



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

Mayor Dale Byrne, Councilmembers Jeff Baron, Hans  
Buder, Bob Delves, and Alissandra Dramov  
Contact: 831.620.2000 [www.ci.carmel.ca.us](http://www.ci.carmel.ca.us)

All meetings are held in the City Council Chambers  
East Side of Monte Verde Street  
Between Ocean and 7th Avenues

### **REGULAR MEETING Tuesday, June 3, 2025**

**4:30 PM**

### **AMENDED AGENDA**

### **HYBRID MEETING ATTENDANCE OPTIONS**

This meeting will be held in person and via teleconference ("hybrid"). The public is welcome to attend the meeting in person or remotely via Zoom, however, 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. To view or listen to the meeting from home, you may also watch the live stream on the City's YouTube page at: <https://www.youtube.com/@CityofCarmelbytheSea/streams>. To participate in the meeting via Zoom, copy and paste the link below into your browser.

**<https://ci-carmel-ca-us.zoom.us/j/86890317537> Webinar ID: 868 9031 7537 Passcode:  
100836 Dial in: (253) 215-8782**

### **HOW TO OFFER PUBLIC COMMENT**

The public may give public comment at this meeting in person, or using the Zoom teleconference module, provided that there is access to Zoom during the meeting. Zoom comments will be taken after the in-person comments. The public can also email comments to [cityclerk@ci.carmel.ca.us](mailto:cityclerk@ci.carmel.ca.us). Comments must be received at least 2 hours before the meeting in order to be provided to the legislative body. Comments received after that time and up to the beginning of the meeting will be made part of the record.

### **OPEN SESSION 4:30 PM**

### **CALL TO ORDER AND ROLL CALL**

### **PLEDGE OF ALLEGIANCE**

### **EXTRAORDINARY BUSINESS**

- A.** Carmel High School Report Out (Estimated time - 3 min)
- B.** Pride Month Proclamation (Estimated time - 3 min)
- C.** Non-Profit Spotlight - Monterey Fire Fighters Community Foundation (Estimated time

- 3 min)

- D. Receive an information report on the City of Carmel-by-the-Sea Vacancies Pursuant to Government Code Section 3502.3 (AB 2561) (Estimated time - 5 min)

## **PUBLIC APPEARANCES**

Members of the public are entitled to speak on matters of municipal concern not on the agenda during Public Appearances. Each person's comments shall be limited to 3 minutes, or as otherwise established by the Chair. Persons are not required to provide their names, however, it is helpful for speakers to state their names so they may be identified in the minutes of the meeting. 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. If a member of the public attending the meeting remotely violates the Brown Act by failing to comply with these requirements of the Brown Act, then that speaker will be muted.

## **ANNOUNCEMENTS (Estimated time - 5 min)**

- A. City Administrator Announcements
- B. City Attorney Announcements
- C. Councilmember Announcements

## **PUBLIC HEARINGS**

- 1. Resolution 2025-053 Adopting the Fiscal Year 2025-2026 Appropriations Limit (Estimated time - 10 min)
- 2. Resolution 2025-052 Adopting the Fiscal Year 2025-2026 Annual Operating and Capital Budget (Estimated time - 60 min)
- 3. First reading and introduction of Ordinance No. 2025-002 amending Carmel Municipal Code Section 15.08.010 and Section 15.10.020 to adopt the 2025 Fire Hazard Severity Zone Map for the City as identified by the California State Fire Marshall in Accordance with Government Code Section 51178 (Estimated time - 45 min)
- 4. First reading and introduction of Ordinance No. 2025-003 Adding Section 2.52.686 – (Paid Parental Leave) to the Carmel-by-the-Sea Municipal Code (Estimated time - 20 min)

## **ORDERS OF BUSINESS**

Orders of Business are agenda items that require City Council, Board or Commission discussion, debate, direction to staff, and/or action.

- 5. Resolution 2025-054 approving a 4.19% percent rate increase to charges by the City's franchised hauler, GreenWaste Recovery, for the collection of solid waste, recycling and organics, effective July 1, 2025, and approving Amendment No. 4 to the Memorandum of Understanding between ReGen Monterey and Member Agencies for Fiscal Year 2025/26 (Estimated time - 30 min)

## **FUTURE AGENDA ITEMS**

## **CLOSED SESSION**

- A. CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6

**Agency Designated Representatives:**

City Administrator Chip Rerig

Assistant City Administrator Brandon Swanson

City Attorney Brian Pierik

Senior HR Analyst Marisa Bermudez

Police Chief Paul Tomasi

Police Commander Todd Trayer

**Employee Organization:** Police Officers Association (POA)

**PUBLIC COMMENT - Limited to Closed Session item(s)****ADJOURNMENT**

2. Correspondence Received After Agenda Posting
3. Presentations received after agenda posting

This agenda was posted at City Hall, Monte Verde Street between Ocean Avenue and 7th Avenue, Harrison Memorial Library, located on the NE corner of Ocean Avenue and Lincoln Street, the Carmel-by-the-Sea Post Office, 5th Avenue between Dolores Street and San Carlos Street, and the City's webpage <http://www.ci.carmel.ca.us> in accordance with applicable legal requirements.

**SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA**

Any supplemental writings or documents distributed to a majority of the City Council regarding any item on this agenda, received after the posting of the agenda will be available for public review at City Hall located on Monte Verde Street between Ocean and Seventh Avenues during regular business hours.

**SPECIAL NOTICES TO PUBLIC**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at 831-620-2000 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting (28CFR 35.102-35.104 ADA Title II).



## **PROCLAMATION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA RECOGNIZING JUNE 2025 AS LGBTQ PRIDE MONTH**

WHEREAS, many cities across the United States recognize June as Lesbian, Gay, Bisexual, Transgender and Queer Pride Month, in commemoration of the Stonewall riots in June of 1969 and to celebrate the progress that has been made for LGBTQ rights; and

WHEREAS, continued discrimination against LGBTQ persons makes it important for cities to stand up and show solidarity and support for our LGBTQ residents and those in the community at large; and

WHEREAS, the City of Carmel-by-the-Sea has a diverse Lesbian, Gay, Bisexual, Transgender and Queer community and is committed to celebrating and supporting visibility, dignity and equality for all people in the community; and

WHEREAS, The City of Carmel-by-the-Sea has a long and proud history of celebrating diversity, promoting inclusion and defending civil rights both within our community and outside of our community; and

WHEREAS, it is of great importance to respect one another and appreciate our differences.

NOW, THEREFORE, BE IT PROCLAIMED THAT I, Dale Byrne, Mayor of the City of Carmel-by-the-Sea, on behalf of the City Council and the citizens of Carmel hereby proclaim June 2025 as LGBTQ Pride Month.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of June, 2025, in Carmel-by-the-Sea, California.

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Dale Byrne, Mayor





# CITY OF CARMEL-BY-THE-SEA

## CITY COUNCIL

### Staff Report

June 3, 2025  
EXTRAORDINARY BUSINESS

<b>TO:</b>	Honorable Mayor and City Council Members
<b>SUBMITTED BY:</b>	Marisa Bermudez, Sr. Human Resources Analyst
<b>APPROVED BY:</b>	Chip Rerig, City Administrator
<b>SUBJECT:</b>	Receive an information report on the City of Carmel-by-the-Sea Vacancies Pursuant to Government Code Section 3502.3 (AB 2561) (Estimated time - 5 min)

#### RECOMMENDATION:

Receive an information report on the City of Carmel-by-the-Sea Vacancies Pursuant to Government Code Section 3502.3 (AB 2561).

#### BACKGROUND/SUMMARY:

California State Assembly Bill AB 2561 (**Attachment 1**), codified in Government Code Section 3502.3 and approved on September 22, 2024, requires public agencies to present the status of their vacancies in a public hearing before their governing body at least once per fiscal year prior to the adoption of the upcoming final budget.

This report is presented to comply with Government Code 3502.3. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the City must, upon request of the recognized employee organization, to provide additional specified information during the public hearing. As shown in the table below, the City's represented bargaining units – General Unit, Management Unit, Police Officers Association Unit – have a vacancy rate below 10% and therefore not currently subject to this requirement.

Bargaining Unit	# of Budgeted FTE's	# of Vacancies	% of Vacancies
General LiUNA	33	3	9.1%
Management LiUNA	11	1	9.1%
Police Officers Association	22	2	9.1%
TOTAL	66	6	9.1% (avg)

Of the six vacancies, half are due to recent retirements, voluntary resignations, and internal promotion. One vacancy is currently under departmental review as part of an active recruitment. The City anticipates initiating

recruitment for all vacant positions in the coming months, with the expectation that recruitments will conclude during summer 2025.

In accordance with AB 2561, the City must also identify any changes to policies, procedures, or recruitment activities that impact the City's efforts to reduce its vacancies. Over the past year, the Human Resources Department has streamlined its recruitment procedures by working closely with hiring managers and, when needed, engaging our external recruiting consultant. These improvements have accelerated the application review process, interview scheduling, and conditional job offer stages. As a result of these efforts, the City's successfully hired 22 new employees over the last 12 months.

While recruitment and retention continue to be challenges faced by many public agencies, the City's recent adjustments, combined with salary alignments to market median levels, have enhanced our competitiveness and reduced turnover.

The City remains committed to ongoing evaluation and refinement of its policies and procedures to ensure continued success in minimizing vacancies and maintaining high employee retention.

#### **FISCAL IMPACT:**

This public hearing is held for informational purposes. There are no proposed changes for the FY 2025/2026 Recommended Budget.

#### **PRIOR CITY COUNCIL ACTION:**

N/A

#### **ATTACHMENTS:**

Attachment 1) AB 2561


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## AB-2561 Local public employees: vacant positions. (2023-2024)

SHARE THIS:



Date Published: 09/23/2024 09:00 PM

### Assembly Bill No. 2561

#### CHAPTER 409

An act to add Section 3502.3 to the Government Code, relating to public employment.

[ Approved by Governor September 22, 2024. Filed with Secretary of State September 22, 2024. ]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2561, McKinnor. Local public employees: vacant positions.

Existing law, the Meyers-Milias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations and to consider fully presentations that are made by the employee organization on behalf of its members before arriving at a determination of policy or course of action.

This bill would, as specified, require a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year, and would entitle the recognized employee organization to present at the hearing. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the bill would require the public agency, upon request of the recognized employee organization, to include specified information during the public hearing. By imposing new duties on local public agencies, the bill would impose a state-mandated local program. The bill would also include related legislative findings.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

Attachment 1

**SECTION 1.** The Legislature finds and declares as follows:

(a) Job vacancies in local government are a widespread and significant problem for the public sector affecting occupations across wage levels and educational requirements.

(b) High job vacancies impact public service delivery and the workers who are forced to handle heavier workloads, with understaffing leading to burnout and increased turnover that further exacerbate staffing challenges.

(c) There is a statewide interest in ensuring that public agency operations are appropriately staffed and that high vacancy rates do not undermine public employee labor relations.

**SEC. 2.** Section 3502.3 is added to the Government Code, to read:

**3502.3.** (a) (1) A public agency shall present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year.

(2) If the governing board will be adopting an annual or multiyear budget during the fiscal year, the presentation shall be made prior to the adoption of the final budget.

(3) During the hearing, the public agency shall identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

(b) The recognized employee organization for a bargaining unit shall be entitled to make a presentation at the public hearing at which the public agency presents the status of vacancies and recruitment and retention efforts for positions within that bargaining unit.

(c) If the number of job vacancies within a single bargaining unit meets or exceeds 20 percent of the total number of authorized full-time positions, the public agency shall, upon request of the recognized employee organization, include all of the following information during the public hearing:

(1) The total number of job vacancies within the bargaining unit.

(2) The total number of applicants for vacant positions within the bargaining unit.

(3) The average number of days to complete the hiring process from when a position is posted.

(4) Opportunities to improve compensation and other working conditions.

(d) This section shall not prevent the governing board from holding additional public hearings about vacancies.

(e) The provisions of this section are severable. If any provision of this section or its application is held invalid, the invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(f) For purposes of this section, "recognized employee organization" has the same meaning as defined in subdivision (a) of Section 3501.

**SEC. 3.** The Legislature finds and declares that Section 2 of this act, which adds Section 3502.3 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

It is in the public interest, and it furthers the purposes of paragraph (7) of subdivision (b) of Section (3) of Article I of the California Constitution, to ensure that information concerning public agency employment is available to the public.

**SEC. 4.** No reimbursement shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other law.





## CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

June 3, 2025  
PUBLIC HEARINGS

**TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Jayme Fields, Finance Manager

**APPROVED BY:** Chip Rerig, City Administrator

**SUBJECT:** Resolution 2025-053 Adopting the Fiscal Year 2025-2026 Appropriations Limit  
(Estimated time - 10 min)

### RECOMMENDATION:

Adopt the Fiscal Year 2025-2026 Appropriations Limit

### BACKGROUND/SUMMARY:

The State Constitution (Article XII IB) places a limit on the amount of monies that a governmental entity is able to spend based upon projected tax revenues. In accordance with State law, the government entity must adopt an annual appropriations limit. This limit is calculated using a prescribed methodology outlined by the State. The limit is adjusted by the change in the cost of living and the change in population, using the California Department of Finance figures.

In calculating the appropriations limit, the City Council has the option to use either the change in per capita income or the percentage change in the local assessment roll. In addition, the Council may either use the change in population within the City or within the County. For consistency purposes, staff recommends using the California per capita personal income of 6.44% and the population growth for the City of Carmel by the Sea of -.23%. The Department of Finance uses a formula that converts the percent change in income and population growth into a ratio and thus the adjustment factors for calculating the GANN limit are 1.0644 for income and .9977 for population growth.

These adjustment factors are applied to the current fiscal year (Fiscal Year 2024-2025) GANN limit in order to determine the appropriation limit for the upcoming fiscal year (Fiscal Year 2025-2026). Using this formula, the City's appropriation limit for Fiscal Year 2025-2026 is \$45,081,158. The appropriations subject to the GANN limit is \$29,884,344; thus, the City is well within its GANN limit.

### FISCAL IMPACT:

The appropriation limit for fiscal year 2025-2026 is based upon budgeted revenues for property tax, sales tax, transient occupancy tax, motor vehicle in lieu and business license tax. Together, these revenues are budgeted at \$29,884,344.

### PRIOR CITY COUNCIL ACTION:

Council adopted the Fiscal Year 2024-2025 Appropriations Limit on June 4, 2024.

## **ATTACHMENTS:**

Attachment 1) Resolution 2025-053 Adopting FY 25-26 GANN Limit

Attachment 2) DOF Price and Population 2025

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

**RESOLUTION NO. 2025-053**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA  
ADOPTING THE FISCAL YEAR 2025-2026 APPROPRIATIONS LIMIT**

WHEREAS, under Article XIII B of the State Constitution, public agencies are required to annually establish maximum appropriations limits referred to as the Gann limit (Limit); and

WHEREAS, since fiscal year 1991, the City is permitted to adjust its Limit in accordance with inflation and population adjustment factors; and

WHEREAS, the annual adjustment factors that were selected to calculate the Fiscal Year 2025-2026 Limit were the California per capita personal income adjustment factor of 1.0644 and the Carmel by the Sea population growth factor of .9977; and

WHEREAS, in accordance with California Government Code Section 7910, a notice of the public hearing was published in the Carmel Pine Cone on May 16, 2025; the documentation used in determining the Limit has been made available to the general public for fifteen days prior to the date of the adoption; and Council conducted a public hearing on the Limit on June 3, 2025; and

WHEREAS, the City may not appropriate any proceeds of taxes in excess of its Limit.

**NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF  
CARMEL-BY-THE-SEA DOES HEREBY:**

1. Adopts the final calculation of the Appropriation Limit for Fiscal Year 2025-2026 as \$45,081,158, which is attached hereto as Exhibit A.
2. Certifies the Fiscal Year 2025-2026 Adopted Appropriations Subject-To-Limit of \$29,884,344 does not exceed the Gann limit, which is attached hereto as Exhibits A and B respectively.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 3rd day of June 2025, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

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Dave Byrne  
Mayor

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Nova Romero  
City Clerk



## Exhibit A

### City of Carmel-by-the-Sea Spending Limit Calculations Fiscal Year 2025-2026

#### Appropriations Subject to Limit

Fiscal Year 2025-2026 General Tax Revenues	\$ 29,884,344
Less Non proceeds of Tax	\$ -
Total appropriations subject to limits	\$ 29,884,344

#### Appropriations Limit

Fiscal Year 2024-2025 Appropriations limit	\$ 42,449,301
Plus change factors	
A. Cost of Living adjustment/Per Capital Income	1.0644
B. Population Adjustment	0.9977
Total Change Factor	1.0620
Increase in appropriations limit	\$ 2,631,857

#### Fiscal Year 2025-2026 Appropriations Limit

Fiscal Year 2025-2026 Appropriations Limit	\$ 45,081,158
Remaining appropriations capacity	\$ 15,196,814
Availability capacity as a percent of appropriations limit	34%

**Exhibit B**

**City of Carmel-by-the-Sea**  
**Spending Limit Calculation**  
**Fiscal Year 2025-2026**

<b>Revenue Source</b>	<b>Fiscal Year 2025-2026 Budget</b>
Property Tax	\$ 9,192,102
Sales and Use Tax	\$ 10,408,337
Transient Occupancy Tax	\$ 9,109,116
Business License Tax	\$ 581,800
Motor Vehicle in Lieu	\$ 592,989
<b>Total Budgeted Tax Revenues</b>	<b>\$ 29,884,344</b>

May 2025

Dear Fiscal Officer:

**Subject: 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, 2025, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2025-26. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2025-26 appropriations limit. Attachment B provides the city and unincorporated county population percentage change along with 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. The code section and the California Constitution can be accessed at the following website: <http://leginfo.ca.gov/faces/codes.xhtml>.

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, 2025.**

**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.

JOE STEPHENSHAW  
Director  
By:

ERIKA LI  
Chief Deputy Director

Attachment

May 2025

## Attachment A

- 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 2025-26 appropriation limit is:

## Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2025-26	6.44

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2025-26 appropriation limit.

**2025-26:**

Per Capita Cost of Living Change = 6.44 percent  
 Population Change = 0.28 percent

Per Capita Cost of Living converted to a ratio:  $\frac{6.44 + 100}{100} = 1.0644$

Population converted to a ratio:  $\frac{0.28 + 100}{100} = 1.0028$

Calculation of factor for FY 2025-26:  $1.0644 \times 1.0028 = 1.0674$

## FISCAL YEAR 2025-26

## Attachment B

## Annual Percent Change in Population Minus Exclusions\*

January 1, 2024 to January 1, 2025 and Total Population January 1, 2025

[About the Data](#)

City	County	Percent Change 24-25	Population Minus Exclusions 1-1-24	Population Minus Exclusions 1-1-25	Total Population 1-1-25
Alameda City	Alameda	-0.22	78,406	78,236	79,020
Albany City	Alameda	0.28	20,520	20,578	20,578
Berkeley City	Alameda	1.32	126,676	128,348	128,348
Dublin City	Alameda	2.17	72,462	74,031	74,691
Emeryville City	Alameda	-0.28	13,509	13,471	13,471
Fremont City	Alameda	0.16	232,241	232,619	232,619
Hayward City	Alameda	0.24	161,977	162,359	162,359
Livermore City	Alameda	-0.23	86,094	85,899	85,899
Newark City	Alameda	1.04	48,382	48,886	48,886
Oakland City	Alameda	0.52	424,015	426,237	426,457
Piedmont City	Alameda	-0.28	10,836	10,806	10,806
Pleasanton City	Alameda	-0.38	77,526	77,232	77,232
San Leandro City	Alameda	-0.35	88,124	87,813	87,813
Union City	Alameda	-0.36	66,898	66,657	66,657
Balance of County	Alameda	-0.27	147,978	147,579	147,646
Incorporated	Alameda	0.37	1,507,666	1,513,172	1,514,836
County Total	Alameda	0.31	1,655,644	1,660,751	1,662,482
Balance of County	Alpine	-0.42	1,181	1,176	1,177
County Total	Alpine	-0.42	1,181	1,176	1,177
Amador City	Amador	-0.51	197	196	196
Ione City	Amador	-0.19	5,173	5,163	9,037
Jackson City	Amador	-1.69	4,905	4,822	4,822
Plymouth City	Amador	1.17	1,109	1,122	1,122
Sutter Creek City	Amador	-1.63	2,580	2,538	2,538
Balance of County	Amador	-1.63	22,167	21,805	21,848
Incorporated	Amador	-0.88	13,964	13,841	17,715
County Total	Amador	-1.34	36,131	35,646	39,563
Biggs City	Butte	-1.25	1,998	1,973	1,973
Chico City	Butte	2.59	110,971	113,847	113,847
Gridley City	Butte	-1.10	7,383	7,302	7,302
Oroville City	Butte	2.25	19,221	19,653	19,653
Paradise Town	Butte	7.83	10,283	11,088	11,088
Balance of County	Butte	-7.51	58,017	53,662	53,662
Incorporated	Butte	2.67	149,856	153,863	153,863
County Total	Butte	-0.17	207,873	207,525	207,525
Angels City	Calaveras	-0.42	3,585	3,570	3,570
Balance of County	Calaveras	-0.21	41,183	41,096	41,152
Incorporated	Calaveras	-0.42	3,585	3,570	3,570
County Total	Calaveras	-0.23	44,768	44,666	44,722
Colusa City	Colusa	-0.18	6,548	6,536	6,536
Williams City	Colusa	-0.48	5,616	5,589	5,589
Balance of County	Colusa	-0.28	9,929	9,901	9,901
Incorporated	Colusa	-0.32	12,164	12,125	12,125
County Total	Colusa	-0.30	22,093	22,026	22,026
Antioch City	Contra Costa	0.52	116,177	116,781	116,781
Brentwood City	Contra Costa	0.60	65,353	65,747	65,747
Clayton City	Contra Costa	-0.46	10,793	10,743	10,743
Concord City	Contra Costa	-0.34	123,074	122,650	122,650
Danville Town	Contra Costa	-0.16	43,030	42,960	42,960
El Cerrito City	Contra Costa	-0.31	25,943	25,862	25,862
Hercules City	Contra Costa	-0.50	26,357	26,225	26,225
Lafayette City	Contra Costa	-0.08	25,073	25,054	25,054
Martinez City	Contra Costa	-0.15	36,871	36,817	36,817
Moraga City	Contra Costa	-1.98	16,973	16,637	16,637
Oakley City	Contra Costa	1.32	46,218	46,826	46,826
Orinda City	Contra Costa	-0.23	19,395	19,351	19,351
Pinole City	Contra Costa	-0.45	18,344	18,261	18,261
Pittsburg City	Contra Costa	0.64	75,887	76,374	76,374
Pleasant Hill City	Contra Costa	-0.28	33,694	33,601	33,601
Richmond City	Contra Costa	-0.24	113,872	113,594	113,594
San Pablo City	Contra Costa	0.18	31,450	31,507	31,507
San Ramon City	Contra Costa	0.18	83,245	83,391	83,391
Walnut Creek City	Contra Costa	-0.44	70,238	69,927	69,927
Balance of County	Contra Costa	-0.20	176,178	175,833	175,917
Incorporated	Contra Costa	0.03	981,987	982,308	982,308
County Total	Contra Costa	0.00	1,158,165	1,158,141	1,158,225
Crescent City	Del Norte	-0.69	4,064	4,036	6,056
Balance of County	Del Norte	-1.44	20,738	20,439	20,488
Incorporated	Del Norte	-0.69	4,064	4,036	6,056
County Total	Del Norte	-1.32	24,802	24,475	26,544
Placerville City	El Dorado	0.14	10,617	10,632	10,642
South Lake Tahoe City	El Dorado	-0.05	21,033	21,022	21,022
Balance of County	El Dorado	0.09	158,862	159,009	159,106
Incorporated	El Dorado	0.01	31,650	31,654	31,664
County Total	El Dorado	0.08	190,512	190,663	190,770
Clovis City	Fresno	1.13	127,674	129,121	129,121
Coalinga City	Fresno	0.00	13,419	13,419	17,608
Firebaugh City	Fresno	2.40	8,510	8,714	8,714
Fowler City	Fresno	3.11	7,436	7,667	7,667
Fresno City	Fresno	0.77	552,416	556,690	557,032
Huron City	Fresno	7.96	6,421	6,932	6,932
Kerman City	Fresno	0.76	17,403	17,535	17,535
Kingsburg City	Fresno	0.90	13,167	13,285	13,285

Mendota City	Fresno	0.89	12,598	12,710	12,710
Orange Cove City	Fresno	0.99	9,622	9,717	9,717
Parlier City	Fresno	0.78	14,535	14,649	14,649
Reedley City	Fresno	2.52	25,950	26,603	26,603
Sanger City	Fresno	1.44	26,652	27,037	27,037
San Joaquin City	Fresno	0.03	3,653	3,654	3,654
Selma City	Fresno	0.40	24,487	24,585	24,585
Balance of County	Fresno	0.17	158,883	159,148	160,204
Incorporated	Fresno	0.97	863,943	872,318	876,849
County Total	Fresno	0.84	1,022,826	1,031,466	1,037,053
Orland City	Glenn	1.17	8,603	8,704	8,704
Willows City	Glenn	1.62	6,372	6,475	6,475
Balance of County	Glenn	1.33	14,004	14,190	14,190
Incorporated	Glenn	1.36	14,975	15,179	15,179
County Total	Glenn	1.35	28,979	29,369	29,369
Arcata City	Humboldt	1.66	18,691	19,001	19,001
Blue Lake City	Humboldt	-0.70	1,144	1,136	1,136
Eureka City	Humboldt	0.00	25,966	25,967	26,122
Ferndale City	Humboldt	-0.44	1,367	1,361	1,361
Fortuna City	Humboldt	-0.38	12,245	12,198	12,198
Rio Dell City	Humboldt	-0.71	3,255	3,232	3,232
Trinidad City	Humboldt	-0.67	298	296	296
Balance of County	Humboldt	-0.73	70,625	70,107	70,471
Incorporated	Humboldt	0.36	62,966	63,191	63,346
County Total	Humboldt	-0.22	133,591	133,298	133,817
Brawley City	Imperial	0.84	28,710	28,952	28,952
Calexico City	Imperial	0.78	39,762	40,073	40,073
Calipatria City	Imperial	0.69	3,646	3,671	6,061
El Centro City	Imperial	1.12	45,456	45,966	46,007
Holtville City	Imperial	0.57	5,653	5,685	5,685
Imperial City	Imperial	1.98	22,422	22,866	22,866
Westmorland City	Imperial	0.39	2,076	2,084	2,084
Balance of County	Imperial	0.59	31,371	31,557	34,771
Incorporated	Imperial	1.06	147,725	149,297	151,728
County Total	Imperial	0.98	179,096	180,854	186,499
Bishop City	Inyo	-0.10	3,854	3,850	3,850
Balance of County	Inyo	-0.31	14,938	14,892	14,950
Incorporated	Inyo	-0.10	3,854	3,850	3,850
County Total	Inyo	-0.27	18,792	18,742	18,800
Arvin City	Kern	0.99	19,796	19,991	19,991
Bakersfield City	Kern	1.16	414,451	419,238	419,238
California City	Kern	0.97	13,189	13,317	13,317
Delano City	Kern	1.15	46,036	46,566	52,831
Maricopa City	Kern	0.59	1,018	1,024	1,024
McFarland City	Kern	2.24	13,902	14,213	14,213
Ridgecrest City	Kern	0.25	27,664	27,732	28,386
Shafter City	Kern	4.72	22,356	23,412	23,455
Taft City	Kern	-0.03	7,089	7,087	7,087
Tehachapi City	Kern	0.64	9,372	9,432	11,476
Wasco City	Kern	-2.55	23,447	22,850	26,235
Balance of County	Kern	0.05	304,188	304,351	306,708
Incorporated	Kern	1.09	598,320	604,862	617,253
County Total	Kern	0.74	902,508	909,213	923,961
Avenal City	Kings	1.07	9,431	9,532	13,315
Corcoran City	Kings	0.88	13,547	13,666	21,612
Hanford City	Kings	2.31	59,856	61,238	61,238
Lemoore City	Kings	2.10	27,122	27,692	27,692
Balance of County	Kings	1.45	25,135	25,500	30,158
Incorporated	Kings	1.98	109,956	112,128	123,857
County Total	Kings	1.88	135,091	137,628	154,015
Clearlake City	Lake	1.01	16,367	16,533	16,533
Lakeport City	Lake	-0.85	5,069	5,026	5,026
Balance of County	Lake	-0.61	45,889	45,607	45,695
Incorporated	Lake	0.57	21,436	21,559	21,559
County Total	Lake	-0.24	67,325	67,166	67,254
Susanville City	Lassen	1.90	9,199	9,374	12,270
Balance of County	Lassen	1.77	14,802	15,064	16,446
Incorporated	Lassen	1.90	9,199	9,374	12,270
County Total	Lassen	1.82	24,001	24,438	28,716
Agoura Hills City	Los Angeles	-0.18	19,940	19,904	19,904
Alhambra City	Los Angeles	0.22	82,176	82,353	82,374
Arcadia City	Los Angeles	0.13	56,044	56,116	56,116
Artesia City	Los Angeles	1.33	16,060	16,273	16,359
Avalon City	Los Angeles	-0.12	3,387	3,383	3,383
Azusa City	Los Angeles	-1.50	49,736	48,988	48,988
Baldwin Park City	Los Angeles	0.23	70,685	70,848	70,848
Bell City	Los Angeles	-0.15	33,366	33,315	33,315
Bellflower City	Los Angeles	-0.32	76,902	76,656	76,656
Bell Gardens City	Los Angeles	0.09	38,438	38,471	38,471
Beverly Hills City	Los Angeles	-0.12	31,984	31,945	31,945
Bradbury City	Los Angeles	0.78	895	902	902
Burbank City	Los Angeles	0.29	105,842	106,146	106,146
Calabasas City	Los Angeles	-0.26	22,856	22,797	22,797
Carson City	Los Angeles	0.07	91,745	91,808	91,812
Cerritos City	Los Angeles	-0.28	48,005	47,871	47,871
Claremont City	Los Angeles	-0.02	37,305	37,299	37,299
Commerce City	Los Angeles	-0.32	12,185	12,146	12,146
Compton City	Los Angeles	-0.01	93,699	93,692	93,692
Covina City	Los Angeles	0.92	50,625	51,090	51,090
Cudahy City	Los Angeles	-0.34	22,208	22,132	22,132

Culver City	Los Angeles	0.16	40,340	40,403	40,403
Diamond Bar City	Los Angeles	-0.07	53,577	53,539	53,539
Downey City	Los Angeles	-0.02	111,891	111,871	111,871
Duarte City	Los Angeles	-0.22	23,798	23,746	23,746
El Monte City	Los Angeles	0.82	107,056	107,938	107,986
El Segundo City	Los Angeles	-0.11	16,976	16,958	16,983
Gardena City	Los Angeles	0.14	60,176	60,263	60,263
Glendale City	Los Angeles	0.26	191,706	192,212	192,212
Glendora City	Los Angeles	-0.07	51,289	51,254	51,254
Hawaiian Gardens City	Los Angeles	0.07	13,552	13,561	13,561
Hawthorne City	Los Angeles	-0.25	85,868	85,653	85,653
Hermosa Beach City	Los Angeles	-0.22	19,055	19,014	19,014
Hidden Hills City	Los Angeles	0.23	1,742	1,746	1,746
Huntington Park City	Los Angeles	-0.32	53,213	53,041	53,051
Industry City	Los Angeles	-0.23	432	431	431
Inglewood City	Los Angeles	-0.29	106,617	106,305	106,305
Irwindale City	Los Angeles	-0.07	1,510	1,509	1,509
La Canada Flintridge City	Los Angeles	0.05	20,149	20,160	20,160
La Habra Heights City	Los Angeles	-0.13	5,510	5,503	5,503
Lakewood City	Los Angeles	0.10	80,517	80,596	80,596
La Mirada City	Los Angeles	-0.17	48,315	48,233	48,233
Lancaster City	Los Angeles	1.62	170,661	173,424	177,768
La Puente City	Los Angeles	0.10	37,508	37,546	37,546
La Verne City	Los Angeles	0.59	32,111	32,300	32,300
Lawndale City	Los Angeles	-0.20	30,921	30,860	30,860
Lomita City	Los Angeles	0.04	20,398	20,407	20,407
Long Beach City	Los Angeles	0.44	460,230	462,246	462,561
Los Angeles City	Los Angeles	0.44	3,813,575	3,830,479	3,835,263
Lynwood City	Los Angeles	0.45	66,360	66,660	66,660
Malibu City	Los Angeles	-0.18	10,623	10,604	10,604
Manhattan Beach City	Los Angeles	-0.18	34,111	34,051	34,051
Maywood City	Los Angeles	-0.25	24,557	24,496	24,496
Monrovia City	Los Angeles	1.94	38,181	38,920	38,920
Montebello City	Los Angeles	0.79	62,243	62,732	62,732
Monterey Park City	Los Angeles	-0.13	59,342	59,262	59,269
Norwalk City	Los Angeles	-0.32	100,585	100,265	101,075
Palmdale City	Los Angeles	0.31	166,580	167,097	167,097
Palos Verdes Estates City	Los Angeles	-0.12	13,014	12,999	12,999
Paramount City	Los Angeles	-0.08	52,415	52,371	52,371
Pasadena City	Los Angeles	0.41	140,054	140,631	140,631
Pico Rivera City	Los Angeles	0.00	60,859	60,858	60,858
Pomona City	Los Angeles	0.68	152,005	153,042	153,042
Rancho Palos Verdes City	Los Angeles	-0.25	40,831	40,727	40,727
Redondo Beach City	Los Angeles	-0.33	68,319	68,091	68,091
Rolling Hills City	Los Angeles	0.24	1,673	1,677	1,677
Rolling Hills Estates City	Los Angeles	-0.14	8,557	8,545	8,545
Rosemead City	Los Angeles	0.41	50,296	50,501	50,501
San Dimas City	Los Angeles	-0.05	34,226	34,209	34,209
San Fernando City	Los Angeles	0.62	23,546	23,692	23,692
San Gabriel City	Los Angeles	1.00	38,569	38,953	38,953
San Marino City	Los Angeles	-0.09	12,341	12,330	12,330
Santa Clarita City	Los Angeles	0.35	231,573	232,377	232,377
Santa Fe Springs City	Los Angeles	0.90	18,341	18,506	18,680
Santa Monica City	Los Angeles	0.19	93,034	93,212	93,212
Sierra Madre City	Los Angeles	-0.30	10,903	10,870	10,870
Signal Hill City	Los Angeles	-0.31	11,457	11,421	11,421
South El Monte City	Los Angeles	-0.02	19,538	19,535	19,535
South Gate City	Los Angeles	0.08	92,883	92,955	92,955
South Pasadena City	Los Angeles	0.06	26,272	26,287	26,287
Temple City	Los Angeles	0.70	36,069	36,322	36,322
Torrance City	Los Angeles	-0.10	143,410	143,261	143,261
Vernon City	Los Angeles	-0.48	208	207	207
Walnut City	Los Angeles	0.74	28,008	28,214	28,214
West Covina City	Los Angeles	-0.21	109,657	109,428	109,428
West Hollywood City	Los Angeles	0.10	35,250	35,284	35,284
Westlake Village City	Los Angeles	-0.31	7,943	7,918	7,918
Whittier City	Los Angeles	0.03	87,820	87,850	87,850
Balance of County	Los Angeles	0.18	1,001,862	1,003,674	1,004,490
Incorporated	Los Angeles	0.31	8,834,429	8,861,693	8,872,321
County Total	Los Angeles	0.30	9,836,291	9,865,367	9,876,811
Chowchilla City	Madera	-1.64	13,729	13,504	18,742
Madera City	Madera	-0.85	67,013	66,443	66,443
Balance of County	Madera	2.24	75,718	77,414	77,414
Incorporated	Madera	-0.98	80,742	79,947	85,185
County Total	Madera	0.58	156,460	157,361	162,599
Belvedere City	Marin	0.29	2,052	2,058	2,058
Corte Madera City	Marin	0.09	9,947	9,956	9,966
Fairfax City	Marin	0.09	7,400	7,407	7,407
Larkspur City	Marin	-0.15	12,750	12,731	12,731
Mill Valley City	Marin	0.07	13,679	13,688	13,688
Novato City	Marin	0.22	51,372	51,486	51,690
Ross City	Marin	0.83	2,290	2,309	2,309
San Anselmo City	Marin	0.26	12,519	12,551	12,551
San Rafael City	Marin	-0.05	59,917	59,885	59,885
Sausalito City	Marin	0.07	6,936	6,941	6,941
Tiburon Town	Marin	0.18	8,894	8,910	8,910
Balance of County	Marin	0.29	63,257	63,441	66,414
Incorporated	Marin	0.09	187,756	187,922	188,136
County Total	Marin	0.14	251,013	251,363	254,550
Balance of County	Mariposa	-0.21	16,897	16,861	16,917

County Total	Mariposa	-0.21	16,897	16,861	16,917
Fort Bragg City	Mendocino	-0.10	7,194	7,187	7,187
Point Arena City	Mendocino	1.57	445	452	452
Ukiah City	Mendocino	0.60	16,227	16,325	16,325
Willits City	Mendocino	-0.31	4,853	4,838	4,838
Balance of County	Mendocino	-0.09	61,031	60,975	61,025
Incorporated	Mendocino	0.29	28,719	28,802	28,802
County Total	Mendocino	0.03	89,750	89,777	89,827
Atwater City	Merced	-0.18	31,921	31,862	31,862
Dos Palos City	Merced	-0.28	5,728	5,712	5,712
Gustine City	Merced	-0.23	6,035	6,021	6,021
Livingston City	Merced	-0.07	14,451	14,441	14,441
Los Banos City	Merced	1.42	48,213	48,896	48,896
Merced City	Merced	5.26	93,138	98,039	98,039
Balance of County	Merced	-4.65	91,101	86,861	88,109
Incorporated	Merced	2.75	199,486	204,971	204,971
County Total	Merced	0.43	290,587	291,832	293,080
Alturas City	Modoc	-0.19	2,662	2,657	2,657
Balance of County	Modoc	-0.22	5,847	5,834	5,834
Incorporated	Modoc	-0.19	2,662	2,657	2,657
County Total	Modoc	-0.21	8,509	8,491	8,491
Mammoth Lakes Town	Mono	-1.47	7,145	7,040	7,040
Balance of County	Mono	-1.75	5,647	5,548	5,644
Incorporated	Mono	-1.47	7,145	7,040	7,040
County Total	Mono	-1.59	12,792	12,588	12,684
Carmel-by-the-Sea City	Monterey	-0.23	3,056	3,049	3,049
Del Rey Oaks City	Monterey	-0.32	1,551	1,546	1,546
Gonzales City	Monterey	-0.30	8,459	8,434	8,434
Greenfield City	Monterey	1.18	20,543	20,785	20,785
King City	Monterey	1.09	14,189	14,344	14,344
Marina City	Monterey	1.12	22,831	23,086	23,086
Monterey City	Monterey	-0.33	24,282	24,202	27,273
Pacific Grove City	Monterey	-0.43	14,935	14,871	14,871
Salinas City	Monterey	-0.24	161,039	160,645	160,645
Sand City	Monterey	-0.27	374	373	373
Seaside City	Monterey	1.35	26,367	26,724	32,019
Soledad City	Monterey	1.80	20,005	20,366	27,310
Balance of County	Monterey	-0.14	105,111	104,962	105,096
Incorporated	Monterey	0.25	317,631	318,425	333,735
County Total	Monterey	0.15	422,742	423,387	438,831
American Canyon City	Napa	2.94	21,757	22,396	22,396
Calistoga City	Napa	-0.41	5,181	5,160	5,160
Napa City	Napa	0.28	77,520	77,736	77,736
St Helena City	Napa	-0.13	5,356	5,349	5,349
Yountville City	Napa	-0.54	2,056	2,045	2,638
Balance of County	Napa	-0.30	21,840	21,775	22,845
Incorporated	Napa	0.73	111,870	112,686	113,279
County Total	Napa	0.56	133,710	134,461	136,124
Grass Valley City	Nevada	-0.72	13,461	13,364	13,364
Nevada City	Nevada	-0.86	3,365	3,336	3,336
Truckee Town	Nevada	0.03	16,923	16,928	16,928
Balance of County	Nevada	-0.63	67,092	66,667	66,726
Incorporated	Nevada	-0.36	33,749	33,628	33,628
County Total	Nevada	-0.54	100,841	100,295	100,354
Aliso Viejo City	Orange	-0.45	50,442	50,213	50,213
Anaheim City	Orange	-0.08	341,967	341,686	341,773
Brea City	Orange	-0.42	48,101	47,900	47,900
Buena Park City	Orange	-0.13	82,772	82,667	82,667
Costa Mesa City	Orange	0.25	110,048	110,321	110,321
Cypress City	Orange	-0.13	49,563	49,499	49,499
Dana Point City	Orange	-0.37	32,850	32,730	32,730
Fountain Valley City	Orange	-0.09	56,612	56,560	56,560
Fullerton City	Orange	-0.31	141,909	141,469	141,469
Garden Grove City	Orange	0.12	171,260	171,470	171,492
Huntington Beach City	Orange	-0.19	193,510	193,134	193,134
Irvine City	Orange	0.79	316,119	318,629	318,629
Laguna Beach City	Orange	0.02	22,759	22,763	22,763
Laguna Hills City	Orange	-0.41	30,435	30,309	30,309
Laguna Niguel City	Orange	0.65	64,834	65,257	65,257
Laguna Woods City	Orange	-0.46	17,262	17,183	17,183
La Habra City	Orange	-0.06	61,236	61,202	61,202
Lake Forest City	Orange	0.10	87,553	87,639	87,639
La Palma City	Orange	-0.44	15,177	15,110	15,110
Los Alamitos City	Orange	-0.32	12,044	12,006	12,006
Mission Viejo City	Orange	-0.28	91,993	91,740	91,740
Newport Beach City	Orange	-0.41	82,995	82,654	82,654
Orange City	Orange	0.95	138,403	139,724	139,724
Placentia City	Orange	2.52	52,653	53,982	53,982
Rancho Santa Margarita City	Orange	-0.46	46,553	46,341	46,341
San Clemente City	Orange	-0.35	63,085	62,865	62,865
San Juan Capistrano City	Orange	0.23	35,247	35,329	35,329
Santa Ana City	Orange	0.68	313,210	315,325	315,325
Seal Beach City	Orange	-0.47	24,439	24,325	24,400
Stanton City	Orange	-0.06	40,576	40,552	40,552
Tustin City	Orange	-0.15	79,449	79,326	79,326
Villa Park City	Orange	-0.21	5,750	5,738	5,738
Westminster City	Orange	0.13	90,181	90,295	90,295
Yorba Linda City	Orange	-0.46	66,573	66,267	66,267
Balance of County	Orange	0.54	132,313	133,023	133,033
Incorporated	Orange	0.15	3,037,560	3,042,210	3,042,394



