



City of Carmel-by-the-Sea
FY 2024/25 Proposed Capital
Improvement Plan (CIP) Questions and
Responses
May 21, 2024

City of Carmel-by-the-Sea

FY 2024/25 Proposed Capital Improvement Plan (CIP) Questions and Responses

The following CIP questions represent those received from both Councilmembers and the general public. This list of questions and answers will continue to be expanded through the May 21st, 2024 budget workshop, up to the budget adoption hearing on June 4th, 2024. The questions are answered in the order that they were received during this timeframe.

Section I) - From March 5, 2024 Council Meeting - 1st Review of the CIP

1. *What buildings does the City own, and what are the estimated deferred maintenance costs for each?*

Response:

No.	Building	Year Built	Square Feet	Condition Assessed (Firm/Year)	Estimated Repairs/ Renovations
1	City Hall	1913	6,572	BV 2023	\$2.1M
2	Fire Station	1937	3,375	BV 2023	\$1.5M
3	Vista Lobos	1954	6,000	BV 2023	\$0.6M
4	Police Station	1966	7,500	Indigo 2023	\$11 - \$20M
5	Public Works	1966	15,614	BV 2023	Pending PD
6	HM Library	1927	7,466	Jayson 2023	\$10M LMP
7	PB Library	1971	8,310	Jayson 2023	\$15M LMP
8	Flanders Mansion	1925	5,380	2018 RFP	
9	Scout House	1931	3,820	2023 RFP	\$1M
10	First Murphy House	1902	760	H&A 2013	
11	Forest Theater	1939+	12,350	H&A 2013	Renov. 2015
12	Sunset Center	1925-31	45,634	H&A 2013	Renov. 2001
13	Norton Garage	1989	10,500		
14-20	7 Public Restrooms		3,500	Proposed FY27	
Totals			136,781		

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2. What is the estimated total carry-over amount and the new FY 2024/25 proposed amounts? What is the forecast for funding next year?

Response: The estimated total carry-over amount into FY 2024/25 is \$6.81M of City Funds plus \$2.43M of external funds (now including PG&E Rule 20A). The total amount of the supplemental funding for six “shovel ready” projects (\$1,667,000), plus six proposed new Vehicle and Equipment Fund projects (\$545,000), and the 13 proposed Capital Improvement Fund projects (\$3,030,000) would be \$5,242,000 of City funds plus \$515,000 of external funds.

While the forecasted funds for FY 2024/25 are not yet available, Council is requested to review and defer projects that may not be urgent or which exceed available funding.

3. Our roads are badly cracked. Can we add more funding to improve the streets?

Response: According to our “StreetSaver” Pavement Management Program, the City’s overall Pavement Condition Index (PCI) has been slowly deteriorating over the past five years as indicated in the chart below. In 2019, the PCI of 78 was the highest of any agency in Monterey County. Since then, a three-year gap in paving projects caused by the Pandemic has reduced the PCI down to 71, as was anticipated.

With the proposed \$2.8M street improvement project for FY 2024/25 and ongoing annual investments (local plus external funding) of \$1.1M, our pavement condition is expected to be maintained in the 70s, at least for the next five years. Increasing investment for streets must be weighed against other significant infrastructure needs such as for priority drainage projects, shoreline infrastructure, and City building repairs.

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4. Why are we spending so much for consultants?

Response: The City relies on consultants to provide professional services for two primary reasons. First, City staff does not possess the wide range of technical expertise needed for many projects, such as in the following service areas: Architecture, coastal engineering, electrical engineering, geotechnical engineering, hazardous materials testing, landscape architecture, mechanical engineering, structural engineering, surveying, and traffic engineering.

The other primary reason is that while staff does have the needed technical expertise, the quantity of projects requires the City to supplement staff, such as for the following service areas: Arboricultural services, Building Code plan checking, civil engineering, construction management, environmental services, historic preservation, planning services, and project management.

Per state law, consultants are hired on the basis of demonstrated competency, qualifications, and experience, not on lowest price. Also refer to Question 11 below.

5. Can the proposed landscaping on the Ocean Avenue median island include an irrigation connection to facilitate watering plants and flowers around the WWI Memorial Arch?

Response: Yes, that infrastructure was recently installed.

