on user usage of other internet-connected applications and your ISP.

2.3 CAD First Responder Mobile Data Terminal Requirements

Item	Minimum	Recommended
Operating System	Windows 8+	Windows 10
Processor	1x dual-core processor	1x dual-core processor or greater
Architecture	x64	x64
Memory	2 GB	4 GB+
Network Card	2 Mbps (4G LTE)	5 Mbps+ (4G LTE)
Display(s)	1x 1024x768	1x 1024x768+
Hard Drive	10 GB available space	20 GB available space
Graphics Card	128MB of video memory	256MB+ video memory
Bandwidth	2 Mbps+ (4G LTE)	5 Mbps+ (4G LTE)

Mark43 CAD also requires installing a Windows Service on First Responder MDTs to query message switches, track GPS, monitor performance, and more. This Windows Service requires:

- Powershell installed with Windows 8+

- .NET Core v2.1+
- .NET Framework v4.5+
- A service account with "Log in as service" and administrative permissions
- Completion of all recommended Windows Updates from Microsoft

2.4 CAD Browser Requirements

Mark43 CAD is also web-based and requires a modern web browser to access the system. Mark43 CAD is only supported on the latest version of Google Chrome.

2.5 GPS Tracking

Mark43 CAD First Responder MDTs support tracking GPS from the following hardware:

- Getac machines with internal GPS (BAUD rate of 96k)
- BU-353S4 receivers that plug in
- Cradlepoint routers

GPS Tracking also requires:

- GPS Receiver using NMEA standard (e.g. \$GPxxx messages)
- Dedicated COM port on machines that use external USB GPS devices
- External Antenna strongly recommended
- DIS (a windows service that can capture GPS data in the following formats: a) Sent over a COM port in the NMEA 1 format or b) via UDP in the NMEA 1 format

3. **MARK43 ANALYTICS**

3.1 Data Lake Requirements

Mark43 Data Lake is a Microsoft SQL Server Database and requires a database client that receives technical support and security updates from the vendor. Mark43 recommends using Microsoft SQL Server Management Studio.

3.2 Business Intelligence Suite Requirements

Mark43 Business Intelligence Suite runs embedded within Mark43 RMS and therefore has the same browser requirements as Mark43 RMS.

4. **MARK43 DATA EXCHANGE**

The Mark43 Data exchange functionality is enabled through either the RMS or CAD applications. Additional interface servers may be required to support Mark43 Data Exchange data flows, depending on the department's size and complexity.

5. **MARK43 INTERFACE SERVERS**

5.1 Server Requirements

Interface servers are on-premise servers that Mark43 uses to run interfaces developed by Mark43. These servers allow Mark43 interfaces to access on-premise Subscriber systems and/or run custom interfaces developed by Mark43. Mark43 supports these servers from the VM up and ensures that interfaces running on these servers are maintained and monitored. The table below outlines Mark43's minimum required and recommended server specifications for an interface server setup.

Item	Minimum	Recommended
Number of servers	1	2+
Operating System	Ubuntu 20.04 LTS, CentOS 8, or Red Hat Enterprise Linux 8	Ubuntu 20.04 LTS
Processor	1x quad-core processor	2x quad-core processor
Architecture	x64	x64
Memory	8 GB	16 GB+
Network Card	1x 100 Mbps NIC	2x 1 Gbps+ NICs
Display(s)	N/A	N/A
Disk	128 GB available space	128 GB available space
Graphics Card	N/A	N/A
Bandwidth	10 Mbps	100+ Mbps

5.2 Support

Subscriber provisions these servers and maintains them from hardware/VM up to and including the operating system. Mark43 will maintain the application software installed on this server, which consists of:

- Docker, which runs all the application software in an easily manageable way
- Kubernetes, a container orchestration technology, which allows Mark43 to deploy, update, and monitor the Docker containers running the application software

Subscriber may choose to install other software (e.g. monitoring software) on this server as long as it does not interfere with the operation of the Mark43 provided applications.

5.3 Releases

The Docker containers running on the interface servers are updated as part of the normal Mark43 release cycle. This is to apply updates to interface application code and ensure compatibility with any API changes made to the internal Mark43 API.

5.4 Maintenance

If Subscriber needs to apply patches to the interface server this can be done safely by rotating servers in and out. Subscriber does not need to notify Mark43 when this happens, unless the interface servers are expected to be down for more than 15 minutes, or if Subscriber has only one interface server.

5.5 Networking/Firewall Setup

Inbound:

SSH / Port 22	Originating from within the Subscriber's VPN For Mark43 SSH access
HTTPS / Port 443	Originating from within the Subscriber's VPN For Kubernetes API server communication and evidence labeling printing software (if applicable for Subscriber)
TCP Port 6443	Originating from within the Subscriber's VPN For Kubernetes API server communication
TCP Port 10250	Originating from within the Subscriber's VPN For Kubernetes node metrics

* All IPs and ports inbound from the public internet should be closed.

Outbound:

HTTPS / Port 443	To all network interfaces – 0.0.0.0/0
TCP Port 6443	Originating from within the Subscriber's VPN For Kubernetes API server communication

VPN:

- Mark43 will SSH to this server over the Subscriber VPN to install Docker and Kubernetes, and perform any troubleshooting actions or maintenance tasks that can't be completed via the normal release process

User Accounts:

- Mark43 will need a service account with sudo access on the interface servers

Assigning Static IP Addresses:

- Subscriber will need to take the following steps:
 1. Log in to the server with the username and password.
 2. Enter the following command `sudo nano /etc/network/interfaces`
 3. Delete the line `iface eno1 inet dhcp`
 4. Add the following lines. Replace the text in <> with your network appropriate information. If no on-site DNS servers are available, we recommend using 8.8.8.8 and 8.8.4.4 for your DNS server:


```
iface eno1 inet static
address <IP address>
netmask <subnet mask>
gateway <default gateway>
dns-search <DNS search domain>
dns-nameservers <DNS server> <optional secondary DNS server>
```
 5. Type `control+x` to exit
 6. Press `y` to save
 7. Press `enter` to confirm the name `/etc/network/interfaces`.
 8. Type `sudo reboot` to restart the server.