County Total	Orange	0.17	3,169,873	3,175,233	3,175,427
Auburn City	Placer	-1.27	13,457	13,286	13,286
Colfax City	Placer	-1.48	2,026	1,996	1,996
Lincoln City	Placer	0.65	54,167	54,520	54,520
Loomis Town	Placer	-0.59	6,729	6,689	6,689
Rocklin City	Placer	0.28	72,967	73,172	73,172
Roseville City	Placer	0.76	157,304	158,494	158,494
Balance of County	Placer	-0.44	113,786	113,289	113,289
Incorporated	Placer	0.49	306,650	308,157	308,157
County Total	Placer	0.24	420,436	421,446	421,446
Portola City	Plumas	-0.94	2,118	2,098	2,098
Balance of County	Plumas	0.62	16,684	16,787	16,787
Incorporated	Plumas	-0.94	2,118	2,098	2,098
County Total	Plumas	0.44	18,802	18,885	18,885
Banning City	Riverside	-0.37	32,068	31,949	31,949
Beaumont City	Riverside	1.78	58,665	59,708	59,708
Blythe City	Riverside	-0.95	12,593	12,473	15,400
Calimesa City	Riverside	-0.79	11,082	10,994	10,994
Canyon Lake City	Riverside	-0.74	11,086	11,004	11,004
Cathedral City	Riverside	-0.67	51,962	51,615	51,651
Coachella City	Riverside	0.76	44,050	44,384	44,384
Corona City	Riverside	-0.32	159,667	159,157	159,157
Desert Hot Springs City	Riverside	0.02	33,255	33,262	33,262
Eastvale City	Riverside	-0.68	70,274	69,799	69,799
Hemet City	Riverside	0.20	91,751	91,934	91,934
Indian Wells City	Riverside	0.06	4,859	4,862	4,862
Indio City	Riverside	-0.17	92,693	92,539	92,539
Jurupa Valley City	Riverside	-0.90	106,830	105,870	105,928
Lake Elsinore City	Riverside	0.97	72,934	73,638	73,783
La Quinta City	Riverside	-0.90	39,148	38,796	38,796
Menifee City	Riverside	1.30	113,837	115,316	115,316
Moreno Valley City	Riverside	-0.27	211,389	210,823	210,823
Murrieta City	Riverside	0.44	111,299	111,789	111,789
Norco City	Riverside	-0.63	22,563	22,421	25,221
Palm Desert City	Riverside	0.04	51,961	51,980	51,980
Palm Springs City	Riverside	-0.63	44,760	44,476	44,476
Perris City	Riverside	0.36	80,947	81,240	81,240
Rancho Mirage City	Riverside	-0.62	17,227	17,120	17,120
Riverside City	Riverside	-0.37	321,479	320,278	320,337
San Jacinto City	Riverside	0.10	54,936	54,990	54,990
Temecula City	Riverside	1.19	110,898	112,220	112,220
Wildomar City	Riverside	0.05	37,060	37,077	37,077
Balance of County	Riverside	1.53	411,338	417,646	417,901
Incorporated	Riverside	0.02	2,071,273	2,071,714	2,077,739
County Total	Riverside	0.27	2,482,611	2,489,360	2,495,640
Citrus Heights City	Sacramento	-0.43	86,655	86,280	86,280
Elk Grove City	Sacramento	1.24	180,599	182,842	182,842
Folsom City	Sacramento	3.69	84,416	87,532	92,577
Galt City	Sacramento	1.38	25,738	26,092	26,092
Isleton City	Sacramento	-0.65	769	764	764
Rancho Cordova City	Sacramento	3.16	82,837	85,451	85,451
Sacramento City	Sacramento	0.31	526,327	527,979	527,979
Balance of County	Sacramento	-0.26	604,360	602,760	602,760
Incorporated	Sacramento	0.97	987,341	996,940	1,001,985
County Total	Sacramento	0.50	1,591,701	1,599,700	1,604,745
Hollister City	San Benito	0.51	43,272	43,492	43,492
San Juan Bautista City	San Benito	-0.81	2,095	2,078	2,078
Balance of County	San Benito	0.50	21,147	21,252	21,252
Incorporated	San Benito	0.45	45,367	45,570	45,570
County Total	San Benito	0.46	66,514	66,822	66,822
Adelanto City	San Bernardino	1.42	36,629	37,150	37,150
Apple Valley Town	San Bernardino	-0.11	75,339	75,255	75,262
Barstow City	San Bernardino	-0.55	24,634	24,498	24,811
Big Bear Lake City	San Bernardino	-0.48	4,977	4,953	4,953
Chino City	San Bernardino	1.76	90,123	91,712	95,206
Chino Hills City	San Bernardino	-0.18	77,452	77,314	77,314
Colton City	San Bernardino	-0.42	53,505	53,278	53,278
Fontana City	San Bernardino	0.96	217,084	219,172	219,172
Grand Terrace City	San Bernardino	-0.51	12,868	12,803	12,803
Hesperia City	San Bernardino	0.54	101,248	101,792	101,792
Highland City	San Bernardino	1.16	56,436	57,088	57,088
Loma Linda City	San Bernardino	-0.19	25,323	25,276	25,322
Montclair City	San Bernardino	-0.38	37,670	37,526	37,526
Needles City	San Bernardino	-0.54	4,817	4,791	4,791
Ontario City	San Bernardino	0.84	182,875	184,404	184,404
Rancho Cucamonga City	San Bernardino	0.44	175,227	175,992	175,992
Redlands City	San Bernardino	0.10	73,416	73,488	73,488
Rialto City	San Bernardino	1.09	104,426	105,565	105,565
San Bernardino City	San Bernardino	0.08	221,218	221,387	222,727
Twentynine Palms City	San Bernardino	7.84	14,775	15,934	24,257
Upland City	San Bernardino	-0.23	79,326	79,140	79,140
Victorville City	San Bernardino	0.49	135,981	136,652	141,013
Yucaipa City	San Bernardino	0.51	54,561	54,838	54,838
Yucca Valley Town	San Bernardino	0.03	22,021	22,027	22,027
Balance of County	San Bernardino	-0.22	290,454	289,811	297,505
Incorporated	San Bernardino	0.54	1,881,931	1,892,035	1,909,919
County Total	San Bernardino	0.44	2,172,385	2,181,846	2,207,424
Carlsbad City	San Diego	-0.24	116,652	116,368	116,368
Chula Vista City	San Diego	0.19	280,590	281,137	281,401
Coronado City	San Diego	-0.41	17,471	17,400	22,610

Del Mar City	San Diego	0.05	3,948	3,950	3,950
El Cajon City	San Diego	-0.47	105,429	104,932	104,932
Encinitas City	San Diego	0.17	61,851	61,956	61,956
Escondido City	San Diego	-0.63	151,386	150,425	150,425
Imperial Beach City	San Diego	-0.35	26,462	26,369	26,369
La Mesa City	San Diego	-0.27	61,072	60,908	60,908
Lemon Grove City	San Diego	0.93	27,903	28,163	28,163
National City	San Diego	0.07	56,900	56,941	58,965
Oceanside City	San Diego	0.44	173,569	174,340	174,340
Poway City	San Diego	0.86	49,948	50,379	50,379
San Diego City	San Diego	1.15	1,378,448	1,394,234	1,408,937
San Marcos City	San Diego	-0.14	97,261	97,123	97,123
Santee City	San Diego	-0.60	59,928	59,568	59,568
Solana Beach City	San Diego	-0.52	13,054	12,986	12,986
Vista City	San Diego	-0.14	101,740	101,599	101,599
Balance of County	San Diego	-0.19	470,041	469,135	509,160
Incorporated	San Diego	0.54	2,783,612	2,798,778	2,820,979
County Total	San Diego	0.44	3,253,653	3,267,913	3,330,139
San Francisco City	San Francisco	-0.39	844,789	841,467	842,027
Incorporated	San Francisco	-0.39	844,789	841,467	842,027
County Total	San Francisco	-0.39	844,789	841,467	842,027
Escalon City	San Joaquin	-1.43	7,337	7,232	7,232
Lathrop City	San Joaquin	4.03	37,102	38,596	38,596
Lodi City	San Joaquin	-0.25	67,262	67,093	67,093
Manteca City	San Joaquin	1.76	92,116	93,733	93,733
Mountain House City	San Joaquin	0.00		28,795	28,795
Ripon City	San Joaquin	-1.33	15,966	15,753	15,753
Stockton City	San Joaquin	-0.77	323,325	320,847	320,877
Tracy City	San Joaquin	0.73	97,501	98,215	98,215
Balance of County	San Joaquin	-16.29	159,392	133,422	135,562
Incorporated	San Joaquin	4.63	640,609	670,264	670,294
County Total	San Joaquin	0.46	800,001	803,686	805,856
Arroyo Grande City	San Luis Obispo	-0.64	18,025	17,910	17,910
Atascadero City	San Luis Obispo	-0.72	29,305	29,093	30,134
El Paso de Robles City	San Luis Obispo	0.24	30,988	31,061	31,061
Grover Beach City	San Luis Obispo	-0.35	12,455	12,411	12,411
Morro Bay City	San Luis Obispo	0.00	10,404	10,404	10,404
Pismo Beach City	San Luis Obispo	-0.69	7,858	7,804	7,804
San Luis Obispo City	San Luis Obispo	1.52	48,791	49,534	49,534
Balance of County	San Luis Obispo	-0.61	118,580	117,852	120,079
Incorporated	San Luis Obispo	0.25	157,826	158,217	159,258
County Total	San Luis Obispo	-0.12	276,406	276,069	279,337
Atherton Town	San Mateo	-0.33	7,030	7,007	7,007
Belmont City	San Mateo	3.90	27,146	28,206	28,206
Brisbane City	San Mateo	-0.51	4,700	4,676	4,676
Burlingame City	San Mateo	2.55	30,768	31,552	31,552
Colma Town	San Mateo	-0.70	1,421	1,411	1,411
Daly City	San Mateo	-0.16	102,315	102,155	102,155
East Palo Alto City	San Mateo	-0.65	29,325	29,133	29,133
Foster City	San Mateo	-0.60	32,856	32,658	32,658
Half Moon Bay City	San Mateo	-0.26	11,333	11,303	11,303
Hillsborough Town	San Mateo	0.38	11,211	11,254	11,254
Menlo Park City	San Mateo	-0.35	33,291	33,175	33,311
Millbrae City	San Mateo	-0.53	23,288	23,164	23,164
Pacifica City	San Mateo	-0.41	37,365	37,212	37,217
Portola Valley Town	San Mateo	-0.02	4,286	4,285	4,285
Redwood City	San Mateo	-0.57	82,546	82,073	82,073
San Bruno City	San Mateo	0.29	42,507	42,631	42,631
San Carlos City	San Mateo	-0.45	29,669	29,535	29,535
San Mateo City	San Mateo	0.09	104,221	104,315	104,315
South San Francisco City	San Mateo	0.39	65,146	65,397	65,397
Woodside Town	San Mateo	0.58	5,176	5,206	5,206
Balance of County	San Mateo	-0.32	62,047	61,848	61,848
Incorporated	San Mateo	0.11	685,600	686,348	686,489
County Total	San Mateo	0.07	747,647	748,196	748,337
Buellton City	Santa Barbara	2.23	4,980	5,091	5,091
Carpinteria City	Santa Barbara	0.09	12,723	12,735	12,735
Goleta City	Santa Barbara	0.45	32,601	32,747	32,747
Guadalupe City	Santa Barbara	1.81	8,694	8,851	8,851
Lompoc City	Santa Barbara	0.05	40,518	40,538	43,424
Santa Barbara City	Santa Barbara	0.31	86,159	86,422	86,451
Santa Maria City	Santa Barbara	1.19	110,885	112,208	112,208
Solvang City	Santa Barbara	0.47	5,728	5,755	5,755
Balance of County	Santa Barbara	0.52	136,287	136,992	139,870
Incorporated	Santa Barbara	0.68	302,288	304,347	307,262
County Total	Santa Barbara	0.63	438,575	441,339	447,132
Campbell City	Santa Clara	-0.22	43,377	43,281	43,281
Cupertino City	Santa Clara	-0.09	59,887	59,831	59,831
Gilroy City	Santa Clara	1.10	61,402	62,076	62,205
Los Altos City	Santa Clara	0.62	31,523	31,720	31,720
Los Altos Hills Town	Santa Clara	0.33	8,520	8,548	8,548
Los Gatos Town	Santa Clara	-0.43	33,500	33,355	33,355
Milpitas City	Santa Clara	-0.59	82,401	81,915	81,915
Monte Sereno City	Santa Clara	0.66	3,613	3,637	3,637
Morgan Hill City	Santa Clara	0.06	46,573	46,599	46,599
Mountain View City	Santa Clara	-0.19	86,674	86,513	86,513
Palo Alto City	Santa Clara	0.31	68,550	68,763	68,794
San Jose City	Santa Clara	-0.08	980,174	979,415	979,415
Santa Clara City	Santa Clara	0.57	133,829	134,587	134,587
Saratoga City	Santa Clara	0.29	31,020	31,110	31,110

Sunnyvale City	Santa Clara	0.46	158,948	159,673	159,673
Balance of County	Santa Clara	-0.21	90,602	90,412	91,076
Incorporated	Santa Clara	0.06	1,829,991	1,831,023	1,831,183
County Total	Santa Clara	0.04	1,920,593	1,921,435	1,922,259
Capitola City	Santa Cruz	-0.35	9,704	9,670	9,670
Santa Cruz City	Santa Cruz	0.18	62,861	62,972	62,972
Scotts Valley City	Santa Cruz	-0.04	11,836	11,831	11,831
Watsonville City	Santa Cruz	0.47	50,860	51,101	51,101
Balance of County	Santa Cruz	-0.04	128,130	128,079	128,136
Incorporated	Santa Cruz	0.23	135,261	135,574	135,574
County Total	Santa Cruz	0.10	263,391	263,653	263,710
Anderson City	Shasta	-0.73	11,048	10,967	10,967
Redding City	Shasta	0.09	93,330	93,413	93,534
Shasta Lake City	Shasta	-0.74	10,209	10,133	10,133
Balance of County	Shasta	-0.49	65,836	65,514	65,567
Incorporated	Shasta	-0.06	114,587	114,513	114,634
County Total	Shasta	-0.22	180,423	180,027	180,201
Loyalton City	Sierra	-0.27	732	730	730
Balance of County	Sierra	-0.20	2,445	2,440	2,440
Incorporated	Sierra	-0.27	732	730	730
County Total	Sierra	-0.22	3,177	3,170	3,170
Dorris City	Siskiyou	-0.84	837	830	830
Dunsmuir City	Siskiyou	-0.91	1,643	1,628	1,628
Etna City	Siskiyou	-0.75	667	662	662
Fort Jones City	Siskiyou	-0.75	668	663	663
Montague City	Siskiyou	-0.42	1,200	1,195	1,195
Mount Shasta City	Siskiyou	-0.72	3,202	3,179	3,179
Tulelake City	Siskiyou	-0.82	858	851	851
Weed City	Siskiyou	0.30	2,708	2,716	2,716
Yreka City	Siskiyou	0.64	7,829	7,879	7,879
Balance of County	Siskiyou	-0.49	23,772	23,656	23,708
Incorporated	Siskiyou	-0.05	19,612	19,603	19,603
County Total	Siskiyou	-0.29	43,384	43,259	43,311
Benicia City	Solano	-0.58	26,347	26,195	26,195
Dixon City	Solano	2.89	19,608	20,174	20,174
Fairfield City	Solano	-0.07	116,199	116,112	120,720
Rio Vista City	Solano	1.78	10,157	10,338	10,338
Suisun City	Solano	-0.13	29,074	29,036	29,036
Vacaville City	Solano	0.04	97,347	97,382	103,181
Vallejo City	Solano	-0.48	122,791	122,207	122,207
Balance of County	Solano	-0.27	17,285	17,238	17,988
Incorporated	Solano	-0.02	421,523	421,444	431,851
County Total	Solano	-0.03	438,808	438,682	449,839
Cloverdale City	Sonoma	-0.97	8,763	8,678	8,678
Cotati City	Sonoma	-0.86	7,353	7,290	7,290
Healdsburg City	Sonoma	-0.35	11,010	10,972	10,972
Petaluma City	Sonoma	0.40	58,858	59,094	59,094
Rohnert Park City	Sonoma	-0.06	44,089	44,062	44,062
Santa Rosa City	Sonoma	0.80	177,043	178,452	178,452
Sebastopol City	Sonoma	0.40	7,338	7,367	7,367
Sonoma City	Sonoma	-0.83	10,595	10,507	10,507
Windsor Town	Sonoma	-0.17	25,669	25,625	25,625
Balance of County	Sonoma	-0.46	130,591	129,985	130,801
Incorporated	Sonoma	0.38	350,718	352,047	352,047
County Total	Sonoma	0.15	481,309	482,032	482,848
Ceres City	Stanislaus	-0.35	49,480	49,305	49,305
Hughson City	Stanislaus	2.26	7,801	7,977	7,977
Modesto City	Stanislaus	0.03	219,705	219,765	219,765
Newman City	Stanislaus	1.05	12,260	12,389	12,389
Oakdale City	Stanislaus	0.28	23,167	23,231	23,231
Patterson City	Stanislaus	3.57	24,977	25,868	25,868
Riverbank City	Stanislaus	3.16	25,290	26,090	26,090
Turlock City	Stanislaus	0.31	71,997	72,219	72,219
Waterford City	Stanislaus	0.09	9,161	9,169	9,169
Balance of County	Stanislaus	-0.02	109,776	109,752	109,752
Incorporated	Stanislaus	0.49	443,838	446,013	446,013
County Total	Stanislaus	0.39	553,614	555,765	555,765
Live Oak City	Sutter	0.58	9,602	9,658	9,658
Yuba City	Sutter	0.96	69,781	70,453	70,453
Balance of County	Sutter	0.49	20,048	20,146	20,146
Incorporated	Sutter	0.92	79,383	80,111	80,111
County Total	Sutter	0.83	99,431	100,257	100,257
Corning City	Tehama	1.30	8,162	8,268	8,268
Red Bluff City	Tehama	0.11	14,450	14,466	14,466
Tehama City	Tehama	0.23	427	428	428
Balance of County	Tehama	-0.41	41,702	41,532	41,665
Incorporated	Tehama	0.53	23,039	23,162	23,162
County Total	Tehama	-0.07	64,741	64,694	64,827
Balance of County	Trinity	-0.16	15,850	15,825	15,884
County Total	Trinity	-0.16	15,850	15,825	15,884
Dinuba City	Tulare	0.67	25,852	26,025	26,025
Exeter City	Tulare	-0.19	10,252	10,233	10,233
Farmersville City	Tulare	-0.29	10,422	10,392	10,392
Lindsay City	Tulare	-0.07	12,734	12,725	12,725
Porterville City	Tulare	0.04	63,427	63,455	63,622
Tulare City	Tulare	2.02	71,557	73,002	73,002
Visalia City	Tulare	0.69	145,714	146,722	146,978
Woodlake City	Tulare	2.72	7,793	8,005	8,005
Balance of County	Tulare	0.54	135,452	136,180	136,227
Incorporated	Tulare	0.81	347,751	350,559	350,982

## Attachment 2

County Total	Tulare	0.73	483,203	486,739	487,209
Sonora City	Tuolumne	-0.74	5,154	5,116	5,116
Balance of County	Tuolumne	-0.27	46,963	46,836	49,241
Incorporated	Tuolumne	-0.74	5,154	5,116	5,116
County Total	Tuolumne	-0.32	52,117	51,952	54,357
Cambridge City	Ventura	-0.78	69,467	68,927	68,927
Fillmore City	Ventura	-0.35	17,095	17,035	17,035
Moorpark City	Ventura	-0.77	35,023	34,754	34,754
Ojai City	Ventura	0.04	7,556	7,559	7,559
Oxnard City	Ventura	0.18	198,384	198,733	198,733
Port Hueneme City	Ventura	-0.81	19,024	18,870	20,838
San Buenaventura (Ventura) City	Ventura	0.58	108,304	108,930	108,985
Santa Paula City	Ventura	0.47	31,511	31,658	31,658
Simi Valley City	Ventura	0.00	124,640	124,645	124,815
Thousand Oaks City	Ventura	-0.73	123,372	122,468	122,468
Balance of County	Ventura	1.49	90,070	91,416	93,233
Incorporated	Ventura	-0.11	734,376	733,579	735,772
County Total	Ventura	0.07	824,446	824,995	829,005
Davis City	Yolo	-0.43	65,708	65,423	65,423
West Sacramento City	Yolo	0.85	54,938	55,403	55,403
Winters City	Yolo	4.14	7,702	8,021	8,021
Woodland City	Yolo	0.35	61,406	61,623	61,623
Balance of County	Yolo	1.83	34,334	34,963	34,963
Incorporated	Yolo	0.38	189,754	190,470	190,470
County Total	Yolo	0.60	224,088	225,433	225,433
Marysville City	Yuba	-0.84	12,825	12,717	12,717
Wheatland City	Yuba	2.29	3,922	4,012	4,012
Balance of County	Yuba	0.57	65,454	65,828	68,294
Incorporated	Yuba	-0.11	16,747	16,729	16,729
County Total	Yuba	0.43	82,201	82,557	85,023

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



# CITY OF CARMEL-BY-THE-SEA

## CITY COUNCIL

### Staff Report

June 3, 2025  
PUBLIC HEARINGS

**TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Jayme Fields, Finance Manager

**APPROVED BY:** Chip Rerig, City Administrator

**SUBJECT:** Resolution 2025-052 Adopting the Fiscal Year 2025-2026 Annual Operating and Capital Budget (Estimated time - 60 min)

#### RECOMMENDATION:

Adopt Resolution 2025-052 Adopting the Fiscal Year 2025-2026 Annual Operating and Capital Budget.

#### BACKGROUND/SUMMARY:

In accordance with Carmel Municipal Code Section 3.06.020, prior to the beginning of each fiscal year, the City Administrator shall prepare and submit to the City Council a proposed operating and capital budget for the forthcoming fiscal year. The proposed budget, referred to as the Fiscal Year 2025-2026 (FY 25-26) Recommended Budget of \$39.8 million is submitted for Council's consideration. The proposed expenditures totaling \$39.8 million, include the General Fund operating budget (\$28.8 million), debt service (\$509,100), pension unfunded liability (\$2.7 million), and capital budget (\$7.8 million). The proposed revenues totaling \$34.9 million include property taxes (\$9.2 million), sales tax (\$10.4 million), transient occupancy tax (\$9.1 million), and other revenue (\$3.2 million). The FY 25-26 Recommended Budget requires the use of \$4.9 million in prior years' savings ("unassigned fund balance") specifically to fund deferred Capital projects.

<b>FY25-26 Proposed Revenues</b>	<b>\$34,915,081</b>
General Fund Expenditures	28,778,542
Debt Service Expenditures	509,100
Pension Unfunded Liability Mitigation Expenditures	2,708,158
Capital Outlay Expenditures	7,834,000
<b>FY25-26 Proposed Expenditures</b>	<b>\$39,829,800</b>
<b>Use of Fund Balance for Capital Projects</b>	<b>\$4,914,719</b>
<b>Funded Full Time Equivalent (FTE) positions</b>	<b>90.50</b>

The total fund balance is estimated to end the current FY 24-25 at \$40.6 million which includes all restricted,

reserves and unassigned funds. Unassigned fund balance is estimated to be \$14 million of that.

As the economy remains unpredictable, the City remains cautious and anticipates a conservative increase in revenues for FY 25-26. Conversely, the City also expects its expenditures to grow in FY 25-26, primarily related to increased staffing, pension costs, general operating costs, and a robust Capital Improvement Plan. Highlights of the budget include:

- Salary and benefit costs of approximately \$15 million with a -6.75 decrease to FTE over prior FY for a budgeted 90.5 total FTE total. Six of the decrease in FTE were due to the new Ambulance contract with the City of Monterey.
- Pension costs of approximately \$2.7 million. Additionally, the City will restrict \$1 million by transferring funds into the City's established Section 115 Trust.
- Services and supplies costs of approximately \$10.7 million to fund contractual services, fuel and vehicle maintenance, supplies and materials, utilities, fire services, insurance premiums, Sunset Center, staff training, marketing and other operational costs.
- \$7.8 million for capital projects and vehicle and equipment purchases in the following categories: forest/beach/parks (\$2.4 million), streets/sidewalks (\$1.1 million), facilities (\$1.7 million), drainage (\$350,000), IT (\$90,000), fleet (\$1.1 million), and CIP Contingency (\$500,000). **NOTE:** At the May 21st budget workshop, Council made minor cuts to the draft CIP as detailed below, so the original \$7.8M list has stayed largely intact. As part of the staff presentation on June 3rd, Council will receive the same list of CIP projects, with a handful of them highlighted as options for the Council to consider if they wish to reduce the FY25/26 CIP. Staff will be prepared to provide rationale for each item that is highlighted as a potential cut from the FY 25/26 CIP.
- \$509,100 for debt service payments.

Staff provided a brief overview of the budget as part of the May 6, 2025 Council meeting. At the May 21, 2025 budget workshop, staff presented a detailed review of the budget, and received questions and feedback from both the public and Council. At the direction of Council at the budget workshop, the Recommended Budget was updated to remove two Library CIP projects from FY25-26. Those projects were Library Master Plan Administration and UV Film replacement for HML windows. Devendorf Park Improvements and Rio/Junipero Median Enhancements were also both reduced at the direction of Council. With respect to the operating budget, and Council's new policy of capping operating expenses at 10% of revenues, Council made no further cuts to operating expenditures and directed using approximately \$500K of fund balance to meet the 10% goal. Additionally, the Recommended Budget Book has been revised to reflect updates to the Capital Improvement Plan narratives and Table: FY 25-26 Capital Projects (see **Attachment 2**) and the Question & Answer report has been updated for questions received since it was published for the May 21 meeting (see **Attachment 3**).

#### **FISCAL IMPACT:**

The FY 24-25 Recommended Budget totals \$39,829,800 and uses \$4,915,000 in prior years' savings ("unassigned fund balance") largely to fund capital projects.

#### **PRIOR CITY COUNCIL ACTION:**

Council received a presentation regarding the Five-Year CIP on March 24, 2025. Council received a presentation regarding the FY 25-26 Recommended Budget, inclusive of the Capital budget, on May 6,

2025. Council held a FY 25-26 budget workshop on May 21, 2025.

## **ATTACHMENTS:**

Attachment 1) Resolution 2025-052

Attachment 2) Proposed FY 25-26 Budget Book

Attachment 3) Questions and Answers - updated

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

**RESOLUTION NO. 2025-052**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA  
ADOPTING THE FISCAL YEAR 2025-2026 ANNUAL OPERATING AND CAPITAL BUDGET**

WHEREAS, on January 13, 2025, the City Council of the City of Carmel-by-the-Sea adopted the budget schedule for Fiscal Year 2025-2026 in accordance with Carmel Municipal Code Section 3.060.020; and

WHEREAS, the City Council held public meetings on the proposed Fiscal Year 2025-2026 capital projects and Five-Year Capital Improvement Program on March 24, 2025 and May 21, 2025; and

WHEREAS, in accordance with Section 3.06.020 of the Carmel Municipal Code and Section 65103 of the State Government Code, the City's Planning Commission will hold a hearing on June 11, 2025 and will determine whether the Capital Improvement Program is consistent with the City's General Plan; and

WHEREAS, the City Council has received and completed its review of the proposed Fiscal Year 2025-2026 Operating and Capital Improvement Program Budgets during the budget hearing held on May 21, 2025 and gave general direction on the recommendations contained therein during a public meeting; and

WHEREAS, the City Council held a public hearing on June 3, 2025 for consideration of adoption of the proposed Fiscal Year 2025-2026 Operating and Capital Budget; and

WHEREAS the City's budget totals \$39,829,800 for Fiscal Year 2025-2026 consisting of appropriations, inter-fund transfers, General Fund expenditures of \$31,486,700, Capital expenditures of \$7,834,000 (Capital Projects and Vehicle and Equipment Funds), and Debt Service expenditures of \$509,100.

WHEREAS the City's budgeted revenue totals \$34,915,081 for Fiscal Year 2025-2026.

WHEREAS, in accordance with Carmel Municipal Code Section 3.06.010, the City Council shall adopt a budget for expenditures and anticipated revenues prior to the beginning of the fiscal year and the City Council now desires to adopt the Operating and Capital Budgets for Fiscal Year 2025-2026.

**NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:**

Authorize the City Administrator to make ministerial changes to budgeted transfers and adjust appropriations to or from designated funds for Fiscal Year 2024-2025 as necessary as part of the fiscal year-end process on June 30, 2025.

Approves and adopts the City of Carmel-by-the-Sea's Fiscal Year 2025-2026 Recommended Operating Budget and Capital Improvement Program Budget.

Authorize the City Administrator to make ministerial changes to budgeted transfers and adjust appropriations to or from designated funds as necessary during Fiscal Year 2025-2026.



Directs that a copy of the adopted budget, signed by the Mayor and attested to by the City Clerk, shall be kept on file with the City Clerk of the City of Carmel-by-the-Sea as the official budget of the City of Carmel-by-the-Sea for Fiscal Year 2025-2026.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 3rd day of June, 2025, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

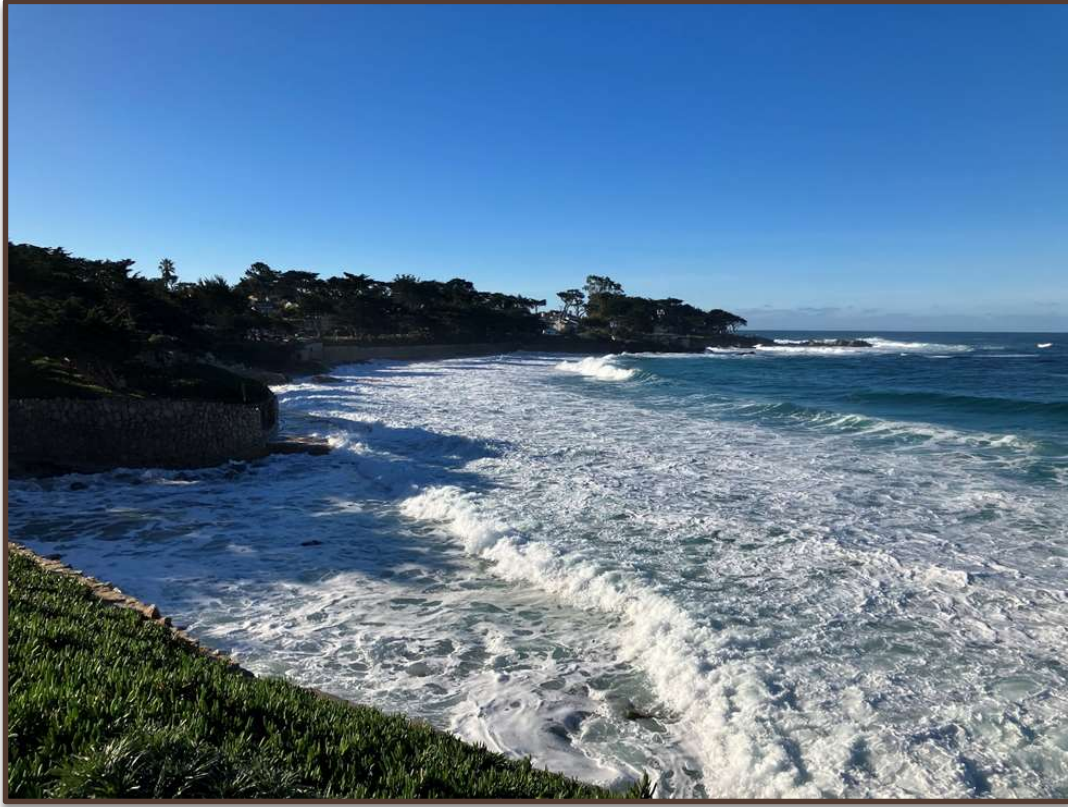
ATTEST:

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Dale Byrne  
Mayor

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Nova Romero  
City Clerk



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Fiscal Year 2025-2026

# PROPOSED BUDGET

CITY OF CARMEL-BY-THE-SEA

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CITY OF CARMEL-BY-THE-SEA  
P.O. BOX CC, CARMEL-BY-THE-SEA, CA 93921  
T: (831) 620-2000  
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# CITY LEADERSHIP

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DALE BYRNE,  
MAYOR



BOB DELVES,  
MAYOR PRO TEMPORE



JEFF BARON,  
COUNCILMEMBER



HANS BUDER,  
COUNCILMEMBER



ALISSANDRA DRAMOV,  
COUNCILMEMBER



CHIP RERIG,  
CITY ADMINISTRATOR

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## INTRODUCTION

## BUDGET MESSAGE

Honorable Mayor Byrne, City Councilmembers, and Residents of Carmel-by-the-Sea:

In accordance with Carmel Municipal Code Section 3.06.020, I present the City's operating and capital budget for the fiscal year 2025-2026 ("FY 25-26") with tentative adoption on June 3, 2025. This budget reflects a conservative view of revenues in the face of increased economic uncertainties while continuing to maintain service levels at those of prior years. During the year, City has invested significant resources addressing high interest community projects such as the General Plan Housing Element, the Police Station Project and tree maintenance throughout the City, and there is more work to be done. This work is reflected in the proposed budget. Please allow me to reinforce that we have a strong and dedicated workforce, and unparalleled leadership from the City Council combined with an impassioned and solutions-oriented citizenry.

The Operating Budget serves as a policy document, financial plan, operations guide, and communications device. It is a living document that reflects the City Council's strategic goals and objectives and provides a framework to meet future challenges such as rising operational costs and limited growth in revenues.

As we move forward and plan to implement the Fiscal Year 25-26 operating budget in the upcoming year, it is important to take into consideration the various factors that impact our financial health at the global, national, State, and local levels.

At the global level, we continue to face economic uncertainty and instability due to high interest rates, changes in leisure travel patterns, market distress, and volatility in financial markets. Ambiguity in national public policy leads to delays and curtailment in capital investment. Tariff impositions fluctuate daily, often lacking specificity. Other sources of volatility include global events, inflation concerns, and potential reductions in the Fed Funds rate. Pressures on the consumer result in prioritized day-to-day expenditures which erode discretionary spending due to weakened consumer confidence. We would be wise to anticipate and prepare for potential impacts on the City's financial situation.

At the national level, the personal savings have decreased from roughly 5.4% in February of 2024 to 4.6% in February of 2025. This trend could add to a greater sell-off of investments and potentially steep market declines. Helping to hold this trend in check, home prices on the national level remain strong but could be overvalued.

At the state level, California faces its own set of challenges. The state has a large and diverse economy, but it also has a high cost of living and a significant homeless population. The state's budget is also impacted by various factors such as natural disasters, healthcare costs, and public education funding. Very recently, the Governor has signaled the need to



make cuts to the State Budget, which could impact grant funding anticipated to be received by local governments like ours.

At the local level, Monterey County is no exception to its own set of challenges: aging infrastructure, affordable housing shortage, and rising healthcare costs. Our County-wide tourism industry continues to remain below pre-COVID levels. The City's three major sources of General Fund revenue (Property Tax, Sales and Use Tax and Transient Occupancy Tax) continue to increase, but only slightly as economic factors and international relations make for uncertainty. This trend has led to a flattening of occupancy in our hotels, running at a 66% annual occupancy rate over the past three fiscal years. It is also worth noting that as Highway 1 through Big Sur is routinely impacted by natural disaster events, we will continue to see less visitor trade and traffic coming up along the coast from the L.A. area and bringing important visitor dollars to the Peninsula

The factors identified above may reflect a monetary tightening that could impact the City's revenue pillars into the future. As such, we approached our budget planning with an understanding of these factors and their potential impacts on our financial health. This budget is a thoughtful representation working together internally and with the community to identify areas where we can maintain costs at status quo, and where there may be room to cautiously spend budgetary dollars to enhance services for the Village. Given trends though, the City needs to begin to explore the need for additional sources of revenue to maintain our financial stability or adopt a position of significantly reducing costs in future fiscal years.

The adopted budget is not operationally balanced, meaning the total projected incoming revenue does not fully compensate for our projected expenditures. The budget is balanced by strategically using "unrestricted fund balance". As discussed at the budget hearings, "unrestricted fund balance" is different than our "restricted fund balance" and "reserved fund balance". The "unrestricted fund balance" is not required to be set aside or used for a specific purpose each year, since it comes from revenue that was not spent over past fiscal years as planned (e.g.: unspent Capital Improvement Program dollars or increased revenues received). The use of these "unrestricted fund balance" dollars makes it possible to address the past and current direction of Council, which is to maintain core services, invest heavily in deferred infrastructure maintenance, natural resource management and community character. We are fortunate to have an available "unrestricted fund balance", accumulated through the prudent budgeting in past years, to close the gap in revenue that we are forecasting. In total, the funds needed to structurally balance the budget equal \$4,914,719. Using this amount will consume roughly 35% of our current year unassigned fund balances, the remainder of which will continue to be saved.

## *POLICY CHANGES TO BUDGETARY GUIDELINES*

The Council's newly in-stated budget guidelines limit the operating costs to be no more than 90% of budgeted revenue. For FY25-26, the City is budgeting \$34.9 million of revenues, \$31.9 million of operating expenditures and \$7.8 million of capital project expenditures. Operating expenditures represent 91.6% of budgeted revenues, which is \$572 thousand in excess of the 90% budgetary guideline. Capital Project expenditures represent 20% of budgeted revenues, which is \$4.3 million in excess of the 10% budgetary guideline. In order to get to the newly initiated 90% budget guideline, additional changes to the budget would be required.

## *STAFFING*

After an increase in the previous Fiscal Year, we will see a small decrease in the number of City staff. This will be accomplished in part by a restructuring of some existing positions to meet the changing operational needs of the City and to respond to the City Council and Community's desires for additional services. In total in the FY25-26 budget, it appears that only .75 FTE is being eliminated from the entire workforce, after accounting for the 6 ambulance FTE that are being transferred to the City of Monterey, but this number does not reflect the full story. The budget adds two Police Officers, while shifting hours and responsibilities offset these increases with 0.5 and 2.25 reductions to the staffing in Community Activities and the Library as previously unfilled position are eliminated. Within other areas of the City, currently vacant positions in Finance, Planning, Police, Project Management and Forestry and Beach are budgeted to remain unfilled for several months in the 2025-2026 fiscal year. While the total number of FTEs has remained relatively unchanged, the net result of these changes is an increase in salary expense as compensation for the new positions exceeds the positions eliminated.

## *CAPITAL IMPROVEMENT AND MAINTENANCE*

### *Capital Improvement Projects*

In its Priorities Workshop on February 27, 2025, and again on March 24, 2025, the City Council reviewed the FY 25-26 Capital Improvement Plan. Comprised of 30 CIP projects and 9 Vehicle and Equipment projects, the combined total CIP investment for new projects would be \$7,834,000 – a figure that includes both internal and external funding. Capital projects included in the adopted budget consist of rehabilitation of City facilities, sidewalk and street improvements, enhanced public safety, Citywide ADA improvements, and protection and preservation of the natural environment. More generally speaking, the FY 25-26 budget recognizes the importance of investing in our “green” infrastructure (Mission Trails Nature Preserve, Sand Ramp at Eighth Avenue, Scenic Pathway and Shoreline Repairs, forest maintenance, etc.) and includes funding for continuation of the Paving project, Library Master planning, and improvements at Sunset Center, Forest Theatre and other City facilities.



The total vehicle acquisition costs for FY 25-26 are budgeted at \$1,210,000, including the cost of new ambulance as well as other vehicles. These expenditures exceed the City's annual replacement reserve target of 10% or approximately \$500,000. The City will continue to maintain the Vehicle & Equipment replacement reserve at 10% of the estimated replacement value of the City's vehicles and equipment, adjusted annually based on CPI.

#### FISCAL YEAR 25/26 BUDGET AT A GLANCE

<b>FY25-26 Proposed Revenues</b>	<b>\$34,915,081</b>
General Fund Expenditures	28,778,542
Debt Service Expenditures	509,100
Pension Unfunded Liability Mitigation Expenditures	2,708,158
Capital Outlay Expenditures	7,834,000
<b>FY25-26 Proposed Expenditures</b>	<b>\$39,829,800</b>
<b>Use of Fund Balance for Capital Projects</b>	<b>\$4,914,719</b>
<b>Funded Full Time Equivalent (FTE) positions</b>	<b>90.50</b>

Many of you know the level of respect I have for the lessons one can learn by studying the past. And while much of my message may seem dour, history teaches us that economic cycles are intrinsic to local government. Consequently, as clear as I can be about the likelihood of an unavoidable future down cycle in two of our three major revenue pillars, I am equally as confident about the inevitable upcycle to follow. The budget I am presenting is not intended to be irrepressibly contrarian; it is meant to be cautious and realistic. In the long term, I remain bullish, and indeed optimistic about our future.

My profound thanks to my department heads, and especially our Finance Division team, for developing a budget that is realistic given the realities that we are facing. I look forward to Council's leadership and guidance as we balance fiscal sustainability with the need to fund projects and services for our community.

Respectfully submitted,

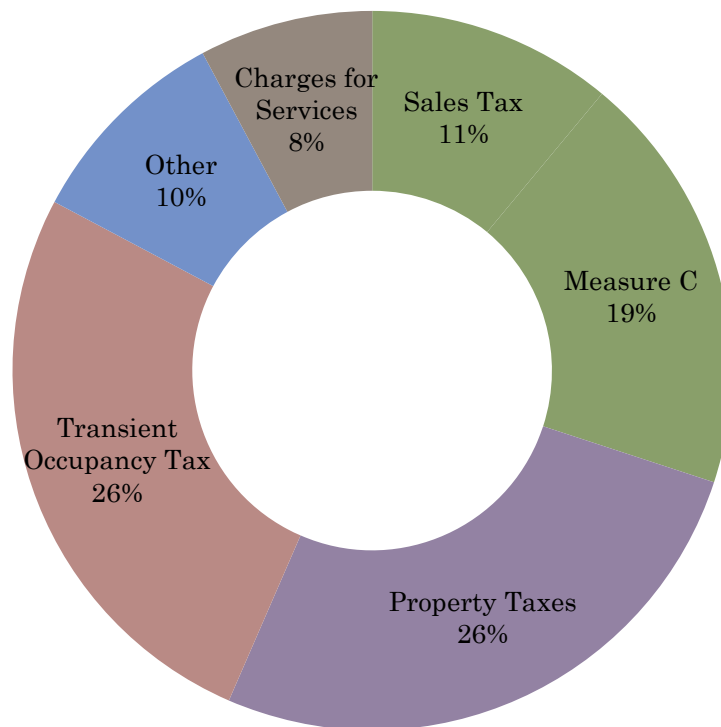


Chip Rerig  
City Administrator

## REVENUE

The FY 25-26 Budget includes \$34.9 million in estimated new revenue. As illustrated in the chart below, statewide sales tax (Sales Tax) and local Measure C district tax, contribute 30% and is the largest City revenue source. This reveals the importance and impact of the voter approved of Measure C in 2020. Property Tax reflects its customary stable growth accounting for 26% of the budgeted revenue. Hotel Tax (TOT) remains at 26% of budgeted revenue, followed by Other Revenues and Charges for Services combined at 18%.

FY 25-26 Citywide Revenue Sources



Source	Budget
Property Taxes	\$9,198,405
Sales Tax	3,828,119
Measure C	6,595,056
Other	3,272,484
Charges for Services	2,911,901
Transient Occupancy Tax	9,109,116
<b>Total</b>	<b>\$34,915,081</b>

Property taxes are estimated at \$9.2 million, reflecting a 4% projected growth over the previous year's adopted budget and 2.5% growth over forecast actual. The City's portion of the Sales Tax is \$3.8 million and Measure C is \$6.6 million, which represent 11% and 19% of total revenue respectively. The significance of the March 2020 Carmel voter approval of Measure C, at a renewed rate of 1.5%, cannot be understated. Amid COVID-19, Measure C provided a financial lifeline allowing for the continuance of core City services and still factors significantly in funding both operational and capital needs. This FY 25-26 Budget projects a continuation of status quo in Measure C and Sales Tax trends as consumers remain cautious of inflation and overall price increases of goods and services.