6. Why wasn't the PG&E Rule 20A Undergrounding funds included in the CIP?

Response: The Rule 20A Undergrounding Project was included in the current FY 2023/24 budget and shown in the 5-year CIP spreadsheet. However, on March 5th, this should have been included as a carryover project with external funding. This has been corrected.

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7. *Does the City have a plan to ultimately replace the new ambulance and fire engine?*

Response: Yes. Public Works and Public Safety maintain a list of all vehicles and equipment in the City's fleet. This list is updated each year as part of the CIP programming process, and projects 15 years out. The incoming ambulance and fire engine are not yet in the City's fleet; however, once they arrive, they will be added.

Our current Fire/Ambulance services operate with two fire engines and two ambulances. One vehicle for each serves as a back-up for the primary. When we replace a fire engine or ambulance, we are essentially replacing the back-up. The new vehicle becomes the primary, and the old one moves to the back-up role.

8. *Carmel Cares suggests fundraising to donate a bobcat or tractor to Public Works to help sand movement on Carmel Beach.*

Response: The City would greatly appreciate such a donation. Currently Public Works has to rent this equipment.

9. *Can the City increase the transfer tax to provide additional revenue?*

Response: No. Under California law, only a charter city may enact or increase a real property transfer tax that is a general tax. Therefore, the real property transfer tax would have to be approved by a majority of the voters.

10. *What is the cost estimate to fix the roadway along Ocean Avenue in the County's jurisdiction, between Carpenter Street and Highway 1?*

Response: Monterey County Public Works officials have informed a local resident that the cost estimate to repair Ocean Avenue in the County's jurisdiction would be \$500,000. City staff believes that this cost estimate is overly optimistic and may not include the full cost considering traffic detours, drainage, sidewalks, required ADA ramps, CalTrans permitting, etc.

With Council's direction, Staff could begin to discuss the possibility of entering into an Interagency Agreement with Monterey County such that the City would oversee a program management consultant who would in turn oversee the development of design plans, CEQA documentation, bidding, and construction of the proposed project, all at the expense of the County.

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11. What are our costs for consultant project management services? What is the cost if we were to add a second project manager position in-house?

Response: For the past two fiscal years, the City retained three project management firms for the total fees to advance the following projects:

- 4 Leaf, \$198k: Includes Police Building Project, FY 22 Paving Project specifications, and technical support for resilience and electrical panel assessment projects.
- Ausonio, Inc., \$250k: Includes City Hall retaining wall repair, Sunset Center and Harrison Memorial Library exterior painting projects, City Hall roof replacement, Cottage Windows repairs, 4 facility condition assessments, design concepts for Sunset Center's portico, design of Sunset Center retaining walls repairs and San Antonio pathway structural repairs, and Park Branch Library dumbwaiter decommissioning.
- Wallace Group, \$350k: Includes Mission Trail Nature Preserve tank/pump house/well removal design, oversight of FY 23 Concrete Streets Project and the Storm Drain Master Plan Update, planning for wayfinding signs, planning for shoreline infrastructure repairs, and engineering and design of the FY 24 Paving Project.

This \$800k investment over the past two years allowed the City to advance 20 capital improvement projects.

The fully-burdened cost (salary plus benefits) for a City Project Manager is roughly \$196,000. A Project Manager can support an average of eight to ten projects at a time. Thus, hiring a second Project Manager on staff would ultimately reduce outside consultant fees, but continuing to retain project management consultants is still a prudent strategy until the current backlog of projects can be reduced. In addition, consultants will still be required for their technical expertise as described in Question 4 above.

12. The failed fencing along the San Antonio pathway, between Second and Fourth Avenues, was originally a joint project with Pebble Beach. Pebble Beach appears to have a similar problem with the fencing north of the Pebble Beach gate. Does Pebble Beach have a plan for repairs and would they be willing to participate in funding?

Response: The Pebble Beach Community Services District advised staff to reach out to representatives of the Pebble Beach Company. While the fence inside Pebble Beach appears to be similar to the fence along San Antonio Avenue, it is not yet clear if the same, or alternative foundation design, was used there. More information is forthcoming.

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13. What is the total cost to implement all of the priority drainage repairs identified in the 2023 Storm Drain Master Plan (SDMP) Update?

Response: The 23 priority projects identified in the SDMP Update are estimated to cost \$14.7M. Three of the six highest priority repairs will be “shovel ready” for construction pending supplemental funding of \$638,000 proposed in FY 2024/25. The design of one additional high priority project, the Junipero Bypass, is a proposed new project valued at \$175,000 for FY 2024/25.