SCHEDULE E

Third-Party Component Terms / Subcontractors

Google: Users are bound by the Google Maps/Google Earth Additional Terms of Service (including the Google Privacy Policy), available by following these links:

Google Maps Terms: https://maps.google.com/help/terms_maps.html

Google Privacy Policy: <https://policies.google.com/privacy?hl=en&gl=us>

Acceptable Use: https://enterprise.google.com/maps/terms/universal_aup.html

Amazon:

Universal Service Terms: <https://aws.amazon.com/service-terms/>

Acceptable Use: <https://aws.amazon.com/aup/>

Auth0 (if elected):

Acceptable Use: <https://cdn.auth0.com/website/legal/files/aup-19.pdf>

RapidSOS (if elected): Subscriber must sign up and accept the terms contained within the following link:

<https://info.rapidsos.com/rapidsos-integrations-signup>

CommSys (if elected): Subscriber must enter into an end user license agreement directly with CommSys.

Subcontractors (if any):

SCHEDULE F

Data Processing Addendum

1. **Definitions.** For purposes of this this Data Processing Addendum (“DPA”), “Subprocessor” means a Mark43 Affiliate or other third party engaged by Mark43 for the purpose of hosting, storing or otherwise processing Subscriber Data as authorized by the Agreement or otherwise in writing by Subscriber. Terms not otherwise defined in this DPA have the meaning set out in this Agreement.
2. **Subscriber Data.** The obligations in this Schedule apply to Subscriber Data in the custody or control of Mark43 and its Subprocessors. They do not apply to Subscriber Data in the custody or control of any other party, including Subscriber Data under Subscriber’s custody or control outside of the Services or Subscriber Data maintained by an Integrated Application Provider or transmitted or accessed on or through an Integrated Application.
3. **Disclosure.** Mark43 will not disclose Subscriber Data to any third party except: (i) to Authorized Users; (ii) as permitted under the Agreement; (iii) to its Subprocessors, provided that each Subprocessor agrees to protect Subscriber Data in a manner substantially in accordance with this DPA; or as provided by this DPA with respect to any Disclosure Request. Notwithstanding the foregoing or anything in this DPA to the contrary, Subscriber acknowledges and agrees that (a) Mark43 utilizes major providers of cloud-based services for processing certain Subscriber Data through the Services (each, a “Cloud Provider”) (including, as of the Effective Date of the Agreement, Amazon Web Services for hosting and Google for mapping and geolocation services), (b) each Cloud Provider has its own data protection practices that are applicable to its delivery of services to its customers, and (c) Cloud Providers will not agree to separate data protection practices on a customer-by-customer basis; therefore, Cloud Providers will not be required to comply with the obligations in this DPA to the extent that they are inconsistent with each Cloud Provider’s own data protection practices, but Mark43 will use reasonable efforts to assess that each Cloud Provider complies with its own data protection practices, which may include periodic examination of SOC 2 reports or comparable reports made available by Cloud Provider.
4. **Information Security Program.** Mark43 will implement and maintain a written information security program that contains reasonable administrative, technical and physical safeguards intended to protect Subscriber Data from unauthorized access, disclosure, use, modification, loss or destruction.
5. **Access.** Mark43 will maintain appropriate access controls to Subscriber Data, including limiting access to Subscriber Data only to personnel who require such access in order for Mark43 to provide Services to Subscriber or to otherwise exercise Mark43’s rights or perform Mark43’s obligations under the Agreement. Mark43 will require its personnel to protect Subscriber Data in accordance with the requirements of this DPA and will provide its personnel with appropriate information security training.
6. **Information Security.**
 - a. Mark43 maintains its information security program and applicable safeguards at all Mark43 sites at which an information system that stores or otherwise processes Subscriber Data is located.
 - b. Mark43 maintains network security using commercially available equipment and industry standard techniques, including firewalls, router access control lists, intrusion detection and/or prevention systems, penetration testing, vulnerability scanning, and patch management tools.
 - c. Mark43 will encrypt, using industry-standard encryption tools, all Subscriber Data that Mark43: (i) transmits or sends wirelessly or across public networks; (ii) stores on laptops or removable storage media; and (iii) stores on portable devices. Mark43 will safeguard the confidentiality and availability of all encryption keys associated with encrypted Subscriber Data.
 - d. Mark43 installs and maintains endpoint security measures such as anti-virus and malware protection software intended to protect Subscriber Data from malicious code.
 - e. Mark43 undertakes appropriate logging and monitoring to enable recording of information security-related actions and identification of anomalous events.
 - f. Mark43 develops software used to deliver the Services in accordance with secure software development principles.
7. **Security Incident Management.** Unless otherwise prohibited by law, Mark43 will notify Subscriber promptly (and in any event within 72 hours) in the event Mark43 reasonably believes that there has been any unauthorized access, acquisition, disclosure, use, modification, loss or destruction of Subscriber Data (“Security Incident”). Mark43 will promptly investigate the Security Incident, will take necessary steps to eliminate or contain the exposure of Subscriber Data, and will keep Subscriber informed of the status of the