Transient Occupancy Tax ("TOT") is levied at 10% of the rent charged by a hostelry operator within the City. Adopted at \$9 million, TOT accounts for 26% of revenues, a 2% increase over FY 24-25 budget and a -2% decrease over forecast actual. Charges for Services are fees collected from a specific user of a service, such as plan review, building inspection and ambulance transports and account for \$2.7 million, or 8% of the budget. The category of "Other" revenue includes General Fund revenues from business license tax, franchise fee and other intergovernmental revenue as well as restricted revenue for Community Oriented Policing Services (COPS), road maintenance and transportation-related projects and federal and State grants for planning, parks, and radio communications.

**Table 1: Estimated Performance and Recommended Budget for Major Revenue Sources**

<b>Key Revenues</b>	<b>FY 21-22 Actual</b>	<b>FY 22-23 Actual</b>	<b>FY23-24 Actual</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
Property Taxes	\$7,694,722	\$8,136,928	\$8,770,848	\$8,974,083	\$9,198,405
Sales Tax	\$3,626,263	\$3,469,412	\$3,692,470	\$3,753,350	\$3,828,119
Measure C	\$5,970,464	\$5,868,695	\$6,386,122	\$6,484,814	\$6,595,056
TOT	\$7,787,643	\$8,455,742	\$8,579,344	\$9,295,016	\$9,109,116
<b>Total</b>	<b>\$25,079,092</b>	<b>\$25,930,777</b>	<b>\$27,428,783</b>	<b>\$28,507,264</b>	<b>\$28,730,696</b>

The City's three major sources of revenue include Property Tax, Sales and Use Taxes, and Transient Occupancy Tax (As detailed in Table 1 above entitled "Estimated Performance and Recommended Budget for Major Revenue Sources").

#### PROPERTY TAXES

The desirability of Carmel-by-the-Sea as a place to reside, coupled with its limited housing stock, contribute to a strong local real estate market. Property tax revenue has been increasing on average by 6% over the past 9 years.

The State median home price is expected to rise 2% from FY 24-25 to FY 25-26. The City has budgeted Property Tax revenue to increase 2.5% over last fiscal year's estimated actual, unlike it has done in prior years due to a softening in the housing market. This budget conservatively projects growth yet remains confident in the stability of Carmel's property tax performance.

## SALES AND USE TAXES

The majority of the City's sales and use taxes are attributed to businesses within the categories known as general consumer goods and restaurants. The City receives a portion (1%) of the statewide sales tax, known as Bradley-Burns tax, as well as revenue from a local sales tax. On March 3, 2020, the Carmel electorate voted and approved Measure C to increase the sales tax rate to 1.5%. The timing of Measure C helped minimize the effects of reduced sales tax revenue suffered during the pandemic, allowing the City to survive and recover to pre-pandemic levels by fiscal year 2020-2021. The City estimates FY 24-25 sales and use tax revenue at \$10.2 million, just a 2% increase over FY 23-24 actual revenue of \$10 million.

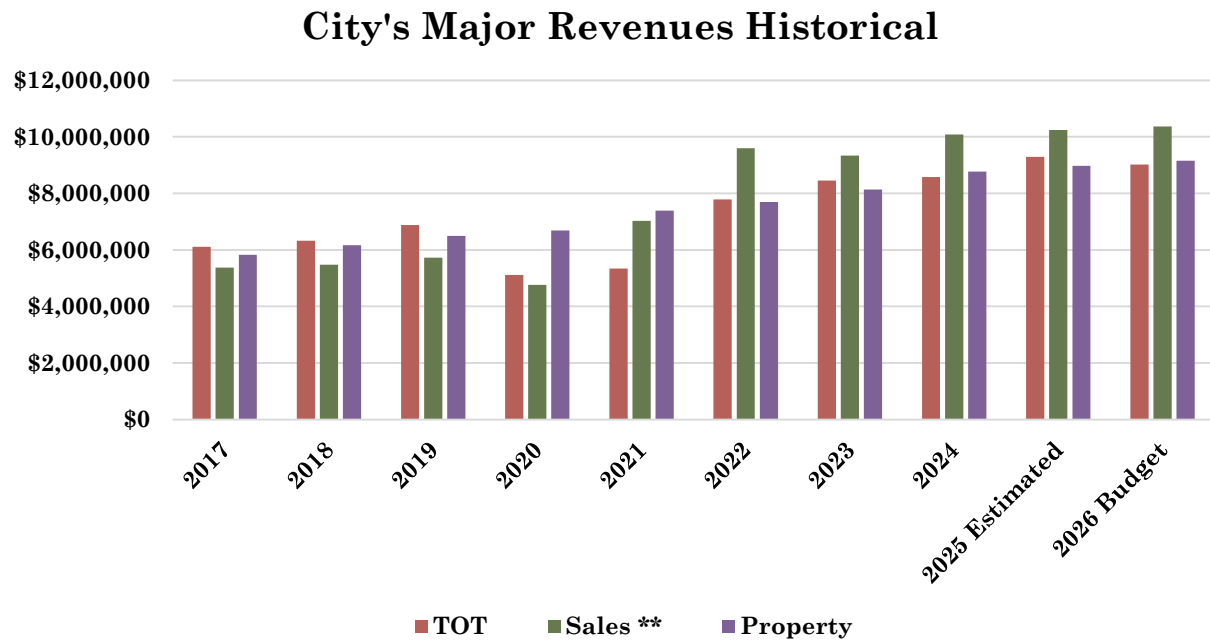
The City remains conservative and vigilant to the current trends, as we are aware that geopolitical tensions, inflation concerns, and interest rates drive consumer spending patterns even at the local level. Consumer spending for certain goods and services remains high, particularly for online shopping and dining. General consumer goods spending is expected to slowly increase by the end of FY 25-26, with limited 1.1% growth over prior fiscal year. We project stagnant sales tax activity in FY 25-26 and estimate \$3.8 million for local sales tax and \$6.6 million for Measure C, for a total of \$10.4 million, a 1.8% increase over the prior year.

## TRANSIENT OCCUPANCY TAX

The FY 25-26 Budget for TOT revenue is \$9.1 million, which assumes continued occupancy at the current fiscal year's rate. In FY 24-25, daily occupancy rates have been lower while the daily room rates are higher over prior fiscal year. For the reasons noted above under Sales and Use Taxes, as well as Highway 1 Big Sur closures and slowing international travel, we remain guarded in our TOT revenue. We anticipate a 3% decrease in FY 25-26 TOT over FY 24-25 estimated actuals.

As the City looks forward to its future revenues that fund services, capital projects and other initiatives, stepping back and reviewing the City's historic performance is of value. The charts below depict the performance of the City's three major revenue sources over the last 10 years.

Fiscal Year *	TOT	Sales **	Property
2017	\$6,112,347	\$5,373,800	\$5,825,889
2018	\$6,329,074	\$5,476,123	\$6,163,959
2019	\$6,882,015	\$5,719,521	\$6,496,558
2020	\$5,115,277	\$4,766,313	\$6,690,948
2021	\$5,339,285	\$7,028,041	\$7,389,656
2022	\$7,787,643	\$9,596,727	\$7,694,722
2023	\$8,455,742	\$9,338,107	\$8,136,928
2024	\$8,579,344	\$10,078,592	\$8,770,848
2025 Estimated	\$9,295,016	\$10,238,164	\$8,974,083
2026 Budget	\$9,109,116	\$10,423,175	\$9,198,405
*ending June 30th			
** Combination of Bradley Burns & Measure C 1.5%			



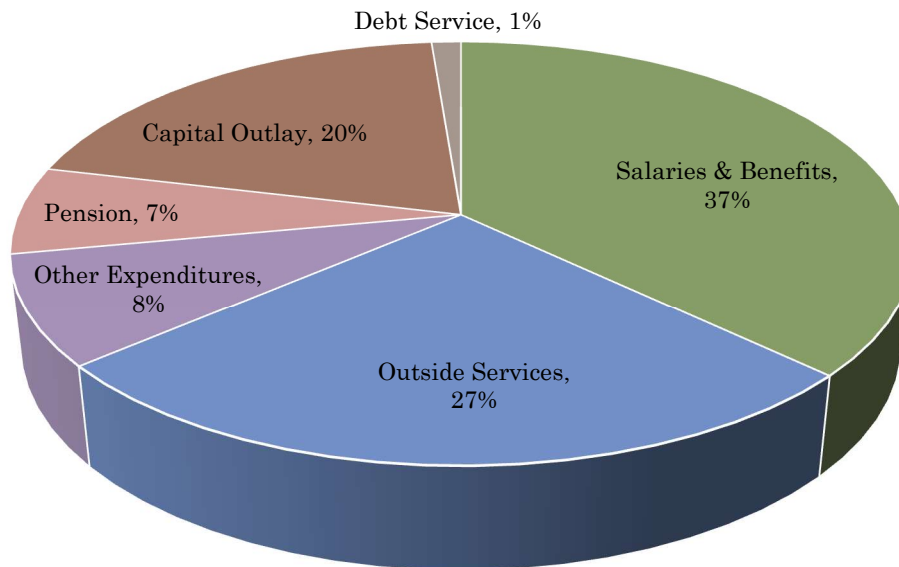
## EXPENDITURES

The FY 25-26 Budget totals \$39.8 million, which consists of the following:

- Operating Budget, or General Fund, totals \$31.4 million, or 79%, of the citywide budget
- Debt service totals \$509,100, or 1% of the citywide budget
- Capital outlay, including Capital Improvement Projects (\$6.6 million) and Vehicles and Equipment (\$1.2 million), makes up 20% of the budget

The Operating Budget consists of the City's departments and services. Debt is based upon required payments toward various bonds issued by the City or by other governmental agencies on behalf of the City. As shown in the chart below, the FY 25-26 Budget includes the Operating Budget, Pension UAL payments, Capital Outlay and Debt Service. The Operating Budget is further categorized by types of expenditure including salaries and benefits, outside services, and other expenditures as explained below.

FY 25-26 Expenditure by Type



Type of Expenditure	Budget
Salaries & Benefits	\$15,069,084
Outside Services	10,730,711
Other Expenditures	2,978,747
Pension	2,708,158
Capital Outlay	7,834,000
Debt Service	509,100
<b>Total</b>	<b>\$39,829,800</b>

The City's largest expenditure is related to the cost of personnel. Salaries and benefits total \$15 million and account for 38% of the citywide budget. The second largest type of expenditure is Outside Services. This category includes various line-item accounts, such as advertising and noticing, contract services and community promotions. Contract services are used as an alternative to City staff directly providing the service due to cost savings or the specialized nature of the work being performed and include funding for expenses such as fire and ambulance service provided by the City of Monterey (\$3.3 million, \$2.1 million respectively); support for the operations of the Sunset Center and other economic development activities (\$1.2 million); legal services (\$517,000); tree care and landscape maintenance (\$473,000) and janitorial service (\$289,000). Capital Outlay is the third largest type of expenditure at \$7.8 million, or 20% of the budget.

Other expenditures total \$3 million and account for 8% of the citywide budget. This category includes various line-item accounts such as retiree healthcare and citywide operational expenses like property tax assessments and utilities. Also included here are the City's general liability and property insurance premiums (\$1.1 million) and expenses such as public works materials and supplies, telecommunications, fuel, training and conferences, vehicle maintenance, medical and safety supplies and printing and postage.

Pension expenses total \$2.7 million, or 7%, of the budget and only include the annual required unfunded pension liability. The City will also make its final annual funding transfer to the City's Section 115 trust (\$1.0 million) for pension mitigation, which is intended to help reduce the long-term liability of pensions.

The citywide budget is rounded out with Debt Service (\$509,100) accounting for 1% of the citywide budget.

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Another way to view operating expenditures is by function, as depicted in the FY 25-26 Expenditures by Function illustration below. Capital Outlay makes up 20% of operating expenditures. The public safety functions of Ambulance, Fire and Police make up 28% of the budget. The Public Works Department is the next largest operating expenditure at 14% followed by Citywide at 12% of the budget, as it includes the City's unfunded actuarial pension liability. In total, Administration, Council, Planning, Legal, Economic Development (including the Sunset Center), and Library and Community Activities represent the remaining 26% of the budget expenditures.



## FY 25-26 Expenditures by Function



Total Expenditures		
	Budget	%
Administration	\$3,755,017	9%
Citywide	4,814,943	12%
Council	248,752	1%
Debt	509,100	1%
Legal	517,000	1%
Planning	2,356,051	6%
Ambulance	2,359,760	6%
Fire	3,417,424	9%
Police	5,555,440	14%
Marketing	1,167,981	3%
Library	1,491,904	4%
Community Activities	246,400	1%
Public Works	5,556,028	14%
<b>Operating Budget</b>	<b>\$31,995,800</b>	<b>80%</b>
<b>Capital</b>	<b>7,834,000</b>	<b>20%</b>
<b>Total</b>	<b>\$39,829,800</b>	<b>100%</b>

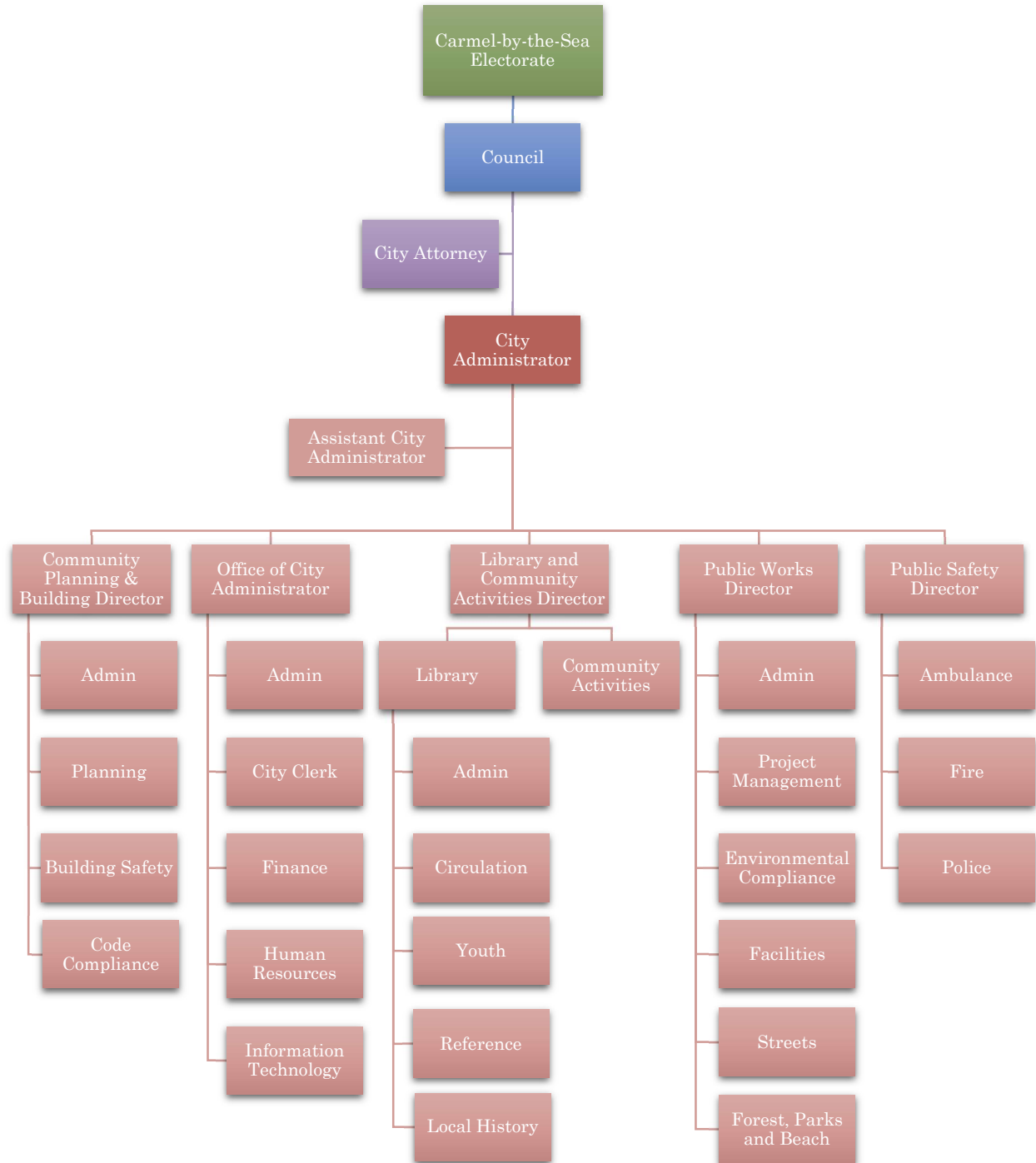


## FY25-26 AUTHORIZED POSITIONS

	FY 24/25	FY 25/26	
Department and Title	Adopted	Proposed	Change
<b>Council</b>			
Councilmember	4.00	4.00	0.00
Mayor	1.00	1.00	0.00
<b>City Council Total</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>
<b>Administration</b>			
City Administrator	1.00	1.00	0.00
Assistant City Administrator	1.00	1.00	0.00
Administrative Analyst	1.00	1.00	0.00
Administrative Coordinator	1.00	1.00	0.00
City Clerk	1.00	1.00	0.00
Finance Manager	1.00	1.00	0.00
Accountant	1.00	1.00	0.00
Finance Analyst	1.00	1.00	0.00
Finance Specialist	1.00	1.00	0.00
Human Resources Manager	0.00	1.00	1.00
Senior Human Resources Analyst	1.00	0.00	-1.00
Information Services / Network Manager	1.00	1.00	0.00
IT Help Desk/Technician	1.00	1.00	0.00
<b>Administration Total</b>	<b>12.00</b>	<b>12.00</b>	<b>0.00</b>
<b>Community Activities</b>			
Community Services Assistant	1.00	0.50	-0.50
Executive Assistant	0.50	0.50	0.00
<b>Community Activities Total</b>	<b>1.50</b>	<b>1.00</b>	<b>-0.50</b>
<b>Library</b>			
Director of Library and Community Services	1.00	1.00	0.00
Supervising Librarian	2.00	2.00	0.00
Librarian	1.00	1.00	0.00
Library Associate	0.00	3.00	3.00
Library Assistant (full-time)	4.00	1.00	-3.00
Executive Assistant	0.50	0.50	0.00
Librarian II (Local History)	1.00	0.00	-1.00
Hourly Librarian I	1.00	1.00	0.00
Hourly Library Assistant	3.25	2.00	-1.25
<b>Library Total</b>	<b>13.75</b>	<b>11.50</b>	<b>-2.25</b>

<b>Community Planning &amp; Building</b>			
Planning & Building Services Director	1.00	1.00	0.00
Principal Planner	2.00	2.00	0.00
Senior Planner	0.00	1.00	1.00
Associate Planner	2.00	2.00	0.00
Assistant Planner	1.00	0.50	-0.50
Administrative Coordinator	1.00	1.00	0.00
Building Official	1.00	1.00	0.00
Building Inspector	1.00	1.00	0.00
Permit Technician	1.00	1.00	0.00
Code Compliance Coordinator	2.00	1.50	-0.50
<b>Community Planning &amp; Building Total</b>	<b>12.00</b>	<b>12.00</b>	<b>0.00</b>
<b>Public Works</b>			
Director of Public Works	1.00	1.00	0.00
Administrative Coordinator	1.00	1.00	0.00
Public Works Superintendent	1.00	1.00	0.00
Street Supervisor	1.00	1.00	0.00
Streets Maintenance Worker III	2.00	2.00	0.00
Streets Maintenance Worker I/II	5.00	5.00	0.00
Facilities Maintenance Supervisor	1.00	1.00	0.00
Facilities Maintenance Specialist	1.00	1.00	0.00
Environmental Compliance Manager	1.00	1.00	0.00
Environmental Administrative Analyst	1.00	1.00	0.00
Project Manager	2.00	2.00	0.00
City Forester	1.00	1.00	0.00
Assistant City Forester	1.00	1.00	0.00
Tree Climber & Care Specialist	1.00	1.00	0.00
Forestry Administrative Analyst	1.00	1.00	0.00
F&B Maintenance Worker I/II	3.00	3.00	0.00
Tree Permit Technician	1.00	1.00	0.00
<b>Public Works Total</b>	<b>25.00</b>	<b>25.00</b>	<b>0.00</b>
<b>Police</b>			
Public Safety Director	1.00	1.00	0.00
Police Commander	1.00	1.00	0.00
Sergeant	2.00	3.00	1.00
Police Officer	9.00	10.00	1.00
Police Services Supervisor	1.00	1.00	0.00
Police Services Officer	6.00	6.00	0.00
Community Services Officer/Animal Control	2.00	2.00	0.00
<b>Police Total</b>	<b>22.00</b>	<b>24.00</b>	<b>2.00</b>
<b>Ambulance</b>			
Paramedics	6.00	0.00	-6.00
<b>Ambulance Total</b>	<b>6.00</b>	<b>0.00</b>	<b>-6.00</b>
<b>Citywide Total Funded Positions</b>	<b>97.25</b>	<b>90.50</b>	<b>-6.75</b>

# ORGANIZATIONAL CHART





# OPERATING BUDGET

GENERAL FUND - 101  
(CITY DEPARTMENTS AND SERVICES)

## CITY COUNCIL

The City Council consists of the Mayor and four Councilmembers, elected at large by the citizens of Carmel-by-the-Sea on a non-partisan basis. The City Council is the policy-making legislative body of the City. The Council adopts the annual budget, enacts ordinances, and approves major contracts, acquisitions, and leases. With the advice and assistance of the City Administrator and City Attorney, the City Council reviews proposals to meet the community's needs, initiates action for new policies and allocates resources.

### 2024-2025 INITIATIVES AND ACCOMPLISHMENTS

- Develop Telecommunication Ordinance consistent with federal law
- Stormwater Ordinance Update
- Car Week Safety and Impacts
- Review barriers to construction of affordable housing (Housing Element Adoption)

### 2025-2026 PRIORITIES

- Continued oversight of the implementation of the strategic plan and updating of City priorities to include some of the following: plan for natural areas, reduce fire risk, review opportunities for enhanced fire/ambulance service; develop forest management plan and update tree ordinance; update zoning code & design guidelines; ADU ordinance; wireless ordinance; increase beautification effort; review barriers to affordable housing; explore street addresses, develop a facilities master plan; underground utilities rule 20A; explore reinstatement of design review board; explore opportunities for Flanders Mansion and Scout House.
- Continue to respond to any forthcoming State legislation that undermines local control, especially as it relates to local land-use decisions.

### BUDGET SUMMARY AND SERVICE IMPACTS

- Community Promotions includes \$36,000 for the Council discretionary grant program, \$3,000 for United Way 211, \$4,000 for the Monterey County Film Commission, \$7,500 for the Central Coast Small Business Development Center and \$78,000 for the cost of courier service for the mail delivery program for a total budget of \$128,500.

<b>City Council</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-110-00-41008	Salaries -Elected	\$9,600	\$10,351	\$9,600
101-110-00-41101	Retirement	88	175	179
101-110-00-41104	Health Insurance	52,517	37,161	24,755
101-110-00-41105	Social Security	484	530	0
101-110-00-41106	Medicare	139	150	139
101-110-00-41108	Worker's Comp	160	3,122	514
<b>Salaries &amp; Benefits Subtotal</b>		<b>\$62,988</b>	<b>\$51,489</b>	<b>\$35,187</b>
101-110-00-42005	Community Promotions	\$128,600	\$167,153	\$128,500
101-110-00-42007	Regional Memberships	50,546	50,546	53,065
101-110-00-42101	Office Supplies	450	0	450
101-110-00-42302	Conferences & Meetings	10,350	12,703	31,550
<b>Services &amp; Supplies Subtotal</b>		<b>\$189,946</b>	<b>\$230,402</b>	<b>\$213,565</b>
<b>Total</b>		<b>\$252,934</b>	<b>\$281,891</b>	<b>\$248,752</b>

<b>Regional Memberships</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-110-00-42007	TAMC	\$1,295	\$1,295	\$1,360
101-110-00-42007	AMBAG	3,950	3,950	4,100
101-110-00-42007	Monterey Pen. Chamber of Commerce	900	900	950
101-110-00-42007	Monterey County Mayors Association	1,575	1,575	1,700
101-110-00-42007	Monterey County Business Council	500	500	525
101-110-00-42007	MBUAPCA	1,900	1,900	2,000
101-110-00-42007	League of CA Cities	3,380	3,380	3,600
101-110-00-42007	League of CA Cities- Monterey Bay	300	300	315
101-110-00-42007	LAFCo	16,796	16,796	18,000
101-110-00-42007	Community Human Services	19,175	19,175	19,700
101-110-00-42007	CoastWalks/Coastal Trail Association	300	300	315
101-110-00-42007	Carmel Chamber of Commerce	475	475	500
<b>Total</b>		<b>\$50,546</b>	<b>\$50,546</b>	<b>\$53,065</b>



## CITY ATTORNEY

The City Council appoints the City Attorney. The City Attorney represents the City as legal counsel and provides legal advice and/or training to the City Council, City Administrator, boards, commissions, and departments; investigates and resolves claims against the City; defends the City in litigation and administrative actions; initiates and prosecutes litigation on behalf of the City; and drafts and reviews legal documents and agenda items.

### BUDGET SUMMARY AND SERVICE IMPACTS

- The FY 25-26 City Attorney budget totals \$517,000 and consists of \$435,000 for general legal services and \$75,000 for other specialized legal assistance from the City attorney's office, including labor negotiations and personnel. The budget also includes \$7,000 for the City attorney's annual performance evaluation. There are no changes from FY 24-25 adopted budget.
- \$75,000 is budgeted for supplementary specialized legal costs, such as wireless communications and labor negotiations.

<b>City Attorney</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-112-00-42001	Contract Services	\$442,000	\$399,171	\$442,000
101-112-00-42004	Legal Costs	75,000	18,158	75,000
<b>Total</b>		<b>\$517,000</b>	<b>\$417,329</b>	<b>\$517,000</b>





## ADMINISTRATION

The City Administrator is appointed by the City Council and is ultimately responsible for the enforcement of City laws and ordinances; ensuring that the orders of the City Council are executed; preparing the budget and monitoring City finances; and managing day-to-day operations of all City Departments. The Assistant City Administrator serves at the behest of the City Administrator to assist in managing the activities and operations of the City, act in the absence of the City Administrator, and serve as the Director of the centralized administrative city functions of City Clerk, Finance, Human Resources, and Information Technology.

### 2024-2025 INITIATIVES AND ACCOMPLISHMENTS

- Successfully adopted a Social Media Policy and launched official City Instagram and Facebook accounts to enhance public engagement.
- Procured ArchiveSocial to ensure compliance with public records laws by archiving all social media activity.
- Acquired an ethics training and tracking module for City Council, Commissioners, and staff to improve compliance and streamline reporting.
- Awarded Certificate of Achievement for Excellence in Financial Reporting for the City's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023.
- Purchased a new agenda management system, currently in the data migration, training, and implementation phase, to improve workflow and public accessibility.
- Conducted a successful municipal election in November 2024.
- Managed and coordinated recruitment efforts for City Boards and Commissions.
- Issued 617 fixed location and 1158 in & about business licenses
- 249 high heel permits issued in FY24-25, a 50% increase over the 166 high permits issued in the prior year.
- Replaced the city's high availability firewalls with new state-of-the-art hardware for many years of stable network security features and capabilities.
- IT audit by firewall expert to improve the configuration of and significantly strengthen the City's overall network security.
- Replacement of core switches that tie our servers, storage and various network switches in the city together to make a complete enterprise grade system.
- Improved our remote management and monitoring system by adding significant capabilities to that system.

- Windows 11 workstations roll out in 2024. IT deployed 15 new workstations and refurbished 7 systems to increase the RAM and maximize the usefulness and life of the hardware.

## 2025-2026 PRIORITIES

- Digitize all historic City records, including Resolutions, Ordinances, and Meeting Minutes, to improve accessibility and preserve institutional history.
- Explore Street Addresses
- Strategically implement Laserfiche software to create a centralized, web-based platform for efficient records management and public access.
- Evaluate and identify cost-effective off-site storage solutions to reduce physical storage needs and optimize space within City facilities.
- Review and update reserve and financial policies.
- Creation of web dashboard interface for more transparent fiscal reporting
- Implement an electronic payment portal for the collection of administrative fees, including business licenses, TOT tax collections, and CRID administration.
- Upgrade computer fleet to Windows 11 and prepare to pay for extended security update costs for any remaining Windows 10 computers. (\$61/yr per PC)
- Analyze departmental software priorities so that a strategic plan is developed which minimizes incompatible software.



## BUDGET SUMMARY AND SERVICE IMPACTS

<b>Office of the City Administrator</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-111-00-41001	Salaries	\$1,849,792	\$1,688,028	\$1,941,453
101-111-00-41005	Overtime	0	29	0
101-111-00-41101	Retirement	125,810	102,562	120,362
101-111-00-41103	Deferred Compensation	48,261	46,348	45,431
101-111-00-41104	Health Insurance	363,609	295,216	409,231
101-111-00-41106	Medicare	26,821	24,342	28,151
101-111-00-41107	LTD/STD/Life	1,691	1,458	4,073
101-111-00-41108	Worker's Comp	40,958	75,569	104,586
101-111-00-41109	Benefits-MOU Obligations	10,400	9,672	10,400
<b>Salaries &amp; Benefits Subtotal</b>		<b>\$2,467,342</b>	<b>\$2,243,224</b>	<b>\$2,663,687</b>
101-111-00-42001	Contract Services	\$198,615	\$197,734	\$323,500
101-111-00-42002	Recruiting Services	71,100	18,652	57,500
101-111-00-42003	Auditing Services	87,000	38,325	96,500
101-111-00-42006	Records Management	7,000	10,251	25,000
101-111-00-42009	Advertising and Legal Notice	22,900	10,833	21,000
101-111-00-42015	Other Services	24,800	23,575	24,800
101-111-00-42101	Office Supplies	10,875	6,566	7,875
101-111-00-42102	Publications & Subscriptions	277,568	304,016	275,400
101-111-00-42105	Materials and Supplies	0	408	500
101-111-00-42106	Small Tools and Equipment	1,200	0	0
101-111-00-42115	Other Supplies	0	0	5,000
101-111-00-42202	Equipment Maintenance	23,100	9,850	8,750
101-111-00-42301	Training & Education	8,712	6,798	18,400
101-111-00-42302	Conferences & Meetings	22,125	14,245	17,625
101-111-00-42304	Dues & Memberships	12,550	3,282	3,580
101-111-00-42306	Employee Programs	3,000	83	6,000
101-111-00-42307	Employee Appreciation Costs	18,500	26,093	20,000
101-111-00-42403	Printing	9,800	5,769	5,900
101-111-00-42404	Shipping/Postage/Freight	24,545	11,835	500
101-111-00-42405	Telephone and Communications	109,500	140,799	125,000
101-111-00-42406	Bank & Merchant Fees	4,000	4,573	4,500
101-111-00-42407	Computer Non Capital	2,000	2,136	40,000
101-111-00-42410	Pre-employment Costs	3,000	2,680	4,000
<b>Services &amp; Supplies Subtotal</b>		<b>\$941,890</b>	<b>\$838,502</b>	<b>\$1,091,330</b>
<b>Total</b>		<b>\$3,409,232</b>	<b>\$3,081,726</b>	<b>\$3,755,017</b>



## ADMINISTRATION

The Administration Divisional budget includes funding for the City Administrator's performance evaluation within contract services, office supplies, copier fees, and the citywide postage meter.

<b>Administration</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-111-10-42001	Contract Services	\$44,900	\$16,445	\$10,000
101-111-10-42015	Other Services	24,800	23,575	2,350
101-111-10-42101	Office Supplies	9,375	5,853	6,375
101-111-10-42102	Publications & Subscriptions	540	209	540
101-111-10-42302	Conferences & Meetings	11,325	13,722	5,325
101-111-10-42304	Dues & Memberships	5,350	2,915	1,350
101-111-10-42403	Printing	100	0	100
101-111-10-42404	Shipping/Postage/Freight	24,545	11,835	500
<b>Services &amp; Supplies Subtotal</b>		<b>\$120,935</b>	<b>\$74,554</b>	<b>\$26,540</b>

## CITY CLERK

The City Clerk provides timely and accessible service in response to all inquiries and requests for public information and records, and is responsible for the administration of elections, public records requests processing, records management, and the legislative process. The Clerk Records the City's legislative history through approved minutes and maintaining City Ordinances and the Municipal Code; facilitates applications for appointments to boards and commissions and coordinates Statements of Economic Interest as well as campaign and other financial disclosure-related filings.

<b>City Clerk</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-111-11-42001	Contract Services	\$52,300	\$51,413	\$48,300
101-111-11-42006	Records Management	7,000	10,251	25,000
101-111-11-42009	Advertising and Legal Notice	15,000	9,006	15,000
101-111-11-42101	Office Supplies	1,000	448	1,000
101-111-11-42115	Other Supplies	0	0	5,000
101-111-11-42302	Conferences & Meetings	2,000	487	3,000
101-111-11-42304	Dues & Memberships	500	143	500
101-111-11-42403	Printing	5,500	3,590	2,500
<b>Services &amp; Supplies Subtotal</b>		<b>\$83,300</b>	<b>\$75,336</b>	<b>\$100,300</b>

## FINANCE

Finance provides financial analysis, management and reporting through the development of the annual budget, ongoing financial monitoring and reporting of revenues and expenditures. Routine financial duties including vendor payments, payroll, business license processing and the collection of the transient occupancy tax and the administration of pass-through funding to the hospitality and tourism improvement districts. The Finance Department also provides treasury services, invests revenue, and issues and manages debt.

<b>Finance</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-111-12-42001	Contract Services	\$47,710	\$89,516	\$69,200
101-111-12-42003	Auditing Services	87,000	38,325	96,500
101-111-12-42101	Office Supplies	0	46	0
101-111-12-42102	Publications & Subscriptions	21,000	1,887	29,350
101-111-12-42301	Training & Education	2,500	1,735	2,400
101-111-12-42304	Dues & Memberships	600	225	350
101-111-12-42403	Printing	3,800	1,798	2,900
101-111-12-42406	Bank & Merchant Fees	4,000	4,573	4,500
<b>Services &amp; Supplies Subtotal</b>		<b>\$166,610</b>	<b>\$138,105</b>	<b>\$205,200</b>



## HUMAN RESOURCES

Human Resources (HR) recruits, develops, and retains a diverse, well-qualified workforce that reflects the high standards of the community, and leads the City Departments in positive employee relations, talent management, succession planning, and employee engagement. Services include employee orientation, recruitment, performance assessment, compensation and job classification assessments, safety and wellness programs, and organization development. HR Staff is responsible for negotiating Memorandums of Understanding with the City's three labor bargaining units, subject to Council direction and approval.

The HR divisional budget includes funding for implementing new employee supplemental benefits, managing an updated and expanded citywide safety program, and digitizing personnel records using Laserfiche. Funding for the staff appreciation events, such as the annual holiday party, is now separately reflected in the budget under Employee Appreciation.

<b>HR</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-111-13-42001	Contract Services	\$8,100	\$6,404	\$90,000
101-111-13-42002	Recruiting Services	71,100	18,652	57,500
101-111-13-42009	Advertising & Legal Notice	7,900	1,828	6,000
101-111-13-42101	Office Supplies	500	219	500
101-111-13-42102	Publications & Subscriptions	1,700	125	25,300
101-111-13-42301	Training & Education	1,500	888	6,000
101-111-13-42302	Conferences & Meetings	8,800	36	3,800
101-111-13-42304	Dues & Memberships	6,100	0	680
101-111-13-42306	Employee Programs	3,000	83	6,000
101-111-13-42307	Employee Appreciation Costs	18,500	26,093	20,000
101-111-13-42403	Printing	400	381	400
101-111-13-42410	Pre-employment Costs	3,000	2,680	4,000
<b>Services &amp; Supplies Subtotal</b>		<b>\$130,600</b>	<b>\$57,387</b>	<b>\$220,180</b>

## INFORMATION TECHNOLOGY

Information Technology (IT) provides innovative and secure technology solutions that support City departments in delivering quality services to the community. The purpose of IT is to provide a broad range of high-quality technology-related solutions to employees, departments, Councilmembers, and the community. In addition, IT supports and

continuously improves essential technology infrastructure for enabling day-to-day operations of the City.

<b>IT</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-111-14-42001	Contract Services	\$45,605	\$33,957	\$106,000
101-111-14-42102	Publications & Subscriptions	254,328	301,795	220,210
101-111-14-42015	Other Services	0	0	22,450
101-111-14-42105	Materials and Supplies	0	408	500
101-111-14-42106	Small Tools and Equipment	1,200	0	0
101-111-14-42202	Equipment Maintenance	23,100	9,850	8,750
101-111-14-42301	Training & Education	2,612	3,918	10,000
101-111-14-42302	Conferences & Meetings	0	0	5,500
101-111-14-42304	Dues & Memberships	0	0	700
101-111-14-42405	Telephone and Communications	109,500	140,799	125,000
101-111-14-42407	Computer Non capital	2,000	2,136	40,000
<b>Services &amp; Supplies Subtotal</b>		<b>\$438,345</b>	<b>\$492,863</b>	<b>\$539,110</b>



## CITYWIDE (NON-DEPARTMENTAL)

Citywide, or Non-Departmental costs, are expenses that are spread across the entire organization. These items include the unfunded pension liability, the City's insurance premiums for general liability and property insurance, and the City's share of costs toward retiree healthcare. Other operational expenses include utilities, property tax assessments and the administrative fee charged by Monterey County for property tax collection.

### BUDGET SUMMARY AND SERVICE IMPACTS

- In addition to the employer contribution toward retirement for City employees, the City also is responsible for pension obligations for the unfunded actuarial liability ("UAL"). This amount increases by \$408,672 or 18%, in FY 25-26 compared to the FY 24-25 Adopted Budget. The FY24-25 lump sum payment was paid in July 2024 for a savings of \$76,865
- The City will pay the annual lump sum UAL again in July of 2025, which will result in approximately \$87,633 of interest savings.
- On September 7, 2021, Council authorized the adoption of a Section 115 Trust known as the Public Agencies Post Employment Benefits Trust administered by the Public Agency Retirement Service (PARS). Since then, City staff has deposited four (4) \$1 million annual contributions into the Trust, which were approved by Council to be made over a period of five years. The City will be contributing the fifth and final annual \$1 million tranche into the Section 115 Trust in FY 25-26.
- The City's liability insurance premiums are budgeted at \$1,103,940, an increase by \$125,000, or 11%.

The utility expenses for the Forest Theater are separated out for tracking purposes, as required by the lease with the Pacific Repertory Theater.

Non-Departmental				
Account Number	Account Description	FY24-25 Amended Budget	FY24-25 Estimated Actual	FY25-26 Proposed Budget
101-130-00-42501	Liability Insurance Premium	\$1,102,500	\$979,407	\$1,103,940
101-130-00-42503	PERS UAL Payment	2,299,486	2,298,486	2,708,158
101-130-00-42504	Insurance Claims Paid	50,000	0	100,000
101-130-00-42505	Utilities	324,500	396,481	464,000
101-130-00-42506	Property Tax Assessments	100,000	94,134	100,000
101-130-00-42508	Unemployment Costs	15,000	10,541	15,000
101-130-00-42509	Citywide Mailing costs	0	0	24,845
101-130-00-42510	Retiree Health Share	95,000	84,207	87,000
101-130-00-42511	County Property Tax Admin Fees	98,000	98,000	75,000
101-130-00-42512	Forest Theater Utilities	10,000	0	10,000
<b>Total</b>		<b>\$4,094,486</b>	<b>\$3,961,255</b>	<b>\$4,687,943</b>



## ECONOMIC DEVELOPMENT

Two of the City's unique facilities include the performing arts venue known as the Sunset Community and Cultural Center and the Forest Theater, an outdoor amphitheater. These locations support musical performances, lectures and other cultural activities that enhance the quality of life for residents and promote the City and the Monterey Peninsula as an artistic and cultural destination.

In 2017, the City entered into a lease agreement with the Sunset Cultural Center, Inc. (SCC) for the management of these facilities and the terms of the lease require the City to make an annual grant to SCC to support operations. In 2021, Sunset Cultural Center, Inc.'s management of the Forest Theater ended. The annual grant for management of only Sunset Center remains in the budget.

In 2021, the City entered into a lease agreement with Pacific Repertory Theater (Pac Rep) for the management of the Forest Theater. This new lease does not require an operational grant payment. Rather, the City pays for a portion of utilities and repairs, which are budgeted in the Citywide (Non-Departmental) and Public Works budgets, respectively.

The City funds two organizations, *Visit Carmel* and *See Monterey* to manage visitors. Visit Carmel, as the City's destination marketing organization (DMO), maintains the City's official travel website ([www.carmelcalifornia.com](http://www.carmelcalifornia.com)) and develops targeted and seasonal marketing campaigns to encourage visitors to stay overnight, dine, and shop within the Village. See Monterey, as the DMO for all of Monterey County, works to manage and educate visitors coming to the broader County who may also choose to visit Carmel-by-the-Sea.

In addition to supporting these visitor management organizations with General Fund revenues, the City also collects a tourism improvement district assessment from its lodging establishments on behalf of the County and remits these pass-thru funds to See Monterey on a bi-monthly basis. The City also collects an assessment on lodging through the Carmel Hospitality Improvement District and remits these funds to Visit Carmel for the marketing of overnight stays within the Village during mid-week and the non-peak season. As of January 1, 2019, the City also began collecting an assessment from full-service restaurants on behalf of the Carmel Restaurant Improvement District (CRID) and remits these funds to Visit Carmel for marketing efforts to increase food and beverage sales within the City. An ordinance of the City Council renewed the CRID for a term of nine years and six months beginning January 1, 2024 and ending on June 30, 2033.

Another partner agency is the Carmel Chamber of Commerce, which operates the Visitor Center in town, publishes a comprehensive visitor guide, and assists businesses. The Chamber also supports small businesses and provides services to assist its members, including listing businesses on the Chamber website, providing educational programs,

conducting outreach with businesses via weekly business walks with City elected officials and staff and marketing opportunities to “shop locally”.

### BUDGET SUMMARY AND SERVICE IMPACTS

Funding for Visit Carmel has and continues to be budgeted in the amount of \$120,000 annually. Funding to See Monterey is \$237,981, which equates to 3% of the FY 25-26 Transient Occupancy Tax revenue budget of \$9.1 million.

<b>Economic Development</b>				
<b>Account Number</b>	<b>Details</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-122-00-42008	SCC- Sunset Center Operating Grant	\$750,000	\$750,000	\$750,000
101-122-00-42008	See Monterey	226,297	226,297	237,981
101-122-00-42008	Visit Carmel	120,000	120,000	120,000
101-122-00-42008	Carmel Chamber of Commerce	60,000	60,000	60,000
<b>Total</b>		<b>\$1,156,297</b>	<b>\$1,156,297</b>	<b>\$1,167,981</b>



# LIBRARY AND COMMUNITY ACTIVITIES

## LIBRARY

The Library is an efficient medium for the free and equitable distribution and exchange of books, information, and ideas; and a recognized social center providing the community with a place to learn, interact and gather. The Library aspires to be a welcoming place, in-person and virtually, where reading, learning and imagination thrive; a recognized leader and respected voice in our community; and a model library in our industry.

A five-member Board of Trustees appointed by the City Council governs the Library. The Harrison Memorial Library Board of Trustees, the Carmel Public Library Foundation, Harrison Memorial Library Friends of the Library, and the City work together in partnership to sustain the vital and historic tradition of providing free public library service of excellent quality for the residents and visitors of the City of Carmel and the Monterey Peninsula.