The draft 5-year CIP includes an additional \$2.8M in Years 2-5 towards completion of these top six projects. The nine medium priority projects included in the SDMP Update, valued at \$7.7M, would take another 7 to 10 years to complete at current funding levels.

14. Council requests a presentation about the status of the Library Master Plan.

Response: The Library Master Plan was presented to the Harrison Memorial Library (HML) Board of Trustees on March 20, 2024 and was presented to Council at their April 2, 2024 meeting.

15. Can we dissect the San Antonio/Ocean Avenue intersection improvements included in the FY23 Concrete Streets project into the proposed, modified paving project to be constructed in FY 2024/25?

Response: Yes. This is one of the proposed project changes described in Section B of the March 26, 2024 Staff Report.

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Section II) - From March 26, 2024 Special Council Meeting - 2nd Review of the CIP

16. *Explain what the Trestle Foot Bridge is on Lincoln & Fourth Avenue.*

Response: There is a 90-year old wooden pedestrian bridge along the Lincoln Street alignment extending north from Fourth Avenue and ending at the end of Lincoln Street, south of Third Avenue. While Public Works routinely makes minor repairs to handrails, posts, and other elements, the overall structure is showing its age and may become unstable. The proposed project will allow for a structural engineer to assess the integrity of the bridge and determine the extent of repairs that are needed to ensure safety.

17. *Sunset Center Portico – how did this project come about?*

Response: Sunset Center requested this project last year. There used to be an open trellis-type of portico structure in front of the entry doors on the west side of the main building, just south of the snack stand. The old trellis rotted out and was removed approximately 7-8 years ago. A couple of rotted out columns still remain. This project would ultimately replace the portico with a new structure.

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18. Concerned about City Staff workload. Hypothetically, what if we put a pause on the City's backlog – what impacts would occur?

Response: Without any new capital improvement projects assigned for FY 2024/25, the current backlog of work from the 15 Carry-Over Project funded in, or prior to, FY 2023/24 would take staff plus our three Project Management consultants approximately one more full year to complete. As reference, the City completed 14 projects in FY 23 and 15 projects in FY 24 with one in-house Project Manager plus three Project Management consultants.

Currently, the tentative list of 6 new Vehicle and Equipment Funded projects plus 13 new Capital Fund Projects, will add a full year of workload to the existing backlog. In addition, the Public Works Department, for example, is also involved in 11 Strategic Priority Projects (several of which are capital projects), in addition to ongoing streets and facilities maintenance, forestry and environmental programs, and service requests.

Staff does not recommend eliminating all 19 new projects since many are time-sensitive and should begin soon as possible. Hiring a second in-house Project Manager would be part of the solution in reducing the backlog and phasing out project management consultants. However, the scale and cost of the proposed new FY 24/25 CIP projects should be further reviewed. For example, at the March 26th meeting, Council directed staff to defer the construction phase of the Sunset Center Portico.

At the May 21, 2024 Budget Workshop, staff will identify four (4) additional, important, but non-urgent projects which Council may consider to defer.

19. What is the potential cost of not doing a project?

Response: All infrastructure, such as pavement, sidewalks, drainage pipes, buildings, etc., decays over time. It is significantly less expensive to perform preventative maintenance and make repairs as soon as the infrastructure begins to slip into accelerated deterioration before the infrastructure completely fails and has to be completely replaced at much higher cost.

If funding is delayed for making needed repairs to deteriorating infrastructure, typically, the repair will be more costly in the long run. Further, the infrastructure may fail and be unusable for public use.

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20. *How long are the construction bids actually good for?*

Response: Per the City's standard construction contract documents, bids are valid for 90 days from the date of the bid opening.

21. *Under the 13 Potential Projects, are the Lincoln & Fourth Avenue trestle footbridge repairs taken out of the operating budget?*

Response: The proposed project will be included in the CIP Budget, rather than in the operating budget, with an allocation of \$40,000 for the structural evaluation.

22. *Ocean Avenue should be representative of a First Class community. Ocean Avenue is in really bad shape, and the City should fix it as it is the entrance to our City and many people travel on it daily. Can we work with the County, Caltrans, or private groups to be reimbursed for payment?*

Response: This project has been included in the proposed CIP for FY 2024/25. The Project description is included in the draft Recommended Budget book.