- Security Incident. Mark43 will provide reasonable assistance and cooperation requested by Subscriber or Subscriber's designated representatives to correct, remediate, or investigate the Security Incident or to mitigate potential damage resulting from it, including any notification that Subscriber may determine appropriate to send to affected individuals, regulators or third parties.
8. **Business Continuity.** Mark43 implements appropriate disaster recovery and business continuity plans and reviews and updates such plans regularly. Back-up copies of critical business information and software are created regularly and tested to verify their integrity.
 9. **Audits.** Upon Subscriber's request, Mark43 will make available to Subscriber up to once per year a copy of a third-party assessment, such as a SOC 2 report or comparable report ("**Third-Party Report**"), if Mark43 has obtained such a Third-Party Report for the Services; or if Mark43 has not obtained a Third-Party Report for the Services, Subscriber may provide to Mark43 a security assessment questionnaire related to the Services, which Mark43 will accurately and promptly complete. Such a questionnaire must be reasonable in scope and may include questions seeking verification of compliance with the terms and conditions of this DPA. All Third-Party Reports or information accessed by or otherwise disclosed to Subscriber in connection with any such review will be considered Confidential Information of Mark43.
 10. **Return/Disposal.** Upon termination or expiration of the Agreement, Mark43 will cease handling Subscriber Data and will take reasonable steps to return or destroy Subscriber Data according to the timeframes set out in Schedule C of the Agreement. If Mark43 has any legal obligation to retain Subscriber Data beyond the periods otherwise specified by Schedule C, Mark43 will notify Subscriber in writing of that obligation, to the extent permitted by applicable law, and will return or destroy the Subscriber Data in accordance with this DPA as soon as possible after that legally required retention period has ended. If Mark43 disposes of any paper, electronic or other record containing Subscriber Data, Mark43 will take all reasonable steps to do so by: (a) shredding; (b) permanently erasing and deleting; (c) degaussing; or (d) otherwise modifying Subscriber Data in such records to make it unreadable, unreconstructable and indecipherable.
 11. **Location of Subscriber Data.** Subscriber Data stored or transmitted through the SaaS Services in Subscriber's user accounts shall be hosted by a Cloud Provider in the United States. Mark43 currently uses AWS Govcloud region as Cloud Provider to host Subscriber Data. Information about AWS' commitment to support customers' CJIS compliance requirements is available here:
<https://aws.amazon.com/compliance/cjis/>.



ORDER FORM

Mark43, Inc.

8 West 40th Street, 2nd Floor
New York, NY 10018

Quote Number: Q-02227.1

Offer Valid Through: July 30, 2026

Sales Contact: Kyle Sebestyen
kyle.sebestyen@mark43.com

Bill to:

Subscriber Name: City of Pacific Grove
Address: 300 Forest Avenue
Pacific Grove, CA 93950
Billing Frequency: Annual
Payment Terms: Net 30

Start Date: June 28, 2026

End Date: June 27, 2027

Billing Contact: Accounts Payable

Billing Contact Email: pgpdinvoices@cityofpg.org

Purchase Order. Is a purchase order required by Subscriber to purchase? Yes _____ No _____

SaaS Services. Product descriptions for the Services noted below are set forth at <https://mark43.com/Mark43-Product-Catalogue>:

<i>Year 1 SaaS and Recurring Services</i>	<i>Qty (if applicable)</i>	<i>Price to Subscriber</i>
ANA 1: Analytics BI Suite Viewer	Not to Exceed 10 license(s)	\$1,320.00
ANA 2: Analytics BI Suite Explorer	Not to Exceed 3 license(s)	\$1,584.00
RMS 1: RMS Core	Not to Exceed 22 total sworn	\$20,328.00
RMS 2: RMS Case Management Module	Not to Exceed 22 total sworn	\$2,904.00
RMS 3: RMS Property and Evidence Management Module	Not to Exceed 22 total sworn	\$2,904.00
MOB 1 RMS: OnScene Mobile Application for RMS	Not to Exceed 22 total sworn	\$0.00
RMS 7: RMS Fillable PDFs	Not to Exceed 1 instance(s)	\$5,390.00
RMS 8: RMS QuickCrash Reporting	Not to Exceed 22 total sworn	\$0.00
RMS 4: RMS Warrants Module	Not to Exceed 22 total sworn	\$6,974.00
Subtotal		\$41,404.00

Renewal Term and Pricing. Unless Subscriber provides **60 days'** notice of termination prior to the End Date, the SaaS Services will auto-renew for a 5 year term at an increase of 10% year over year for each year of the renewal term. Additional increases may be applied at any time during the Term if required quantities increase.

Invoicing and Payment. Subscription Fees are payable upfront annually. Mark43 will issue the first invoice on or after the effective date of this Order Form and each subsequent invoice (if any) on or after the anniversary thereof. Subscriber shall pay all invoices to Mark43's nominated bank account within thirty (30) days of the date of the invoice.

<i>Payment Schedule</i>	<i>Due Date</i>	<i>Amount Due</i>
Year 1 Payment(s)	June 28, 2026	\$41,404.00

Total	\$41,404.00
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This Order Form is entered into in accordance with and it incorporates the terms of the Software License and Services Agreement and any attached schedules (the "SLSA" or "Agreement"). Except as otherwise provided in this Order Form, previously executed Order Form(s) remain in effect. This Order Form does not incorporate any other terms, whether oral or written, and whether contained in a purchase order or otherwise and, for the avoidance of doubt, prevails over any terms contained therein. By signing below, the parties agree to be bound by the terms of this Order Form. Each party represents and warrants that this Order Form is executed by a duly authorized legal representative of such party. This Order Form may be executed in counterparts (including electronic copies) each of which will be deemed an original, with all counterparts constituting one agreement.

Mark43, Inc.

Subscriber

Name:

Name:

Title:

Title:

Signature:

Signature:

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: Alex Lorca
MEETING DATE: July 15, 2026
SUBJECT: POA Grievance Appeal Hearing
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Hold a public hearing for a grievance submitted by the Pacific Grove Police Officer's Association.
2. Adjourn to Closed Session to deliberate, then come back to open session to announce decision.

DISCUSSION

Recently, the Policy Officer's Association (POA) filed an appeal of the City Manager's decision; see attached. Subsequently, City staff filed a response to the appeal; also attached.

In accordance with the process set forth in Article 7 of the July 1, 2024 – June 30, 2027 (attached), Police Officers' Association (POA) Memorandum of Understanding (MOU), an appeal hearing before the Council will be held for a grievance submitted by the POA.

This hearing is the final step of the informal and formal grievance process as outlined in Article 7 of the POA MOU. The City Council decision is final.

Procedurally, the following will take place regarding the appeal:

1. The Mayor will open the hearing.
2. The POA will present its appeal.
3. The City will present its response.
4. The Council will ask questions of the POA and City Staff.
5. The Council will adjourn to closed session to deliberate.
6. The Council will return to open session to take its vote on the appeal.