## 2024-2025 WORKLOAD INDICATORS / PERFORMANCE MEASURES

- 19,773 reference and information questions were answered.
- 4,253 library cards were issued.
- 84,967 library items were circulated.
- 6,841 people attended library programs.
- 136,542 visits were made to the library.
- 9,723 log-ins were made to library wi-fi.
- 115,162 digital items (e-books, audios, magazines, films, music) were accessed.
- 10 new oral history interviews were captured.

## 2024-2025 INITIATIVES AND ACCOMPLISHMENTS

- Increased the number and type of Adult programs at the Harrison Library, including music, crafts, educational, history, and games - encouraging community connection both among adults and intergenerationally.

- Reconfigured the vault in the Local History Department to better align with archival standards for storage.
- Negotiated a contract with the Carmel Public Library Foundation for the funding of the renovation of the Harrison Memorial Library

## 2025-2026 PRIORITIES

- Begin working on accomplishing new Library Strategic Plan objectives including resource sharing with Monterey and Pacific Grove Libraries.
- Develop a plan and cost analysis for the relocation of library services during the Harrison Memorial Library renovation project



## BUDGET SUMMARY AND SERVICE IMPACTS

The City funds the personnel and building maintenance costs for operating the Main and Park Branch libraries. The sources of funding for library materials, programs and services are the Carmel Public Library Foundation, the Friends of the Library, and other donations

<b>Library</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-120-00-41001	Salaries	\$920,168	\$787,355	\$891,531
101-120-00-41003	Salaries -Part time	301,662	111,175	258,518
101-120-00-41101	Retirement	58,669	52,159	55,657
101-120-00-41103	Deferred Compensation	15,600	10,163	11,152
101-120-00-41104	Health Insurance	158,212	126,199	154,350
101-120-00-41105	Social Security	18,703	6,029	16,028
101-120-00-41106	Medicare	17,716	12,924	16,676
101-120-00-41107	LTD/STD/Life	1,205	978	1,350
101-120-00-41108	Worker's Comp	30,324	45,503	61,582
101-120-00-41109	Benefits-MOU Obligations	16,640	14,082	14,560
<b>Salaries &amp; Benefits Subtotal</b>		<b>\$1,538,899</b>	<b>\$1,166,567</b>	<b>\$1,481,404</b>
101-120-00-42001	Contract Services	\$6,530	\$5,539	\$10,500
<b>Services &amp; Supplies Subtotal</b>		<b>\$6,530</b>	<b>\$5,539</b>	<b>\$10,500</b>
<b>Total</b>		<b>\$1,545,429</b>	<b>\$1,172,106</b>	<b>\$1,491,904</b>





## COMMUNITY ACTIVITIES



The Community Activities Department encourages and supports the interaction of neighbors, friends, families and visitors through the shared experience of special events, programs, and gatherings which bring the community together virtually and in-person safely on the City's streets and in its parks and create opportunities to interact, celebrate, enrich people's lives, and promote inclusiveness.

The Community Activities Department facilitates the weekly Farmers' Market, permitting special events, beach events, and filming, in addition to organizing the City's annual special events (Memorial Day, 4th of July, Sandcastle Contest, Pumpkin Roll, Halloween Parade, Veteran's Day, Homecrafters' Marketplace, and Holiday Menorah and Tree-lighting).

### 2024-2025 WORKLOAD INDICATORS / PERFORMANCE MEASURES

- Planned and facilitated ten City special events
- An estimated 6,000 people attended City Special Events.
- Issued 53 event, beach, and film permits.

### 2024-2025 INITIATIVES AND ACCOMPLISHMENTS

- Collaborated with Public Works on a combined Community, Earth, and Arbor Day celebration, in addition to the annual Community Day event in the Fall.
- Continue to work with Car Week event organizers to build Car Week in Carmel back to something like it was pre-pandemic.



### 2025-2026 PRIORITIES

- Explore potential new initiative and events with community partners.
- Explore options for a new Community Activities Commission with commissioners.



- Continuing to facilitate community gatherings and special events, and ensure that processes are streamlined and conducive to encouraging events within the bounds of current city regulations.
- Continue to keep the Council informed on new initiatives and provide report outs on items like Car Week and the Farmers' Market.

## BUDGET SUMMARY AND SERVICE IMPACTS

Community Activities Department expenses include costs for advertising, banners and signage, event and office supplies for City events, equipment replacements, Community Activities Commission initiatives, and the Farmers' Market.

<b>Community Activities</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-121-00-41001	Salaries	\$154,116	\$48,282	\$60,403
101-121-00-41003	Salaries -Part time	0	0	28,649
101-121-00-41101	Retirement	14,672	4,593	5,370
101-121-00-41103	Deferred Compensation	2,100	600	1,200
101-121-00-41104	Health Insurance	35,379	5,351	13,770
101-121-00-41105	Social Security	0	0	1,776
101-121-00-41106	Medicare	2,235	675	1,291
101-121-00-41107	LTD/STD/Life	205	57	203
101-121-00-41108	Worker's Comp	9,948	4,375	4,768
101-121-00-41109	Benefits-MOU Obligations	2,080	0	0
<b>Salaries &amp; Benefits Subtotal</b>		<b>\$220,735</b>	<b>\$63,933</b>	<b>\$117,430</b>
101-121-00-42001	Contract Services	\$88,245	\$90,226	\$111,040
101-121-00-42005	Community Promotions	23,465	13,578	9,340
101-121-00-42009	Advertising and Legal Notice	8,300	2,381	6,950
101-121-00-42101	Office Supplies	250	253	200
101-121-00-42403	Printing	300	362	1,440
<b>Services &amp; Supplies Subtotal</b>		<b>\$120,560</b>	<b>\$106,800</b>	<b>\$128,970</b>
<b>Total</b>		<b>\$341,295</b>	<b>\$170,732</b>	<b>\$246,400</b>

## COMMUNITY PLANNING AND BUILDING

The Community Planning and Building Department (CPB) includes the Planning, Building and Code Compliance Divisions and is responsible for preserving community character while fostering a vibrant community and a high quality of life for its residents, businesses and visitors.

### PLANNING

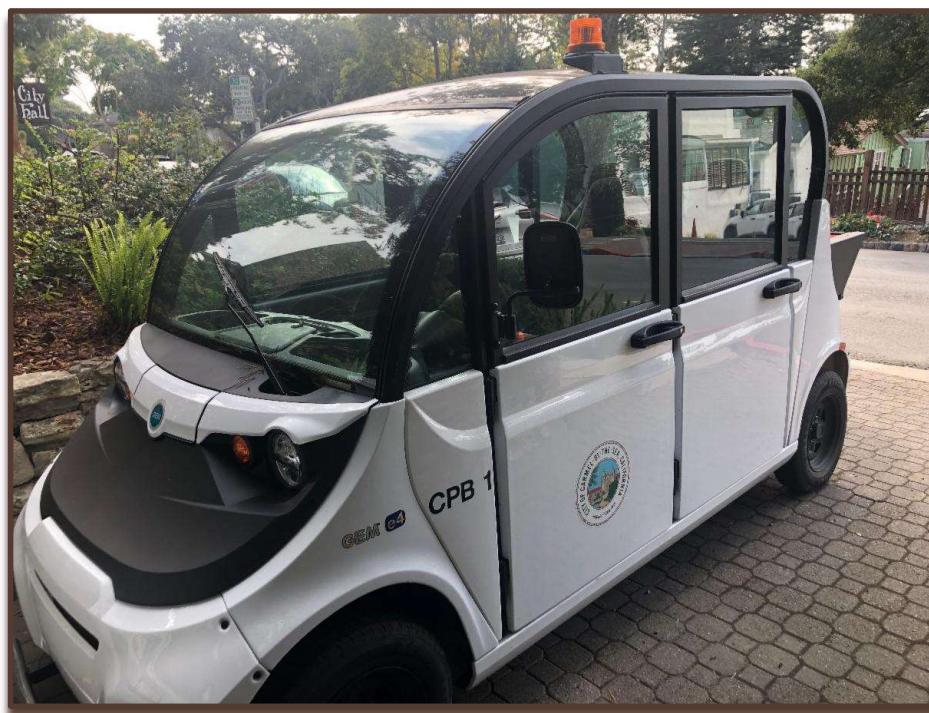
The Planning Division processes current development applications, maintains the General Plan, and ensures that capital programs, zoning and other activities of the City are consistent with the goals and policies of the Plan.

### BUILDING SAFETY

The Building Safety Division is responsible for plans examination and inspections of City and private development projects to ensure compliance with building codes.

### CODE COMPLIANCE

The Code Compliance Division ensures compliance with the City Municipal Code. This function includes public education and outreach on existing laws and resolving code violations.





## 2024-2025 INITIATIVES AND ACCOMPLISHMENTS

- Continued implementation of the CPB 2019 strategic plan, with a focus on customer service, technology, and streamlining processes.



- Began year one of eight to implement the General Plan Housing Element and utilize State grant funding through the Regional Early Action Planning (REAP) 2.0 program.
- Adopted Phase 2 (final phase) of the Historic Context Statement update.
- Completed a successful recruitment to install a new Director of Community Planning and Building
- Engaged staff to participate in more training opportunities to continue the professionalization and growth of the Community Planning and Building Department.
- Certified LCP Amendment for Citywide Wireless Ordinance

## 2025-2026 PRIORITIES

- Complete the scanning/digitizing of rolled building plans currently in storage at Vista Lobos.
- Formalize a Long-Range Planning work plan to help with planning and tracking ordinance related tasks.
- Adopt the General plan Safety Element updates by December 2025
- Adoption of: (1) updated Accessory Dwelling Unit Ordinance; (2) updated Beach Fire Ordinance.
- Adoption of updated Design Guidelines and Zoning Code through the Design Traditions 1.5 Project.





## BUDGET SUMMARY AND SERVICE IMPACTS

<b>Community Planning &amp; Building</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-115-00-41001	Salaries	\$1,305,494	\$1,073,094	\$1,561,919
101-115-00-41005	Overtime	3,623	1,662	0
101-115-00-41101	Retirement	81,116	53,787	83,399
101-115-00-41103	Deferred Compensation	10,200	7,369	11,896
101-115-00-41104	Health Insurance	348,542	232,628	327,028
101-115-00-41106	Medicare	20,423	15,052	22,648
101-115-00-41107	LTD/STD/Life	1,664	1,223	1,994
101-115-00-41108	Worker's Comp	30,330	51,954	83,899
101-115-00-41109	Benefits-MOU Obligations	20,800	18,534	22,880
<b>Salaries &amp; Benefits Subtotal</b>		<b>\$1,822,192</b>	<b>\$1,455,303</b>	<b>\$2,115,663</b>
101-115-00-42001	Contract Services	\$344,833	\$304,719	\$179,135
101-115-00-42009	Advertising and Legal Notice	500	0	0
101-115-00-42101	Office Supplies	6,400	1,820	7,100
101-115-00-42102	Publications & Subscriptions	1,425	334	18,138
101-115-00-42104	Safety Equipment and Supplies	2,700	0	1,700
101-115-00-42107	Gas and Oil	250	0	100
101-115-00-42115	Other Supplies	3,950	1,694	4,300
101-115-00-42301	Training & Education	12,305	5,099	11,305
101-115-00-42302	Conferences & Meetings	10,150	4,045	10,700
101-115-00-42304	Dues & Memberships	5,880	1,095	6,760
101-115-00-42403	Printing	1,000	2,001	1,150
<b>Services &amp; Supplies Subtotal</b>		<b>\$389,393</b>	<b>\$320,807</b>	<b>\$240,388</b>
<b>Total</b>		<b>\$2,211,584</b>	<b>\$1,776,110</b>	<b>\$2,356,051</b>

Planning contract services (\$79,200 total) includes items such as Safety Element updates and GIS updates. The City will receive various State grant awards to offset some of the contract services associated with the Housing Element implementation.

In an effort to continue professionalizing and growing the Board and Commission members along with the Community Planning and Building Department staff, the overall budget for training and education has been increased to include training for boards and commissions.



<b>Community Planning &amp; Building: Planning</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Recommended Budget</b>
101-115-20-42001	Contract Services	\$239,033	\$290,471	\$79,200
101-115-20-42009	Advertising and Legal Notice	500	0	0
101-115-20-42101	Office Supplies	6,400	1,820	7,100
101-115-20-42102	Publications & Subscriptions	1,425	244	1,138
101-115-20-42104	Safety Equipment and Supplies	2,700	0	1,700
101-115-20-42115	Other Supplies	1,750	1,262	575
101-115-20-42301	Training & Education	6,825	2,994	6,825
101-115-20-42302	Conferences & Meetings	4,000	1,859	4,000
101-115-20-42304	Dues & Memberships	3,800	750	4,680
101-115-20-42403	Printing	1,000	2,001	1,150
<b>Services &amp; Supplies Subtotal</b>		<b>\$267,433</b>	<b>\$301,401</b>	<b>\$106,368</b>

<b>Community Planning &amp; Building: Building</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Recommended Budget</b>
101-115-21-42001	Contract Services	\$90,800	\$14,026	\$84,935
101-115-21-42102	Publications & Subscriptions	0	90	17,000
101-115-21-42107	Gas and Oil	250	0	100
101-115-21-42115	Other Supplies	2,200	431	2,225
101-115-21-42301	Training & Education	4,480	2,105	4,480
101-115-21-42302	Conferences & Meetings	3,350	2,114	4,300
101-115-21-42304	Dues & Memberships	2,080	345	2,080
<b>Services &amp; Supplies Subtotal</b>		<b>\$103,160</b>	<b>\$19,112</b>	<b>\$115,120</b>

<b>Community Planning &amp; Building: Code Compliance</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-115-22-42001	Contract Services	\$15,000	\$222	\$15,000
101-115-22-42115	Other Supplies	0	0	1,500
101-115-22-42301	Training & Education	1,000	0	0
101-115-22-42302	Conferences & Meetings	2,800	71	2,400
<b>Services &amp; Supplies Subtotal</b>		<b>\$18,800</b>	<b>\$293</b>	<b>\$18,900</b>

## PUBLIC WORKS

The mission of the Public Works Department is to plan, design, construct, operate, and maintain public infrastructure, streets, sidewalks, storm drains, building facilities, the urban forest, parks, and beach that contribute to the health, safety, and well-being of the Village. Public Works consists of an administrative unit and five operating divisions with responsibilities as follows:

### ADMINISTRATION

The Administration Division prepares Council agenda reports, monthly status reports, and annual 5-year Capital Improvement Plan, make presentations, serves as Executive Team liaison to the Forest and Beach Commission and on the Transportation Agency for Monterey County Technical Advisory Committee (TAMC TAC) and Traffic Safety Committees, liaison to volunteer groups throughout the City, performs engineering services, and provides administrative support, budgeting, scheduling, and performance oversight of the operating divisions.

### STREET MAINTENANCE

The Street Maintenance Division supervises Public Works field personnel, prioritizes and allocates equipment, tools, and material resources, repairs streets, potholes, sidewalks, curbs, fencing, storm drainage system, berms, traffic signs, striping, and pavement markings, performs street sweeping, provides fleet maintenance services, reviews utility and encroachment permit applications, supports City events, and provides emergency response.



### FACILITIES MAINTENANCE

The Facilities Maintenance Division maintains and repairs 20 City-owned buildings and facilities with 137,000 square feet, including 8 historic buildings nearly 100 years old, supports facility renovation capital improvements, oversees janitorial contract, obtains quotes and manages building trade contractors, implements ADA projects, and performs annual fire safety apparatus, generators, and backflow inspections.

### ENVIRONMENTAL COMPLIANCE

The Environmental Compliance Division enforces State storm water quality and waste reduction/recycling regulations, oversees the City's waste hauler contract, implements Climate Action and Adaptation Plan projects, serves on ReGen Monterey and Monterey Regional Stormwater



Management Program TAC committees, manages sensitive projects in the North Dunes and Mission Trail Nature Preserve (MTNP), evaluates energy reduction initiatives, and coordinates with partners on resiliency, environmental, and sustainability-focused projects.



## FORESTRY, PARKS AND BEACH

The Forestry, Parks and Beach Division performs tree management for 12,000+ City trees, including planting, pruning, and removal services, prepares reports and presentations for Forest & Beach Commission meetings, maintains eight City parks, Carmel Beach, open spaces, and landscaped islands, collaborates with volunteer organizations, processes tree removal/pruning permits, reviews private development applications, manages multiple on-call tree care and landscape maintenance service contractors, and provides emergency response during storms.

## PROJECT MANAGEMENT

The Project Management Division implements planning, engineering, design, public bidding, and construction- of capital improvement projects, including transportation, drainage, and facility renovation projects, performs condition assessments, manages consultants and contractors, coordinates with utilities and other City departments, prepares special conditions of approval for major encroachment permits, checks technical reports and plans, obtains permits, and prepares specifications, contract documents, and cost estimates.

## 2024-2025 INITIATIVES AND ACCOMPLISHMENTS

### Street and Sidewalk Maintenance

- Used 28 tons of asphalt for in-house street repairs.
- Installed a split rail fence on Ocean Avenue (San Antonio to Del Mar).
- Created and installed new bus parking signs on Junipero Street and Carmel Plaza.
- Completed slurry seal of the City Hall parking lot.
- Completed the AB 413 daylighting changes.
- Began the 24/25 Drainage Repair Project.
- Implemented new sidewalk survey software.
- Repaired dozens of downtown sidewalks and associated tree wells.

### Habitat Restoration & Environmental Oversight

- Supported volunteer and reporting efforts at the North Dunes Habitat Restoration Area with Native Solutions and Denise Duffy & Associates.





- Installed new signage and created trail maps at all five entrances of Mission Trail Nature Preserve (MTNP) with Friends of MTNP (FOMTNP).
- Oversaw MTNP 3 Streams Project compliance with ACOE, RWQCB, and CDFW permits.
- Regularly cleaned the beach and conducted in-house sand redistribution at Del Mar Dunes and cleaned log piles in Rio Park.
- Implemented Phase 2 of the Sea Level Rise/Coastal Adaptation Strategies

presented to Planning and Forest & Beach Commissions.

- Launched a new Sea Level Rise/Adaptation Strategies Community Survey.
- Repaired six beach access stairways under two Emergency Coastal Development Permits.
- Conducted bird nesting surveys in compliance with the Migratory Bird Treaty Act and the California Fish and Game Code.

### Stormwater & Waste Management

- Revamped SB 1383 waiver program and CalRecycle procurement records.
- Updated restaurant stormwater inspection records.
- Submitted the 2024 Stormwater Annual Report to the Regional Water Quality Control Board.
- Conducted bi-annual stormwater trainings for Police and Fire Departments.
- Supported Monterey Regional Stormwater Management Program as a Training & Contract subcommittee member.
- Worked with ReGen to compile the Electronic Annual Report (EAR) to CalRecycle.

### Facilities Improvements & Repairs

- Constructed three new Public Works offices and one cubicle at Vista Lobos; remodeled restroom and began window frame replacements.
- Upgraded Sunset Center's Carpenter Hall heating system and Yoga Cottage roof tiles.
- Replaced commercial roll-up doors, faulty Fire Station door motor, and installed additional panic alarms at Public Works and libraries.



- Upgraded electrical panels (Ocean/Junipero), lighting (Flanders Mansion garage), and 911 public phones citywide.
- Completed painting projects at Harrison Memorial Library and Sunset Center; replaced sheetrock at Park Branch Library.
- Restored Flanders Mansion front door and repaired the skylight at Forest Hill Park tennis court restroom.
- Repaired City Hall sump system, replaced ceiling tiles, and painted the lobby.
- Completed Devendorf Park pond UV filtration system and Del Mar beach restroom drainage repairs.
- Painted Del Mar restrooms and repaired Piccadilly Park's artistic fountain.
- Repaired and upgraded Public Works rear access gate system.
- Performed city-wide window cleaning, gutter cleaning, and ADA/key control upgrades at City Hall and Public Works.

### Urbanized Forest, Parks & Landscaping

- Removed over 175 dead, dying, or diseased trees and removed over 300 stumps, far exceeding our goals set for Year 1 of our 3-Year 'Catch-Up Plan' to address a backlog of tree-related work.
- Evaluated and rendered a decision on 300+ permits applications for tree prunings or removals.
- Maintained 48 landscaping sites throughout the City by management of an on-call contractor.
- Identified over 100 locations with lines attached to tall tree stumps which are being used as utility poles and began the removal of dozens with the aid and coordination of utility companies.



- Continued the deliberate, collaborative, and precise development of the Carmel Forest Master Plan alongside feedback from our residents, the Steering Committee, and our on-call ecologist.
- Completed beautification projects, including re-landscaping Ocean Avenue medians, and transitioned the Scenic pathway maintenance to City oversight, previously led by Carmel Cares.
- Worked closely with our partners FOMTNP and Friends of Carmel Forest to enhance our downtown beauty by planting the ‘right tree, right location’ model, as well as managing the removal of invasive tree species, plants, and mastication surrounding walking trails.
- Assumed administrative responsibility of the tree permit process from the Community Planning & Building Department.
- Updated and streamlined the tree permit process to merge all applications onto one form, both digitally and hard copies.

### Community Engagement & Events

- Held the third annual Earth/Arbor Day Celebration.
- Installed dozens of new Ribbon Cans and replaced several lids.
- Held Workshop for the Carmel Local Coastal Program Sea Level Rise/Adaptation Strategies.
- Held ceremony for new Red Eagle sign installation.
- Worked with FOMTNP and presented e-bike regulations to the Forest & Beach Commission.
- Held multiple Community meetings for the Carmel Forest Management Plan.
- Coordinated with TAMC to hold the Regional Vision Zero Action Plan Public Workshop.

### 2025-2026 PRIORITIES

- Procure Compact Track Loader and two EV pickup trucks
- Start the Conglomerate Paving Project and Sidewalk Replacement CIP
- Design/construction of shoreline infrastructure repairs
- Construct the Fourth Avenue outfall
- Construct the Junipero bypass drainage project
- Design MTNP stream projects 4 & 5
- Develop a Copper Policy
- Implement beautification projects, notably the re-landscaping of the First Murphy park
- Install new split rail fencing at the north end of the North Dunes Habitat Restoration Area
- Construct four of the Carmel Beach Coastal Protection and Access Improvements Projects



- Continue North Dunes Restoration Improvements and Reporting
- Prepare a new Amendment to the Coastal Development Permit for the North Dunes Habitat Restoration Area
- Repair retaining walls at Sunset Center
- Install insulated windows at Fire station and upgrades to accommodate fire engine
- Fire service backflows upgrades for City Hall and both libraries
- Conduct Phase II of Sunset Center painting
- Replace over a dozen windows at Park Branch Library
- Complete Sunset Center Yoga center re-roofing
- City Hall exterior shingles replacement and handrail painting
- Flanders Mansion window frame/gutter painting
- First Murphy House painting, water intrusion, dry rot repairs
- Repair of leaks into Public Works garage
- Complete Year 2 goals (128 dead & dying tree removals and 220+ stump removals) of our 3-Year 'Catch-Up Plan' to address a backlog of tree-related work.





## BUDGET SUMMARY AND SERVICE IMPACT

<b>Public Works Department Total</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-119-00-41001	Salaries	\$2,641,852	\$2,210,445	\$2,835,400
101-119-00-41005	Overtime	15,000	10,869	11,000
101-119-00-41101	Retirement	174,564	143,655	175,756
101-119-00-41103	Deferred Compensation	26,523	19,375	16,669
101-119-00-41104	Health Insurance	631,333	453,890	676,760
101-119-00-41106	Medicare	39,190	31,838	41,272
101-119-00-41107	LTD/STD/Life	3,287	2,574	3,989
101-119-00-41108	Worker's Comp	130,340	103,908	152,427
101-119-00-41109	Benefits-MOU Obligations	39,520	34,046	39,520
101-119-00-49999	Contra Salaries and Benefits	-	-	(295,000)
<b>Salaries &amp; Benefits Subtotal</b>		<b>\$3,701,609</b>	<b>\$3,010,602</b>	<b>\$3,657,793</b>
101-119-00-42001	Contract Services	\$2,416,862	\$916,213	\$1,439,125
101-119-00-42009	Advertising and Legal Notice	5,000	2,364	4,075
101-119-00-42101	Office Supplies	3,000	1,894	6,000
101-119-00-42102	Publications & Subscriptions	8,000	9,922	19,000
101-119-00-42104	Safety Equipment and Supplies	10,000	11,717	11,000
101-119-00-42105	Materials and Supplies	257,650	222,556	269,475
101-119-00-42106	Small Tools and Equipment	4,095	55	17,500
101-119-00-42107	Gas and Oil	30,000	26,592	38,000
101-119-00-42202	Equipment Maintenance	20,405	2,906	12,000
101-119-00-42203	Vehicle Maintenance	38,000	26,967	39,500
101-119-00-42301	Training & Education	15,000	1,605	14,000
101-119-00-42304	Dues & Memberships	3,180	0	4,060
101-119-00-42403	Printing	2,000	0	0
101-119-00-42408	Permits and Licenses	13,200	17,721	14,500
101-119-00-42409	Rentals	10,000	4,980	10,000
<b>Services &amp; Supplies Subtotal</b>		<b>\$2,836,392</b>	<b>\$1,245,492</b>	<b>\$1,898,235</b>
<b>Total</b>		<b>\$6,538,001</b>	<b>\$4,256,095</b>	<b>\$5,556,028</b>

## ADMINISTRATION

The Administration Division budget includes funding for Contract Services (\$19,700), including uniforms and software contracts, training (\$14,000), subscriptions (\$19,000), and office supplies (\$6,000).

**PW Administration**

Account Number	Account Description	FY24-25 Amended Budget	FY24-25 Estimated Actual	FY25-26 Proposed Budget
101-119-40-42001	Contract Services	\$32,200	\$15,514	\$19,700
101-119-40-42009	Advertising and Legal Notice	5,000	2,364	4,075
101-119-40-42101	Office Supplies	3,000	1,894	6,000
101-119-40-42102	Publications & Subscriptions	8,000	9,922	19,000
101-119-40-42104	Safety Equipment and Supplies	10,000	11,717	11,000
101-119-40-42301	Training & Education	15,000	1,605	14,000
101-119-40-42304	Dues & Memberships	3,180	0	4,060
101-119-40-42403	Printing	2,000	0	0
<b>Services &amp; Supplies Subtotal</b>		<b>\$78,380</b>	<b>\$43,017</b>	<b>\$77,835</b>

## STREET MAINTENANCE

The Street Maintenance Division budget includes funding for Materials and Supplies (\$71,500) which in turn includes mutt mitts (\$30,000), asphalt, sidewalk pavers, and traffic paint. Street Maintenance costs also include Equipment and Vehicle Maintenance (\$39,500), Fuel (\$38,000), and Contract Services (\$61,300).

<b>PW Street</b>				
Account Number	Account Description	FY24-25 Amended Budget	FY24-25 Estimated Actual	FY25-26 Proposed Budget
101-119-41-42001	Contract Services	\$66,000	\$56,220	\$61,300
101-119-41-42105	Materials and Supplies	81,100	84,362	71,500
101-119-41-42106	Small Tools and Equipment	4,095	55	17,500
101-119-41-42107	Gas and Oil	30,000	26,592	38,000
101-119-41-42202	Equipment Maintenance	20,405	2,906	12,000
101-119-41-42203	Vehicle Maintenance	38,000	26,967	39,500
101-119-41-42409	Rentals	10,000	4,980	10,000
<b>Services &amp; Supplies Subtotal</b>		<b>\$249,600</b>	<b>\$202,081</b>	<b>\$249,800</b>

## FACILITIES MAINTENANCE

The budget for the Facilities Maintenance Division includes funding for Contract Services (\$624,585) including janitorial (\$289,085), alarm monitoring, and generator services, HVAC, plumbing, roofing, and electrical repairs, and Materials & Supplies (\$99,500) for doors, hardware, lighting, filters, plumbing, and first aid supplies.

<b>PW Facilities</b>				
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Account Number	Account Description	FY24-25 Amended Budget	FY24-25 Estimated Actual	FY25-26 Proposed Budget
101-119-42-42001	Contract Services	\$606,762	\$492,207	\$624,585
101-119-42-42105	Materials and Supplies	94,350	75,132	99,500
<b>Services &amp; Supplies Subtotal</b>		<b>\$701,112</b>	<b>\$567,339</b>	<b>\$724,085</b>

## ENVIRONMENTAL COMPLIANCE

The Environmental Compliance Division budget includes funding for Contract Services (\$188,200), including SB1383 implementation, recycling containers, and waste hauler oversight (\$8,200), stormwater quality enforcement and watershed monitoring (\$26,000), cleaning of storm drains, on-call environmental consultants, and climate change initiatives. Environmental Compliance costs also include Permits and Licenses (\$14,500) for stormwater and Air Resources District permits and MTNP invasive removals and North Dunes habitat monitoring services.

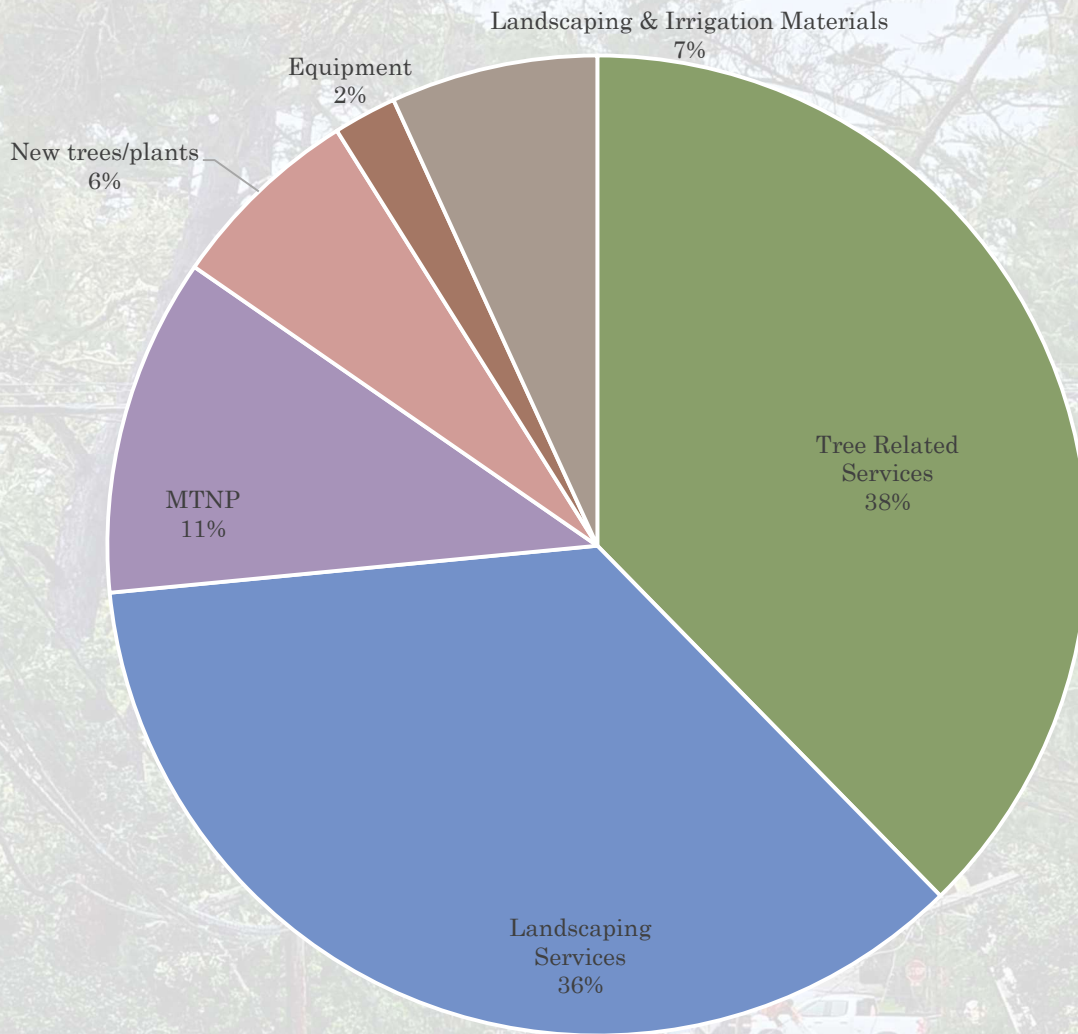
<b>PW Environmental Compliance</b>				
Account Number	Account Description	FY24-25 Amended Budget	FY24-25 Estimated Actual	FY25-26 Proposed Budget
101-119-43-42001	Contract Services	\$282,700	\$63,202	\$188,200
101-119-43-42408	Permits and Licenses	13,200	17,721	14,500
<b>Services &amp; Supplies Subtotal</b>		<b>\$295,900</b>	<b>\$80,923</b>	<b>\$202,700</b>

## FORESTRY, PARKS AND BEACH

The Forestry, Parks, and Beach Division budget includes funding for Contract Services (\$545,3400), including tree contractors for removals, pruning, stump grinding, MTNP tree work, beautification projects, landscape maintenance contract (\$183,500), and materials and supplies (\$98,475).

<b>PW Forest &amp; Beach</b>				
Account Number	Account Description	FY24-25 Amended Budget	FY24-25 Estimated Actual	FY25-26 Proposed Budget
101-119-45-42001	Contract Services	\$1,429,200	\$289,069	\$545,340
101-119-45-42105	Materials and Supplies	82,200	63,062	98,475
<b>Services &amp; Supplies Subtotal</b>		<b>\$1,511,400</b>	<b>\$352,131</b>	<b>\$643,815</b>

## FY25-26 Forestry, Parks & Beach Expenditure Detail



Type of Expenditure	Budget	%
Tree Related Services	\$ 242,500	38%
Landscaping Services	230,500	36%
MTNP	71,840	11%
New trees/plants	41,500	6%
Equipment	13,500	2%
Landscaping & Irrigation Materials	43,975	7%
<b>Total</b>	<b>\$ 643,815</b>	<b>100%</b>



## PUBLIC SAFETY

The Director of Public Safety/Police Chief manages the Public Safety Department and three distinct functions:

### POLICE DEPARTMENT

The Police Department is responsible for law enforcement and crime prevention within the City. The mission of the Department is to protect and serve, with the primary responsibility of ensuring the rights of citizens and visitors to live in peace and safety. It also oversees the management and operation of the Emergency Operations Center; the Volunteers in Policing Program (VIPs) that assists with daily clerical activities, errands, public outreach and special events and the City Community Emergency Response Team (CERT) of volunteers ready to assist the community during an emergency situation.

### FIRE DEPARTMENT

The Fire Department is primarily responsible for saving lives and protecting property through the prevention and control of fires. The Fire Department has operated under a contract with the City of Monterey since 2012. The Public Safety Department manages the contract with the City of Monterey and is responsible for oversight of needed equipment and supplies.



### CARMEL FIRE AMBULANCE

Carmel Fire Ambulance provides advanced life support ambulance service to the residents of Carmel-by-the-Sea. Ambulance staffing includes paramedic-firefighters and emergency medical technician-firefighters to provide front line medical emergency response and all-hazard response as a key component of the City's public safety services.

## 2024-2025 INITIATIVES AND ACCOMPLISHMENTS

- Vacancies were filled to include, (1) Police Commander, (1) Police Officer, and (3) Dispatchers.
- Began developing new contract language for Fire services with the City of Monterey.
- A new radio tower was purchased in conjunction with Monterey County and a grant through the Bay Area Urban Areas Security Initiative (UASI). The installation of the tower was completed allowing the police department to communicate with other county agencies on the digital network.
- The police department purchased three electric vehicles, including two for patrol use.

- Volunteer groups like (VIPS) volunteers in policing and (CERT) Community Emergency Response Team were utilized during a number of emergencies and community events.
- Completion for the AB481 legal requirement to inform the public about the police department's use of Military Equipment.
- Implementation of AB413 "Daylighting Bill" to protect pedestrians at curbed crosswalks throughout the village.
- Completion for the Flock Camera Ad Hoc Committee resulting in a change in the number, use, and location of Flock Cameras in the village.

## 2025-2026 PRIORITIES

- Continue recruitments to fill additional Police Officer positions and be fully staffed.
- Continue work towards the completion of the Police Department Remodel Project.
- Resolution of the proposed Ambulance Merger with Monterey Fire.
- Update the City Emergency Operations Plan.
- Implement a Police Social Media Presence.
- Expand the Seniors Helping Seniors program to include an App for seniors needing special care during emergencies.

## BUDGET SUMMARY AND SERVICE IMPACTS

### POLICE DEPARTMENT

- The FY 25-26 Budget reflects a total decrease of \$86,000 from the FY 24-25 Budget.
- The Department will continue to focus on patrol and response to public safety needs.

The FY 25-26 Budget reflects a decrease of \$246,000 in services and supplies over the FY 24-25 Budget. The decrease is primarily the result of the change in contract service for the Flock camera system and reduced vehicle repair costs. Training expenses were increased to add leadership training for supervisors, required continued education training for officers, and academy training for new hires. Contract services include expenses critical to operations including dispatch, jail booking and animal services provided by Monterey County; tasers, body and surveillance cameras and associated maintenance costs.



<b>Police</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
101-116-00-41001	Salaries	\$706,786	\$595,605	\$897,295
101-116-00-41002	Salaries -Safety	2,173,856	1,813,760	2,389,538
101-116-00-41005	Overtime	0	0	37,500
101-116-00-41006	Overtime -Safety	395,000	519,579	112,500
101-116-00-41009	Holiday in Lieu	160,018	146,433	116,197
101-116-00-41101	Retirement	56,159	42,909	58,227
101-116-00-41102	Retirement -Safety	364,915	314,180	287,018
101-116-00-41103	Deferred Compensation	176,051	205,953	198,322
101-116-00-41104	Health Insurance	531,906	370,994	636,750
101-116-00-41106	Medicare	47,397	46,592	51,786
101-116-00-41107	LTD/STD/Life	3,117	2,470	3,084
101-116-00-41108	Worker's Comp	188,860	141,590	191,243
101-116-00-41111	Uniform Allowance	23,040	21,090	18,460
<b>Salaries &amp; Benefits Subtotal</b>		<b>\$4,827,105</b>	<b>\$4,221,156</b>	<b>\$4,997,920</b>
101-116-00-42001	Contract Services	\$365,779	\$180,924	\$250,000
101-116-00-42005	Community Promotions	4,500	1,600	5,300
101-116-00-42101	Office Supplies	8,800	6,004	8,800
101-116-00-42102	Publications & Subscriptions	420	0	420
101-116-00-42104	Safety Equipment and Supplies	114,000	38,956	50,000
101-116-00-42107	Gas and Oil	55,000	31,614	35,000
101-116-00-42201	Building Maintenance	2,000	229	2,000
101-116-00-42202	Equipment Maintenance	81,200	43,955	85,700
101-116-00-42203	Vehicle Maintenance	93,000	75,734	40,000
101-116-00-42301	Training & Education	36,000	53,418	50,000
101-116-00-42304	Dues & Memberships	1,475	1,755	1,400
101-116-00-42403	Printing	6,300	0	6,300
101-116-00-42404	Shipping/Postage/Freight	600	20	600
101-116-00-42405	Telephone and Communications	9,500	783	10,000
101-116-00-42415	Other Expenditures	24,800	30,389	12,000
<b>Services &amp; Supplies Subtotal</b>		<b>\$803,374</b>	<b>\$465,383</b>	<b>\$557,520</b>
<b>Total</b>		<b>\$5,630,479</b>	<b>\$4,686,539</b>	<b>\$5,555,440</b>

## FIRE DEPARTMENT

- The FY 25-26 Budget reflects a total decrease of \$111,000 from the FY 24-25 Amended Budget.
- Contract services include fire services provided by the City of Monterey (\$3,253,597).

The FY 25-26 Budget also includes funding for fuel (\$22,000) and vehicle maintenance (\$40,000) as Carmel is responsible for vehicle repair and replacement under the contract with Monterey.

Fire				
Account Number	Account Description	FY24-25 Amended Budget	FY24-25 Estimated Actual	FY25-26 Proposed Budget
101-117-00-42001	Contract Services	\$3,382,924	\$3,020,982	\$3,346,924
101-117-00-42005	Community Promotions	1,000	487	1,000
101-117-00-42103	Medical Supplies	3,000	0	3,000
101-117-00-42104	Safety Equipment and Supplies	13,100	2,402	0
101-117-00-42107	Gas and Oil	19,000	6,260	22,000
101-117-00-42202	Equipment Maintenance	4,450	0	4,500
101-117-00-42203	Vehicle Maintenance	105,000	100,414	40,000
<b>Total</b>		<b>\$3,528,474</b>	<b>\$3,130,544</b>	<b>\$3,417,424</b>





## CARMEL FIRE AMBULANCE

- The FY 25-26 Budget reflects a total increase of \$437,000 from the FY 24-25 Amended Budget.
- Contract services include Ambulance Services by the City of Monterey (\$2,095,410) and ambulance billing (\$48,000). Other major expenses include medical supplies (\$48,000), fuel and vehicle maintenance (\$21,000 and \$70,000 respectively), safety equipment (\$17,500).

Ambulance				
Account Number	Account Description	FY24-25 Amended Budget	FY24-25 Estimated Actual	FY25-26 Proposed Budget
	<b>Salaries &amp; Benefits Subtotal</b>	<b>\$1,544,270</b>	<b>\$1,335,397</b>	<b>\$0</b>
101-118-00-42001	Contract Services	\$195,902	\$174,497	\$2,179,110
101-118-00-42101	Office Supplies	1,000	0	0
101-118-00-42103	Medical Supplies	48,150	50,338	48,150
101-118-00-42104	Safety Equipment and Supplies	17,500	0	17,500
101-118-00-42107	Gas and Oil	26,000	6,479	21,000
101-118-00-42201	Building Maintenance	10,000	984	5,000
101-118-00-42202	Equipment Maintenance	4,000	994	4,000
101-118-00-42203	Vehicle Maintenance	62,000	41,336	70,000
101-118-00-42301	Training & Education	14,150	1,188	15,000
	<b>Services &amp; Supplies Subtotal</b>	<b>\$378,702</b>	<b>\$275,815</b>	<b>\$2,359,760</b>
	<b>Total</b>	<b>\$1,922,972</b>	<b>\$1,611,212</b>	<b>\$2,359,760</b>



## DEBT SERVICE – FUND 401

Debt Service includes payments for the 2020 Refunding Lease Revenue Bonds. These payments total \$509,100 as shown below.

### 2020 Refunding Lease Revenue Bonds

On September 10, 2010, City Council approved issuance and sale of certificates to finance improvements and the Sunset Center (the Sunset Theater Project), including the refinancing of the City's lease payment obligation related to the preliminary financing of the Sunset Center (the 2010 Refunding Lease Revenue Bond). The Certificate of Participation (COP) of approximately \$7.6 million included a maturity date of November 1, 2031. On September 3, 2020, the Public Improvement Authority and City Council determined that a refunding of the 2010 Bond was in the City's best interest to take advantage of historically low interest rates and to achieve cash flow savings in light of the economic impact of the pandemic on the City's revenues. The 2020 Refunding Lease Revenue Bond of approximately \$3.9 million matures on November 1, 2032. The City made its first principal payment in FY 23-24 after two years of interest only payments.

### Funding Sources

General Fund revenue is the source of funding for debt service obligations. The General Fund (Fund 101) will transfer \$509,100 to Debt Service (Fund 401) in FY 25-26 with approximately 75% of that going to the principal.

