

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

SPECIAL MEETING MINUTES

Monday, March 24, 2025

CALL TO ORDER AND ROLL CALL

Mayor Byrne called the meeting to order at 4:35 p.m.

Roll call: Councilmembers Jeff Baron, Hans Buder, Alissandra Dramov, Mayor Pro Tem Delves, and Mayor Dale Byrne were present.

ORDERS OF BUSINESS

Item 1 - Receive a recap of the February Council Priorities Workshop and Provide Direction on the Project List

Assistant City Administrator Brandon Swanson gave a brief presentation on the item, summarizing the direction received during the February 27th Council Priorities Workshop, and requesting clarification on the official council priorities list to include in the list and confirming the proposed strategic categories.

Public Comment:

Nancy Twomey

Maria Ruess

Councilmember Baron suggested that the current list of 40 strategic priorities is too detailed and hard to manage. He recommended simplifying the current list by grouping maintenance tasks under broader categories and separating strategic goals from operational tasks. Councilmember Buder and Mayor Pro Tem Delves agreed, and said they like the staff's refreshed 5 priority goals with detailed action items listed under each. Councilmember Buder favored assigning a priority level to each item to provide more direction. Mr. Swanson proposed reorganizing the list into three tiers: priority categories, actionable items, and responsible departments.

The Council discussed items they would like added to the list such as: the Library Renovation Project, tree maintenance, and residential street improvements. Mayor Byrne also suggested including City Support Group utilization and revisiting the Charter City topic. Councilmember Baron advocated for reinstating the Design Review Board, separating design review responsibilities from the Planning Commission. Councilmember Dramov proposed adding long-term plans for downtown beautification, beach infrastructure maintenance, and a 20–40 year infrastructure plan. Mayor Pro Tem Delves requested regular updates on priority project progress and a plan for identifying new revenue sources.

The Council agreed that more public workshops are needed on street addressing before any public vote. Council directed staff to return at the May meeting with a reorganized list, structured by category, with actionable items under each. Council suggested changing the name of the “hygiene” list to “Day to day” or “routine”, and changing the name of the “parking lot list” to “inactive” to avoid confusion.

Item 2 - Receive a presentation on the Five-Year Financial Forecast and provide direction to staff

Finance Manager Jayme Fields presented a five-year financial forecast to the Council, emphasizing anticipated yearly deficits due to decreasing revenues and escalating expenditures. Ms. Fields requested initial guidance from the Council on prioritizing capital projects for the upcoming fiscal year. She noted that around 30% of projected revenue is currently designated for capital outlay, which aligns with financial policy. However, Ms. Fields cautioned that any adjustments to the capital outlay allocation should consider potential impacts on service levels and pension liabilities.

Public Comment:

Donna Jett
Maria Ruess

The Council discussed presenting a budget that more accurately reflects actual spending and suggested that the CIP budget exclude the Police Department Building project, as its high value distorts the overall CIP budget picture. The Council acknowledged that the City has a history of conservative revenue estimates and high budget allocations, resulting in excess funds at the end of the year that can be carried over.

Recess:

Council took a 10-minute recess at 6:39 p.m. and returned to the dais at 6:52 p.m.

Item 3 - Receive a presentation on the proposed Fiscal Year (FY) 2025/26 Capital Improvement Program (CIP) and Five-Year Capital Improvement Plan, and provide direction to staff

Acting Public Works Director Mary Bilse presented an update on the Capital Improvement Plan (CIP) for fiscal year 2025–2026 and introduced the updated five-year CIP covering FY 2025–26 through 2029–30. She reported that of the 25 current CIP projects:

- 11 are completed,
- 7 are expected to be completed by June 2025,
- 5 are in progress and scheduled for completion in FY 2025–26, and
- 2 have undetermined completion timelines.

She also reviewed projects to be carried over into FY 2025–26 and discussed potential new projects eligible for funding through the Vehicle and Equipment Fund and the CIP Fund. Director

Bilse requested the Council's input on the number of projects to fund in FY 2025–26 and on setting funding priorities for future CIP projects.

Public Comment:
Donna Jett
Maria Ruess

Council discussion followed and staff responded to Council questions.

Item 4 - Receive a presentation on revisions to the Financial Policies

Finance Manager Jayme Fields presented proposed updates to the city's financial policies to clarify existing policies and aid in policy compliance. She highlighted proposed changes which include:

- Separating budget guidelines from fiscal policies
- 10% revenue minimum for capital projects
- Carrying forward uncompleted capital project budgets
- 15% reserve target for General and Hostelry Funds
- Eliminating the 20% general capital reserve target

Public Comment:
Nancy Twomey
Donna Ruess
Maria Ruess

Councilmember Baron emphasized the importance of keeping policies flexible for future Councils and requested a redlined version of the current policy showing proposed changes. Council directed staff to revise the financial policies to make them less restrictive and return with draft policy updates for further review

ADJOURNMENT

Council adjourned the meeting at 9:17 p.m.

APPROVED:

ATTEST:

Dale Byrne, Mayor

Nova Romero, MMC, City Clerk