OPTIONS

1. Uphold the decision of the grievance by the City Manager.
2. Don't uphold the decision of the grievance by the City Manager.

FINANCIAL IMPACT:

No fiscal impact.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

POA Appeal

Staff Response

POA MOU Article 7

Date: 6/17/26

To: Mayor and Members of the Pacific Grove City Council

From: Pacific Grove Police Officers Association

Subject: Appeal of City Manager's Step Three Grievance Decision – Article 16.3 Step Increase Implementation

Honorable Mayor and Council Members:

Pursuant to Article 7.6 of the Memorandum of Understanding ("MOU"), the Pacific Grove Police Officers Association ("Association") respectfully appeals the City Manager's June 12, 2026 denial of the Association's grievance concerning the implementation of employee step increases under Article 16.3.

The issue before the Council is whether Article 16.3 requires step increases to become effective on an employee's anniversary date once eligibility requirements have been met, or whether the City may delay implementation until a later administratively convenient pay period.

The Association respectfully submits that the language of the MOU supports the former interpretation.

PROCEDURAL ISSUE – TIMELINESS

The City Manager's decision concludes that the grievance is untimely because the City has allegedly followed the challenged practice for many years.

The Association respectfully disagrees.

Article 7.1 defines a grievance as a dispute arising from the application or interpretation of a specific article of the MOU. The Association's grievance challenges the City's ongoing application and interpretation of Article 16.3. Each time an employee becomes eligible for a step increase and implementation is delayed beyond the anniversary date, the City is applying its interpretation of Article 16.3.

The grievance does not challenge a single payroll action from years ago. Rather, it challenges the City's continuing administration of Article 16.3 under the current MOU.

Accordingly, the Association believes the grievance was timely filed and should be considered on its merits.

ARTICLE 16.3 ESTABLISHES THE OPERATIVE DATE

Article 16.3(b) provides:

"Employees are eligible for a step increase on their anniversary date or on the anniversary of their new classification date following completion of 2,080 hours of paid service, whichever is longer."

The Association's position is that the phrase "on their anniversary date" is meaningful contractual language and establishes the date upon which an employee becomes entitled to advancement to the next salary step after satisfying the required conditions.

The City argues that Article 16.3 establishes eligibility but not implementation. However, the Association respectfully submits that this interpretation fails to give effect to the entire provision.

The phrase "eligible for a step increase" refers to the benefit itself. The MOU does not state that employees become eligible for future consideration, future processing, or future administrative action. It states that employees become eligible for the step increase on the anniversary date.

THE MOU DEMONSTRATES THAT THE PARTIES KNOW HOW TO USE PAY-PERIOD LANGUAGE

Perhaps most importantly, the MOU repeatedly demonstrates that the parties knew how to identify a future pay-period implementation date when that was their intent.

Examples include:

- Article 16.1(b): "Effective in the first full pay period of July 2025"
- Article 16.1(c): "Effective in the first full pay period of July 2026"
- Article 16.2: Market adjustments taking effect "on or after the first full pay period of July 2025"
- Article 9.1(e): Retirement contribution changes effective "the first full pay period of December 2017"

In each of these examples, the parties expressly tied compensation changes to a specific pay period.

In contrast, Article 16.3 does not reference a pay period. Instead, it references an employee's anniversary date.

The Association respectfully submits that this distinction was intentional and must be given meaning.

If the parties intended step increases to become effective in the first pay period following an employee's anniversary date, they could have included such language. They did not.

THE CITY'S INTERPRETATION EFFECTIVELY ADDS LANGUAGE TO THE AGREEMENT

The City's position relies on concepts such as administrative processing, payroll timelines, and administratively feasible implementation.

While the Association recognizes that payroll changes require administrative processing, those concepts do not appear in Article 16.3.

The Association is not asking the Council to add language to the agreement. Rather, the Association is asking that the negotiated language be enforced as written.

By contrast, the City's interpretation effectively reads Article 16.3 as if it stated:

"Employees are eligible for a step increase on their anniversary date, to be implemented during a later administratively feasible pay period."

No such language appears in the MOU.

ARTICLE 6 SUPPORTS ENFORCEMENT OF THE NEGOTIATED LANGUAGE

Article 6 provides that no changes to the provisions of the MOU may be undertaken without the prior written consent of both parties.

The Association respectfully submits that an unwritten administrative practice cannot supersede or modify negotiated contract language.

The issue before the Council is not whether the City has historically followed a particular payroll practice. The issue is whether that practice is consistent with the language negotiated and adopted by the parties in Article 16.3.

REQUEST FOR RELIEF

For the foregoing reasons, the Pacific Grove Police Officers' Association respectfully requests that the City Council:

1. Reverse the City Manager's denial of the grievance;
2. Determine that employees become entitled to step increases on their anniversary date once the eligibility requirements of Article 16.3 have been satisfied;
3. Direct the City to implement future step increases consistent with Article 16.3;
4. Make affected bargaining unit members whole for any compensation lost as a result of delayed implementation; and
5. Grant such additional relief as the Council deems appropriate.

The Association appreciates the Council's consideration of this matter and respectfully requests a hearing pursuant to Article 7.6 of the MOU.

Respectfully submitted,

Paul Nagamine President Pacific Grove Police Officers Association



Che I. Johnson, Bar No. 252112
cjohnson@lcwlegal.com
LIEBERT CASSIDY WHITMORE
A Professional Law Corporation
5250 North Palm Ave, Suite 310
Fresno, California 93704
Telephone: 559.256.7800
Facsimile: 559.449.4535

Attorneys for Respondent CITY OF PACIFIC GROVE

BEFORE THE CITY COUNCIL OF THE
CITY OF PACIFIC GROVE, STATE OF CALIFORNIA

Pacific Grove Police Officers'
Association,

Appellee,

v.

City of Pacific Grove,

Respondent.

Case No.: N/A

**CITY'S RESPONSE TO GRIEVANCE
APPEAL**

Honorable Mayor and Members of the City Council:

The Pacific Grove Police Officers' Association ("Association", "POA", or "Union") has appealed the City Manager's denial of its grievance concerning the timing of implementation of employee step increases under Article 16.3 of the Memorandum of Understanding ("MOU"). The Association requests that the City Council overturn the prior grievance decisions and determine that employee step increases must be implemented on an employee's anniversary date rather than during the next administratively feasible payroll cycle.