<b>Debt Service: Total</b>				
<b>Account Number</b>	<b>Account Description</b>	<b>FY24-25 Amended Budget</b>	<b>FY24-25 Estimated Actual</b>	<b>FY25-26 Proposed Budget</b>
401-411-00-44001	Principal	\$375,000	\$375,000	\$380,000
401-411-00-44002	Interest	141,600	141,568	126,600
401-411-00-44003	Administrative Fees	2,500	2,105	2,500
<b>Total</b>		<b>\$519,100</b>	<b>\$518,673</b>	<b>\$509,100</b>

<b>FY 24-25 Debt Service by Bond</b>				
<b>Bond</b>	<b>Principal</b>	<b>Interest</b>	<b>Fee</b>	<b>Total</b>
Sunset Center	\$380,000	\$126,600	\$2,500	\$509,100
<b>Total</b>	<b>\$380,000</b>	<b>\$126,600</b>	<b>\$2,500</b>	<b>\$509,100</b>

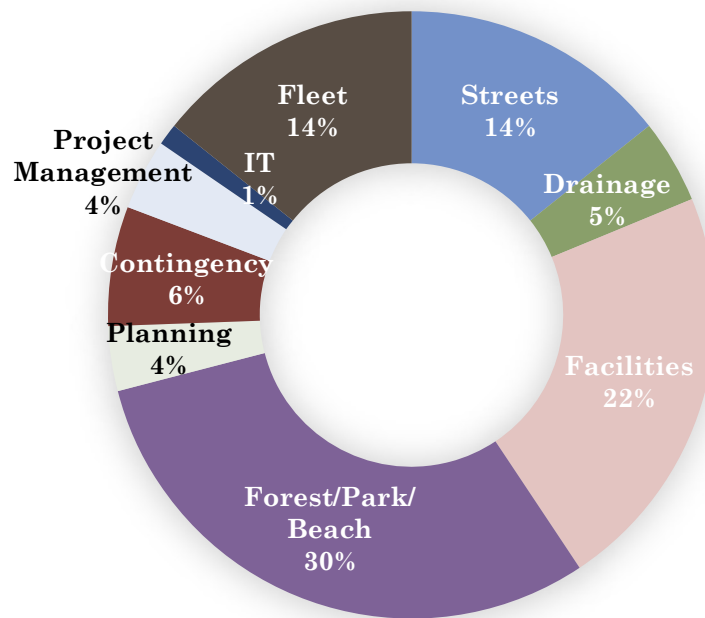
## CAPITAL IMPROVEMENT PLAN (CIP)

## CAPITAL IMPROVEMENT PLAN

The FY 25-26 Budget includes \$7.8 million for capital projects. This level of capital spending represents 20% of the total citywide budget of \$39.8 million and requires the use of \$4.9 million of the City's unassigned fund balance. Sales tax revenue generated by Measure C, the City's local sales tax, also plays a pivotal role in providing a funding source for the City's capital needs. The presence of state and county gas and transit taxes also provide a consistent base, albeit partial, for much needed street projects. That said, the five-year capital plan points out that, as vital as these funding sources are, they cannot cover the full scope of identified improvements in the long-term requiring that we attend to the highest needs and deferring others until funding becomes available.

Capital outlay funds several types of projects as depicted below in the "FY 25-26 CIP Funding by Category" chart. As the City continues street repairs through the summer, finishing the projects that were budgeted in the FY 24-25 year, it is again budgeting for street repairs in the coming budget year FY 25-26. Streets account for 14% of budgeted capital expense, with a proposed budget of \$1.1 million, largely funded by revenues the City receives specifically for street maintenance and other transportation-related projects. In addition to a continued emphasis on Streets, the City is budgeting significant expenditures of \$2.4 million or 30% of budgeted capital for Forest, Parks and Beach. The FY 25-26 Budget also recognizes the importance of facility investments including \$1.7 million for deferred facility maintenance items that address Sunset Center elevator, painting and Yoga Center reroof, Forest Theater Stage, Fire station upgrades, City Hall exterior shingles, and Sunset Center Cottage Window Repairs.

**FY 25-26 CIP Funding by Category**



Drainage projects reach \$350,000 or 4% of the CIP budget and include Reconstruction of the Fourth Ave Outfall and MTNP Streams 5-6 Drainage project. Included in this fiscal year's budget is a \$500,000 CIP Contingency to provide funds when needed to award construction contracts that may have outdated cost estimates, such as for carry-over projects, the scope of essential work has increased, and/or when construction bids are competitive, but higher than available funds. Capital outlay includes \$1.2 million for the projects listed in the Vehicle and Equipment Fund table below.

## VEHICLE AND EQUIPMENT FUND

Vehicle and Equipment Fund		
Account Number	Account Description	FY25-26 Proposed Budget
503-513-00-43004	Ambulance Heart Monitor	\$35,000
503-513-00-43005	Ambulance	450,000
503-513-00-43005	PW Compact Track Loader	125,000
503-513-00-43005	PW EV Trucks (2)	150,000
503-513-00-43005	Police Patrol Vehicles (2)	150,000
503-513-00-43005	Forestry Utility Bucket Truck	180,000
503-513-00-43006	Police Radios Year 5 of 6	30,000
503-513-00-43007	IT Network Refresh	40,000
503-513-00-43007	Wireless Access Point	50,000
<b>Vehicle and Equipment Total</b>		<b>\$1,210,000</b>

Funding for vehicles and equipment prioritizes public safety response capabilities, including enhanced communications and the purchase of new vehicles. A focus on environmentally friendly vehicles is evident in this year's spending plan.

### Ambulance Hear Monitor (\$35,000)

This project involves the purchase of new monitors to improve emergency medical care by enabling real-time cardiac assessment during transport, ensuring faster, more effective treatment for patients with heart-related conditions.

### Ambulance (\$450,000)

A contract to build the new ambulance and furnish equipment for \$410,000 was executed last fiscal year. Delivery is anticipated in late 2025. Funding of \$400,000 from the Vehicle and Equipment Fund and a \$50,000 donation will be programmed in FY 25-26.

### Public Works Compact Track Loader (\$125,000)

The purchase of a compact track loader will significantly improve the City's beach maintenance operations. Currently, the lack of a dedicated equipment ramp for beach access makes transporting machinery onto the beach difficult and inefficient. This purchase will enhance our ability to perform essential tasks such as sand redistribution and erosion control on the Del Mar and Volleyball Dunes. These areas are crucial for both recreational

use and ecological health, and proactive maintenance is vital for their preservation. The compact track loader will provide the necessary mobility and power to navigate the sandy terrain effectively. We are requesting the inclusion of a flail mower and a street broom as attachments to further broaden the machine's utility. The flail mower will assist in vegetation management throughout the City, and the street broom will be used for debris removal and maintaining cleanliness in the Del Mar parking lot. This proactive approach will save time and resources by preventing more significant issues from developing.

#### Public Works EV Trucks (2) (\$150,000)

The Public Works Department plans to replace a 2000 Dodge Dakota and a 2002 Ford Ranger due to their age, condition, and wear by acquiring two Electric Vehicle (EV) trucks. These EV trucks will be used across all divisions of the Public Works Department. Given the department's heavy reliance on its fleet of trucks for routine maintenance, repairs, equipment transportation, and emergency response, the transition to EV trucks will reduce the City's carbon footprint and lower fuel and maintenance expenses. Additionally, acquiring these EV trucks aligns with the State's mandate for increasing EV adoption in municipal fleets. By proactively transitioning to electric vehicles, the City demonstrates its commitment to environmental sustainability and compliance with state regulations. This initiative will position the City of Carmel as a leader in adopting clean energy solutions and contribute to a healthier environment for our community.

#### Police Patrol Vehicles (2) (\$150,000)

The Police Department would replace two Dodge Durango vehicles with two Ford Explorer patrol vehicles due to mechanical issues with their engines.

#### Forestry Utility Bucket Truck (\$180,000)

The Forestry Division would replace the old high-ranger bucket truck with a specialized utility bucket vehicle equipped with a hydraulic lifting system and an attached bucket or platform. This truck would be used on a daily basis by the Forestry Maintenance crew for inspecting tree canopies and tree trimming and removal.

#### Police Radios Lease (Years 5 of 6) (\$30,000)

Twenty-two (22) radios were purchased in 2021 with a payment schedule of \$30,000 per year for six years, with funding from the Vehicle and Equipment Fund.

#### IT Network Refresh (\$40,000)

Funding will be used to upgrade and modernize the City's existing network infrastructure to enhance performance, reliability, and security. The City would replace outdated hardware, implement faster and more scalable solutions, and seamless connectivity for all departments and services. The project will focus on improving cybersecurity measures.

#### Wireless Access Point (\$50,000)

Funding will be used to purchase and install new Wireless Access Points (WAPs) throughout city facilities to enhance wireless connectivity and ensure reliable, high-speed internet access for employees and city operations. The project will upgrade outdated or insufficient wireless infrastructure, providing better coverage, faster speeds, and improved



security across public buildings and departments. These upgrades will also support the growing demand for mobile devices.

## CAPITAL PROJECTS FUND

The Capital Projects budget for expenditures includes 30 new projects for a total of \$6.6 million.

Category	Description	FY25-26 Proposed Budget
<b>New Capital Projects</b>		
Streets	Resurfacing Parking Lots (CL,SC)	300,000
Streets	Road Segment Project (10 road segments)	300,000
Streets	Scenic/Santa Lucia ADA Parking	20,000
Streets	Sidewalks	500,000
Drainage	Junipero Bypass Pipe - Design	175,000
Drainage	MTNP Stream Projects 5 - 6 Design	175,000
Facilities	ADA Upgrade, Year 8	20,000
Facilities	City Hall Exterior Shingles	70,000
Facilities	Design Repairs - CH, FS	150,000
Facilities	Fire Backflows to Code (3 bldgs)	200,000
Facilities	Fire Station Upgrades	175,000
Facilities	Forest Theater Stage	60,000
Facilities	Park Branch Library Window Repairs	50,000
Facilities	Picadilly Restroom Expansion Design	70,000
Facilities	Police / Public Works Building Project	50,000
Facilities	Sunset Center Elevator Power Unit	120,000
Facilities	Sunset Center Painting, Phase 2	250,000
Facilities	Sunset Center Retaining Walls Construction	450,000
Facilities	Sunset Center Yoga Center Reroof	50,000
Forest/Park/Beach	Rio and Junipero Ave Median Enhancements	25,000
Forest/Park/Beach	Reconstruction of the Fourth Ave Outfall	900,000
Forest/Park/Beach	Shoreline Repairs Stairs Construction	300,000
Forest/Park/Beach	Forest Plan Implementation Year 2	739,000
Forest/Park/Beach	Devendorf Park Improvements	35,000
Forest/Park/Beach	Sand Ramp at Eighth Avenue	275,000
Forest/Park/Beach	Scenic Pathway Enhancements	100,000
Planning	Planning ODDS element	200,000
Planning	CEQA MTNP CFMP	70,000
Project Mgmt	Staff Time	295,000
Contingency	CIP Contingency	500,000
<b>Total New CIP</b>		<b>\$6,624,000</b>

## STREETS

### Resurfacing Parking Lots (CL,SC) (\$300,000)

The allocated funding will be used for the required asphalt pavement maintenance at the Children's Library and the Sunset Center Main Lot. This work will address necessary repairs and improvements to maintain the safety and functionality of the parking lots. The funding will cover resurfacing, patching, and other asphalt-related maintenance tasks.

### Road Segment Project (10 road segments) (\$300,000)

Funding will be used to address pavement maintenance needs on ten streets that were identified through the City's use of StreetSaver, a pavement management software that helps prioritize repairs based on condition, usage, and cost-effectiveness. These specific streets were selected due to their current condition ratings and maintenance needs, as outlined in the pavement management analysis. The list of streets and associated work was previously discussed with the City Council at the March 24, 2025 meeting.



### Scenic/Santa Lucia ADA Parking (\$20,000)

Funding will be used for the installation of an ADA-compliant parking stall through pavement restriping and associated improvements. Additionally, an ADA-compliant access ramp will be installed to provide accessible entry to the scenic pathway. These improvements will enhance accessibility and ensure compliance with current ADA standards, allowing more users to safely enjoy the pathway.

### Sidewalks (\$500,000)

Funding will be used for sidewalk repairs in areas that pose trip hazards, ensuring safer pedestrian access throughout the city. This will involve identifying and repairing damaged or uneven sections of sidewalk to prevent accidents and improve walkability. The repairs will focus on high-traffic areas and locations with the most significant safety concerns.

## DRAINAGE

### Junipero Bypass Pipe – Design (\$175,000)

The design improvements aim to address capacity issues along Junipero and Ocean, including the installation of a parallel 30-inch pipe on Junipero Street between Fifth and Seventh Avenues and a parallel 24-inch pipe near Fifth Avenue and Torres Street. These upgrades will enhance flow and reduce hydraulic grade line (HGL) peaks. Coordination

with the Mission Street Bypass and Fifth Avenue projects may also be considered during the design phase.

#### MTNP Stream Projects 4-5 Design (\$175,000)

The next stage of the MTNP project addresses the fourth and fifth of eight stream restoration and drainage improvements recommended in the 2019 MTNP Stream Stability Study. The first three projects were completed in late 2024. Any future work now requires updated environmental permits from the U.S. Army Corps of Engineers, the California Department of Fish and Wildlife Service, and the State Regional Water Quality Control Board.

The proposed improvements aim to eliminate stream incision threatening the Serra Trail, restore a more natural stream channel alignment, and reroute a section of the Doolittle Trail that is degrading the stream bank, eroding vegetation, and creating a safety hazard.

Site #4 work includes the design, permitting and implementation of:

- Demolition of the existing concrete ford and installation of a naturalized stream channel
- Construction of a new pedestrian bridge
- Establishment of a new trail through the redwood grove
- Habitat restoration and monitoring

Site #5 work includes the design, permitting, and implementation of:

- Realignment of Mission Creek just below the confluence, through the midpoint of the valley between the Willow Trail and Serra Trail.

In addition, staff is exploring a grant opportunity through the California Wildlife Conservation Board, which offers up to \$1 million for design and up to \$3 million for project implementation.

## FACILITIES

#### ADA Upgrade, Year 8 (\$20,000)

A \$20,000 budget has been allocated for ADA upgrades within the city, aimed at improving accessibility for individuals with disabilities. The funds will be used to address areas in need of compliance, enhancing public spaces and facilities to ensure they meet ADA standards. Specific upgrade areas will be determined based on the city's infrastructure needs.

#### City Hall Exterior Shingles (\$70,000)

Funding will be used for the repair and restoration of wood shingles on the exterior walls of City Hall, as they need maintenance and some may require replacement. This work will

address areas of wear and deterioration, helping to preserve the building's exterior. The project will ensure the structure remains protected and visually appealing.

#### Design Repairs – City Hall, Fire Station, Vista Lobos (\$150,000)

Funding to be used for repairs to City facilities as recommended in the Facilities Conditions Assessment prepared by Bureau Veritas. These repairs are necessary to address maintenance issues, ensuring the safety, functionality, and efficiency of city buildings. This funding will support ongoing efforts by supplementing the work of the City's Facilities Maintenance Department, specifically for repairs that exceed their current capacity or technical capabilities. The improvements will help prevent further deterioration and reduce long-term repair costs

#### Fire Backflows to Code (3 bldgs) (\$200,000)

Funding to be used for fire backflow improvements at three locations: City Hall, HML Library, and Park Branch Library, to bring them into compliance with current code requirements. These upgrades are essential to ensure the safety and effectiveness of the fire suppression systems at each facility. The improvements will address existing deficiencies and help meet regulatory standards.



#### Fire Station Upgrades (\$175,000)

Funding to be used for upgrades to the Fire Station to accommodate a newly purchased fire truck. These upgrades will include modifications to the station's bays, ensuring they are large enough to house the new equipment safely and efficiently.

#### Forest Theater Stage (\$60,000)

Funding will be used for the replacement of the wooden stage deck and its incidental support system, which are currently showing significant signs of deterioration. The existing structure has experienced wear over time and needs replacement to ensure safety, structural integrity, and continued usability for performances and events.

#### Park Branch Library Window Repairs (\$50,000)

Funding will be used for window repairs at Park Branch Library, which includes replacing 18 deteriorated double-pane windows. These windows have lost their insulation, resulting in a persistent steamy appearance, and the wood trim is also deteriorating. Once replaced, the windows will be restored, and the trim will undergo necessary painting.



### Picadilly Restroom Expansion Design (\$70,000)

Funding will be allocated for the design of an expansion to the Picadilly restroom, one of the City's most heavily used facilities. During peak summer months, the line for this single-toilet restroom often extends to the sidewalk, highlighting the need for increased capacity.



### Police/Public Works Building Project (\$50,000)

Funding allocated for immediate safety repairs while exploratory actions are taken on the future of the Police and Public Works building.

### Sunset Center Elevator Power Unit (\$120,000)

Funding will be used for the replacement of the Sunset Center's power unit, including the hydraulic valves. The existing system has reached the end of its useful life and requires an upgrade to ensure continued reliable operation.

### Sunset Center Painting, Phase 2 (\$250,000)

Funding will be used for Phase 2 of painting the Sunset Center. This phase will complete the painting of areas not addressed in the previously completed work, enhancing the facility's appearance and protecting surfaces from wear and damage. As a cost-saving measure, staff will incorporate design and project management efforts completed during Phase 1 to streamline the process and reduce overall expenses.

### Sunset Center Retaining Walls Construction (\$450,000)

Funding will be used for the construction of one structural retaining wall in the Sunset Center North Lot located on the north side adjacent to Eighth Avenue, which poses a hazard to the public. This wall has already been designed in the current year's CIP and requires funding for construction.

### Sunset Center Yoga Center Reroof (\$50,000)

Funding will be used for the roof replacement at the Sunset Center Yoga Center, which is over 30 years old and requires frequent maintenance. The new roof will address ongoing issues and provide long-term durability. This replacement will ensure the facility remains safe and protected from weather-related damage.

## FOREST, PARKS AND BEACH

### Rio and Junipero Ave Median Enhancements (\$25,000)

Funding will be used to design and implement enhancements to the existing medians along Rio Road and Junipero Avenue. Improvements would include new landscaping and irrigation upgrades.



### Reconstruction of the Fourth Ave Outfall (\$900,000)

Funding will be used for construction work to replace the outfall structure at 4th Avenue, which is showing significant structural deficiencies and is in a high level of disrepair. The existing structure is at risk of further deterioration, impacting the surrounding area. Design work for the replacement is being initiated in the current fiscal year, with construction aimed at restoring the outfall's functionality, preventing further

erosion, and ensuring the long-term stability of the area.

### Shoreline Repairs Stairs Construction (\$300,000)

Funding will be used for construction work to reconstruct stairs damaged by winter storms and the effects of sea level rise. The stairs located north of 10th Avenue and on Twelfth Avenue have sustained deterioration and damage from these storms. Design work for the reconstruction will begin in the current fiscal year, with the goal of restoring safe access while addressing future environmental conditions. The anticipated cost is based on replacing the stairs with wooden structures, consistent with the existing design and environmental considerations. The design phase of the previously approved Shoreline Infrastructure Project (Task 1), which was authorized by City Council on March 24, 2025, is currently underway. Upon completion of this assessment, staff will return to Council with a potential recommendation to reconstruct the existing stairs using new concrete structures, with preliminary engineer's estimates placing the cost at approximately \$400,000 per stair.

### Forest Plan Implementations Year 2 (\$739,000)

Budget reflects dead/unsafe tree removals and the backlog of stumps, all part of a 3-year tree maintenance catch-up plan, which began last fiscal year and is expected to culminate in the Fiscal Year 2026-27. In Year 1, the City removed over 175 dead, dying, or diseased trees and removed over 300 stumps, far exceeding our goals.



### Devendorf Park Improvements (\$35,000)

Allocated funding will be used to support a series of improvements within Devendorf Park, including enhancements to the War Memorials to preserve their condition and appearance, restoration and upgrades to the existing fishpond to improve its functionality and aesthetic, and the installation of a new guard rail/fence along Sixth Avenue to enhance public safety and define the area. These efforts aim to preserve historic features, improve site aesthetics, and ensure a safer and more welcoming environment for visitors.

### Sand Ramp at Eighth Avenue (\$275,000)

Funding will be used for the design and reconstruction of the access sand ramp near Eighth Avenue, which has been repeatedly damaged by winter storms and the impacts of sea level rise. The ramp no longer exists in its current location due to extensive damage. Design work for the new ramp will begin in the current fiscal year, with reconstruction aimed at ensuring safe and reliable access while addressing future environmental challenges.



### Scenic Pathway Enhancements (\$100,000)

Funding would be used to resurface and stabilize the existing decomposed granite (DG) pathway along Scenic Pathway, as well as the installation of new signage.

## PLANNING

### Create Objective Development Design Standards (ODDS) (\$200,000)

ODDS created to provide objective (ministerial) design and development regulations for affordable housing projects in compliance with State Law.

### CEQA MTNP CFMP (\$70,000)

Environmental compliance work for projects to be completed in Mission Trails Nature Preserve and for adoption of the Carmel Forest Management Plan.

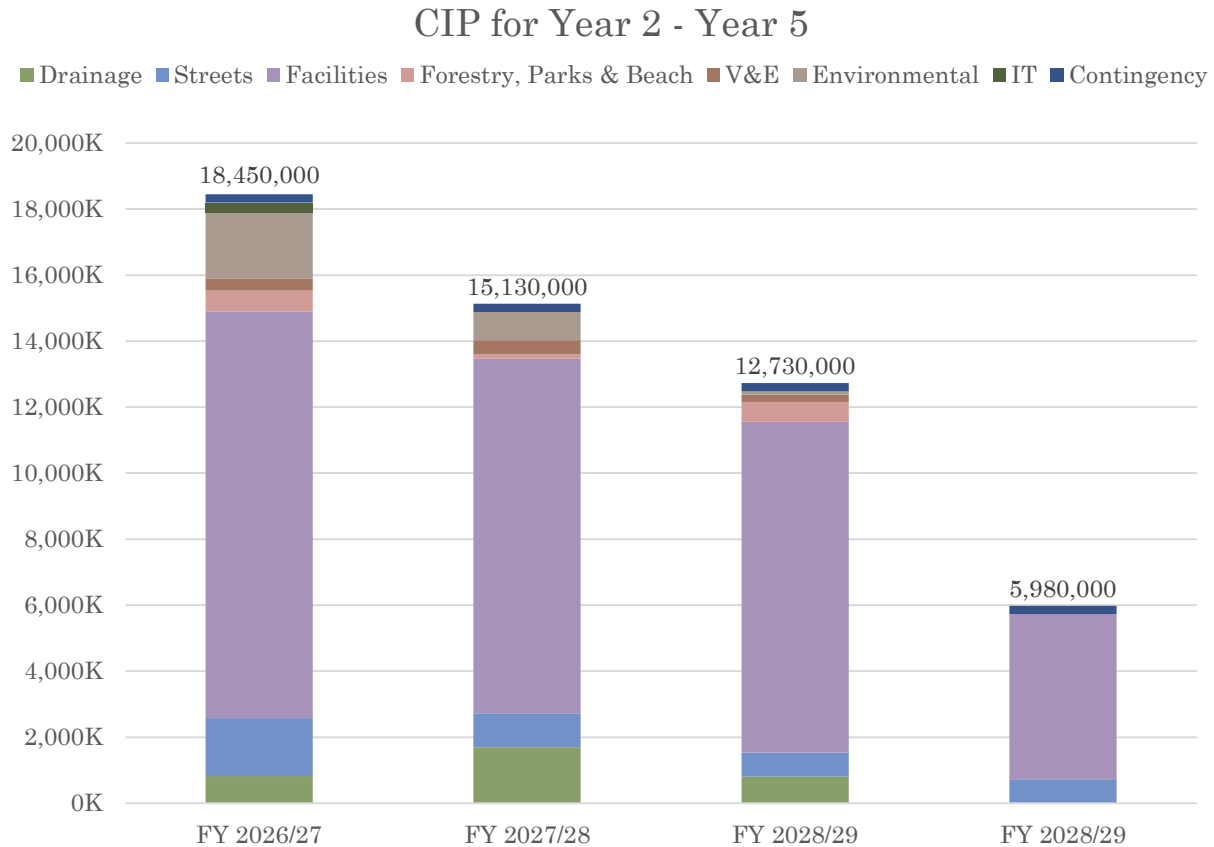
## CIP PLANNING

### CIP Contingency Fund (\$500,000)

A \$500,000 Contingency Fund will be budgeted to cover any shortfalls to award construction contracts or to close out projects.

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## KEY PROJECTS AND FUNDING NEEDS FOR YEARS 2 THROUGH 5 OF THE CAPITAL IMPROVEMENT PLAN (CIP)



The 5-year CIP has been updated and is available on the City’s website. Although only the first year (FY25-26) is funded as part of this Adopted Budget, the remaining four years serve as an advance planning tool to identify anticipated future projects.

The 5-year CIP is a “snapshot” in time of anticipated needs for future infrastructure revitalization funding in coming years. As a dynamic planning document, the CIP for years 2 through 5 is subject to change as updated information becomes available. A multi-year plan also accommodates scheduling larger projects into multiple years to allow more projects to be underway concurrently, and to allocate construction funding only when those funds are needed.

It should be noted that the needs for infrastructure renewal and facility repairs far exceed the anticipated revenue over the subsequent four years as well.

The following are key projects and preliminary budget estimates, by asset category, for years 2 through 5 of the CIP:

**Drainage:** Includes highest priority drainage repairs and upsizing for 20-year storm events as identified in the 2023 Storm Drain Master Plan Update, bottleneck reconfigurations, and CDS reconstruction. Projects include: Junipero Bypass (\$1.75M), 4<sup>th</sup> Ave CDS (\$525K), and Drainage Repairs (\$1.05M) = **\$3.33M**.

**Streets:** Annual paving Maintenance of Effort (MOE) and Transportation Agency for Monterey County (TAMC) match funding are budgeted for each fiscal year for Streets Projects (\$2.45M City plus \$1.6M external funds). In addition, the City also has the following Street projects planned: Bicycle Master Plan (\$70K), Sidewalks (\$500K), Lincoln 4<sup>th</sup> trestle bridge (\$150K), Pavement Survey Update (\$30K), and Resurfacing Parking Lots (\$300K)= **\$4.2M City plus \$2.1M external funds via TAMC**.

**Facilities:** As a placeholder, a total allocation of \$35M is included to cover final design and Police Building Construction (whether a new station or renovation of the existing building) plus launching the design of the Public Works building renovations. This major project will obviously require a dedicated funding source once a project concept is approved, and these numbers will be adjusted as more information and scheduling becomes available.

Additional facility renovation projects include: ADA Updates (\$65K), Sunset Center Retaining Walls (\$900K), Flanders Structural Shoring (\$250K), City Hall FCA: Fire, Doors, Lighting (\$400K), Park Restroom Repairs (\$150K), Facility Assessment - Flanders, Restrooms (\$85K), Devendorf Bathrooms (\$50K), Sunset Center Portico (\$475K), Fire Station FCA: Roof, Windows, Alarm (\$500K), Sunset Center Railings (\$225K) = **\$28.1M**.

**Forestry Parks, and Beach:** Design and construction of the remaining five (5) Mission Trail Nature Preserve (MTNP) stream stability projects (\$1.25M), and construction of the MTNP Doolittle Bridge (\$125K) = **\$1.38M**.

**Fleet and Equipment:** Replace aging Police, Fire, and Public Works vehicles with Electric Vehicles where possible. Replace broken and outdated heavy equipment, including Streets Department 2 Pickup EVs (\$150K), Forestry Department water truck (\$120K), Police Department speed radar trailer (\$25K) and animal control vehicle (\$75K), Police Department admin EV vehicles (\$75K), patrol EV vehicles (\$225K), and parking EV vehicle (\$75K). This category includes full funding for the Police radios lease (\$95K) = **\$1M plus \$90K 3CE rebates**.

**Environmental and Climate Change:** Shoreline infrastructure repairs (\$1.65M), Sunset Center EV Parking (\$1M), Climate Action Plan projects (\$150K) and energy upgrade initiatives (\$150K) = **\$2.95M**



**IT:** Equipment replacements (\$240K), Police records management system (\$200K), and GIS applications expansion (\$30K) = **\$0.31M**.

**Library:** It is difficult to estimate costs for the library as major renovations proposed under the Library Master Plan are largely subject to donor funding.

**Contingency:** A contingency fund will be budgeted annually to cover any shortfalls to awarded construction contracts or to close out projects = **\$1M**

### Years 2 Through 5 Needs Summary

The total estimated investment of City funds identified for years 2 through 5 is **\$41.56M**. This amount exceeds anticipated CIP fund revenues over those four years plus any ending fund balance that may be available in those future years. However, without proper investment, the condition of the City's infrastructure will decline and worsen, eventually requiring more costly repairs. Therefore, additional revenue sources should be considered.

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### HISTORICAL CAPITAL IMPROVEMENT PLAN (CIP) LOOKBACK

Fiscal Year	Projects	Total Spent
2017 - 2018	2	465,637
2018 - 2019	5	37,375
2019 - 2020	11	366,708
2020 - 2021	0	0
2021 - 2022	8	217,941
2022 - 2023	20	1,096,079
2023 - 2024	22	2,760,886
2024 - 2025	22	4,870,404



## OTHER FUNDS

## OTHER FUNDS OVERVIEW

The City uses what is known as a “fund” accounting structure, which house and track resources (i.e.: money) that are limited in their use by law or governing agency. The major governmental funds are the General Fund, Measure D and Capital Projects.

### DISCRETIONARY FUNDS

The first set of funds listed below are “discretionary”, meaning there are no legal restrictions on their use and can be used at the discretion of Council for services and projects.

#### General Fund (Fund 101)

Most of the City’s revenues and the expenditure budgets for City services and daily governmental operations are housed within the General Fund (Fund 101) and this is where the majority of the City’s financial activity occurs. The major revenue sources associated with the General Fund include property tax, the City’s share of the statewide sales and use tax, charges for services, franchise fees, business tax, and intergovernmental revenue. These revenues are considered to be general in nature. Throughout this budget document, the General Fund is also referred to as the “Operating Budget” and City financial policy recommends maintaining a 15% Reserve of the total amount, which the City will continue to do in FY 24-25.

#### Hostelry Fund (102)

This fund is used to house the Transient Occupancy Tax (TOT) which is collected and is intended to fund the portion of the municipal budget covering community and cultural and recreation activities including, but not limited to Sunset Center and the Forest Theater, parks, public facilities and municipal structures, and parking lots; acquisition and improvement of parks, recreation land and other municipal purposes as determined from time to time by the City Council; provided, that all such uses shall be in accordance with the General Plan of the City and General Fund for usual and current expenses. City financial policy recommends a reserve of 10% of TOT revenues, which the City will continue to do in FY 24-25.

#### Measure C Sales Tax (Fund 206)

Carmel voters approved a temporary (10 year) 1% increase in the transactions and use tax in 2012 known as Measure D. On March 3, 2020, voters approved Measure C, which increases the tax to 1.5% for 20 years. Measure C may be used for debt service, capital



projects and general City services. Fund 206 is used to house revenue from these tax sources.

## RESTRICTED FUNDS

The next set of funds are “restricted”, meaning there are requirements prescribed by the local, state or federal governmental agencies regarding how these funds may be used.

### Gas Tax (Fund 201)

This fund is used to house revenues collected in accordance with California Streets and Highway Code.

### Transportation Safety (Fund 202)

Measure X, a 30-year 3/8 of one-percent transactions and use tax, was passed by the voters in November 2016 to fund transportation safety and mobility projects in Monterey County. This fund houses dollars for expenditures for eligible transportation safety projects.

### COPS Grant

This fund houses dollars for expenditures for the Department of Justice Community Oriented Policing Services (COPS) grant for public safety. This fund transfers into the General Fund for the Police Department budget.

### Parking in Lieu (Fund 204)

This fund is used to house dollars for activities associated with parking in-lieu fees as prescribed by Carmel Municipal Code Section 17.38.040.

### Asset Seizure (Fund 205)

This fund houses dollars for expenditures related to asset seizures.

## CAPITAL PROJECTS FUND

### Capital Projects (Fund 301)

This fund houses resources utilized, committed, assigned or restricted for capital projects.

## DEBT SERVICE FUND

### Debt Service (Fund 401)

This fund houses dollars related to the repayment of the Certificate of Participation, Pension Obligation Bond and capital lease obligations.

## INTERNAL SERVICE FUNDS

### Workers Compensation (Fund 501)

This fund houses monies meant for workers' compensation insurance provided to departments on a cost reimbursement basis.

### Other Post-Employment Benefits (OPEB) Liability Reserve Fund

This fund houses dollars for other post-employment benefits.

### Vehicle and Equipment Replacement Fund

This fund is to set aside to house financial resources for future purchases of replacement equipment essential to the operations of the City.

## AGENCY FUNDS

### Refundable Deposits

This fund houses monies received that are unearned at the time of acquisition and required to be returned by the City unless they are earned.



## PROJECTED FUND BALANCES

<b>Projected Fund Balances June 30, 2025</b>				
<b>Fund Description</b>	<b>Audited Fund</b>	<b>Revenue &amp; (Expenses)</b>	<b>Transfers In &amp; (Out)</b>	<b>Estimated Fund</b>
	<b>Balance June 2024</b>			<b>Balance June 2025</b>
<b>Unspendible Prepaid Items</b>	\$28,693	\$0	\$0	\$28,693
<b>Restricted funds</b>				
101 General Fund 115 Trust	3,124,794	-	1,000,000	4,124,794
201 Gas Tax	168,923	169,695	(338,618)	-
202 Transportation Safety	-	238,421	(238,421)	-
203 COPS	40,465	161,330	(201,795)	-
204 Parking in Lieu	758,830	-	-	758,830
205 Asset Seizure	5,616	-	-	5,616
206 Local Measure Sales Tax	2,152,539	6,484,814	(8,637,353)	-
401 Debt Service	34,807	(518,673)	518,673	34,807
501 Worker's Comp	259,716	(12,401)	(247,315)	-
502 OPEB Reserve	-	-	-	-
503 Veh & Eq Replacement	462,820	(383,408)	383,408	462,820
LIB Library	1,453,651	-	-	1,453,651
<b>Committed funds</b>				
102 Hostelry Reserve	754,323	9,295,016	(10,049,339)	-
<b>Assigned funds</b>				
101 General Fund Reserve	4,505,124		11,148,898	15,654,022
301 Capital Projects	11,096,555	(4,870,404)	(2,332,916)	3,893,235
<b>Unassigned funds</b>				
101 General Fund	11,893,970	(6,735,486)	8,994,779	14,153,262
	<b>\$36,740,826</b>	<b>\$3,828,904</b>	<b>\$0</b>	<b>\$40,569,730</b>

<b>Projected Fund Balances June 30, 2026</b>				
<b>Fund Description</b>	<b>Audited Fund</b>	<b>Revenue &amp; (Expenses)</b>	<b>Transfers In &amp; (Out)</b>	<b>Estimated Fund</b>
	<b>Balance June 2025</b>			<b>Balance June 2026</b>
<b>Unspendible Prepaid Items</b>	\$28,693	\$0	\$0	\$28,693
<b>Restricted funds</b>	-			
101 General Fund 115 Trust	4,124,794	-	1,000,000	5,124,794
201 Gas Tax	-	170,993	(170,993)	-
202 Transportation Safety	-	244,137	(244,137)	-
203 COPS	-	161,792	(161,792)	-
204 Parking in Lieu	758,830	-	-	758,830
205 Asset Seizure	5,616	-	-	5,616
206 Local Measure Sales Tax	-	6,595,056	(6,595,056)	-
401 Debt Service	34,807	(509,100)	509,100	34,807
501 Worker's Comp	-	(127,000)	127,000	-
502 OPEB Reserve	-	-	-	-
503 Veh & Eq Replacement	462,820	(1,210,000)	1,210,000	462,820
LIB Library	1,453,651	-	-	1,453,651
<b>Committed funds</b>				
102 Hostelry Reserve	-	9,109,116	(9,109,116)	-
<b>Assigned funds</b>				
101 General Fund Reserve	15,654,022		343,878	15,997,900
301 Capital Projects	3,893,235	(6,624,000)	6,624,000	3,893,235
<b>Unassigned funds</b>				
101 General Fund	14,153,262	(12,725,713)	6,467,116	7,894,665
	<b>\$40,569,730</b>	<b>(\$4,914,719)</b>	<b>\$0</b>	<b>\$35,655,011</b>

## FINANCIAL POLICIES

## BUDGET POLICIES AND GUIDELINES

The budget process for the City of Carmel-by-the-Sea involves the citizens, City Council, and staff. Each person plays a critical role in the development of the budget for the upcoming year. The annual budget and operating plan balance the public service demands of the community with the fiscal resources of the City. It is intended to achieve the goals and objectives established by the City Council.

The goal of the City Administrator is to present a balanced budget to the City Council for review and adoption. A balanced budget is a budget in which revenue sources meet or exceed expected revenue use. Available funding sources shall be at least equal to recommended appropriations. As a general rule, the year-end Undesignated General Fund Balance should only be used for one-time costs, not to fund ongoing operations such as full-time employees.

As set forth in the Carmel Municipal Code, prior to the beginning of each fiscal year the City Council shall adopt a budget for expenditures and anticipated revenues. On or before February 15th of each year, the City Administrator will present to the City Council a proposed budget schedule. The City Administrator prepares and submits to the City Council a proposed operating and capital budget for the forthcoming fiscal year. The City Council shall adopt the budget by July 1st.

The City Administrator shall have the right to approve the transfer of appropriations within a departmental budget; however, no additional positions shall be created without the authorization of the City Council. All transfers of appropriations between departments or in regards to capital items or projects shall be approved by the City Council. The City Administrator shall be charged with the responsibility of controlling the expenditures for all departments in accordance with the approved budget. A report on current year revenues, expenditures and fund balances shall be maintained.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balanced set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements. Annually appropriated budgets are legally adopted on a budgetary basis for the governmental fund types (General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund) and are controlled on a fund and departmental level. These funds are used to account for most of the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified-accrual basis of accounting and budgeting. Expenditures are recognized as encumbrances when a commitment is made. Unencumbered appropriations lapse at year-end.



## CAPITAL BUDGET POLICY

The City develops an annual five-year plan for capital improvements; it includes project design, development, implementation, and operating and maintenance costs. Each project in the 5-year Capital Improvement Plan (CIP) shows the estimated capital and on-going maintenance costs, known and potential funding sources and a design/development schedule. A capital improvement project is typically a permanent structural change to a property or asset to prolong its life, increase its value, or enhance its capabilities. As used in the CIP, projects include land acquisition, buildings and facilities construction, asset upgrades or large-scale maintenance work and the planning needed to facilitate plans and implementation for infrastructure (for example, the Housing Element), including the cost of project management. These projects do not have a cost threshold. A capital outlay (fixed asset) purchase is any single item or piece of equipment that costs more than \$50,000 and has an expected useful life exceeding one year. The development of the CIP is coordinated with the development of the operating budget. The CIP is a planning document; the City Council appropriates funding for capital projects in the annual operating budget.

Annual operating budgets should provide adequate funds for maintenance of the City's buildings and maintenance and replacement of the City's capital equipment. The City will make all capital improvements in accordance with an adopted and funded capital improvement program. Prior to ratification of the capital budget for the forthcoming year by the City Council, the Planning Commission shall review the capital improvement plan and shall advise the City Council as to its recommendations regarding the proposed capital projects conformity with the City's General Plan in accordance with the Government Code.

Capital expenditures shall be effectively planned and controlled.

### Guidelines:

1. The level of capital improvement expenditures, excluding road maintenance program expenditures and lease payments, is established at a minimum of ten percent (10%) of total revenues.
2. Funding for the road maintenance program should improve the pavement condition index.
3. The City shall maintain a Five-Year Capital Improvement Program (CIP), which shall be updated at least annually as part of the budget review process.
4. The City shall annually establish a phasing calendar for capital improvement expenditures.
5. At least ten percent (10%) of the unrestricted funds designated for capital project expenditures shall be set aside for unanticipated expenditures.
6. The City shall conduct periodic reviews of property and facilities to determine the appropriate use and disposition of said property and facilities.
7. The City shall consider the ongoing impact of operations and maintenance expenses before undertaking any capital improvement expenditure.

8. The City shall maintain a capital reserve policy as described in the Capital Project Policy.
9. Public participation in the Capital Improvement Program is a priority concern for the City.
10. All projects included in the Capital Improvement Plan shall be consistent with the City's General Plan.

## OPERATING BUDGET POLICY

Operating revenues shall exceed operating expenditures.

Guidelines:

1. Total Expenditures, excluding CIP, shall not exceed 90% of budgeted Revenue.
2. A balanced budget is a budget in which total funding sources meet or exceed uses.
3. Ongoing expenses shall not be funded with one-time revenues.
4. The City shall establish salary adjustments in conjunction with the budget process.
5. The City will seek to comply with suggested criteria of the Government Finance Officer's Association in producing a budget document that meets the Distinguished Budget Presentation criteria.

## FINANCIAL POLICIES AND GUIDELINES

The City of Carmel-by-the-Sea has strong financial policies, based on City Council direction, which guide staff toward carrying out sound fiscal planning and continued management of fiscal integrity. The financial policies are divided into five categories: Capital Project Policy, Operating Management, Fund Balance Policy, Debt Policies, and Investment Policies. The City has financial policies that are adopted by the City Council with review every two years during the budget development process. The financial policies help ensure that the City maintains a healthy financial foundation into the future.

The goal of these policies is to promote:

- An extended financial planning horizon to increase awareness of future potential challenges and opportunities;
- Setting aside reserves for contingencies, replacement of capital equipment, and other similar needs;
- Maintaining the effective buying power of fees and charges and increasing cost recovery where directed to do so;

- Accountability for meeting standards for financial management and efficiency in providing services;
- Planning for the capital needs of the City;
- Maintaining manageable levels of debt while furthering quality bond ratings; and,
- Communication to residents and customers on how the community goals are being addressed.

## CAPITAL PROJECT POLICY

Capital expenditures shall be effectively planned and controlled. Capital projects that have not been completed by the fiscal year-end will be carried over into the subsequent fiscal year. Fund balance equal to the remaining balance of the uncompleted projects will be reserved.

## OPERATING MANAGEMENT POLICY

Operating revenues shall exceed operating expenditures.

Guidelines:

1. The City shall establish internal service funds for the repair, operation, and replacement of rolling stock and data processing equipment.
2. The City shall review the relationship between fees/charges and the cost of providing services at least every three years.
3. The City's fees and charges for services shall be adjusted annually, based upon the San Francisco-Oakland Consumer Price Index.

## FUND BALANCE POLICY

The Fund Balance Policy is designed to develop standards for setting reserve levels for various, significant City funds. Adequate fund balance and reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength. The City shall maintain reserves at a prudent level and shall use reserves appropriately with a focus on contributing to the reserves in good times and drawing on the reserves in times of difficult budget periods to maintain a consistent level of service and quality operations. Use of reserves is meant to supplement the annual budget.

Guidelines:

1. General Fund reserves shall be maintained at no less than fifty percent (50%) of annual projected operating expenditures.
2. The City shall maintain prudent reserves for operating liabilities and debt service.