23. *Carmel Cares requests \$100K for additional work on Scenic Pathway Project such as for barriers, erosion control, and landscaping.*

Response: There is an FY 2023/24 carry-over project, entitled "Scenic Pathway Hardscape Renovations," with an initial allocation of \$100,000 from the City plus matching funds from Carmel Cares. Only a small portion of the City funds have been expended to date on materials. Plans for the next phase of improvements were approved at the May meeting of the Forest and Beach Commission.

Although construction of these improvements is anticipated to begin this summer, staff recommends that no additional funding be allocated to this project at this time. Once the allocated funds are depleted, additional funding could be requested at the FY 2024/25 Mid-Year Budget or with next year's Capital Improvement Program.

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24. How do we measure a Consultant's work?

Response: The City enters into a professional services agreement with every consultant. These agreements establish the scope of services, fees, and schedules that the consultants are required to perform and the standards that they must follow. City staff reviews the consultant's reports, plans, specifications, or other documents that are to be submitted to the City per the agreement. If the consultant services are substandard or late, the City may require the consultant to redo the work product at no additional cost to the City or require them to provide a schedule to catch up on the required timeline if possible.

Some of the City's consultant agreements include an on-call, as-needed task which allows for the City to quickly assign smaller, add-on tasks if funding is available. Consultants who provide high quality, timely, and cost-effective services are more likely to be assigned these add-on tasks than consultants who do not provide best services.

25. How long will the San Antonio Walkway Project take? Can we get the project done faster?

Response: Currently, the design is 90% complete and in building permit readiness review. Subject to construction funding in FY 24/25, the project will be advertised for construction bids in early July, and a contract could be awarded in September. Construction will take approximately 3 months to complete from issuance of the Notice to Proceed; thus, construction could be substantially complete by the end of 2024. This is a high priority project.

26. We need to put political pressure on Pebble Beach Company to fix the San Antonio Walkway/Structures.

Response: Mayor Potter and City Administrator Rerig have taken this responsibility on.

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27. What is the progress on undergrounding the Power Poles along San Antonio? Can we do the undergrounding project and the pathway project as a joint project?

Response: City staff has been working with Carmel Cares and their consultant on planning for the undergrounding of overhead utility lines along the San Antonio Pathway, between Second and Fourth Avenues. To prevent any conflicts between the privately-funded undergrounding project and the City-funded Pathway Reconstruction Project, the undergrounding alignment has been shifted to be under the San Antonio roadway rather than along the Pathway. Staff recommends that these remain two separate projects because the reconstruction project involves concrete, steel, and wood structural work in 44 pits along the Pathway, and the other involves horizontal trenching and relocating electrical, cable TV, and telephone cables underground below the street, repaving, and removing the power poles. There is one proposed utility transformer that needs to be installed on the Pathway, but it will be set back so as not to conflict with the reconstructed pathway and fence.

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28. Should we continue with concrete streets knowing the expensive cost to repair them? Are concrete streets noisier? Should we keep concrete streets only along Ocean Avenue?

Response: It is extremely expensive to remove existing concrete streets and replace them with asphalt streets. While concrete streets are considerably more durable than asphalt, their use should be limited to highways, bridges, and major arterial streets with high truck counts, not along Village roads. Concrete streets are also more expensive to construct, repair, and to install utility lines under them.

The design work is complete on the FY 2022/23 Concrete Streets Repair Project, which included Ocean Avenue, from San Antonio to Monte Verde Street, along San Carlos Street, from Fifth to Sixth Avenues, three adjacent intersections, and improvements at the Junipero and Seventh Avenue intersection. The consultant evaluated several options for repairs, and the least expensive alternative will be to cut out squares with heavily cracked or damaged concrete, replace the squares with new concrete, grind down the concrete edges, place a geotextile fabric placed over the concrete, and pave an asphalt overlay on top. This approach is far less expensive than completely removing the concrete streets and reconstructing them as asphalt pavement streets.

Only \$792,000 remains available for this \$2.5M project; consequently, the funding is being reallocated to the Conglomerate Paving Project for FY 25 to allow the City to pave 25+ asphalt streets, rather than a few concrete streets. Future year budgets will need to be captured for the eventual repairs of the concrete streets.

Concrete streets are typically a little noisier with rubber tire vehicles as compared to asphalt pavement.