For the reasons discussed below, the appeal should be denied.

**I. THE GRIEVANCE IS UNTIMELY AND IMPROPERLY ATTEMPTS TO
RELITIGATE A PRIOR GRIEVANCE DECISION**

The grievance should be denied as untimely for two independent procedural reasons.

First, as previously determined by the Chief of Police and City Manager, the grievance challenges a longstanding City practice that was known, or reasonably should have been known,

1 to the Association well before the filing of this grievance. Article 7.3(a) requires that grievances
2 be filed within fourteen (14) days of the action causing the grievance or the date the action
3 reasonably could have been expected to be known to the grievant. The challenged payroll
4 administration practice has existed for many years and was known to bargaining unit members
5 and Association representatives long before this grievance was filed.

6 Second, and more importantly, the issues raised in this grievance were previously raised
7 by Sergeant Paul Nagamine in an earlier grievance (on or about 1/12/26) concerning the
8 implementation of step increases under Article 16.3. (Attached as **Exhibit A** is a copy of
9 Nagamine's original 1/12/26 grievance.) That grievance challenged the same City practice that is
10 challenged here—namely, the City's implementation of step increases through the next
11 administratively feasible payroll cycle rather than on an employee's anniversary date. However,
12 the original grievance was filed four months prior to the current grievance, which was filed on
13 5/16/26.

14 The City Manager denied Sergeant Nagamine's grievance and expressly rejected the
15 argument that Article 16.3 requires immediate implementation of a step increase on the
16 employee's anniversary date. (Attached as **Exhibit B** is a copy of City Manager's Decision on
17 4/9/26.) Under Article 7.6 of the MOU, a grievant who is dissatisfied with the City Manager's
18 decision may request a hearing before the City Council, but the request must be made within
19 fourteen (14) days of the City Manager's decision. Therefore, the Union was required to file their
20 appeal to the City Council on or about 4/23/26.

21 No timely appeal was filed to the City Council regarding the City Manager's first denial
22 of Sergeant Nagamine's grievance. As a result, the grievance process concluded and the City
23 Manager's decision became final.

24 Rather than pursuing the contractual appeal process available under Article 7.6, the
25 Association subsequently filed a new grievance advancing substantially the same claims,
26 challenging the same payroll administration practice, seeking essentially the same relief, and
27 relying upon the same interpretation of Article 16.3.

28 ///

1 The grievance procedure does not permit a party to circumvent contractual appeal
2 deadlines by filing a new grievance raising issues that were already presented and decided in a
3 prior grievance. Allowing such a practice would render the grievance timelines meaningless and
4 would permit perpetual re-litigation of matters that have already proceeded through the
5 contractual grievance process.

6 The Association's current grievance is therefore not only untimely under Article 7.3(a),
7 but also constitutes an improper attempt to restart contractual time limits after failing to timely
8 appeal the prior grievance decision concerning the same dispute.

9 For these procedural reasons alone, the appeal should be denied.

10 **II. THE ASSOCIATION'S INTERPRETATION IS NOT ADMINISTRATIVELY OR**
11 **LEGALLY FEASIBLE**

12 Even if the grievance was timely, the Association's interpretation would create substantial
13 payroll administration and legal compliance issues that are neither contemplated nor addressed by
14 Article 16.3.

15 The City's payroll system is designed to process compensation changes through payroll-
16 cycle effective dates. It is not designed to automatically recalculate compensation based upon
17 employee anniversary dates occurring in the middle of a payroll cycle.

18 Implementing the Association's interpretation would require extensive manual
19 calculations and adjustments, including:

- 20 • Manual calculation of compensation earned before and after an anniversary date occurring
21 within the same payroll period;
- 22 • Manual recalculation of Fair Labor Standards Act ("FLSA") overtime obligations where
overtime hours occur both before and after a mid-pay-period step increase;
- 23 • Manual recalculation of specialty assignment pays, educational incentive pay, POST pay,
24 shift differential pay, longevity pay, and other compensation elements calculated as a
percentage of base salary;
- 25 • Manual calculation and reporting of pensionable compensation to CalPERS for payroll
26 periods containing multiple rates of pay;
- 27 • Manual review and adjustment of payroll tax withholdings and related federal and state
reporting obligations;

28 ///

- Manual reconciliation of overtime, premium pays, and regular compensation to ensure compliance with the FLSA and California wage-and-hour laws; and
- Ongoing payroll audits and corrections necessary to ensure compliance with state and federal payroll reporting requirements.

Nothing in Article 16.3 suggests that the parties intended to require individualized mid-pay-period payroll calculations or to fundamentally alter the City's payroll administration system.

The Association's proposed interpretation would impose substantial administrative burdens, increase the risk of payroll errors, create compliance concerns, and require manual calculations for matters that the City's payroll system was never designed to perform.

The Council should be hesitant to adopt an interpretation that would require the City to undertake significant new payroll obligations absent clear contractual language requiring that result.

III. LONGSTANDING AND UNDISPUTED CITYWIDE PAST PRACTICE SUPPORTS THE CITY'S INTERPRETATION

Even if Article 16.3 was considered ambiguous, the City's interpretation is strongly supported by longstanding and undisputed past practice.

For many years, compensation changes triggered by employee-specific events—including step increases, classification changes, and similar personnel actions—have been processed and implemented through the next administratively feasible payroll cycle. This has been a consistent citywide payroll administration practice.

Importantly, this practice is not unique to employees represented by the Association. The same payroll implementation methodology has been applied throughout the City to employees represented by other bargaining units as well as to unrepresented employees. The practice reflects a neutral and uniform payroll administration procedure rather than a unit-specific interpretation adopted solely for the Police Officers' Association.

The Association does not dispute the existence of this practice. Rather, it argues that the practice is inconsistent with Article 16.3.