3. A Vehicle Replacement reserve will be maintained sufficient to replace vehicles and heavy equipment at the end of their useful lives, with the target being 10% of the total City fleet replacement value.
4. Technology equipment replacement reserves will be maintained sufficient to repair covered equipment and for replacement at the end of its useful life.
5. The City will maintain a long-term budget stability reserve consisting of any Unassigned General Fund Balance. When available, the year-end General Fund operating surplus will be dedicated to the long-term budget stability reserve.
6. Net proceeds from the sale of City owned property will be dedicated to the general capital reserve. Funds in the general capital reserve will be allocated through the budget process for capital projects.
7. Reserves shall be used only for established purposes.
8. Depleted reserves shall be restored as soon as possible.
9. The City shall maintain reserves required by law, ordinance and/or bond covenants.

## DEBT POLICY

The City considers the use of debt financing for one-time capital improvements that benefit the residents of Carmel-by-the-Sea when the term of the financing is no longer than the project life, and when specific resources are found to be sufficient to provide for the debt. Use of long-term debt is limited to capital projects or special projects or obligations that cannot be financed from current revenues. The City has traditionally kept annual debt service payments to less than 5% of the budget.

### Use of Long-Term Debt Policy

The City recognizes that it may need to enter into long-term financial obligations to meet the demands of providing a high-quality level of government services to our community. The following long-term debt policy sets the considerations for issuing debt and provides guidance in the timing and structuring of long-term debt commitments by the City.

#### General Practices:

1. The City will strive to maintain good relations with credit rating agencies, investors of the City's long-term financial obligations and those in the financial community that participate in the City's financing and demonstrate City officials are following a prescribed financial plan. The City also will strive to maintain and, if possible, improve its current AA+ bond rating in order to minimize borrowing costs and preserve access to credit. The City will follow a policy of full disclosure by communicating with bond rating agencies to inform them of the City's financial condition.
2. Bond issue proposals are to be accompanied by an analysis defining how the new issue, combined with current debt, impacts the City's debt capacity and

- conformance with City debt policies. Such analysis shall include identification of the funding source, an assessment of the ability to repay the obligation, the impact on the current budget, commitments to future budgets, maintenance and operational impact of the facility or asset and the impact on the City's credit rating, if any.
3. City Council must review such analysis, including existing debt level, ability to pay debt service, impact on City services, and make a finding that use of debt is appropriate.
  4. Debt service costs (COP, Lease Purchase Agreements and other contractual debt that are backed by General Fund Operating Revenues) are not to exceed 25% of the City's General Fund operating revenues.
  5. The City recognizes that it is of the utmost importance that elected and appointed City officials, and all others associated with the issuance of City debt, not only avoid the reality of a conflict of interest, but the appearance thereof as well. City officials must conduct themselves in a fashion consistent with the best interests of the City and taxpayers.
  6. Bonds will be sold on a competitive basis unless it is in the best interest of the City to conduct a negotiated sale. Competitive sales will be the preferred method. Negotiated sales may occur when selling bonds for a defeasance of existing debt, for current or advanced refunding of debt, or for other appropriate reasons.

The City will consider the issuance of long-term obligations under the following conditions:

1. The City will use debt financing for one-time capital improvement projects and specific non-recurring equipment purchases or refunding of existing liabilities, and only under the following circumstances:
  - a. When the project is included in the City's adopted five-year capital improvement program (CIP) and is in conformance with the City's adopted General Plan.
  - b. When the project is not included in the City's adopted five-year capital improvement program (CIP), but the project is an emerging critical need whose timing was not anticipated in the five-year capital improvement program, or it is a project mandated by State or Federal requirements.
  - c. When the project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing.
  - d. When there are designated General Fund revenues sufficient to service the debt, whether from project revenues, other specified and/or reserved resources, or infrastructure cost-sharing revenues.
  - e. Debt financing (other than tax and revenue anticipation notes) is not considered appropriate for any recurring purpose such as current operating and maintenance expenditures.

2. The City will follow all State and Federal regulations and requirements related to bonds and debt financing instruments regarding bond provisions, issuance, taxation and disclosure.
3. Costs incurred by the City, such as bond counsel and financial advisor fees, printing, underwriter discount, and project design and construction costs, will be charged to the bond issue to the extent allowable by law.
4. The City will monitor compliance with bond covenants and adhere to federal arbitrage and disclosure regulations.
5. The City shall continually review outstanding obligations for opportunities to achieve debt service savings through refunding and shall pursue refinancing when economically feasible and advantageous.

### Debt Limit

The City will keep outstanding debt within the limits prescribed by State of California statutes and at levels consistent with credit objectives. California Government Code provides that “a city may incur indebtedness for any municipal improvement requiring an expenditure greater than the amount allowed for it by the annual tax levy” (43602). A “city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15 percent of the assessed value of all real and personal property of the city. Within the meaning of this section “indebtedness” means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the city” (43605). The limit is relative to the principal amount of bonds sold and delivered (43606). The City of Carmel-by-the-Sea, Policy No C94-01 establishes “the City’s debt shall not exceed predetermined levels.” The guideline in that policy is that “the City’s debt service level shall not exceed eight and one-fourth percent (8.25%) of total expenditures.

## INVESTMENT POLICY

The City will maintain adequate cash availability and yield on invested idle funds while insuring that invested monies are protected. Municipal monies not required for immediate expenditure will be invested. The Carmel Municipal Code requires the City Administrator to prepare investment policies and guidelines for adoption by the City Council. The adopted investment policy follows.

### Policy

In accordance with the Municipal Code of the City of Carmel-by-the-Sea and under authority granted by the City Council, the City Treasurer is responsible for investing the unexpended cash in the City Treasury.

The investment of the City of Carmel-by-the-Sea funds is directed to the goals of safety, liquidity and yield, in that order. The authority governing investments for municipal government is set forth in the California Government Code, Sections 53601 through 53659.



The primary objective of the investment policy of the City of Carmel-by-the-Sea is SAFETY OF PRINCIPAL. Investments shall be placed in those securities as outlined by type and maturity sector in this document. Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. The City's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. Portfolio management requires continual analysis, and as a result the balance between the various investments and maturities may change in order to give the City of Carmel-by-the-Sea the optimum combination of necessary liquidity and optimal yield based on cash flow projections.

### Scope

The investment policy applies to all financial assets of the City of Carmel-by-the-Sea as accounted for in the Annual Financial Report. Policy statements outlined in this document focus on the City of Carmel-by-the-Sea's pooled funds, but will also apply to all funds under the City Treasurer's control unless specifically exempted by statute or ordinance.

### Prudence

The standard to be used by investment officials shall be that of a "prudent person" and shall be applied in the context of managing all aspects of the overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, direction and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

It is the City's full intent, at the time of purchase, to hold all investments until maturity to insure the return of all invested principal dollars.

### Safety

Safety of principal is the foremost objective of the City. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or from erosion of the market value.

### Liquidity

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that the City's investment portfolio will remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements.

### Yield

The investment portfolio should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified within the financial statements.

## Performance Evaluation

Investment performance is continually monitored and evaluated by the City Treasurer. Investment performance statistics and activity reports are generated on a monthly basis for presentation to the City Administrator and City Council.

## Delegation of Authority

For short-term investments, the Administrative Services Director has authority to make transfers to and from the City's Local Agency Investment Funds (LAIF) account in order to maximize interest earned and meet cash flow requirements. The transfers are made to and from the City's general checking account to the LAIF account, with a minimum balance maintained in the general checking account to meet daily cash requirements.

The City Treasurer is responsible for investment of all unexpended City funds as per California Government Code section 41000 et seq. The City Treasurer makes long-term investments after review and approval by the Administrative Services Director and the City Administrator.

## Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with the proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally, the City Treasurer and the members of the investment committee are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

## Safekeeping of Securities

To protect against fraud, embezzlement, or losses caused by a collapse of an individual securities dealer, all securities owned by the City shall be held in safekeeping by a third party bank trust department, acting as an agent of the City under the terms of a custody agreement or PSA agreement (repurchase agreement collateral). The third party bank trust department must have safe keeping as a professional business line with expertise in this particular service area. All trades executed by a dealer will settle Delivery vs. Payment (DVP) through the City's safekeeping agent. Securities held in custody for the City shall be independently audited on an annual basis to verify investment holdings. All exceptions to this safekeeping policy must be approved by the City Treasurer in written form and included in quarterly reporting to the City Council.

## Internal Control

Separation of functions between the City Treasurer's Office and the Administrative Services Department would be an ideal situation. Time and necessity, however, dictate a different approach. Due to the lack of personnel dedicated to the investment function alone,

a proper balance must be maintained between Treasury activities and Administrative Services Department functions. The City Treasurer will make the appropriate arrangements to buy and sell securities that are deemed permissible by the Laws of the State of California as time permits. The Administrative Services Director and/or City Administrator will have the power as granted under the section titled Delegation of Authority in the absence of the City Treasurer. The City Administrator will have the authority to enter into agreements on securities so long as written policies set by the City Treasurer and State Legislature are followed.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Administrative Services Director on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review internal control, account activity, and compliance with government policies and procedures.

### Reporting

The City Treasurer shall review and render monthly reports to the City Administrator and the City Council, which shall include the face amount of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, the maturity date, and the current value and accrued interest to date due for all securities.

### Qualified Broker/Dealers

The City shall transact business only with banks and broker/dealers that are properly licensed and in good standing. The Administrative Services Director and the City Treasurer shall investigate dealers who wish to do business with the City to determine if they are adequately capitalized and if they market securities appropriate to the City's needs.

The City Treasurer shall annually send a copy of the current investment policy to all broker/dealers approved to do business with the City. Confirmation of receipt of the City's policy by the broker/dealer shall be considered evidence that the broker/dealer understands the City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

### Collateral Requirements

Collateral is required for investments in certificates of deposit. In order to reduce market risk, the collateral level will be at least 110% of market value of principal and accrued interest.

In order to conform with the provisions of the Federal Bankruptcy Code that provide for liquidation of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker's acceptances, medium term notes or securities that are the direct obligations of, or are fully guaranteed as to principal and interest by, the United States or any agency of the United States.

## Authorized Investments

Investment of City funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized as further limited herein:

- 1) United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable but current market conditions and interest rate projections may call for shorter terms.
- 2) Local Agency Investment Fund (LAIF), which is a State of California managed investment pool, may be used up to the maximum permitted by the California State Law. LAIF is a demand account, so no maturity limitation is required.

Investments detailed in items 3) are further restricted to percentage of the cost value of the portfolio in any one-issuer name to a maximum percentage of 15%. The total value invested in any one issuer shall not exceed 5% of the issuer's net worth. Again, a five-year maximum maturity is applicable unless further restricted by current policy. Market conditions should be evaluated as an important consideration and may indicate a shorter maturity.

- 3) Negotiable certificates of deposit issued by nationally or state chartered bank or state or federal savings institutions. Negotiable certificates of deposit shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical Rating Organizations. Purchases of negotiable certificates of deposit may not exceed 30% of the total portfolio. A maturity limitation of up to five years is applicable after considered evaluation of the financial markets.

Ineligible investments are those that are not described herein, including, but not limited to, common stocks and long term (over five years maturity) notes, bonds, and time deposits, unless specifically allowed both by state law and City Council approval. It is noted that special circumstances may arise where these methods of investment may become necessary. When this becomes necessary, the City Council will be asked to take the appropriate action to ratify the means of investment necessary, provided that it is allowable by California Code.

## Legislative Changes

Any State of California legislative actions that further restrict allowable maturities, investment type, or percentage allocations will supersede any of the material presented herein. In this case, the applicable law will become part and parcel of this investment policy.

### Interest Earnings

All moneys earned and collected from investments authorized in this policy shall be allocated monthly to the General Fund and various special funds of the City that legally require interest proration or when City Council action dictates such proration. This distribution will be based on the cash balance in the fund as a percentage of the entire pooled portfolio.

### Policy Review

The City of Carmel-by-the-Sea's investment policy shall be approved by resolution of the City Council. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy, other than State and Federal laws that automatically supersede the relevant sections shall be forwarded to the City Council for approval by resolution.



<b>Fund</b>	<b>Department</b>	<b>Division</b>
101 General Fund	110 City Council	10 Administration
102 Hostelry Tax	111 City Administration	11 City Clerk
201 Gas Tax	112 City Attorney	12 Finance
202 Transportation Safety	115 Community Planning & Building	13 Human Resources
203 COPS Grant	116 Police	14 Information Technology
204 Parking in Lieu	117 Fire	20 Planning
205 Asset Seizure	118 Ambulance	21 Building
206 Local Measure Sales Tax	119 Public Works	22 Code Enforcement
301 Capital Projects	120 Library	40 Public Works Admin
401 Debt Service	121 Community Activities	41 Streets
501 Worker's Compensation	122 Economic Revitalization	42 Facilities
502 OPEB Reserve Fund	130 Non-Departmental	43 Environmental
503 Vehicle & Equipment Fund	135 Hostelry Tax	44 Project Management
	211 Gas Tax	45 Forestry, Parks & Beach
	212 Transportation Safety	
	213 COPS Grant	
	214 Parking in Lieu	
	215 Asset Seizure	
	216 Local Measure Sales Tax	
	311 Capital Projects	
	411 Debt Service	
	511 Worker's Compensation	
	512 OPEB Reserve Fund	
	513 Vehicle & Equipment Fund	





## Fiscal Year 2025-2026 Budget Questions and Answers

1. At a Council meeting earlier this year - we talked about exposing specific "operational expense budget" items more clearly. These items are dominantly in the Public Works area. Some of these look to be exposed on Slide #4 in the presentation. But we don't currently see what \$'s are estimated in these operational items and if this is an increase or decrease from prior budgets/actuals. – For example Tree related work/\$'s - I see on page 50 of the Budget book - more of the details...but not with it compared to this year's budget/actual estimate) Is this possible to represent these more clearly?

**The one-time, non-operations projects are listed as separate line-item projects in the CIP budget list and are no longer included with the budgeted expenditure totals for operations.**

2. On slide #11, the "Fund Balance for Capital Projects" of over 5 million. I assume again, that these dollars are the estimated \$'s that were in last years budget - but were not spent - due to project delays or that the larger projects behind these \$'s are multi year projects - so are not expected to be needed in this fiscal year.

**The \$5M reported is a net negative fund balance, or a utilization of previous fund balance. In a for-profit company, it would be called "Net Operating Loss". The negative fund balance is labeled "Use of Fund Balance for Capital Projects" to reflect the fact that the City is dipping into fund balance in order to fund the proposed \$7M of Capital Projects.**

3. Continuing on this prior question - are the (beyond the nonemergency/quick fix) dollars in last/this years' budget for the Police Building project (due to delayed decision making) now included in the \$5 million amount?

**The proposed FY 2025 - 2026 budget includes a \$50,000 line item for the Police Building planning. As a new project for the Police and Public Works building is identified and the scope defined, it will be brought to the City Council directly for approval, along with consideration for funding.**

4. Why don't you cut the financial assistance to Visit Carmel, See Monterey, and the CBTS Chamber of Commerce by 50 percent? That would save \$220,000!

**The City Council has historically supported operations and organizations that contribute to the economic development of the community. Expenditures in this portion of the budget are considered to be investments that will yield a return of increased property, sales and transient occupancy taxes in the future.**

**As line items in the budget, the City Council can control how much is contributed to these agencies in the coming fiscal year. While the amounts expended to most agencies are entirely at the discretion of the City Council, the exception is the Sunset Center. Currently, the City is under contract to pay \$750,000 per year for the operation of the Center until the year 2032.**

5. Is there a less expensive option for completing an audit (master plan) for your IT function? \$108,000 seems a bit high.

**The City will delay its IT Strategic Plan preparation, instead focusing in the coming year on conducting an external audit of its primary IT cyber-defense systems.**

6. Is the forecast on the economy really that bad? Why don't you increase all of the three major revenue pillars by 500 basis points (5%)? How much additional revenue would that reap?

**As the Federal Reserve has had many occasions to note, the forecast for the economy is uncertain. The local economy has shown flexibility in the face of changing tourist dynamics but has also experienced significant negative impacts in the last recession. If, on the other hand, the economy was to "heat up" by 500 basis points or 5% growth in each of the three major revenue sources, it would add \$1.2 million over the proposed budgeted revenue. The City Council conducts a mid-year budget review around January each year. This check-in will allow for the revenue projections to be reviewed again.**

7. Please tell me the new positions proposed by your Department Heads, the cost of each, and why you chose not to include them in the draft budget. (C Rerig, email 5/7/25, 8:07)

**City Administration cut multiple department asks for *new* positions. Below are those positions that were not included in the budget. These positions were created without the oversight of management, HR and City Council, and will need to go through that process.**

Dept.	New Positions Proposed	Budgeted Cost
IT	Systems Network Analyst	160,939
PW	Assistant Public Works Director	258,310
Library/CA	Administrative Analyst	164,572

8. Please list all budget requests (including budget estimate) from Department Heads that you removed in order to balance the draft budget.

The table below summarizes the changes that have occurred to the budget in order to bring it before the Council today. The budget starts based on plans made by Department Heads for the coming year. The City's Management Team then comes together to blend those plans into the Recommended Budget. Feedback is then obtained, and a revised budget is presented for analysis at the Budget Workshop. See the timeline and highlight of changes below.

	Department Requested	Changes	5/2/2025 Recommended	Changes	5/21/2025 Proposed
Property Tax	\$9,094,517	\$103,888	\$9,198,405	\$0	\$9,198,405
Sales & Use	3,794,590	33,529	3,828,119	-	3,828,119
Measure C	6,117,604	477,452	6,595,056	-	6,595,056
TOT	7,694,721	1,414,395	9,109,116	-	9,109,116
Services	2,611,233	99,852	2,711,085	200,816	2,911,901
Other	3,272,484	-	3,272,484	-	3,272,484
<b>Total Revenue</b>	<b>\$32,585,149</b>	<b>\$2,129,116</b>	<b>\$34,714,265</b>	<b>\$200,816</b>	<b>\$34,915,081</b>
Salaries & Benefits	\$16,936,689	(\$178,718)	\$16,757,971	(\$1,688,887)	\$15,069,084
Services & Supplies	13,505,811	(1,637,463)	11,868,348	1,841,110	13,709,458
CalPER UAL	2,708,158	-	2,708,158	-	2,708,158
Capital Outlay	7,850,000	44,000	7,894,000	105,000	7,999,000
Debt	509,100	-	509,100	-	509,100
<b>Total Expenditure</b>	<b>\$41,509,758</b>	<b>(\$1,772,181)</b>	<b>\$39,737,577</b>	<b>\$257,223</b>	<b>\$39,994,800</b>
<b>Total Net Income</b>	<b>(\$8,924,609)</b>	<b>\$3,901,297</b>	<b>(\$5,023,312)</b>	<b>(\$56,407)</b>	<b>(\$5,079,719)</b>

	Department Requested	Changes	5/2/2025 Recommended	Changes	5/21/2025 Proposed
Administration	\$3,745,079	\$107,854	\$3,852,933	(\$97,916)	\$3,755,017
Citywide	5,166,768	(351,825)	4,814,943	-	4,814,943
Council	254,093	(5,314)	248,779	(27)	248,752
Legal	517,000	-	517,000	-	517,000
Planning	2,519,547	(147,627)	2,371,920	(15,869)	2,356,051
Ambulance	1,531,530	300,828	1,832,358	527,402	2,359,760
Fire	3,416,097	1,327	3,417,424	-	3,417,424
Police	5,836,128	(292,061)	5,544,067	11,373	5,555,440
Economic Development	1,167,981	-	1,167,981	-	1,167,981
Library	1,545,319	(57,193)	1,488,126	3,778	1,491,904
Community Activities	345,550	(98,360)	247,190	(790)	246,400
Public Works	7,105,566	(1,273,810)	5,831,756	(275,728)	5,556,028
<b>Operating Budget</b>	<b>\$33,150,658</b>	<b>(\$1,816,181)</b>	<b>\$31,334,477</b>	<b>\$152,223</b>	<b>\$31,486,700</b>
Debt	\$509,100	\$0	\$509,100	\$0	\$509,100
Capital Outlay	7,850,000	44,000	7,894,000	105,000	7,999,000
<b>Total</b>	<b>\$41,509,758</b>	<b>(\$1,772,181)</b>	<b>\$39,737,577</b>	<b>\$257,223</b>	<b>\$39,994,800</b>

9. Please review the amount of funds actually spent on capital expenditures the last seven (7) years in the draft budget to ensure they are correct. And please consider adding the \$1MM for the tree catch-up program in the Fiscal Year 2024/25 completed capital expenditures as you are proposing to add the same in Fiscal Year 2025/26.

**While the table of historic CIP expenditures below is updated for estimated expenditures through the end of the FY24-25 year, those current year numbers are still in-process. CIP expenditures also include donations, but it is important to note that not all donations are fully allocated to CIP and have historically been split against operations depending on the donations themselves.**

Fiscal Year	Projects	Total Spent
2017 - 2018	2	465,637
2018 - 2019	5	37,375
2019 - 2020	11	366,708
2020 - 2021	0	0
2021 - 2022	8	217,941
2022 - 2023	20	1,096,079
2023 - 2024	22	2,760,886
2024 - 2025	22	4,870,404

10. Why is the Sunset Center operating grant of \$750,000 included under marketing and economic development? Is there another logical place for it?

**The business plan for the Sunset Center was to form a premier performing and cultural arts center that would benefit not only the residents but also the business of the City through increased tourism. For this reason, the expenditures for Sunset Center are considered to be an investment in Economic Development. It is important to note that the plan for the Sunset Center also envisioned their development of their own funding sources.**

**Overall, the City is not paying for Marketing and that description has been removed from the presentation and budget book.**

11. It would be helpful if we had the salaries listed alongside each department with all the individual positions listed as a matter of openness and transparency.

**See Attachment.**

12. What is the Police line item called “Holiday in Lieu”?

**Because the police department runs 24/7, police staff do not get holidays off. The way the City compensates them for the lost time off is to give them an additional amount of compensation equivalent to the time they did not get to take. Essentially, we pay them the holiday in lieu of taking the time off.**

13. CIP projects should be listed to include the total cost of the entire project, not just the “design” or “construction” portions of the project, so there is better understanding of how much overall its going to cost.

**Public Works is in the process of estimating the total cost to bring each project to completion, in addition to the current year CIP costs. Should the current year CIP be approved, those subsequent costs will be forecast in detail and brought back to the City Council in subsequent years for approval so that the projects can progress.**

14. Where does the City get its industry forecasts?

**The City meets regularly with HDL Companies to study trends in sales tax, and assess how those trends inform not only sales tax collections, but also how those trends impact its other major revenue pillars of property and transient occupancy taxes. The City looks to information obtained from VisitCarmel, based on its hotel owner-members, and correlates that with its own information obtained directly from hoteliers and retailers and through its Planning operations. The City also works with State of California data and local realtors to understand the local housing market and its trends. Together these information sources help the City to generate a picture of what the coming year might look like so that a forecast of revenues can be made.**

15. How much are we projecting to be left over of the unassigned fund balance at the end of FY 24-25? FY25-26? How much does the City have in the bank for the future?

**Please see page 80 of the Proposed Budget Book. Based on the beginning audited fund balances, forecast operating results for the Fiscal Year 2024-2025 and the budget for 2025-2026, the City projects an unallocated fund balance of \$7,729,665 as of June 30, 2026. Unallocated fund balances are those funds that are not restricted or designated for any purposes and are therefore available for use as the Council decides. Going forward, the City Council’s new policy limits operating costs to be no more than 90% of revenues. This would contribute another 10% of revenues (an estimated \$3.4M annually) to that unallocated balance. Together the \$7.7M starting balance and the \$3.4M annually are what is forecast to be available to address the backlog of deferred maintenance and other CIP projects.**

16. Is the four months of unbudgeted vacant positions like a mini hiring freeze?

**In calculating salary expense for the 2025 - 2026 budget, the City has made an assumption that positions which are vacant will not be filled for four months. This assumption recognizes the fact that most positions take time for recruiting and for new hires to begin work. Four months represents an assumption about the average time to fill vacant positions and allows the City to prioritize its hiring, resulting in some positions being hired right away and others being hired late in the fiscal year.**

17. What is the catalyst behind the Public Works ask for replacement vehicles for the 2000 Dodge Dakota and the 2002 Ford Ranger? Are they breaking down to the point where the City is spending a lot of money to repair, or because the vehicles are old and wanting to move towards electric vehicles?

**The status of the two pickup trucks slated for replacement is as follows:**

- Unit 20 is a 2007 Ford Ranger. 35,118 miles, It has a bad transmission, no reverse, bent frame, damaged rear bumper and tailgate. It was involved in a minor accident and it is not cost effective to make further repairs.**
- Unit 2 is a 2000 Dodge Dakota with 110,899 miles. It is 25 years old and is on our vehicle replacement schedule to be replaced this year. It runs "ok" but is not reliable. See pictures.**



18. The ribbon cans are rusting. Can the City pursue other trash can options?

**Other designs are currently being considered and tested. This project has been removed from the CIP list while that testing is being completed.**



19. City Council approved a financial policy yesterday that states operating costs are limited to 90% of the current year revenue, meaning the other 10% could go to Capital Projects. The City is at 92% with the Recommended Budget. Taking into consideration the Ambulance contract, how does this change?

**After considering adopted, recommended and suggested changes to the budget presented on May 6, operating expenditures currently represent 91% of budgeted revenues. See Question 8 table showing the changes made to the budget through the budgeting process. In order to meet the 90% policy goal, additional revenues must be obtained and/or expenditures must be eliminated. Per the Council's request, the City has developed a list of options for additional changes that can be made to the budget in order to reach that goal of 90%. Please see Table 2 in Appendix A of the staff report. In future years, the City will continue to have a conversation around balancing the services and ordinary operations of the City against the policy goal of budgeting no more than 90% for operating expenditures.**

20. It looks like we are losing the local history librarian. Can you provide a little narrative explaining the position changes in the Recommended Budget?

**Per the classification and comparable study authorized by City Council in 2022 and approved in November of 2024, the position descriptions and job titles were updated. As a part of that study, the expertise previously listed as 'History Librarian' is now reported under 'Supervising Librarian'.**

21. The City's new reserve policy of 50% differs from other municipalities. If we were to reduce the reserve to 40%, it would give the City a few extra million to spend.

**The City's new reserve policy is similar to other small, tourist-dependent cities but is more than other local cities currently set aside. It represents six months of operating costs. A reduction of the reserve requirement to 40% increases the FY25-26 ending Unallocated fund balance by \$3.2M, thereby increasing the amount of funds available for CIP projects.**

22. The City should consider a grant writer.

**The City will evaluate options for hiring a grant writer or training in-house personnel on grant writing, and will bring back those opportunities to the City Council as they are identified.**

23. Does CalPERS have a cap by which they are limited in raising our base contribution annually?

**CalPERS calculates the annual required contribution based on a sliding multi-year average which serves to smooth out volatility and give cities advanced notice of future increases. A single-year investment gain or loss decreases or increases the required UAL contribution amount**

**incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year.**

24. Can the City provide an organizational chart or the number of people that are in each department? (Maria Ruse?, CC Mtg 5/6/25)

**Please see page 18 of the budget for an organizational chart and pages 16 – 17 for the number of employees. Most employees are cross-trained, supporting multiple functions. For example, they are not working on just “Streets” or just “Facilities”. Therefore the FTE count is not limited to the structure of the boxes in the Org Chart.**

25. There is some reference we made yesterday modifying the policy. We talked about eliminating the hostelry fund and it is still referenced in the budget. It was eliminated and crossed off from the policy, so in order to be consistent, I would like to tie the budget to the policy.

**With the May 5 approval from Council, the budget book has been updated for the new policies. In addition, see the budget book for an analysis of how the new policies are applied to the FY 2025-2026 budget.**

26. Is the City implementing the 90/10 operating policy with the FY25-26 Recommended Budget? If the City is short of the 90/10 policy, is the City going to make that up?

**The two new budgetary guidelines apply to the FY 2025-2026 budget. Those budget guidelines stipulate that the budget for operating expenditures not exceed 90% of budgeted revenue and that budget for CIP expenditures equal at least 10% of budgeted revenue. See the staff report for an analysis of the application of those policy guidelines to the new budget.**

27. With more community meetings and projects, there are more pressures on staff. The City should add another administrative analyst for City Hall to manage these meetings and additional workload.

**While more staff would allow the City to take on more projects and proposals, the word of the day is efficiencies. If the City is going to meet its guideline that 10% of its current revenues be available for CIP and thus no more than 90% of its current revenues be utilized for operations, operating expenditures must be held firm at current or lower levels.**

28. Code Compliance FTE was reduced from two down to one and a half. I would like to see that budgeted and staffed fully.

**This is not an actual reduction from previous staffing levels. Instead the titles and FTE-count are being adjusted to reflect the staffing plan that is currently in place and operating with one of the code compliance officers**

**50% assigned to planning permit technician, which represents the actual overlap of code compliance and Planning. This code compliance officer is still actively pursuing compliance cases.**

29. The City needs to budget an IT audit.

**See Question #5 above.**

30. The size of the marketing budget is worrisome. Maybe we should structure it differently with less money in that function. (Baron, CC Mtg 5/6/25)

**As reference in Question #10 above, the City does not engage in Marketing so that description has been removed from the budget book. The City does invest in Economic Development. Regarding the amount of expenditures for Economic Development, see question #4 above.**

31. The City needs to identify additional sources of revenue, such as parking management.

**At the City's current levels of operation and revenue collections, forecasts show that it will be exceedingly difficult to maintain current levels of service in the face of slowing revenue growth. While the City will continue to work on improving operating efficiencies, identifying alternate revenue sources (and protecting current revenue sources) are critical to the City being able to continue its current level of services, let alone enhancing services.**

**In addition, the amount of revenues and unrestricted balances available to fund CIP projects will be rapidly depleted at the current rate of expenditure and future revenue collections from existing sources are unlikely to be able to fund the list of desired CIP projects in addition to the significant amounts of deferred maintenance and infrastructure repairs. Identification of new revenue sources is complex, as no easy answer can be listed here and implemented next year. Implementing new revenue sources is long-term project that the Council will need to consider.**

32. How much of the different categories are spent on capital expenditures versus recurring revenues? How much of the \$39 million is CapEx money? Is it all in Public Works? City-wide? Is the Project Manager's salary in the operating or Capital line? Some of the Capital expenditures need to be on the backs of some employees. Maybe a diagram to take a look at this breakout? Should we be budgeting their time in CIP?

**In the fiscal year 2025 - 2026 budget, all of the capital expenditures have been reported as capital project or "CIP" expense. This includes reclassifying costs to CIP that had previously been included in forestry and planning operations. Included in the updated CIP list are the costs of project managers, with internally staffed project management listed as its own CIP line-item. In the future, the City will explore ways to track individual labor time and allocate it to projects and outcomes on an ongoing basis, but that technology is not yet available and allocations of individual staff time happen only at year-end.**

33. Can we double check our cybersecurity insurance?

**The City has cyber security insurance in place. In addition, as discussed in Question 5, the City is organizing an IT audit.**

34. Why don't we have Saturday library hours?

**Due to union objections, the City has been unable to implement Saturday operations. City Administration is strongly in favor of Saturday hours and will continue to explore opportunities to add Saturday hours over the first quarter. Staff will return to Council if additional funds are needed for staffing.**

35. We are only spending \$300K net new on roads in this fiscal year. We need to be spending a decent chunk of our CIP budget on roads and \$300k of the \$7.9M is not the right ratio.

**The fiscal year 2025 - 2026 budget for Streets is \$1.6 million of new expenditures in addition to the completion of a \$2.7 million carry-over, multi-year project.**

36. The Historic CIP Lookback table included in the first draft of the budget book (p. 72) does not look complete. Confirmation on total spends?

**See Question #9 above.**

37. The City needs some long-term plan to figure out how to address the City's buildings' deferred maintenance.

**This is consistent with the City's assessment of the situation. In the face of dwindling fund balances, slowing revenues and increasing operating costs (as discussed in Question #15 and #31), a thoughtful, multi-year budget plan to address unfunded maintenance and infrastructure is essential. City staff will be working with the Financial Stewardship Workgroup over the coming months to address this need.**

38. The City does not have a City Public Information Officer.

**Per Question 27 above, the City is looking for the most efficient way to address public information needs.**

39. If the City were to borrow money to pay for the construction of the police station, how would payments in future years appear in the budget - capital projects or operating expenses?

**Expenditures for debt service are included in operating costs, so the cost of the bond issuance and its related interest would be included in operating costs and would be on top of the normal costs for operating the City. An example of this can be seen in the current budget relative to the debt service for Sunset Center on page 57 of the Proposed Budget Book.**

40. How much would it cost to repave all the streets that have "fallen off of the bad end of the pavement management index?"

**Public Works is developing an analysis that will be presented in the May 21 Budget Workshop.**

41. Is there sufficient staffing to accommodate all of the community meetings that are being scheduled?

**There is enough staffing to currently accommodate all the community meetings but the time to facilitate meetings does reduce time available for other activities and service.**

42. Does the City follow any State parental leave benefits?

**Employees do not pay into State Disability Insurance therefore not eligible for State parental leave benefits.**

43. Can we provide an example of how much employees contribute to their benefit packages. I'm thinking two safety - one classic and one PEPPRA (for purposes of PERS), and two non-safety - one classic and one PEPPRA (for purposes of PERS). As well as an example of medical contributions on the part of staff.

## Question &amp; Answer Subsequent to Budget Workshop

44. Could a discussion of Carmel's current reserve policy or goals, including the risks caused by these practices, be included in the budget narrative? In particular, please characterize the risk associated with Carmel's lack of reserves for deferred maintenance and climate/resilience.

**As outlined in the budget document, the City has adopted a simplified set of budgetary guidelines and a new, consolidated reserve for uncertainties. The policy now states that a reserve of 50% of operating expenditure shall be maintained. This reserve is to be available to cushion the impact on operations of the volatile nature of the City's revenues. The new budget guidelines further seek to focus on reserves and capital maintenance by capping operational spending at 90% of revenues and requiring capital improvements spending to be at least 10% of revenues. As discussed at the May 21 budget workshop, these policies will contribute a steady stream of funding in addition to the current unallocated fund balance being held and budgeted for capital improvements. At the same time, as mentioned in the May 21 workshop, the City has a significant amount of as-of-yet unquantified maintenance work to do, and the amount of the currently available and future funding may not be sufficient to get the work done in the near-term. The City is currently working on an updated plan but that plan is not yet available.**

45. First, I would encourage spending the un-allocated balance to what the Staff refers to as “aging” infrastructure. We continue to profess that we live in Beautiful Carmel, which requires we look at vistas, not the roads and pathways beneath our feet or the public green spaces like those on Ocean Avenue towards Del Mar parking. Our city is in deplorable shape. Let’s fix the roads, beautify the public pathways, fix or replace the police facility, so that the entire city gets the type of attention that tax-paying citizens are giving to Scenic Pathway.

**The spending of the unallocated fund balance is at the discretion of Council. In FY25-26 budget, Council has authorized a capital improvements ("CIP") budget of \$7.9 million that will consume \$4.9 million of the \$14 million unassigned fund balance to be spent on the FY25-26 approved CIP projects, including projects addressing the City's aging infrastructure. This spending comes on top of an estimated \$5 million of CIP spending in the current FY 24-25 year.**

46. Second, you are considering cost cuts to operating expenses appropriately; however, now is also the time to consider revenue increases. Why does Carmel persist on being below market on TOT. We tax at 10% for Transient Occupancy Tax while other coastal communities, including Pacific Grove, Laguna Beach, etc. are at 12%. That additional +2% would address the concern about not meeting the 90/10 guideline over the next 5 years; but for some reason this is a “parking lot” item to be addressed at a future date?



**The City currently collects 10% for Transient Occupancy Tax (TOT). Another 2% is collected as part of a self-assessment which all of the Hotels placed on themselves as part of the Carmel Hospitality Improvement District for a total cost to the visitor of 12%. The 2% is passed directly from the hotels to Visit Carmel for marketing. In other words, the City only receives a 10% TOT from hotels. Increasing the City TOT from 10% to 12% would raise an estimated additional \$1.8 million, or 5% of operating expenditures. The City Council considered this action in 2024 but decided to keep the TOT at 10%. The City is actively looking for additional revenue sources, but considering additional revenue sources requires more research and staff time than cutting expenditures. It also takes longer for the implementation and realization of new revenues. For example, creating new revenues in FY25-26 would have required Council actions as early FY23-24.**

47. Since Salaries & Benefits are the biggest expense, I recommend we make it clearer as to how the \$15,069,084 of expenses are being applied. The budget shows a total of 90.5 positions, yet the organizational chart only shows some positions and each organization just shows a total salary number as a line item. I recommend the document: 1) show the amount of salaries and in parenthesis depict how many positions that represents or, 2) under each organization restate how many employees work there. For example: Community Planning & Building organization has a total of 12 employees for salaries of \$1,561,919; how about displaying it as: Salaries (12 positions).....\$1,561,919 on the Budget Summary & Service Impacts table. By simplifying the ability to connect both salaries and positions, we can celebrate how small some organizations are and how impressive their performance is or evaluate inconsistencies on how to utilize headcount.

**The City will incorporate these changes in the preparation of the FY26-27 budget.**

48. Although it is always recommended to have a General Fund Reserve, a 50% reserve of annual projected operating expenditures it is very high. I recommend a more traditional use of 30 to 35%; therefore, allocating funds to projects both short term and long term to ensure continuity and completion.

**Please reference Question 21**

49. Unassigned General Fund: Currently we are showing an unassigned Fund balance by June 2025 of \$14,153,262. Why are we increasing it? What about we allocate to some key operational or capital improvement areas instead of showing it as unassigned? The practical element of that is to allow for the city to function.

**The City's unassigned fund balance represents all non-restricted funds leftover after the General Fund Reserve is funded. The unassigned fund balance is projected to increase in the current FY24-25 year because the City anticipates current-year revenues to be greater than current-year expenditures by a surplus of \$3.8 million. That increase is budgeted to go the other direction in the FY25-26 budget. For FY25-26, Council has**

**authorized \$4.9 million of the \$14 million unassigned fund balance to be spent, mostly on FY25-26 approved CIP projects.**

50. Potential Changes to the Budget (budget workshop): Very good effort in trying to identify how to cut expenditures. A hiring freeze and cut to Economic Development seem appropriate as a way to reassess. I do not recommend reducing/eliminating: 1) Computer replacement, 2) Building department, 3) employee appreciation, 4) City clerk vital records, 5) HR Physical personnel file, 6) Public Web based budget. It is imperative to keep supporting efforts for our employees to be able to perform and efficiently manage the multiple requests they receive.

I recommend we as a community, with the support of our businesses and residents, start looking at other sources of revenue such as parking spaces, increasing transit occupancy tax, vacancy tax on empty homes, pay-per-use of services, etc.

**Council made no additional cuts to operating expenditures at the May 21, 2025 Budget Workshop and is discussing various revenue generating ideas.**

51. Unassigned Fund Balance in June 2026: The value shown on the budget book (page 80) shows \$7,729,665 vs. the projected balance on the presentation shows \$7,260,561. Seems this is an error.