29. Ocean Ave and San Antonio intersection is concrete – should we continue with concrete?

Response: The existing intersection of Ocean and San Antonio Avenues is mostly asphalt, and various portions of the intersection were repaired multiple times. The intersection is significantly deteriorated and deformed. The Conglomerate Paving Project for FY 25 will completely reconstruct this intersection with a new asphalt pavement section.

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30. What is the cost of fixing all the Storm Drain Plan projects with inflation? What is the risk of delaying the Storm Drain Master Plan projects?

Response: As noted in Question 13 above, the 23 priority projects identified in the SDMP Update are estimated to cost \$14.7M. Three of the six highest priority repairs will be “shovel ready” for construction pending supplemental funding of \$638,000 proposed in FY 2024/25. The design of one additional high priority project, the Junipero Bypass, is a proposed new project valued at \$175,000 for FY 2024/25.

The draft 5-year CIP includes an additional \$2.8M in Years 2-5 towards completion of these top six projects. The nine medium priority projects included in the SDMP Update, valued at \$7.7M, would take another 7 to 10 years to complete at current funding levels.

The impacts of future inflation are unknown; however, it is reasonable to assume that construction costs will only increase over time. All six of the high priority projects in the SDMP Update are necessary to prevent potential flooding onto private properties, collapsed drain pipes, and to eliminate a significant bottleneck in the main drainage line along Junipero. Once all six high priority projects are completed, say by 2030, then the City should reassess the urgency of proceeding with the moderate and lower priority projects listed in the SDMP Update.

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31. *Who bid on the City Hall roof and Cottage Windows project? What is so complicated about fixing the windows at the Cottage or the City Hall roof? Why is it so expensive?*

Response: At the September 12, 2023 meeting, Council adopted Resolution 2023-082, rejecting both bids received for four facility renovation projects that were bundled into one construction package. The bids, which were nearly twice the project team's cost estimate, for these two projects are listed below:

	Pro-Ex Construction	Commercial Solutions Group
City Hall Roof Replacement	\$365,970	\$631,171
Sunset Center Cottage Window Repairs	213,345	145,393
Total Bid (with Sunset Center and HML Painting projects)	\$1,274,017	\$1,321,250

The accompanying staff report to that Resolution noted a number of factors that likely led to unreasonable price escalations in the bids, as follows:

- *The project was bid in the summer. Contractors in our region are already very busy and may not be aggressively seeking more jobs.*
- *There is a construction labor shortage in California. Contractors are paying increasingly higher wages to retain crews.*
- *Material prices continue to escalate due to inflation and supply chain issues.*
- *While there were many subcontractors at the pre-bid meeting, a majority were painters. Only three general contractors attended the pre-bid, and two submitted bids.*
- *The City Hall roof bid was based on upgraded, cedar shingles with bid alternates to compare with less-costly composition shingles. However, the bidders still did not provide reasonable cost reductions for the composition roof, and, in fact, one bidder actually increased their bid using the less costly roofing materials.*
- *During the pre-bid meeting, several contractors expressed concerns that all of the buildings were historic and would be occupied during the work.*
- *Bid documents included hazardous materials testing and reporting duties. Therefore, the contractors had to hire a qualified consultant for this work and included markups.*

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32. *When will we spend the money in the budget for the Sunset Center projects?*

Response: The Sunset Center Retaining Walls Repair Project is scheduled to be constructed by late 2024/early 2025. The Sunset Center North Lot Electrical Panel Replacement Project schedule largely depends on the schedule for transformer installation by PG&E (at no cost to the City); however, tentatively, construction is anticipated in FY 2025/26. The Sunset Center Portico design concepts have been completed; but construction funding has been deferred to FY 2025/26 in the 5-Year CIP exhibit.

33. *Do people leave their cars at the EV charging station at Vista Lobos all day?*

Response: The existing EV charging station is used very frequently on a daily basis. After their car is fully charged, the patron gets charged a fee of \$10 per hour for leaving the charger on, with a maximum fee of \$50. It is staff's opinion that this has become a less frequent problem once patrons realize this.

34. *Can we go on a field trip to the MTNP Laiolo Bridge and Pathway Realignment Project in May and decide on this project after the field trip?*

Response: There will be a Tour of Inspection of the proposed Doolittle (formerly Laiolo) Bridge and Pathway Realignment Project prior to the May 21, 2024 Council Budget Workshop at 3:45pm.