///

1 However, the Public Employment Relations Board (“PERB”) has repeatedly recognized
2 that established past practice may be considered when interpreting disputed contractual language
3 and determining the parties’ mutual understanding of contract provisions. See, e.g., *Kern County*
4 *Hospital Authority* (2022) PERB Dec. No. 2847-M; *County of Merced* (2020) PERB Decision
5 No. 2740-M.

6 Where parties have consistently administered a contractual provision in a particular
7 manner over an extended period of time, PERB recognizes that such conduct may provide
8 persuasive evidence of the parties’ shared understanding of how the agreement operates in
9 practice.

10 The relevance of past practice is particularly compelling here because the challenged
11 payroll administration practice was not merely known to the Association in the abstract. The
12 practice has been applied repeatedly to members of the bargaining unit, including employees who
13 have served as Association officers, bargaining team members, and representatives. Those
14 individuals personally received step increases and other compensation changes that were
15 processed through the next administratively feasible payroll cycle consistent with the City’s
16 longstanding payroll practices.

17 Several current and former Association officers and bargaining representatives personally
18 received step increases administered in this manner without objection for years.

19 Despite years of direct experience with this practice, the Association did not file
20 grievances challenging the implementation methodology, seek negotiations regarding payroll
21 processing of anniversary-based step increases, propose contract language requiring mid-pay-
22 period implementation, or otherwise contend that the City’s administration of Article 16.3
23 violated the MOU.

24 The absence of any challenge over many years is significant. It demonstrates not only that
25 the practice was known to the Association, but also that the parties operated under a common
26 understanding regarding how Article 16.3 would be administered in conjunction with the City’s
27 payroll processes.

28 ///

1 The Association's current interpretation would require the Council to disregard a
2 longstanding and undisputed citywide practice, reject the parties' historical administration of the
3 provision, and adopt an interpretation that has never previously been applied during the
4 administration of Article 16.3 or its predecessor provisions.

5 The existence of this longstanding, undisputed, and citywide practice strongly supports the
6 City's interpretation that Article 16.3 establishes the date of eligibility for a step increase while
7 payroll implementation occurs through the City's regular payroll administration process. It also
8 confirms that the Association was aware, or reasonably should have been aware, of the
9 challenged practice long before the filing of this grievance.

10 Accordingly, even if the Council were to conclude that Article 16.3 is not explicit
11 regarding implementation timing, the parties' established past practice provides substantial
12 evidence supporting the City's interpretation and constitutes an independent basis for denying the
13 grievance.

14 **IV. ARTICLE 16.3 ESTABLISHES ELIGIBILITY, NOT AN IMMEDIATE**
15 **IMPLEMENTATION DATE**

16 Even if the grievance were timely and no past practice existed, the plain language of
17 Article 16.3 supports the City's interpretation.

18 Article 16.3(b) states:

19 "Employees are eligible for a step increase on their anniversary date or on the anniversary
20 of their new classification date following completion of 2,080 hours of paid service, whichever is
21 longer."

22 The operative word negotiated and agreed to by the parties is "eligible."

23 Eligibility identifies when an employee qualifies for a benefit. It does not prescribe the
24 mechanics, timing, or payroll procedures by which that benefit must be implemented.

25 The phrase "on their anniversary date" identifies when eligibility occurs. It answers the
26 question of when an employee becomes qualified for advancement to the next salary step. It does
27 not state that the increase shall be implemented, processed, paid, or reflected in compensation on
28 that same date.

1 Had the parties intended to require implementation on the anniversary date itself, they
2 could have negotiated language expressly stating that the increase “shall be effective,” “shall be
3 implemented,” or “shall be paid” on that date. They did not do so.

4 The Association’s interpretation requires the Council to read language into Article 16.3
5 that the parties never negotiated.

6 **V. THE STRUCTURE OF THE MOU SUPPORTS THE CITY’S INTERPRETATION**

7 The Association argues that other provisions of the MOU demonstrate that compensation
8 changes may be tied to payroll implementation dates.

9 The City agrees—and that fact supports the City’s position.

10 Elsewhere in the MOU, the parties expressly tied compensation changes to specific
11 payroll periods. For example, Articles 16.1, 16.2, and 9.1(e) contain language making
12 compensation changes effective in designated pay periods. These provisions demonstrate that the
13 parties knew that the City’s practice was to implement to effect whole payroll periods. What is
14 also notable is that the provisions regarding 16.1 and 16.2 are speaking to future calendar years.
15 Accordingly it would be appropriate to state the first full pay period in a month because the
16 parties did not have calendar pay periods printed as far out as two years in advance. As such the
17 use of this language only indicates that the parties did not know the date the pay periods started.

18 Moreover, the MOU provisions identified by the Association involve compensation
19 changes that occur and are applied uniformly to all employees in the bargaining unit at the same
20 time. Step increases are different. They are individualized personnel actions dependent upon
21 service requirements, performance considerations, anniversary dates, and payroll administration.
22 Finally, these provisions are also entirely different from the language in 16.3 because none of the
23 MOU sections cited by the POA contain the language which is truly operative, that the employee
24 is “eligible” for increases during any of these dates.

25 The absence of implementation language in Article 16.3 cannot reasonably be transformed
26 into a requirement that payroll changes occur immediately upon an anniversary date regardless of
27 where that date falls within a payroll cycle.

28 ///

1 **VI. THE CITY IS NOT ADDING TERMS TO THE AGREEMENT**

2 The Association argues that references to payroll processing and administrative feasibility
3 improperly add terms to the MOU.

4 The City respectfully disagrees.

5 The City is not asserting payroll administration as an additional contractual requirement.
6 Rather, payroll processing is the mechanism by which compensation changes are implemented
7 after eligibility has been established.

8 Every wage adjustment requires administrative processing. Recognizing that payroll
9 changes must be processed does not add language to the MOU any more than recognizing that
10 timecards must be processed before employees receive paychecks.

11 In reality, it is the Association's interpretation that requires language to be added to
12 Article 16.3. The Association asks the Council to read the provision as though it states:

13 "Employees shall receive and have implemented a step increase effective immediately on
14 their anniversary date regardless of payroll cycle timing."