**As the current FY24-25 fiscal year draws to a close, year-end forecasts for operating and CIP expenditures continue to be refined. Between the publishing of the draft budget book, the publishing of the presentation and the republishing of the budget book, the estimate for spending and project completion has continued to be updated and refined. At this time, the forecast for the June 2026 unassigned fund balance is approximately \$7.9 million.**

Attachments:

		FY 24/25	FY 24/25	FY 25/26	
Department and Title	Salary Schedules	Adopted	Proposed	Change	
<b>Council</b>					
Councilmember	monthly \$150	4.00	4.00	0.00	
Mayor	monthly \$200	1.00	1.00	0.00	
<b>City Council Total</b>		<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	
<b>Administration</b>					
City Administrator	Max 241,088	1.00	1.00	0.00	
Assistant City Administrator	193,753 - 235,507	1.00	1.00	0.00	
Administrative Analyst	89,359 - 108,607	1.00	1.00	0.00	
Administrative Coordinator	66,227 - 80,517	1.00	1.00	0.00	
City Clerk	151,864 - 184,591	1.00	1.00	0.00	
Finance Manager	151,864 - 184,591	1.00	1.00	0.00	
Accountant	121,701 - 147,930	1.00	1.00	0.00	
Finance Analyst	89,357 - 108,638	1.00	1.00	0.00	
Finance Specialist	69,659 - 84,677	1.00	1.00	0.00	
Human Resources Manager	151,864 - 184,591	0.00	1.00	1.00	
Senior Human Resources Analyst		1.00	0.00	-1.00	
Information Services/Network Manager	151,864 - 184,591	1.00	1.00	0.00	
Information Technology Technician	75,920 - 92,310	1.00	1.00	0.00	
<b>Administration Total</b>		<b>12.00</b>	<b>12.00</b>	<b>0.00</b>	
<b>Community Activities</b>					
Community Activities Assistant I hourly	33,998 - 41,319	1.00	0.50	-0.50	
Executive Assistant	44,941 - 48,607	0.50	0.50	0.00	
<b>Community Activities Total</b>		<b>1.50</b>	<b>1.00</b>	<b>-0.50</b>	
<b>Library</b>					
Library and Community Activities Director	167,573 - 203,687	1.00	1.00	0.00	
Supervising Librarian	83,907 - 101,982	2.00	2.00	0.00	
Librarian	76,274 - 92,706	1.00	1.00	0.00	
Library Associate	64,355 - 78,250	0.00	3.00	3.00	
Library Assistant	58,510 - 71,136	4.00	1.00	-3.00	
Executive Assistant	44,941 - 48,607	0.50	0.50	0.00	
Librarian II (Local History)		1.00	0.00	-1.00	
Librarian I hourly	65,312 - 79,394	1.00	1.00	0.00	
Library Assistant hourly	56,264 - 68,390	3.25	2.00	-1.25	
<b>Library Total</b>		<b>13.75</b>	<b>11.50</b>	<b>-2.25</b>	

<b>Community Planning &amp; Building</b>						
Community Planning and Building Director	189,825	-	230,733	1.00	1.00	0.00
Principal Planner	134,160	-	163,093	2.00	2.00	0.00
Senior Planner	121,701	-	147,930	0.00	1.00	1.00
Associate Planner	92,161	-	111,998	2.00	2.00	0.00
Assistant Planner	83,450	-	101,400	1.00	0.50	-0.50
Administrative Coordinator	66,227	-	80,517	1.00	1.00	0.00
Building Official	125,439	-	152,448	1.00	1.00	0.00
Building Inspector	101,213	-	123,053	1.00	1.00	0.00
Permit Technician	69,659	-	84,677	1.00	1.00	0.00
Code Compliance Coordinator	87,152	-	105,934	2.00	1.50	-0.50
<b>Community Planning &amp; Building Total</b>				<b>12.00</b>	<b>12.00</b>	<b>0.00</b>
<b>Public Works</b>						
Public Works Director	189,825	-	230,733	1.00	1.00	0.00
Administrative Coordinator	66,227	-	80,517	1.00	1.00	0.00
Public Works Superintendent	125,445	-	152,485	1.00	1.00	0.00
Streets Supervisor	88,899	-	108,098	1.00	1.00	0.00
Streets Maintenance Worker III	74,381	-	90,418	2.00	2.00	0.00
Streets Maintenance Worker III	61,485	-	82,181	5.00	5.00	0.00
Facilities Maintenance Supervisor	93,434	-	113,568	1.00	1.00	0.00
Facilities Maintenance Specialist	74,381	-	90,418	1.00	1.00	0.00
Environmental Compliance Manager	125,439	-	152,448	1.00	1.00	0.00
Administrative Analyst	89,359	-	108,607	1.00	1.00	0.00
Project Manager	125,439	-	152,448	2.00	2.00	0.00
City Forester	125,445	-	152,485	1.00	1.00	0.00
Assistant City Forester	92,539	-	112,507	1.00	1.00	0.00
Tree Climber & Care Specialist	74,381	-	90,418	1.00	1.00	0.00
Administrative Analyst	89,359	-	108,607	1.00	1.00	0.00
F&B Maintenance Worker III	61,485	-	82,181	3.00	3.00	0.00
Tree Permit Technician	69,659	-	84,677	1.00	1.00	0.00
<b>Public Works Total</b>				<b>25.00</b>	<b>25.00</b>	<b>0.00</b>
<b>Police</b>						
Public Safety Director	193,753	-	235,507	1.00	1.00	0.00
Police Commander	167,573	-	203,687	1.00	1.00	0.00
Police Sergeant	148,637	-	161,158	2.00	3.00	1.00
Police Officer	129,230	-	140,109	9.00	10.00	1.00
Police Services Supervisor	76,960	-	96,346	1.00	1.00	0.00
Police Services Officer	66,914	-	83,762	6.00	6.00	0.00
Community Services Officer/Animal Control	62,046	-	77,688	2.00	2.00	0.00
<b>Police Total</b>				<b>22.00</b>	<b>24.00</b>	<b>2.00</b>
<b>Ambulance</b>						
Paramedics				6.00	0.00	-6.00
<b>Ambulance Total</b>				<b>6.00</b>	<b>0.00</b>	<b>-6.00</b>
<b>Citywide Total Funded Positions</b>				<b>97.25</b>	<b>90.50</b>	<b>-6.75</b>

		FY 24/25	FY 24/25	FY 25/26	
Department and Title	Salary Schedules	Adopted	Proposed	Change	
<b>Council</b>					
Councilmember	monthly \$150	4.00	4.00	0.00	
Mayor	monthly \$200	1.00	1.00	0.00	
<b>City Council Total</b>		<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	
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City Administrator	Max	241,088	1.00	1.00	0.00
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Administrative Analyst	89,359 -	108,607	1.00	1.00	0.00
Administrative Coordinator	66,227 -	80,517	1.00	1.00	0.00
City Clerk	151,864 -	184,591	1.00	1.00	0.00
Finance Manager	151,864 -	184,591	1.00	1.00	0.00
Accountant	121,701 -	147,930	1.00	1.00	0.00
Finance Analyst	89,357 -	108,638	1.00	1.00	0.00
Finance Specialist	69,659 -	84,677	1.00	1.00	0.00
Human Resources Manager	151,864 -	184,591	0.00	1.00	1.00
Senior Human Resources Analyst			1.00	0.00	-1.00
Information Services/Network Manager	151,864 -	184,591	1.00	1.00	0.00
Information Technology Technician	75,920 -	92,310	1.00	1.00	0.00
<b>Administration Total</b>		<b>12.00</b>	<b>12.00</b>	<b>0.00</b>	
<b>Community Activities</b>					
Community Activities Assistant I hourly	33,998 -	41,319	1.00	0.50	-0.50
Executive Assistant	44,941 -	48,607	0.50	0.50	0.00
<b>Community Activities Total</b>		<b>1.50</b>	<b>1.00</b>	<b>-0.50</b>	
<b>Library</b>					
Library and Community Activities Director	167,573 -	203,687	1.00	1.00	0.00
Supervising Librarian	83,907 -	101,982	2.00	2.00	0.00
Librarian	76,274 -	92,706	1.00	1.00	0.00
Library Associate	64,355 -	78,250	0.00	3.00	3.00
Library Assistant	58,510 -	71,136	4.00	1.00	-3.00
Executive Assistant	44,941 -	48,607	0.50	0.50	0.00
Librarian II (Local History)			1.00	0.00	-1.00
Librarian I hourly	65,312 -	79,394	1.00	1.00	0.00
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<b>Library Total</b>		<b>13.75</b>	<b>11.50</b>	<b>-2.25</b>	
<b>Community Planning &amp; Building</b>					
Community Planning and Building Director	189,825 -	230,733	1.00	1.00	0.00
Principal Planner	134,160 -	163,093	2.00	2.00	0.00
Senior Planner	121,701 -	147,930	0.00	1.00	1.00
Associate Planner	92,161 -	111,998	2.00	2.00	0.00
Assistant Planner	83,450 -	101,400	1.00	0.50	-0.50
Administrative Coordinator	66,227 -	80,517	1.00	1.00	0.00
Building Official	125,439 -	152,448	1.00	1.00	0.00
Building Inspector	101,213 -	123,053	1.00	1.00	0.00
Permit Technician	69,659 -	84,677	1.00	1.00	0.00
Code Compliance Coordinator	87,152 -	105,934	2.00	1.50	-0.50
<b>Community Planning &amp; Building Total</b>		<b>12.00</b>	<b>12.00</b>	<b>0.00</b>	
<b>Public Works</b>					
Public Works Director	189,825 -	230,733	1.00	1.00	0.00
Administrative Coordinator	66,227 -	80,517	1.00	1.00	0.00
Public Works Superintendent	125,445 -	152,485	1.00	1.00	0.00
Streets Supervisor	88,899 -	108,098	1.00	1.00	0.00
Streets Maintenance Worker III	74,381 -	90,418	2.00	2.00	0.00
Streets Maintenance Worker I/II	61,485 -	82,181	5.00	5.00	0.00
Facilities Maintenance Supervisor	93,434 -	113,568	1.00	1.00	0.00
Facilities Maintenance Specialist	74,381 -	90,418	1.00	1.00	0.00
Environmental Compliance Manager	125,439 -	152,448	1.00	1.00	0.00
Administrative Analyst	89,359 -	108,607	1.00	1.00	0.00
Project Manager	125,439 -	152,448	2.00	2.00	0.00
City Forester	125,445 -	152,485	1.00	1.00	0.00
Assistant City Forester	92,539 -	112,507	1.00	1.00	0.00
Tree Climber & Care Specialist	74,381 -	90,418	1.00	1.00	0.00
Administrative Analyst	89,359 -	108,607	1.00	1.00	0.00
F&B Maintenance Worker I/II	61,485 -	82,181	3.00	3.00	0.00
Tree Permit Technician	69,659 -	84,677	1.00	1.00	0.00
<b>Public Works Total</b>		<b>25.00</b>	<b>25.00</b>	<b>0.00</b>	
<b>Police</b>					
Public Safety Director	193,753 -	235,507	1.00	1.00	0.00
Police Commander	167,573 -	203,687	1.00	1.00	0.00
Police Sergeant	148,637 -	161,158	2.00	3.00	1.00
Police Officer	129,230 -	140,109	9.00	10.00	1.00
Police Services Supervisor	76,960 -	96,346	1.00	1.00	0.00
Police Services Officer	66,914 -	83,762	6.00	6.00	0.00
Community Services Officer/Animal Control	62,046 -	77,688	2.00	2.00	0.00
<b>Police Total</b>		<b>22.00</b>	<b>24.00</b>	<b>2.00</b>	
<b>Ambulance</b>					
Paramedics			6.00	0.00	-6.00
<b>Ambulance Total</b>		<b>6.00</b>	<b>0.00</b>	<b>-6.00</b>	
<b>Citywide Total Funded Positions</b>		<b>97.25</b>	<b>90.50</b>	<b>-6.75</b>	



# CITY OF CARMEL-BY-THE-SEA

## CITY COUNCIL

### Staff Report

June 3, 2025  
PUBLIC HEARINGS

<b>TO:</b>	Honorable Mayor and City Council Members
<b>SUBMITTED BY:</b>	Anna Ginette, AICP, Community Planning & Building Director
<b>APPROVED BY:</b>	Chip Rerig, City Administrator
<b>SUBJECT:</b>	First reading and introduction of Ordinance No. 2025-002 amending Carmel Municipal Code Section 15.08.010 and Section 15.10.020 to adopt the 2025 Fire Hazard Severity Zone Map for the City as identified by the California State Fire Marshall in Accordance with Government Code Section 51178 (Estimated time - 45 min)

#### RECOMMENDATION:

Staff recommendation:

1. Request the City Attorney to read the title of the Ordinance.
2. Motion to introduce Ordinance 2025-002 amending Carmel Municipal Code Section 15.08.010 and Section 15.10.020 to adopt the 2025 Fire Hazard Severity Zone Map for the City as identified by the California State Fire Marshall in Accordance with Government Code Section 51178, and schedule a second reading of the Ordinance for the next Council meeting.

#### BACKGROUND/SUMMARY:

California law requires the State Fire Marshal designate fire hazard severity zones (FHSZ), based on fuel loading, slope, fire weather and other relevant factors, such as wind. The law also requires the State Fire Marshal periodically review these zones to determine if zones or ratings should be revised or repealed. This is to ensure an accurate reflection of areas susceptible to wildfire based on new science, climate data and fire assessment modeling.

On May 5, 2025, Community Planning and Building staff presented changes for the current FHSZ map (2011) and the updated map the State Fire Marshal released on March 10, 2025. Staff also presented relevant wildfire code requirements and the Wildland-Urban Interface (WUI) area designated in the 2024 adopted a Community Wildfire Protection Plan.

Pursuant to state law, local jurisdictions shall adopt updated FHSZ maps by ordinance within a specified amount of time. Local jurisdictions do not have the ability to decrease the level of hazard severity identified by the State Fire Marshal. However, local jurisdictions do have the discretion to increase the level of hazard severity.

On May 5, 2025, the City Council directed staff to return with a draft ordinance adopting the 2025 State Fire



Marshall prepared FHSZ map.

The draft Ordinance for adoption is included as **Attachment 1**, with the updated map (Exhibit A to the Ordinance) included as **Attachment 2**. A redline version of the draft Ordinance to show the changes to the municipal code if adopted are included as **Attachment 3**.

## **DISCUSSION**

Government Code (GC) Section 51179(a) states that “A local agency shall designate, by ordinance, moderate, high, and very high fire hazard severity zones in its jurisdiction within 120 days of receiving recommendations from the State Fire Marshal pursuant to Section 51178.”

On March 10, 2025, the State Fire Marshal released an updated Fire Hazard Severity Zone (FHSZ) map and pursuant to state law, the city shall adopt the map by ordinance on or before July 8, 2025.

On May 5, 2025, the City Council received a staff presentation on the updated FHSZ map and directed staff to return with a draft ordinance. At the direction of Council, staff is returning to introduce and waive the full reading of Ordinance 2025-002 (**Attachment 1**) and will return for a second reading at the July 1, 2025, City Council meeting.

### Environmental Review

Adoption of an ordinance pursuant to GC Section 51179(a) does not include an increase to FHSZ levels or areas beyond what was identified by the State Fire Marshall. Therefore, action by the City Council does not include exercising the discretion afforded in GC Section 51179(b). As such, adoption of the ordinance is a ministerial action statutorily exempt pursuant to Public Resources Code (PRC) Section 21080(b)(1) and CEQA Guidelines Section 15268. Further, PRC Section 21080(b)(4) and CEQA Guidelines Section 15269(c) statutorily exempts actions necessary to prevent or mitigate an emergency. The Governor of California Executive Order N-18-25 identifies that California is at a great risk due to wildfire. This order proclaims that standards, regulations and statutes shall be incorporated to harden communities to reduce wildfire risk. Adoption of the FHSZ map furthers this proclamation. Therefore, this action qualifies under this exemption.

CEQA Guidelines Sections 15307 and 15308 categorically exempts actions by regulatory agencies for protection of natural resources and of the environment, respectively. These include actions taken by regulatory agencies (i.e. the City) as authorized by state law (i.e. GC Section 51179(a)) to assure the maintenance of a natural resource and protection of the environment where the regulatory process involves procedures for such maintenance and protection. Adoption of an ordinance incorporating the updated FHSZ map prepared by the State Fire Marshal within the Carmel-by-the-Sea Municipal Code is required by state law and associated wildfire prevention and protection measures ensure the maintenance of the city's natural resources and protection of the overall environment. None of the exceptions to the exemptions listed in CEQA Guidelines Section 15300.2 exist in this case. Although additional areas are now designated, from 221 acres to 488 acres, the required vegetation management and structural hardening are already required by state law and do not go beyond the baseline requirements. Therefore, the ordinance does not present or entail any unusual circumstances.

### **FISCAL IMPACT:**

N/A

### **PRIOR CITY COUNCIL ACTION:**

On May 5, 2025, the City Council received a staff presentation on the updated FHSZ map and directed staff to return with a draft ordinance. At the direction of Council, staff is returning to introduce and waive the reading of the ordinance.

### **ATTACHMENTS:**

Attachment 1) CLEAN VERSION - ORD 2025-002\_Adopting Fire Hazard Safety Map 2025

Attachment 2) 2025 FHSZ Map (Exhibit A)

Attachment 3) REDLINE - ORD 2025-002\_Adopting Fire Hazard Safety Map 2025

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

**ORDINANCE NO. 2025-002**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA AMENDING CARMEL MUNICIPAL CODE SECTION 15.08.010 AND SECTION 15.10.020 TO ADOPT THE 2025 FIRE HAZARD SEVERITY ZONE MAP FOR THE CITY AS IDENTIFIED BY THE CALIFORNIA STATE FIRE MARSHALL IN ACCORDANCE WITH GOVERNMENT CODE SECTION 51178**

WHEREAS, the City has adopted a General Plan and Municipal Code that prioritizes and the protection of its unique village character and public safety through effective land use planning and hazard mitigation; and

WHEREAS, the City previously adopted revisions to the California Building Code on February 5, 2008, including requirements for new construction in the Very High Fire Hazard Severity Zones to incorporate ignition-resistant and noncombustible materials; and

WHEREAS, Government Code Sections 51178 and 51179 require local jurisdictions to designate Very High Fire Hazard Severity Zones based on recommendations by the California Department of Forestry and Fire Protection (CAL FIRE); and

WHEREAS, on March 10, 2025, the California State Fire Marshal updated and officially released the 2025 Fire Hazard Severity Zone (FHSZ) map (Exhibit A), using the latest science, data, and modeling methodologies, and transmitted the new map to the City as required by law; and

WHEREAS, the City of Carmel-by-the-Sea is required to adopt the 2025 FHSZ map within 120 days of receipt in order to remain in compliance with Government Code Section 51179 and to enhance wildfire resilience and planning measures.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA  
DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** **Findings.** The City Council finds that the foregoing recitals are true and correct and incorporates them herein by reference.

**SECTION 2.** Chapter 15.08.010 (Building Code), of the Carmel-by-the-Sea Municipal Code is hereby amended to read as follows:

**15.08.010 Adoption.** Except as otherwise amended by this chapter and Chapter [15.04](#) CMC, the following model codes are hereby adopted and are incorporated in this chapter by reference and made a part hereof as if fully set forth herein:

- A. 2022 California Building Code and Appendices;
- B. 2022 California Historical Building Code;
- C. 2022 California Existing Building Code;
- D. 2022 California Residential Code;
- E. 2022 California Plumbing Code;

- F. 2022 California Electrical Code;
- G. 2022 California Mechanical Code;
- H. 2022 California Green Building Standards Code;
- I. 2022 California Fire Code;
- J. 2021 International Property Maintenance Code;
- K. 2022 California Energy Code.

The Very High Fire Hazard Severity Zone Map, as transmitted to the City on March 10, 2025, by the Department of Forestry and Fire Protection, is also adopted as required by law.

**SECTION 3.** Chapter 15.10.020 (Residential Code) of the Carmel-by-the-Sea Municipal Code is hereby amended to read as follows:

**15.10.020 Very High Fire Hazard Severity Zone Adopted. (Residential Code)**

The Very High Fire Hazard Severity Zone Map, as transmitted to the City on March 10, 2025, by the Department of Forestry and Fire Protection, is also adopted as required by law.

**SECTION 4. Determinations.** Based on the findings above, in addition to information provided to the City Council at the public meeting, the City Council determines as follows:

1. Pursuant to California Government Code Sections 51178 and 51179, the City of Carmel-by-the-Sea hereby adopts the 2025 Fire Hazard Severity Zone Map as developed and recommended by the California State Fire Marshal.
2. This adoption includes all zones identified as Very High Fire Hazard Severity Zones within the incorporated boundaries of the City, as depicted in the official map attached hereto as Exhibit A and incorporated herein by reference.

**SECTION 5. California Environmental Quality Act (CEQA).** The City Council finds that the designation of Fire Hazard Severity Zones in Sections 2 and 3 of this Ordinance is:

1. A ministerial action required by Government Code Section 51179(a) that is Statutorily exempt from CEQA pursuant to Public Resources Code Section 21080(b)(1) and CEQA Guidelines Section 15268.
2. An action necessary to prevent or mitigate an emergency that is statutorily exempt from CEQA pursuant to Public Resources Code Section 21080(b)(4) and CEQA Guidelines Section 15269(c).
3. An action taken by regulatory agencies for protection of natural resources (CEQA Guidelines Section 15307) and of the environment (CEQA Guidelines Section 15308) and that none of the exceptions to the exemptions found in Section 15300.2 apply. Adoption of the Ordinance does not present or entail any unusual circumstances. The Ordinance is a regulatory change that

would not directly cause any reasonably foreseeable physical change, nor would it determine or cause any future development. Indirect physical changes would require application of existing regulations for structure hardening and vegetation maintenance. This would reduce environmental threats caused by wildfires and would be beneficial to the environment.

**SECTION 6.** **Severability.** If any section, subsection, provision, sentence, clause, phrase or word of this Ordinance is for any reason held to be illegal or otherwise invalid by any court of competent jurisdiction, such invalidity shall be severable, and shall not affect or impair any remaining sections, subsections, provisions, sentences, clauses, phrases or words of this Ordinance.

**SECTION 7.** **Effective Date.** This Ordinance shall take effect 30 days after its adoption by the City Council of the City of Carmel-by-the-Sea.

**SECTION 8.** **Codification.** The City Clerk is hereby authorized and directed to codify the provisions of Sections 2 and 3 of this Ordinance into the Carmel-by-the-Sea Municipal Code.

**INTRODUCED at a Regular City Council Meeting on June 3, 2025.**

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this  
9th day of July 2024 by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

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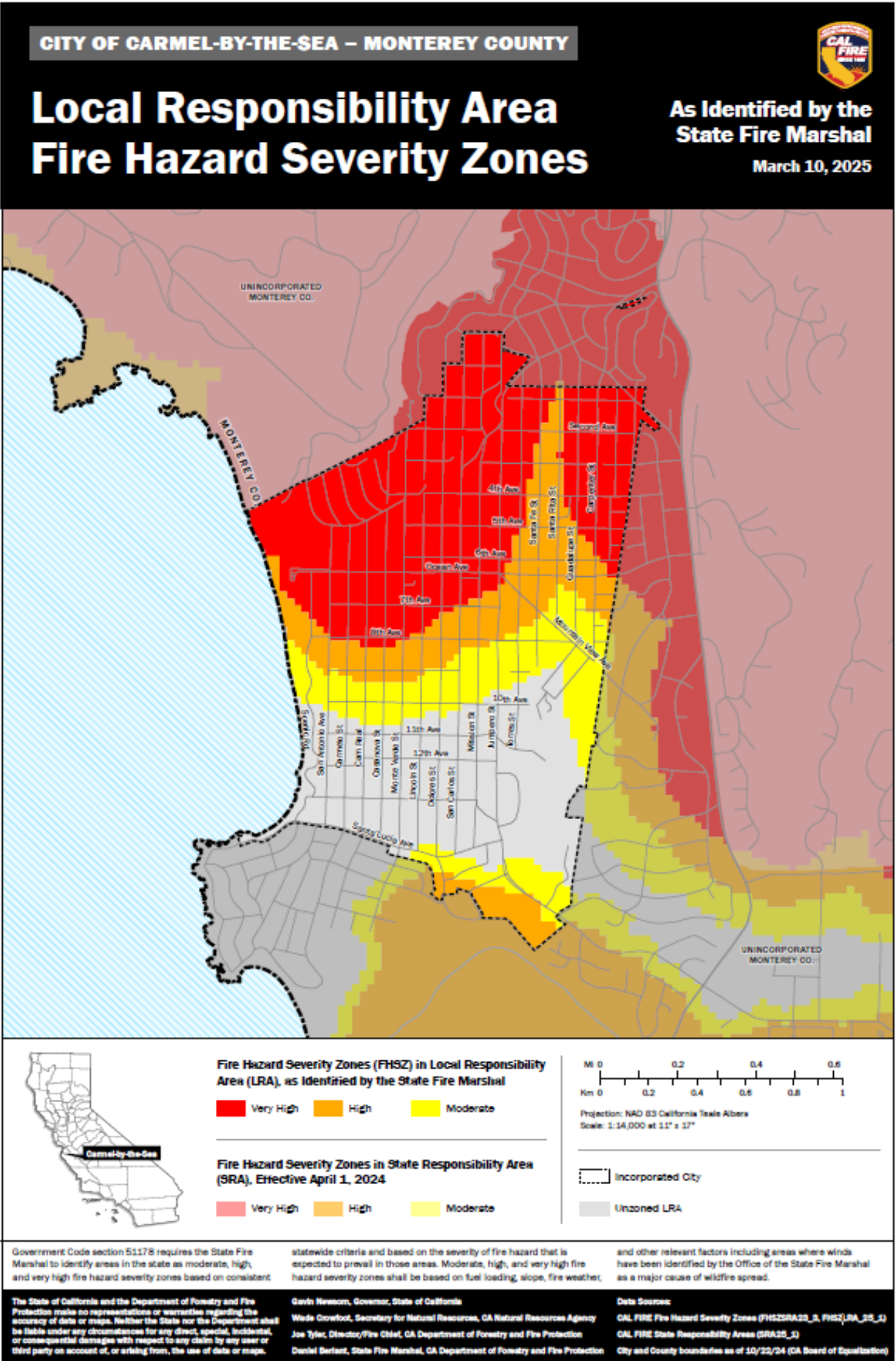
Dale Byrne, Mayor

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Nova Romero, MMC, City Clerk

EXHIBIT A: 2025 FIRE HAZARD SEVERITY MAP

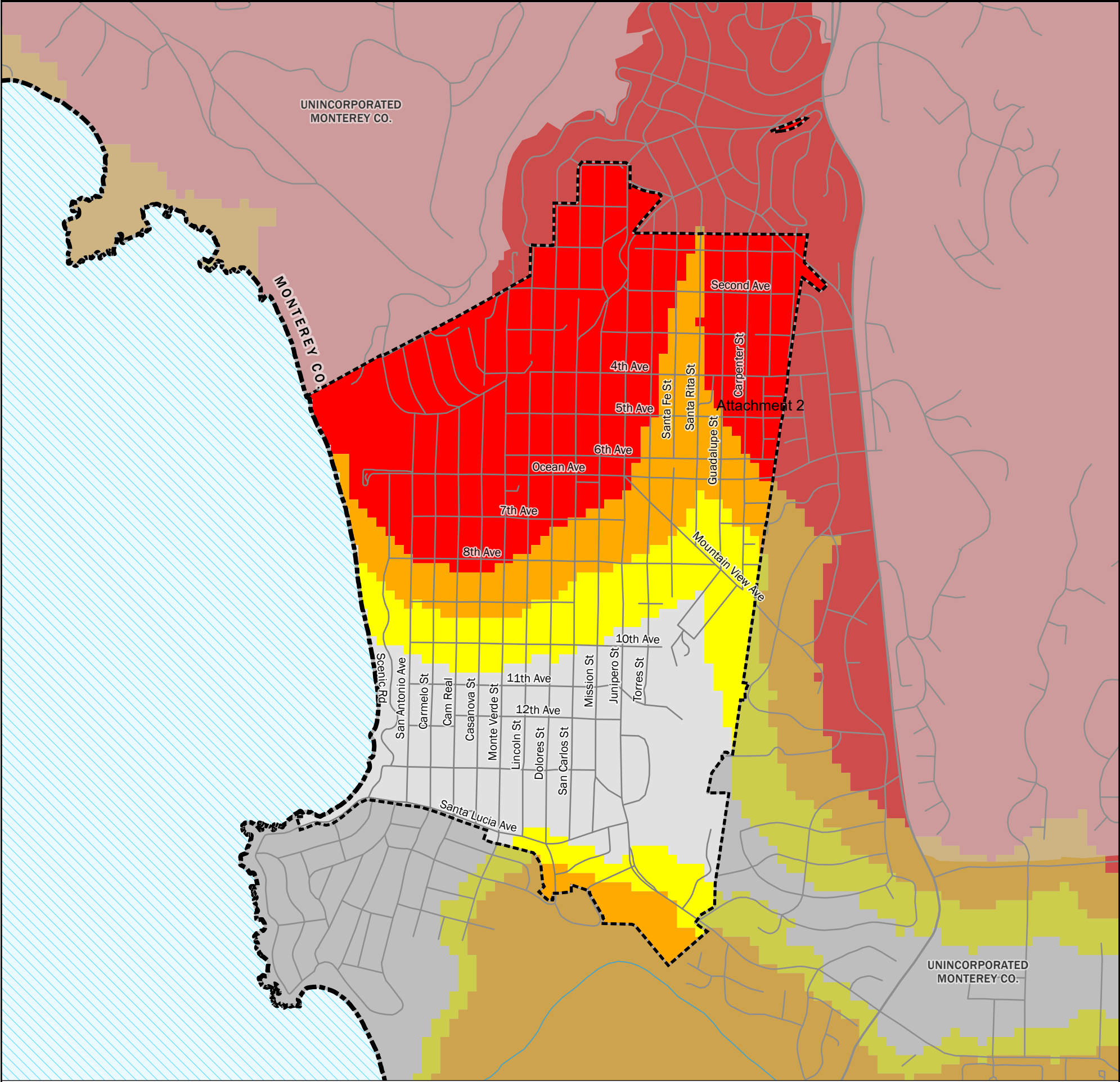






# Local Responsibility Area Fire Hazard Severity Zones

As Identified by the  
State Fire Marshal  
March 10, 2025



**Fire Hazard Severity Zones (FHSZ) in Local Responsibility Area (LRA), as Identified by the State Fire Marshal**

Very High   High   Moderate

**Fire Hazard Severity Zones in State Responsibility Area (SRA), Effective April 1, 2024**

Very High   High   Moderate

Mi 0 0.2 0.4 0.6

Km 0 0.2 0.4 0.6 0.8 1

Projection: NAD 83 California Teale Albers  
Scale: 1:14,000 at 11" x 17"

--- Incorporated City

--- Unzoned LRA

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

**ORDINANCE NO. 2025-002**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA AMENDING CARMEL MUNICIPAL CODE SECTION 15.08.010 AND SECTION 15.10.020 TO ADOPT THE 2025 FIRE HAZARD SEVERITY ZONE MAP FOR THE CITY AS IDENTIFIED BY THE CALIFORNIA STATE FIRE MARSHALL IN ACCORDANCE WITH GOVERNMENT CODE SECTION 51178**

WHEREAS, the City has adopted a General Plan and Municipal Code that prioritizes and the protection of its unique village character and public safety through effective land use planning and hazard mitigation; and

WHEREAS, the City previously adopted revisions to the California Building Code on February 5, 2008, including requirements for new construction in the Very High Fire Hazard Severity Zones to incorporate ignition-resistant and noncombustible materials; and

WHEREAS, Government Code Sections 51178 and 51179 require local jurisdictions to designate Very High Fire Hazard Severity Zones based on recommendations by the California Department of Forestry and Fire Protection (CAL FIRE); and

WHEREAS, on March 10, 2025, the California State Fire Marshal updated and officially released the 2025 Fire Hazard Severity Zone (FHSZ) map (Exhibit A), using the latest science, data, and modeling methodologies, and transmitted the new map to the City as required by law; and

WHEREAS, the City of Carmel-by-the-Sea is required to adopt the 2025 FHSZ map within 120 days of receipt in order to remain in compliance with Government Code Section 51179 and to enhance wildfire resilience and planning measures.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA  
DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** **Findings.** The City Council finds that the foregoing recitals are true and correct and incorporates them herein by reference.

**SECTION 2.** Chapter 15.08.010 (Building Code), of the Carmel-by-the-Sea Municipal Code is hereby amended to read as follows:

**15.08.010 Adoption.** Except as otherwise amended by this chapter and Chapter [15.04](#) CMC, the following model codes are hereby adopted and are incorporated in this chapter by reference and made a part hereof as if fully set forth herein:

- A. 2022 California Building Code and Appendices;
- B. 2022 California Historical Building Code;
- C. 2022 California Existing Building Code;
- D. 2022 California Residential Code;
- E. 2022 California Plumbing Code;

- F. 2022 California Electrical Code;
- G. 2022 California Mechanical Code;
- H. 2022 California Green Building Standards Code;
- I. 2022 California Fire Code;
- J. 2021 International Property Maintenance Code;
- K. 2022 California Energy Code.

The Very High Fire Hazard Severity Zone Map, as transmitted to the City on ~~November 18, 2008~~ **March 10, 2025**, by the Department of Forestry and Fire Protection, is also adopted as required by law.

**SECTION 3.** Chapter 15.10.020 (Residential Code) of the Carmel-by-the-Sea Municipal Code is hereby amended to read as follows:

**15.10.020 Very High Fire Hazard Severity Zone Adopted. (Residential Code)**

The Very High Fire Hazard Severity Zone Map, as transmitted to the City on ~~November 18, 2008~~ **March 10, 2025**, by the Department of Forestry and Fire Protection, is also adopted as required by law.

**SECTION 4.** **Determinations.** Based on the findings above, in addition to information provided to the City Council at the public meeting, the City Council determines as follows:

1. Pursuant to California Government Code Sections 51178 and 51179, the City of Carmel-by-the-Sea hereby adopts the 2025 Fire Hazard Severity Zone Map as developed and recommended by the California State Fire Marshal.
2. This adoption includes all zones identified as Very High Fire Hazard Severity Zones within the incorporated boundaries of the City, as depicted in the official map attached hereto as Exhibit A and incorporated herein by reference.

**SECTION 5.** **California Environmental Quality Act (CEQA).** The City Council finds that the designation of Fire Hazard Severity Zones in Sections 2 and 3 of this Ordinance is:

1. A ministerial action required by Government Code Section 51179(a) that is Statutorily exempt from CEQA pursuant to Public Resources Code Section 21080(b)(1) and CEQA Guidelines Section 15268.
2. An action necessary to prevent or mitigate an emergency that is statutorily exempt from CEQA pursuant to Public Resources Code Section 21080(b)(4) and CEQA Guidelines Section 15269(c).
3. An action taken by regulatory agencies for protection of natural resources (CEQA Guidelines Section 15307) and of the environment (CEQA Guidelines Section 15308) and that none of the

exceptions to the exemptions found in Section 15300.2 apply. Adoption of the Ordinance does not present or entail any unusual circumstances. The Ordinance is a regulatory change that would not directly cause any reasonably foreseeable physical change, nor would it determine or cause any future development. Indirect physical changes would require application of existing regulations for structure hardening and vegetation maintenance. This would reduce environmental threats caused by wildfires and would be beneficial to the environment.

**SECTION 6. Severability.** If any section, subsection, provision, sentence, clause, phrase or word of this Ordinance is for any reason held to be illegal or otherwise invalid by any court of competent jurisdiction, such invalidity shall be severable, and shall not affect or impair any remaining sections, subsections, provisions, sentences, clauses, phrases or words of this Ordinance.

**SECTION 7. Effective Date.** This Ordinance shall take effect 30 days after its adoption by the City Council of the City of Carmel-by-the-Sea.

**SECTION 8. Codification.** The City Clerk is hereby authorized and directed to codify the provisions of Sections 2 and 3 of this Ordinance into the Carmel-by-the-Sea Municipal Code.

**INTRODUCED at a Regular City Council Meeting on June 3, 2025.**

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this  
9th day of July 2024 by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

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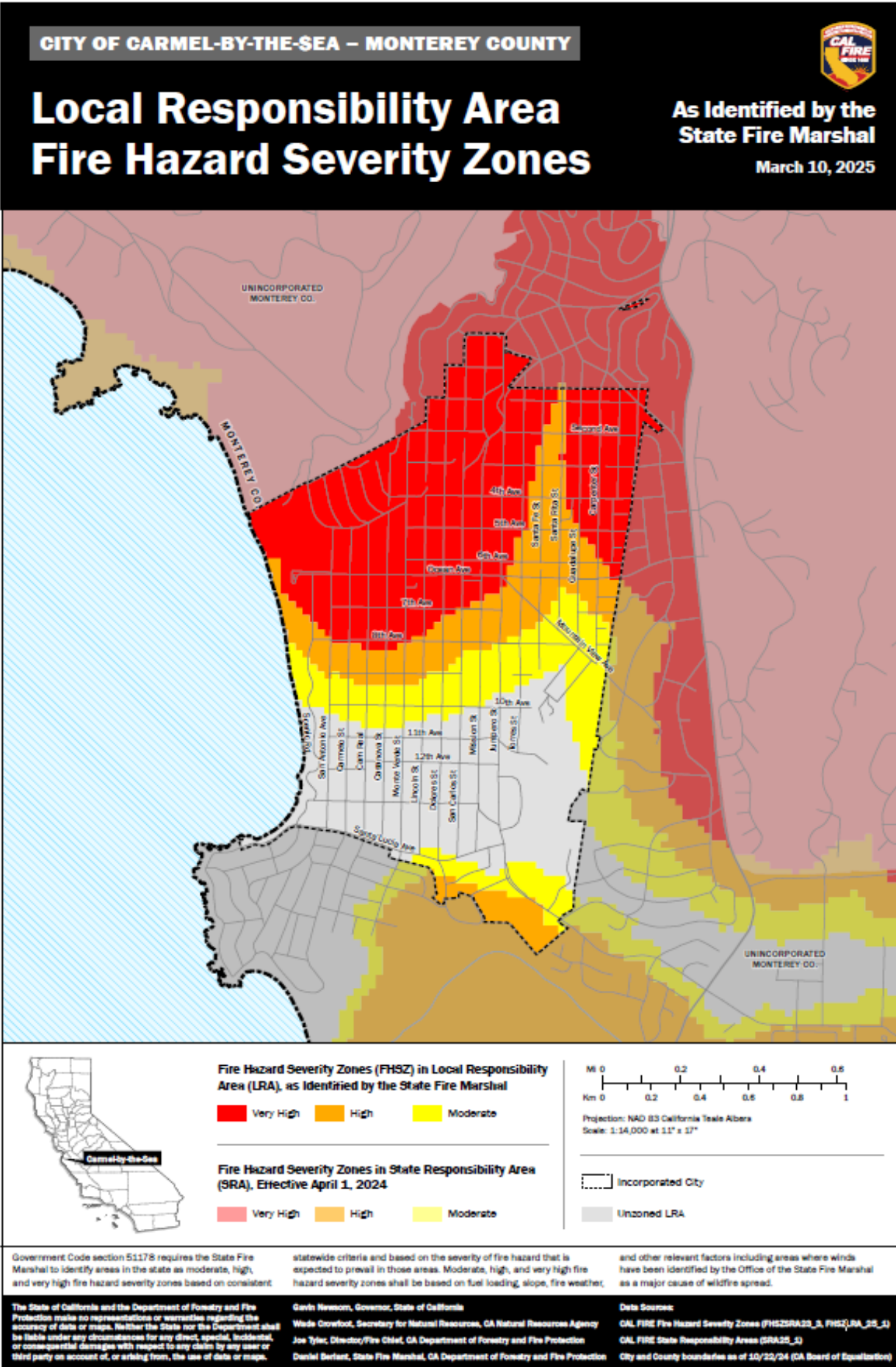
Dale Byrne, Mayor

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Nova Romero, MMC, City Clerk

EXHIBIT A: 2025 FIRE HAZARD SEVERITY MAP







## CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

June 3, 2025  
PUBLIC HEARINGS

**TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Brandon Swanson, Assistant City Administrator

**APPROVED BY:** Chip Rerig, City Administrator

**SUBJECT:** First reading and introduction of Ordinance No. 2025-003 Adding Section 2.52.686 – (Paid Parental Leave) to the Carmel-by-the-Sea Municipal Code (Estimated time - 20 min)

### RECOMMENDATION:

1. Request the City Attorney to read the title of the ordinance
2. Introduce Ordinance 2025-003 (**Attachment 1**) adding section 2.52.686 - Paid Parental Leave, to the Carmel-by-the-Sea Municipal Code; and schedule a second reading of the Ordinance for the next Council meeting.

### BACKGROUND/SUMMARY:

The City of Carmel-by-the-Sea is committed to maintaining a supportive and competitive work environment. In line with this commitment, City Administration is proposing the codification of a Paid Parental Leave (PPL) policy to enhance the City's employee benefits.

City Administration believes that Paid Parental Leave is a vital benefit for supporting our current employees and for enhancing our recruitment efforts, particularly among younger professionals and individuals looking to relocate to the Monterey Peninsula.

#### Summary of proposed policy:

The proposed ordinance would add Section 2.52.686 to the Municipal Code and establish the following framework for Paid Parental Leave:

- Eligible employees must have completed 12 months of full-time employment with the City.
- Qualifying events include the birth, adoption, or foster placement of a child.
- Eligible employees may receive up to six (6) weeks (240 hours) of paid leave per event, available once in a 12-month rolling period (prorated for part-time employees).
- Leave may be used at any time within 12 months of the qualifying event.
- Leave can be taken consecutively or in minimum 40-hour increments.
- Paid Parental Leave will run concurrently with FMLA and CFRA.

- This leave has no cash-out value, and any unused leave expires after 12 months.
- Requests must be submitted to Human Resources with 30 days' notice or as soon as possible.
- Leave is offset by payments received from state or other agencies (e.g., State Disability Insurance or Paid Family Leave) to ensure no overcompensation.
- Observed City holidays during the leave period will count toward the leave time.
- The City Administrator retains discretion over policy interpretation and implementation.

## **ANALYSIS:**

### *Attracting and Retaining Talent*

This policy positions the City as an attractive employer to top-tier talent—particularly younger professionals—who increasingly prioritize family-supportive benefits when considering job opportunities. With the high cost of living in the Monterey Peninsula, attracting candidates within the region is critical, and robust benefits like PPL can be a deciding factor.

### *Workforce Diversity and Inclusivity*

Providing Paid Parental Leave demonstrates the City's commitment to fostering a diverse and inclusive workforce. It aligns with modern workforce expectations and supports employees through major life transitions, ultimately contributing to job satisfaction and retention.

### *Competitive Advantage*

Carmel-by-the-Sea would be the only city in the Monterey Peninsula area to offer Paid Parental Leave as a codified benefit. This gives the City a distinct and meaningful advantage in regional government hiring, distinguishing it as a progressive and family-friendly employer.

### *Support for Existing Staff*

While the benefit was not included in the final agreement with LiUNA, City Administration recognizes the value this benefit brings to current employees and views it as an important investment in workforce stability and employee well-being.

## **FISCAL IMPACT:**

Based on an assumption that the benefit would be used on average by one employee per year, the associated accrual liability of carrying the balances with a potential payout would be around \$15,000.

## **PRIOR CITY COUNCIL ACTION:**

None for this action.

## **ATTACHMENTS:**

Attachment 1) Ordinance No. 2025-003

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

**ORDINANCE NO. 2025-003**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA ADDING SECTION 2.52.686 TO THE MUNICIPAL CODE TO ESTABLISH A PAID PARENTAL LEAVE BENEFIT FOR CITY EMPLOYEES**

WHEREAS, the City of Carmel-by-the-Sea seeks to support its workforce by offering modern, family-supportive benefits; and

WHEREAS, parental leave policies have been demonstrated to increase employee retention, productivity, and overall job satisfaction, while fostering a diverse and inclusive work environment; and

WHEREAS, the addition of Paid Parental Leave will help the City recruit and retain young professionals and provide a competitive advantage over other public sector employers in the Monterey Peninsula; and

WHEREAS, the City recognizes Paid Parental Leave's intrinsic value for both current employees and future hires; and

WHEREAS, it is in the best interest of the City to codify Paid Parental Leave as a municipal benefit available to eligible City employees.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council hereby finds that the above recitals are true and correct and material to the adoption of this Ordinance.

**SECTION 2. Determinations.** Based on the findings above, in addition to information provided to the City Council at the public meeting, the City Council determines as follows:

Municipal Code Section 2.52.686 (Paid Parental Leave) is hereby added to the City Municipal Code as set forth in **Exhibit A** attached hereto and hereby incorporated by this reference.

**SECTION 3. Severability.** If any section, subsection, provision, sentence, clause, phrase or word of this Ordinance is for any reason held to be illegal or otherwise invalid by any court of competent jurisdiction, such invalidity shall be severable, and shall not affect or impair any remaining sections, subsections, provisions, sentences, clauses, phrases or words of this Ordinance.

**SECTION 4.** **Effective Date.** This ordinance is effective thirty (30) days after its adoption.

**SECTION 5.** **Codification.** The City Clerk is hereby authorized and directed to codify the provisions of **Exhibit A** of this Ordinance into the Carmel-by-the-Sea Municipal Code.

**INTRODUCED at a Regular City Council Meeting on June 3rd, 2025.**

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA**  
**on this \_\_\_\_\_ day of \_\_\_\_\_ 2025, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

\_\_\_\_\_  
Dale Byrne, Mayor

\_\_\_\_\_  
Nova Romero, MMC, City Clerk

## EXHIBIT A

### **2.52.686 Paid Parental Leave.**

Employees who have completed twelve (12) months of full-time employment with the City shall be eligible for parental leave with pay of up to six (6) weeks, or a maximum of 240 hours of paid leave (prorated based on FTE), once per event, once per 12-month rolling time frame. The purpose of Paid Parental Leave (PPL) is to enable the employee to care for and bond with a newborn or newly adopted or placement of a foster child with the employee.

Paid Parental Leave coverage and guidelines:

- a) Approved PPL may be taken at any time during the 12 month period immediately following the birth, adoption or placement.
- b) PPL has no accrual or payout value. Any unused PPL will be forfeited at the end of the 12 month period following the birth of a child, adoption, or placement.
- c) PPL may be taken consecutively or intermittently in minimum increments of 40 hours following the birth, adoption, or placement of a child. This leave shall run concurrently with Family Medical Leave Act (FMLA)/California Family Rights Act (CFRA) and subject to the same request and reporting requirements.
- d) If observed City holidays occur while the employee is on an approved PPL, holiday/s will count towards such paid leave.
- e) The employee must submit a request to the Human Resources Department (HR) with at least 30 days in advance of their need for parental leave, or as soon as possible. The employee must complete the necessary HR forms and all documentation as required by the HR department to substantiate the request.
- f) PPL shall be reduced by any payment received by the employee from a federal, state or other local government agency (e.g. State Disability Insurance, Paid Family Leave). An employee shall not receive supplemental compensation which would result in an employee receiving compensation greater than the employee's regular wages.
- g) The City Administrator has discretion to interpret, terminate, or modify this policy at any time.





## CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

June 3, 2025  
ORDERS OF BUSINESS

**TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Mary Bilse, Environmental Programs Manager

**APPROVED BY:** Chip Rerig, City Administrator

**SUBJECT:** Resolution 2025-054 approving a 4.19% percent rate increase to charges by the City's franchised hauler, GreenWaste Recovery, for the collection of solid waste, recycling and organics, effective July 1, 2025, and approving Amendment No. 4 to the Memorandum of Understanding between ReGen Monterey and Member Agencies for Fiscal Year 2025/26 (Estimated time - 30 min)

### RECOMMENDATION:

Adopt Resolution 2025-054 (**Attachment 1**) approving a 4.19% percent rate increase to charges by the City's franchised hauler, GreenWaste Recovery, for the collection of solid waste, recycling and organics, effective July 1, 2025, and approving Amendment No. 4 to the Memorandum of Understanding (MOU) between ReGen Monterey and Member Agencies for Fiscal Year 2025/26.