15 No such language appears in the MOU.

16 **VII. ARTICLE 6 DOES NOT SUPPORT THE APPEAL**

17 The Association also relies upon Article 6, which prohibits unilateral changes to the
18 MOU. The City has not modified Article 16.3, altered compensation, changed the salary
19 schedule, revised eligibility requirements, or imposed any new condition of employment. The
20 City has consistently administered Article 16.3 in accordance with its understanding of the
21 negotiated language and longstanding citywide payroll administration practices. A disagreement
22 regarding contract interpretation does not establish a unilateral modification of the agreement.

23 Accordingly, Article 6 provides no basis for sustaining the grievance.

24 **VIII. CONCLUSION**

25 The grievance should be denied because:

- 26 1. It was not filed within the time limits established by Article 7 of the MOU;

27 ///

28 ///

2. The Association's interpretation would require substantial manual payroll calculations, CalPERS reporting adjustments, FLSA overtime recalculations, and other compliance measures not contemplated by Article 16.3;

3. The City's interpretation is supported by a longstanding, undisputed, and citywide past practice of implementing compensation changes through the next payroll cycle, a practice that PERB recognizes as relevant when interpreting disputed contractual language;

4. Several current and former Association officers and bargaining representatives personally received compensation changes processed under this practice without objection, further confirming the parties' longstanding understanding of the provision;

5. Article 16.3 establishes when an employee becomes eligible for a step increase but does not require immediate implementation on the anniversary date itself;

6. The structure of the MOU demonstrates that the parties knew how to specify payroll implementation dates when they intended to do so and chose not to do so in Article 16.3;

7. The Association's interpretation would require the Council to add language not found in Article 16.3;

8. The City has not modified the MOU or violated Article 6; and

9. The decisions of the Chief of Police and City Manager should be upheld.

For all of these reasons, the City requests that the City Council deny the appeal and uphold the prior grievance decisions.

Dated: June 25, 2026

Respectfully submitted,

LIEBERT CASSIDY WHITMORE

By:



Che I. Johnson
Attorneys for Respondent CITY OF
PACIFIC GROVE

Exhibit A



PACIFIC GROVE POLICE DEPARTMENT

A: 580 PINE AVENUE, PACIFIC GROVE, CA 93950 P: (831) 648-3143 E: PGPDRECORDS@CITYOFGPG.ORG

"OUR COMMUNITY, YOUR POLICE"

TO: Sergeant Paul Nagamine

FROM: Chief of Police

Date: January 20, 2026

SUBJECT: Formal Grievance

Sergeant Nagamine,

On today's date we met in my office and discussed the attached grievance. We have discussed past practice and the City's administrative function for payroll and step increases. As indicated below, our discussion did not satisfy your grievance as there currently is a difference of opinion and interpretation in regard to Article 7, of the Pacific Grove Police Officers Association Memorandum of Understanding. Per your request, your grievance will be escalated to the Office of the City Manager for review and response.

Thank you,

Casey J. Day
Chief of Police
City of Pacific Grove

() My grievance has been satisfied with the Chief of Police

☒ My grievance has not been satisfied with the Chief of Police and I request further review and response from the Office of the City Manager.

Paul Nagamine, Sergeant
Pacific Grove Police Department

1/20/26 0654 hrs

I, (Casey Day, Chief of Police) have forwarded this form and attached grievance to the City Manager/HR on January 20th 2026. (CSO)

Chief of Police CASEY DAY

Commander BRIAN ANDERSON

Commander DAWN DELFINO



PACIFIC GROVE POLICE DEPARTMENT

A: 580 PINE AVENUE, PACIFIC GROVE, CA 93950 P: (831) 648-3143 E: PGPDRECORDS@CITYOFPG.ORG

"OUR COMMUNITY, YOUR POLICE"

TO: Sergeant Paul Nagamine
FROM: Dawn Delfino, Patrol Commander
Date: January 12th 2026
SUBJECT: Formal Grievance

Sgt. Nagamine,

On today's date we met in my office and discussed the attached grievance. As I explained, the procedure utilized for step increases by the City has been a past practice. As indicated below, our discussion did not satisfy your grievance and pursuant to Article 7, of the *Pacific Grove Police Officers Association Memorandum of Understanding*, and per your request, your grievance is being escalated to the Office of the Chief of Police for review and response.

Thank you,

Dawn Delfino, Commander
Pacific Grove Police Department

() My grievance has been satisfied with my immediate supervisor.

(☒) My grievance has not been satisfied with my immediate supervisor and I request review and response from the Office of the Chief of Police.

Paul Nagamine, Sergeant
Pacific Grove Police Department

1.12.26

I, (Commander Dawn Delfino), forwarded this form and the attached grievance to the Office of the Chief of Police on January 13th 2026.

Commander Dawn Delfino,

This letter serves as a formal grievance regarding the Human Resources Department's refusal to grant my contractual step increase in accordance with the Memorandum of Understanding (MOU).

MOU Section 16.3 – Step Increases states in relevant part:

16.3(a) Step increases must be based upon performance and goal achievements, not solely longevity, and are based upon the employee's most recent performance evaluation.

16.3(b) Employees are eligible for a step increase on their anniversary date or the anniversary of their new classification date following completion of 2,080 hours of paid service, whichever is longer. Time spent on legally protected leaves of absence such as FMLA or CFRA count toward step increase eligibility.

I have met all eligibility requirements outlined in Section 16.3, including completion of the required 2,080 hours of paid service and receipt of a qualifying performance evaluation. Despite this, Human Resources has stated that step increases are not granted until the next pay period following an employee's anniversary date.

The MOU does not contain any language authorizing the delay of a step increase beyond the employee's eligibility date. The practice cited by Human Resources constitutes an unwritten policy that conflicts with the clear and unambiguous language of the MOU. Eligibility "on the anniversary date" means the increase is effective on that date, not at a later pay period chosen for administrative convenience.

By delaying the step increase, the City is in violation of the MOU and is improperly withholding earned compensation.

Requested Remedy:

1. Immediate implementation of my step increase effective on my anniversary date, as required by MOU Section 16.3.
2. Full retroactive compensation for all wages and benefits lost as a result of the delayed step increase.
3. Confirmation that future step increases will be applied in compliance with the MOU.

I respectfully request a written response within the timelines outlined in the grievance procedure. I remain willing to meet and discuss this matter in good faith to resolve the issue promptly.

Sincerely,
Paul Nagamine
Sergeant
Pacific Grove Police Department
Employee ID #2233

Exhibit B



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

TO: Paul Nagamine, Sergeant
FROM: Matt Mogensen, City Manager
DATE: April 14, 2026
SUBJECT: Formal Grievance

Sergeant Nagamine,

This letter responds to the grievance submitted by you regarding the timing of the implementation of your step increase under Section 16.3 of the Memorandum of Understanding (MOU).

After reviewing the matter, including discussing it with you, I am denying the grievance.

While the grievance asserts that the step increase must be implemented immediately upon the anniversary date, the MOU does not contain language requiring immediate implementation of a salary adjustment.

Rather, Section 16.3 provides that:

- Step increases must be based on performance and goal achievement, as reflected in the most recent performance evaluation; and
- Employees are eligible for a step increase on their anniversary date (or classification anniversary) following completion of 2,080 hours of paid service.

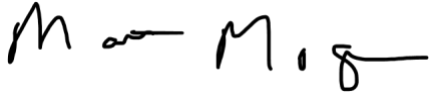
The operative language establishes eligibility for a step increase, not an automatic or immediate payroll implementation on that exact date. Nothing in Section 16.3 mandates that the increase be processed or reflected in pay on the anniversary date itself, nor does it prohibit administrative processing timelines necessary to implement such increases. Consistent with longstanding practice, step increases are implemented in the next administratively feasible pay period following confirmation of eligibility and completion of necessary payroll processing. This practice does not conflict with the MOU and does not result in a loss of compensation where the increase is applied in accordance with standard payroll procedures. This has been the consistent practice of the City for over a decade.

Because the MOU does not require immediate implementation on the anniversary date, and because the City's practice is consistent with the agreement, there has been no violation of the MOU.

Accordingly, the grievance is denied in its entirety.

Please let me know if you would like to meet to discuss this matter further.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Mogensen". The signature is stylized, with a large "M" and a long horizontal stroke extending to the right.

Matt Mogensen
City Manager
City of Pacific Grove

respect to any subject fully covered by this MOU. No changes to the provisions of this MOU may be undertaken without the prior written consent of both parties to this Agreement, except as otherwise indicated herein.

ARTICLE 7. GRIEVANCE PROCEDURE

7.1 Definitions

- (a) “Grievant” means an employee(s) filing a grievance.
- (b) “Grievance” is a dispute arising from the application or interpretation of a specific article of this Memorandum of Understanding. “Grievance” is also a dispute arising from an action not covered by the Memorandum of Understanding, but which affects a term and condition of employment as defined in the Meyers-Milias-Brown Act. Provided, the “grievance” does not include disputes regarding management rights, i.e., the merits, necessity, or organization of any service or activity provided by the City, as set out in the Meyers-Milias-Brown Act and as more particularly described in City’s employer-employee organization relations resolution (no. 5249). The City may raise the issue of whether a matter constitutes a grievance during any stage of the grievance process. Employee discipline is processed in accordance with Policy 1021- Personnel Complaints and is not subject to the grievance procedure.
- (c) “Immediate Supervisor” is the employee directly supervising the grievant or in his or her absence his or her designee.
- (d) “Day” is a calendar day.

7.2 Informal Step

Before filing a grievance, the grievant shall discuss the matter with his or her immediate supervisor.

7.3 Step One

- (a) If the grievant is not satisfied with the response at the informal step, the grievant shall submit the grievance in writing to his or her immediate supervisor within 14 days of the action causing the grievance or of the date the action reasonably could have been expected to be known to the grievant.
- (b) Within 14 days of filing of the grievance, the immediate supervisor shall respond in writing to the grievance.

7.4 Step Two

- (a) If the grievant is not satisfied with the Step One response, the grievant may bring the grievance to the Chief of Police within 14 days of receipt of the Step One response.
- (b) The Chief of Police shall respond to the grievance in writing within 14 days of receipt of the grievance at Step Two.

7.5 Step Three

- (a) If the grievant is not satisfied with the Step Two response, the grievant may bring the grievance to the City Manager within 14 days of receiving the Step Two response.
- (b) The City Manager shall respond to the grievance in writing within 14 days of receipt of the grievance at Step Three.

7.6 City Council

- 1. If the grievant is not satisfied with the opinion rendered by the City Manager, they may request a hearing before the City Council. The request must be made within 14 days of the opinion rendered by the City Manager. That hearing shall be held as promptly as possible and in any event no more than 30 calendar days from the date of receipt of the request for hearing. The City Council decision is final.

7.7 Release Time

The grievant shall be entitled to release from duty without loss of pay for the hearing of grievance. Other employees may be released from duty without loss of pay to serve as representatives or witnesses. Such releases are subject to the staffing and operational needs of the Department.

7.8 No Discrimination

There shall be no restraint, interference, coercion, discrimination, or reprisal against any employee for exercising any rights under the grievance procedure.

7.9 Representation

- (a) The employee may be represented by the Association at any step of the grievance.
- (b) An employee is also entitled to represent him/herself individually at any step of the grievance procedure.
- (c) A grievant may not change his or her designation of representative organization, during the processing of a grievance except by mutual agreement of the parties.

7.10 Grievance Withdrawal

By mutual agreement of both parties the grievant and their representative may withdraw the grievance at any stage of the grievance procedure by giving written notice to the City representative who last acted on the grievance.

7.11 Waiver of Steps

By mutual written consent of both parties any step of the grievance procedure may be waived.

7.12 Reopener

The City and the Association agree to reopen negotiations on the narrow and specific issue of whether, or to what extent, to revise Article 7 Grievance Procedure of the MOU. The parties shall commence the meet and confer process as soon as reasonably possible following the first