### BACKGROUND/SUMMARY:

On June 17, 2014, Council approved a Franchise Agreement (Agreement) with GreenWaste Recovery (GWR) for the collection of solid waste, recycling and organics, subsequent to a competitive Request for Proposals selection process. The Agreement became effective on July 1, 2015 and expires on June 30, 2030. The Agreement includes a prescribed formula to determine annual rate adjustments by GWR, effective each year on July 1. This index-based formula includes the cost of disposal and processing ("tipping fee") at the ReGen Monterey (formerly known as Monterey Regional Waste Management District) facility in Marina, inflationary indexes for adjustments to GWR labor and operating costs, regional implementation of SB 1383, and the City's Franchise Fee of 13%.

HF&H Consultants, LLC (HF&H) was retained by ReGen Monterey to review GWR's request for an adjustment to customer rates, effective July 1, 2025 (**Attachment 2**). The rate review resulted in a 4.19% rate increase due to labor and material inflationary indices for the period reviewed.

HF&H has determined a 4.19% increase as appropriate as a result of the following components:

- 3.80% inflationary increase in labor-related costs
- 2.60% inflationary increase in vehicle-related costs (excl. fuel)

- Fuel rate held flat as set by the District
- 2.60% inflationary increase in other costs
- Depreciation held flat per the Agreement
- 10.05% net processing costs increase due to an increase in per ton tip fees and tonnage
- 16.89% increase in disposal costs due to an increase in per ton disposal rate and tonnage

### **Rate Adjustment Approval:**

While the Agreement requires the City Council to approve annual rate adjustments, the rate adjustment is based upon disposal fees and actual tonnage, inflationary indexes for GWR labor and operational costs, and cost for the City's Franchise Fee and other regulatory fees. City staff, in tandem with ReGen Monterey staff and HF&H, finds the rate calculation methodology to be consistent with the Agreement. Therefore, staff recommends Council approve Resolution 2025-054 and rate adjustment, which becomes effective on July 1, 2025, in accordance with the Agreement.

### **Memorandum of Understanding (MOU) for Regional SB1383 Implementation:**

In November 2020, CalRecycle issued regulations to implement Senate Bill (SB) 1383, with the goal to reduce the amount of organic material being landfilled by 75% by 2025. CalRecycle regulations place significant responsibility for implementation on local municipalities, including food waste collection from all residential and commercial customers, public education and outreach, enforcement, developing or increasing the capacity of edible food recovery programs, and purchasing recycled organic material such as compost. In response to the SB 1383 regulations, ReGen Monterey's Technical Advisory Committee (TAC), which is comprised of staff from each Member Agency including the City, waste haulers in the ReGen Monterey service area, and ReGen Monterey, have been working collaboratively to implement program changes to meet the regulations.

The Member Agencies determined ReGen Monterey has the expertise and resources necessary to implement shared activities on the Member Agencies' behalf, and agreed to reimburse ReGen Monterey for proportionate shares of designated annual costs incurred by ReGen Monterey for these activities under the MOU (**Attachment 3**) regarding assistance with compliance with SB 1383. Elements of the regulations that are being managed by ReGen Monterey under guidance of the TAC are similar to previous years and include public outreach, contamination monitoring, enforcement, reporting, and edible food recovery programs. The regional costs for implementation of SB 1383 under this MOU are included in the collection rates charged by GWR.

The City's share of regional costs for implementation of SB 1383 in Fiscal Year (FY) 2025/26 is \$14,213. This amount is reflected as an agency fee in the solid waste, recycling, and organics collection rate adjustment.

### **FISCAL IMPACT:**

The new collection rates reflect an increase of 4.19% and are included as Exhibit A in Resolution 2025-054 and in the staff report as **Attachment 2**. The 4.19% rate increase is due to labor and material inflationary indices for the period reviewed. The cost of SB 1383 implementation is also included in the fees.

For context, a residential customer with a 32-gallon trash cart will now pay \$56.03 a month for solid waste (recycling and organics are included) as compared to the current rate of \$53.78 a month. The increase is \$2.25 a month and \$27.00 more per year. Commercial rates vary based upon the size of the cart, frequency of collection, and type of collection service.

The City's share of regional cost to ReGen for FY 2025/26 will increase from \$11,225 to \$14,213. This cost will be covered in the Public Works/Environmental Programs operating budget.

The City's Franchise Fee of 13% for FY 2024/2025 was estimated at \$458,996 and for next FY 2025/2026, the franchise fee is estimated at \$478,211.

The Residential service options are unchanged from previous years. For the FY 2025/2026 and future years per request by the City and based on customer feedback, GreenWaste will now add a 32 gallon multi-family/commercial food waste/yard waste cart service option. Previously, 64 gallons was the smallest cart available for multi-family/commercial food waste/yard waste service. This will result in a cheaper option for commercial accounts with limited space and lower amounts of organic waste. The more affordable option is intended to encourage composting participation and commercial sector diversion rates (**Attachment 4**). GreenWaste Sustainability Report is provided as an attachment for information purposes (**Attachment 5**).

#### **PRIOR CITY COUNCIL ACTION:**

In June 2021, Council approved GWR's imposition of a 2% formula-based rate adjustment for the collection of solid waste, recycling and organics. GWR's rate increase was primarily due to the creation of a \$72,600 fund to buffer anticipated costs of SB 1383.

In November 2021, Council amended the City's Solid Waste and Materials Recovery Ordinance (Chapter 8.16) to address the new requirements of SB 1383. In December 2021, Council amended the Franchise Agreement with GWR to comply with SB 1383 and approved a 3.76% extraordinary rate increase to cover the additional operational costs associated with SB 1383.

In June 2022, Council approved a 2.14% increase for GWR for the collection of solid waste, recycling and organics. Council also approved Amendment No. 1 to the MOU between the Monterey Regional Waste Management District and Member Agencies for FY 2022/23 regional costs associated with SB 1383.

In June 2023, Council approved a 3.71% increase for GWR for the collection of solid waste, recycling and organics. Council also approved Amendment No. 2 to the MOU for FY 2023/2024.

In June 2024, Council approved a 3.59% increase for GWR for the collection of solid waste, recycling and organics. Council also approved Amendment No. 3 to the MOU for FY 2024/2025.

#### **ATTACHMENTS:**

Attachment 1) Resolution 2025-054

Attachment 2) HF&H Final Report & Rate Sheet

Attachment 3) Memorandum of Understanding (MOU) for Regional SB1383 Implementation

Attachment 4) Greenwaste Recovery 2024 Carmel-by-the-Sea Annual Report

Attachment 5) Greenwaste Recovery Sustainability Report Highlights

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

**RESOLUTION NO. 2025-054**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA APPROVING A 4.19 PERCENT RATE INCREASE TO CHARGES BY THE CITY'S FRANCHISED HAULER, GREENWASTE RECOVERY, FOR THE COLLECTION OF SOLID WASTE, RECYCLING AND ORGANICS, EFFECTIVE JULY 1, 2025, AND APPROVING AMENDMENT NO.4 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN REGEN MONTEREY AND MEMBER AGENCIES FOR FISCAL YEAR 2025/26**

WHEREAS, the City of Carmel-by-the-Sea (City) entered into a Franchise Agreement with GreenWaste Recovery, Inc. (GWR) on June 17, 2014 for solid waste, recycling, and organics collection services for the period of July 1, 2015 through June 30, 2030; and,

WHEREAS, Section 8.2 of the Franchise Agreement requires annual inflationary adjustments to customer rates on July 1 of each year, as described in Exhibit E1 to the Agreement, based on agreed-upon cost indices, changes in tipping fees at the ReGen Monterey (formerly Monterey Regional Waste Management District) landfill, City fees, and actual tonnage of materials collected by GWR; and,

WHEREAS, HF&H Consultants, LLC (HF&H) was retained by ReGen on behalf of all its member agencies to review GWR's request for an adjustment to customer rates, submitted to the City on March 1, 2024; and,

WHEREAS, HF&H's calculation of the rate adjustments have been reviewed by City staff, and staff finds the calculations to be consistent with the methodology and requirements of the Franchise Agreement; and,

WHEREAS, the rate review resulted in a 4.19 percent rate increase; and,

WHEREAS, in September 2016, Senate Bill 1383 (SB 1383) established methane emissions reduction targets, and in November 2020, CalRecycle issued regulations to implement SB 1383; and

WHEREAS, the ReGen's Technical Advisory Committee developed a Memorandum of Understanding to conduct tasks to comply with CalRecycle SB 1383 regulations on a regional basis; and

WHEREAS, regional implementation costs included in the Memorandum of Understanding must be updated annually; and

WHEREAS, the City's share of regional implementation costs is reflected as an agency fee in the solid waste, recycling, and organics collection rate adjustment.

**NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:**

- Approve a 4.19 percent rate increase to charges by the City's franchised hauler, GreenWaste Recovery, for the collection of solid waste, recycling and organics, effective on July 1, 2025, as shown in the attached **Exhibit A**.
- Approve Amendment No. 4 to the Memorandum of Understanding between ReGen and Member Agencies for Fiscal Year 2025/26 regional costs associated with SB 1383.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 3rd day of June, 2025, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

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Dale Byrne  
Mayor

---

Nova Romero, M.M.C.  
City Clerk

## EXHIBIT A

### Franchise Agreement Rates Effective July 1, 2025 (All rates are monthly unless stated otherwise)

Residential Solid Waste Collection Rates			
Service Level	Solid Waste	Recycling	Organics
20 Gal Back/Side	\$ 50.43	Included	Included
32 Gal Back/Side	\$ 56.03	Included	Included
64 Gal Back/Side	\$ 88.56	Included	Included
96 Gal Back/Side	\$ 112.25	Included	Included
Notes: See Exhibit B1 for specific service availability			

Commercial/Multi-Family Solid Waste Collection Rates						
	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
32-Gallon Cart	\$ 56.42	\$ 112.88	\$ 143.13	\$ 173.99	\$ 204.67	\$ 276.14
64-Gallon Cart	\$ 108.67	\$ 176.87	\$ 245.34	\$ 313.83	\$ 462.70	\$ 587.52
96-Gallon Cart	\$ 134.04	\$ 252.06	\$ 374.15	\$ 471.75	\$ 605.78	\$ 768.83
1-Cubic Yard Bin	\$ 309.47	\$ 582.07	\$ 796.54	\$ 1,001.26	\$ 1,206.00	\$ 1,533.10
2-Cubic Yard Bin	\$ 454.76	\$ 908.87	\$ 1,363.66	\$ 1,820.31	\$ 2,144.24	\$ 2,282.62
3-Cubic Yard Bin	\$ 643.89	\$ 1,136.09	\$ 1,590.58	\$ 1,968.61	\$ 2,272.71	\$ 2,726.82
4-Cubic Yard Bin	\$ 856.67	\$ 1,409.86	\$ 2,272.52	\$ 2,831.63	\$ 3,082.62	\$ 3,333.63
2-Cubic Yard Compactor	\$ 497.47	\$ 994.27	\$ 1,491.76	n/a	n/a	n/a
3-Cubic Yard Compactor	\$ 707.94	\$ 1,264.20	\$ 1,782.74	n/a	n/a	n/a
4-Cubic Yard Compactor	\$ 942.07	\$ 1,580.65	\$ 2,528.72	n/a	n/a	n/a

Commercial/Multi-Family Recycling Collection Rates						
	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
64-Gallon Cart	\$ 16.29	\$ 26.53	\$ 36.80	\$ 47.07	\$ 69.40	\$ 88.12
96-Gallon Cart	\$ 20.12	\$ 37.81	\$ 56.13	\$ 70.77	\$ 90.88	\$ 115.31
1-Cubic Yard Bin	\$ 46.43	\$ 87.32	\$ 119.48	\$ 150.17	\$ 180.90	\$ 229.97
2-Cubic Yard Bin	\$ 68.21	\$ 136.33	\$ 204.55	\$ 273.05	\$ 321.64	\$ 342.41
3-Cubic Yard Bin	\$ 96.59	\$ 170.41	\$ 238.59	\$ 295.28	\$ 340.92	\$ 409.01
2-Cubic Yard Compactor	\$ 18.43	\$ 36.76	\$ 55.22	n/a	n/a	n/a
3-Cubic Yard Compactor	\$ 21.91	\$ 21.08	\$ 14.58	n/a	n/a	n/a

Commercial/Multi-Family Food Waste Collection Rates						
	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
32-Gallon Cart	\$ 66.05	\$ 93.07	\$ 120.65	\$ 156.60	\$ 265.04	\$ 336.74
64-Gallon Cart	\$ 81.48	\$ 132.64	\$ 184.00	\$ 235.39	\$ 347.02	\$ 440.65
96-Gallon Cart	\$ 100.52	\$ 189.04	\$ 280.62	\$ 353.82	\$ 454.36	\$ 576.62
1-Cubic Yard Bin	\$ 232.12	\$ 436.57	\$ 597.39	\$ 750.92	\$ 904.51	\$ 1,149.83
2-Cubic Yard Bin	\$ 341.07	\$ 681.66	\$ 1,022.75	\$ 1,365.24	\$ 1,608.18	\$ 1,711.95



Commercial/Multi-Family Yard Trimmings Collection Rates						
	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
32-Gallon Cart	\$ 66.05	\$ 93.07	\$ 120.65	\$ 156.60	\$ 265.04	\$ 336.74
64-Gallon Cart	\$ 81.48	\$ 132.64	\$ 184.00	\$ 235.39	\$ 347.02	\$ 440.65
96-Gallon Cart	\$ 100.52	\$ 189.04	\$ 280.62	\$ 353.82	\$ 454.36	\$ 576.62
1-Cubic Yard Bin	\$ 232.12	\$ 436.57	\$ 597.39	\$ 750.92	\$ 904.51	\$ 1,149.83
2-Cubic Yard Bin	\$ 341.07	\$ 681.66	\$ 1,022.75	\$ 1,365.24	\$ 1,608.18	\$ 1,711.95
3-Cubic Yard Bin	\$ 482.92	\$ 852.07	\$ 1,192.92	\$ 1,476.45	\$ 1,704.53	\$ 2,045.10

Roll-Off Collection Rates (Per Pull)					
	Material				
Service Level	MSW	REC	FW	YT	C&D
10 YD	\$ 792.26	\$ 792.26	\$ 792.26	\$ 792.26	\$ 792.26
20 YD	\$ 870.99	\$ 870.99	\$ 870.99	\$ 870.99	\$ 870.99
30 YD	\$ 1,082.26	\$ 1,082.26	\$ 1,082.26	\$ 1,082.26	\$ 1,082.26
40 YD	\$ 1,293.56	\$ 1,293.56	\$ 1,293.56	\$ 1,293.56	\$ 1,293.56
Per Ton	\$ 93.10	\$ 47.13	\$ 79.31	\$ 56.32	\$ 93.10

Additional Service Rates		
Service	Sector	Charge Per Event*
Cart Rental - All Sizes	RES	\$ 5.37
Cart Replacement	RES	\$ 107.27
Re-Delivery or Re-Start	RES	\$ 44.70
Cart Cleaning	RES	\$ 44.70
Non-Scheduled Collection	RES	\$ 33.98
Cardboard Sticker	COM	\$ 16.62
Difficult to Service Cart	COM	\$ 1.79
Difficult to Service Bin	COM	\$ 5.37
Locking Bin	COM	\$ 89.38
Cart Replacement	COM	\$ 107.27
Cart Cleaning	COM	\$ 44.70
Bin Swap - Cleaning or Repainting	COM	\$ 134.08
Bulky - Recyclable	RES/COM	\$ 35.76
Bulky - Non Recyclable	RES/COM	\$ 44.70
Bulky - Event	RES/MFD	\$ 53.64
Covered Box	RO	\$ 134.08
Driver Time per Hour	RO	\$ 196.65
Dry Run or Relocation	RO	\$ 134.08
Extra Days	RO	\$ 44.70

\*Note: Application of fees shall be as described in Franchise Agreement





**HF&H Consultants**

590 Ygnacio Valley Rd. Suite 105  
Walnut Creek, CA 94596  
Phone: (925) 977-6950  
Web: hfh-consultants.com

May 28, 2025

Mary Bilse  
Environmental Compliance Manager  
City of Carmel-by-the-Sea

*Sent via email*

**Subject: Review of GreenWaste Recovery's 2025-26 Rate Request – Final Report**

Dear Mary Bilse:

HF&H Consultants, LLC (HF&H) was retained by ReGen Monterey (ReGen), formerly the Monterey Regional Waste Management District, to assist with a review of GreenWaste Recovery's (GWR) request for an adjustment to customer rates, effective July 1, 2025, submitted to the City of Carmel-by-the-Sea (City) on April 1, 2025. This report presents our findings and recommendations.

## **Executive Summary**

HF&H's review of GWR's Rate Period 11 (RP11) rate request to the City resulted in the following outcomes:

- HF&H has determined a 4.19% increase as appropriate as a result of the following components:
  - 3.80% inflationary increase in labor-related costs
  - 2.60% inflationary increase in vehicle-related costs (excluding fuel)
  - Fuel rate held flat, as set by ReGen
  - 2.60% inflationary increase in other costs
  - Depreciation held flat, per the Agreement
  - 10.05% net processing costs increase due to an increase in per-ton tip fees and tonnage
  - 16.89% increase in disposal costs due to an increase in per-ton disposal rate and tonnage

Refer to **Figure 1** below for the impact to sample residential rates.

---



**Figure 1 – Example Rate Impact of Adjustment**

Carmel Rate Adjustment		
	Current Rates (RP10)	RP11
Adjustment		4.19%
Residential 32-gallon rate	\$53.78	\$56.03

## Background

In 2012, the City, participating with other members of ReGen, issued a competitive request for proposals for collection services and entered into the new Agreement with GWR effective July 1, 2015. The Agreement provides for the following, related to the adjustment of rates:

- Rates are to be adjusted annually throughout the term of the Agreement, using various inflationary indices, actual tonnage, and changes in the tipping fees at ReGen, unless either the City or GWR request a Cost-Based Rate Adjustment (CBRA).
- The City and GWR may mutually agree upon alternative approaches to structuring rates without amendment to the Agreement (Section 8.2.D).
- During the CBRA review in RP5, a number of issues surrounding the process for setting rates and the resulting rate relationships amongst sectors and materials were identified. As such, the City and GWR have negotiated an amendment to the prescribed methodology for the CBRA and index adjustments so as to not alter rate relationships between service sectors and material types.
- Through negotiations of the amendment, and as a result of the desire to maintain current rate relationships between sectors and service levels, the City and GWR have prescribed a uniform rate adjustment to be applied to all sectors.

## Rate Calculation Review

### ***HF&H Scope of Work***

HF&H performed this review of the rate request in accordance with Exhibit E1 (for the index-based rate adjustment). These procedures included:

1. Review of the rate request for completeness and compliance with the procedures contained in Exhibit E1 of the Agreement.
2. Review for mathematical accuracy and logical consistency to determine that the rate request is mathematically correct, that the rows and columns of numbers add down and across as intended, and that the stated assumptions were, in fact, used. Also, to determine that the rate request is internally consistent and that any summary schedules agree to the supporting schedules and worksheets.
3. Verification of the inclusion of the franchise fee calculation in the adjustment.
4. Verification of contract compliance, including:



- A. The indices used in the adjustment.
- B. The tip fees reported for the disposal/processing components of the rates.
- C. The use of quarterly-reported tonnage data and allocations among agencies. A detailed audit of tonnage and allocations of tonnage reported by GWR was not a part of this scope of work. HF&H discussed GWR's allocation methodology with them and the methodology appears reasonable and consistent with standard practices within the industry.
- D. Any changes in governmental fees on the fee component of the rates; and the accurate application of the resultant percentage changes in the various rate components to the rate schedule approved by the City through the Agreement.

### ***Review of Rate Request***

#### **RP11 Application**

HF&H reviewed the rate application for RP11. The results of the calculation of RP11 per methodology of Exhibit E1 of the amendment can be seen in **Figure 2** on the following page.



**Figure 2 – City of Carmel Application of Index-Based Adjustments to RP11**

	<u>Rate Period 10</u>	<u>Adjustment Factor</u>	<u>Rate Period 11</u>
<b>Annual Cost of Operations</b>			
Labor-Related Costs	\$959,028	1.038	\$995,471
Vehicle-Related Costs	135,347	1.026	138,866
Fuel Costs	126,300	1	126,300
Other Costs	263,441	1.026	270,290
Direct Depreciation	151,264	N.A.	151,264
Total Allocated Costs - Labor, Vehicle, Fuel & Other	565,831	1.026	580,543
Total Allocated Costs - Depreciation & Start-Up	25,726	N.A.	25,726
<b>Total Annual Cost of Operations</b>	<b>\$2,226,938</b>		<b>\$2,288,461</b>
<b>Profit</b>	<b>\$369,771</b>	<b>OR=85.76</b>	<b>\$379,987</b>
<b>Pass-Through Costs</b>			
Disposal Costs	\$199,408	Tons*Tip Fee	\$233,093
Curbside Supplemental	(7,152)	1.00	(7,152)
Recycling Processing Costs	69,117	Tons*Tip Fee	73,585
Residue Processing Costs	-	Tons*Tip Fee	-
Yard Trimmings Processing Costs	92,380	Tons*Tip Fee	102,974
Food Waste Processing Costs	26,796	Tons*Tip Fee	30,657
C&D Processing Costs	-	Tons*Tip Fee	-
Interest Expense	44,270	N.A.	44,270
Direct Lease Costs	-	N.A.	-
Total Allocated Costs - Lease	38,993	N.A.	38,993
<b>Total Pass-Through Costs</b>	<b>\$463,812</b>		<b>\$516,420</b>
<b>Total Costs before Agency Fees</b>	<b>\$3,060,521</b>		<b>\$3,184,869</b>
<b>Agency Fees/Payments</b>			
Franchise Fee	\$458,996	13.00%	\$478,211
ReGen MOU Costs	11,225	Actual	14,213
<b>Other Adjustments (as needed from time to time)</b>			
Adjustment from Tip Fee Estimates	-	N.A.	\$1,256
<b>Total Calculated Costs</b>	<b>\$3,530,742</b>		<b>\$3,678,549</b>
<b>Rate Increase</b>			<b>4.19%</b>



## Review of GWR Costs

There are four major components to GWR's rate application: (1) calculation and application of the inflationary indices as prescribed in the Agreement; (2) the disposal and/or processing component; (3) the Agency Fees; and (4) other one-time adjustments.

There are three indices used in the index adjustment: Consumer Price Index (CPI), fuel index, and labor index. The annual percentage change in each index is used to calculate the coming year's cost for the line items to which they apply.

HF&H has reviewed, and GWR has confirmed, the accuracy of each of these indices. It is noted that the fuel index remains unchanged, as reported by ReGen management staff.

## Review of Disposal/Processing Component

Collected tonnage for Calendar Year 2024 was used for the RP11 review, in accordance with the amendment. The disposal and processing components also consider the tipping fees charged by ReGen to project anticipated disposal and processing costs at ReGen. **Figure 3** below outlines the changes in the City's disposal and processing costs for each material type, based on ReGen's tip fees, effective July 1, 2025, which have been incorporated into our RP11 review.

**Figure 3 - Impact of ReGen Tip Fee Changes**

Material	2024 Tons	Projected Per Ton Tip Fee	Rate Period 11 Costs
	A	B	A x B
Solid Waste	2,878	\$81.00	\$233,093
Recycling	1,795	41.00	73,585
Yard Trimmings	2,102	49.00	102,974
Food Waste	444	69.00	30,657

## Review of Fee Component

HF&H ensured that the fee component of each rate matches the contractual percentage of 13% for franchise fees, which are remitted to the City by GWR.

Additionally, rate application review costs and other identified ReGen costs totaling \$14,213 were added as a one-time adjustment. These costs cover the rate review, franchise management, staff time, and public education and outreach.

## Review of Other One-Time Adjustments

HF&H reviewed the actual tip fees implemented at ReGen in RP10 and compared them to the projected tip fees included in the RP10 application. The result of this review was an increase of \$1,256 to reflect the difference between the estimated tip fees for Food Waste included in the prior rate adjustment and the actual tip fee approved by ReGen.



## **New Rates**

Attached hereto is a table of all new rates recommended for RP11 based on the adjustments described in this memo (Attachment A). The City requested a 32-gallon commercial organics rate be added to the rate sheet to be effective July 1, 2025. The recommended rates for 32-gallon commercial organics service, with frequencies of one to six times per week, are based on the relationship between the 64- and 96-gallon rates, applied to the 64-gallon rate, and are shown in Attachment A. The City and GWR agree with the recommended rates for 32-gallon commercial organics service, with frequencies of one to six times per week. HF&H recommends adopting these rates by resolution to be effective July 1, 2025.

\* \* \* \* \*

We would like to express our appreciation to GWR staff for their assistance and cooperation in this process. Should you have any questions, please call me at (925) 977-6964 or [dhilton@hfh-consultants.com](mailto:dhilton@hfh-consultants.com).

Sincerely,  
HF&H CONSULTANTS, LLC

A handwritten signature in black ink, appearing to read 'Rob Hilton'.

Rob Hilton  
President

A handwritten signature in blue ink, appearing to read 'Dave Hilton'.

Dave Hilton  
Senior Project Manager

Residential Solid Waste Collection Rates			
Service Level	Solid Waste	Recycling	Organics
20 Gal Back/Side	\$ 50.43	Included	Included
32 Gal Back/Side	\$ 56.03	Included	Included
64 Gal Back/Side	\$ 88.56	Included	Included
96 Gal Back/Side	\$ 112.25	Included	Included
Notes: See Exhibit B1 for specific service availability			

Commercial/Multi-Family Solid Waste Collection Rates						
	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
32-Gallon Cart	\$ 56.42	\$ 112.88	\$ 143.13	\$ 173.99	\$ 204.67	\$ 276.14
64-Gallon Cart	\$ 108.67	\$ 176.87	\$ 245.34	\$ 313.83	\$ 462.70	\$ 587.52
96-Gallon Cart	\$ 134.04	\$ 252.06	\$ 374.15	\$ 471.75	\$ 605.78	\$ 768.83
1-Cubic Yard Bin	\$ 309.47	\$ 582.07	\$ 796.54	\$ 1,001.26	\$ 1,206.00	\$ 1,533.10
2-Cubic Yard Bin	\$ 454.76	\$ 908.87	\$ 1,363.66	\$ 1,820.31	\$ 2,144.24	\$ 2,282.62
3-Cubic Yard Bin	\$ 643.89	\$ 1,136.09	\$ 1,590.58	\$ 1,968.61	\$ 2,272.71	\$ 2,726.82
4-Cubic Yard Bin	\$ 856.67	\$ 1,409.86	\$ 2,272.52	\$ 2,831.63	\$ 3,082.62	\$ 3,333.63
2-Cubic Yard Compactor	\$ 497.47	\$ 994.27	\$ 1,491.76	n/a	n/a	n/a
3-Cubic Yard Compactor	\$ 707.94	\$ 1,264.20	\$ 1,782.74	n/a	n/a	n/a
4-Cubic Yard Compactor	\$ 942.07	\$ 1,580.65	\$ 2,528.72	n/a	n/a	n/a

Commercial/Multi-Family Recycling Collection Rates						
	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
64-Gallon Cart	\$ 16.29	\$ 26.53	\$ 36.80	\$ 47.07	\$ 69.40	\$ 88.12
96-Gallon Cart	\$ 20.12	\$ 37.81	\$ 56.13	\$ 70.77	\$ 90.88	\$ 115.31
1-Cubic Yard Bin	\$ 46.43	\$ 87.32	\$ 119.48	\$ 150.17	\$ 180.90	\$ 229.97
2-Cubic Yard Bin	\$ 68.21	\$ 136.33	\$ 204.55	\$ 273.05	\$ 321.64	\$ 342.41
3-Cubic Yard Bin	\$ 96.59	\$ 170.41	\$ 238.59	\$ 295.28	\$ 340.92	\$ 409.01
2-Cubic Yard Compactor	\$ 18.43	\$ 36.76	\$ 55.22	n/a	n/a	n/a
3-Cubic Yard Compactor	\$ 21.91	\$ 21.08	\$ 14.58	n/a	n/a	n/a

Commercial/Multi-Family Food Waste Collection Rates						
	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
32-Gallon Cart	\$ 66.05	\$ 93.07	\$ 120.65	\$ 156.60	\$ 265.04	\$ 336.74
64-Gallon Cart	\$ 81.48	\$ 132.64	\$ 184.00	\$ 235.39	\$ 347.02	\$ 440.65
96-Gallon Cart	\$ 100.52	\$ 189.04	\$ 280.62	\$ 353.82	\$ 454.36	\$ 576.62
1-Cubic Yard Bin	\$ 232.12	\$ 436.57	\$ 597.39	\$ 750.92	\$ 904.51	\$ 1,149.83
2-Cubic Yard Bin	\$ 341.07	\$ 681.66	\$ 1,022.75	\$ 1,365.24	\$ 1,608.18	\$ 1,711.95



<b>Commercial/Multi-Family Yard Trimmings Collection Rates</b>						
	<b>Frequency</b>					
<b>Service Level</b>	<b>1x/week</b>	<b>2x/week</b>	<b>3x/week</b>	<b>4x/week</b>	<b>5x/week</b>	<b>6x/week</b>
32-Gallon Cart	\$ 66.05	\$ 93.07	\$ 120.65	\$ 156.60	\$ 265.04	\$ 336.74
64-Gallon Cart	\$ 81.48	\$ 132.64	\$ 184.00	\$ 235.39	\$ 347.02	\$ 440.65
96-Gallon Cart	\$ 100.52	\$ 189.04	\$ 280.62	\$ 353.82	\$ 454.36	\$ 576.62
1-Cubic Yard Bin	\$ 232.12	\$ 436.57	\$ 597.39	\$ 750.92	\$ 904.51	\$ 1,149.83
2-Cubic Yard Bin	\$ 341.07	\$ 681.66	\$ 1,022.75	\$ 1,365.24	\$ 1,608.18	\$ 1,711.95
3-Cubic Yard Bin	\$ 482.92	\$ 852.07	\$ 1,192.92	\$ 1,476.45	\$ 1,704.53	\$ 2,045.10

<b>Roll-Off Collection Rates (Per Pull)</b>					
	<b>Material</b>				
<b>Service Level</b>	<b>MSW</b>	<b>REC</b>	<b>FW</b>	<b>YT</b>	<b>C&amp;D</b>
10 YD	\$ 792.26	\$ 792.26	\$ 792.26	\$ 792.26	\$ 792.26
20 YD	\$ 870.99	\$ 870.99	\$ 870.99	\$ 870.99	\$ 870.99
30 YD	\$ 1,082.26	\$ 1,082.26	\$ 1,082.26	\$ 1,082.26	\$ 1,082.26
40 YD	\$ 1,293.56	\$ 1,293.56	\$ 1,293.56	\$ 1,293.56	\$ 1,293.56
Per Ton	\$ 93.10	\$ 47.13	\$ 79.31	\$ 56.32	\$ 93.10

<b>Additional Service Rates</b>		
<b>Service</b>	<b>Sector</b>	<b>Charge Per Event*</b>
Cart Rental - All Sizes	RES	\$ 5.37
Cart Replacement	RES	\$ 107.27
Re-Delivery or Re-Start	RES	\$ 44.70
Cart Cleaning	RES	\$ 44.70
Non-Scheduled Collection	RES	\$ 33.98
Cardboard Sticker	COM	\$ 16.62
Difficult to Service Cart	COM	\$ 1.79
Difficult to Service Bin	COM	\$ 5.37
Locking Bin	COM	\$ 89.38
Cart Replacement	COM	\$ 107.27
Cart Cleaning	COM	\$ 44.70
Bin Swap - Cleaning or Repainting	COM	\$ 134.08
Bulky - Recyclable	RES/COM	\$ 35.76
Bulky - Non Recyclable	RES/COM	\$ 44.70
Bulky - Event	RES/MFD	\$ 53.64
Covered Box	RO	\$ 134.08
Driver Time per Hour	RO	\$ 196.65
Dry Run or Relocation	RO	\$ 134.08
Extra Days	RO	\$ 44.70

\*Note: Application of fees shall be as described in Franchise Agreement

Note: All rates are monthly unless stated otherwise

## MEMORANDUM OF UNDERSTANDING

BETWEEN THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT DBA  
REGEN MONTEREY AND ITS MEMBER AGENCIES REGARDING ASSISTANCE WITH  
FRANCHISE AGREEMENT MATTERS

This Memorandum of Understanding (“MOU”) is made and entered into as of the date of the signatures set forth below by and between the MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT DBA REGEN MONTEREY (“ReGen Monterey,” “ReGen”), a California Garbage and Refuse Disposal District, and its member agencies the cities of CARMEL-BY-THE-SEA, DEL REY OAKS, MARINA, MONTEREY, PACIFIC GROVE, SAND CITY, and SEASIDE; and the PEBBLE BEACH COMMUNITY SERVICES DISTRICT (“Participating Member Agencies”). Collectively these entities shall be known herein as “Parties” or individually as a “Party.”

Recitals

- A. The Participating Member Agencies have jurisdiction and authority to make adequate provisions for solid waste collection within their territories. The Participating Member Agencies have certain rights and interests related to administration and management of their existing franchise agreements, planning for future franchise agreements, and other matters within the Participating Member Agencies’ jurisdiction related to solid waste.
- B. The Participating Member Agencies have determined that it is in their best interest to coordinate some of these activities. This coordination is being facilitated by ReGen Monterey’s Technical Advisory Committee (TAC) through a subcommittee composed of staff from each Participating Member Agency and ReGen.
- C. The Participating Member Agencies have further determined that ReGen Monterey has the expertise and resources necessary to support the Participating Member Agencies in their implementation of these activities and have now requested that ReGen incur costs to provide these activities.
- D. The Participating Member Agencies have agreed to reimburse the ReGen Monterey for proportionate shares of certain costs incurred by the ReGen for these activities.
- E. The form and content of this MOU have been presented to the TAC subcommittee, and the TAC subcommittee has recommended it for approval by the Parties.

NOW THEREFORE, in consideration of the mutual benefits to be derived by ReGen Monterey and the Participating Member Agencies, and of the promises contained in this MOU, the Parties agree as follows:

Section 1. Recitals: The recitals set forth above are incorporated into this MOU.

Section 2. Purpose: The purpose of this MOU is to provide a structure for the Participating Member Agencies to authorize ReGen Monterey to perform certain activities to support the Participating Member Agencies' in their administration and management of their existing franchise agreements, plan for future franchise agreements, and implement other matters within the Participating Member Agencies' jurisdiction related to solid waste ("Coordination Activities"), and reimburse ReGen for such Coordination Activities it performs.

Section 3. Voluntary: This MOU is voluntarily entered into by the Parties for the purpose of coordinating the Coordination Activities.

Section 4. Term: This MOU shall become effective on the date of its full execution by the Parties and shall remain in effect until it is terminated by the Parties.

Section 5. Scope of Work, Costs & Cost Sharing: The scope of work for the Coordination Activities, and associated costs, are set out in Exhibit A, entitled Detailed Activities and Costs, attached hereto and incorporated herein. Allocation of such costs to the Participating Member Agencies is set out in Exhibit B, entitled Participating Member Agencies' Annual Proportionate Shares and Costs, attached hereto and incorporated herein.

No later than March 1 of each year, and at such other times as directed by the Parties, the TAC subcommittee shall meet to consider and, if deemed necessary, recommend modifications to Exhibits A and B; subject to approval of such modified Exhibits A and B by ReGen Monterey and each Participating Member Agency, this MOU shall be deemed amended to incorporate such modified Exhibits A and B.

Section 6. ReGen Monterey Agrees:

(a) ReGen staff will manage the Coordination Activities as identified in Exhibit A, which activities may include contracting with third party vendors when reasonably necessary and paying those vendors for contracted costs.

(b) Two times per year, on dates to be determined by the TAC subcommittee, ReGen will invoice Participating Member Agencies for each Participating Member Agency's proportionate share of estimated costs as shown in Exhibit B with each invoice to be fifty percent (50%) of the Participating Member Agency's estimated share of costs.

(c) ReGen Monterey will maintain an accounting of activities and actual incurred costs and provide reconciliation of payments annually. Differences between estimated costs and actual incurred costs will result in either: 1) an adjustment made to the final annual payment for each Participating Member Agency, or 2) such cost difference shall be incorporated into the subsequent year cost allocation.

Section 7. The Participating Member Agencies Agree:

(a) To reimburse ReGen Monterey for all expenses incurred by ReGen under this MOU in accordance with each Participating Member Agency's proportionate share as shown on Exhibit B.

(b) To make a full-faith effort to cooperate with one another and with ReGen Monterey to achieve the purposes of this MOU by providing information, reviewing information in a timely manner, and informing their respective administration and governing bodies.

Section 8. Termination. Any Party may terminate its participation in this MOU at the conclusion of ReGen Monterey's fiscal year (June 30) upon giving written notice to the other Parties no later than April 1 of the then-current fiscal year. Within ten (10) days following a Party's termination date, such party shall pay ReGen all charges then due and payable and shall pay when determined any additional charges that shall later come due under the MOU, as provided in and subject to the limits set out in Exhibits A and B.

Section 9. General Provisions.

(a) This MOU is binding and for the benefit of the respective successors, heirs, and assigns of each Party; provided however, no Participating Member Agency may assign its respective rights or obligations under this MOU without the prior written consent of ReGen Monterey.

(b) This MOU is governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California. The Parties agree that the jurisdiction and venue of any dispute between the Parties will be the Superior Court of California of the County of Monterey.

(c) If any provision of this MOU is determined by any court to be invalid, illegal, or unenforceable to any extent, then the remainder of this MOU will not be affected, and this MOU will be construed as if the invalid, illegal, or unenforceable provision had never been contained in this MOU.

(d) Waiver by any Party to this MOU of any term, condition, or covenant of this MOU will not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this MOU will not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this MOU.

(e) This MOU may be executed in any number of counterparts, each of which is an original but all of which taken together will constitute one and the same instrument, provided, however, that such counterparts have been delivered to all parties to this MOU. A signature delivered on any counterpart by electronic means will for all purposes be deemed to be an original signature to this MOU. The term "electronic means" means one that is executed by applying an electronic signature using technology mutually acceptable to the Parties.

(f) All parties acknowledge they have been represented, or have had the opportunity to be represented, by counsel in the preparation and negotiation of this MOU. Accordingly, this

MOU will be construed according to its fair language. Any ambiguities will be resolved in a collaborative manner by the Parties and must be rectified by amending this MOU.

(g) This MOU supersedes and replaces all prior MOUs between the Parties hereto relating to the subject matter of this MOU.

(h) Nothing in this MOU may be construed as giving a Party the right or ability to bind the other Party and nothing in this MOU may be construed to create any joint liability with regard to, or as a result of, the activities undertaken by the other Party or its agents. All officers, directors, employees, representatives, and agents of a Party will remain the officers, directors, employees, representatives, and agents of that Party and will be subject to the laws, procedures, rules, and policies governing such Party.

(i) Nothing herein may be considered as creating any rights and/or obligations by any of the Parties to this MOU to any third parties, beyond those otherwise required and established by law.

(j) Each entity signing below warrants and represents that it has the power, authority and right to act on behalf of its Party and to bind its Party in accordance with this MOU.

(k) From time to time, by mutual agreement, the Parties may reopen, in whole or in part, elements of this MOU, including modifying the member agencies participating in the MOU. Except as provided in Section 5 above, this MOU may not be changed, modified, or amended, in whole or in part, except in a writing signed by an authorized representative of each Party.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives as of the date of their respective signatures.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT dba REGEN MONTEREY

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF CARMEL-BY-THE-SEA

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF DEL REY OAKS

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_



CITY OF MARINA

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF MONTEREY

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF PACIFIC GROVE

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

SAND CITY

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

CITY OF SEASIDE

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

COUNTY OF MONTEREY

By: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_



## EXHIBIT A

### DETAILED ACTIVITIES & COSTS FY 2025-2026 (July 1-June 30)

#### **Scope of Work**

ReGen Monterey, through its own forces or through retention of third-party consultants, will perform the following Coordination Activities:

1. Support Participating Member Agencies' Administration and Management of Existing Franchise Agreements with GreenWaste Recovery, Inc. The scope generally includes:
  - A. Review and Analyze Contractor's Quarterly Reports
  - B. Review and Analyze Contractor's Annual Reports
  - C. Review and Analyze Franchise Fee Payments
  - D. Review and Analyze Contractor's Annual Rate Adjustment Application
  - E. Provide Other Support and Technical Assistance Related to Administration and Management of Existing Franchise Agreements
  - F. Facilitate Monthly Review Meetings with ReGen Monterey's Technical Advisory Committee (TAC)
  - G. Develop Reporting Templates under Existing Franchise Agreements
  - H. Monitor Contract Compliance
2. Support Participating Member Agencies' Development of Next Generation of Franchise Agreements. The scope generally includes:
  - A. Public and Stakeholder Engagement
  - B. Solicitation Document Design and Drafting
  - C. Solicitation Process Support
  - D. Negotiations Support
3. Other Support Tasks as Assigned by the Participating Member Agencies

Except as expressly provided above, all activities related to administration and management of Participating Member Agency franchise agreements and other tasks within the jurisdiction of the Participating Member Agency remain with the Participating Member Agency.

#### **Estimated Costs**

[Add appropriate detail here; it should reflect on the FY (or should make clear where the cost spans more than one FY)]

The above is an estimate of the costs to provide the Coordination Activities in the specified Fiscal Year; actual costs may vary based on level of effort required, change in assumptions, change in requested scope, significant and unanticipated issues or concerns, and other factors.

**EXHIBIT B**

PARTICIPATING MEMBER AGENCIES'  
ANNUAL PROPORTIONATE SHARES & COSTS\*  
FY 2025-2026 (July 1-June 30)

	<b>Population</b>		<b>Per Agency Estimated Cost/Year</b>	<b>Per Agency Estimated Cost/Year With Minimums</b>
	<b>#</b>	<b>% of Total</b>		
<b>Carmel-by-the-Sea</b>				
<b>Del Rey Oaks</b>				
<b>Marina</b>				
<b>Monterey City</b>				
<b>Pacific Grove</b>				
<b>Pebble Beach CSD</b>				
<b>Sand City</b>				
<b>Seaside</b>				
<b>TOTAL</b>		100%		

\*Participating Member Agencies' proportionate costs subject to adjustment annually in accordance with any change in scope and total costs. Costs "with minimums" will be utilized.



**City of Carmel-by-the-Sea  
Annual Report of Solid Waste,  
Recycling and Organics Collection Services  
2024**

Submitted by  
GreenWaste Recovery, LLC

## **Executive Summary – City of Carmel-by-the-Sea**

### **Section I: Summary Assessment**

Throughout 2024, GreenWaste continued to build on previous years efforts to reach the City of Carmel-by-the-Sea's 65% diversion goal, focusing its efforts on reducing the amount of solid waste (MSW) disposed of and finding the best and highest use for materials recovered through our world-class sorting and processing facilities. Recycling and organics collection remain a crucial part of our strategy, making up 1,794.8 and 2,666.0 tons per year respectively.

As GreenWaste monitors progress in achieving the City's 65% diversion goal and other waste reduction targets, disposal trends remain a key metric when evaluating success.

**Overall, the City of Carmel-by-the-Sea's diversion percentage decreased by 2% to 60% in 2024.**

Throughout 2024, GreenWaste's Public Education and Outreach Plan (PEOP) focused on four main goals:

1. Increase organics program across residential and commercial sectors. Education and outreach will be essential to creating sustained behavior change.
2. Design a campaign geared towards diverting organics from landfill reducing contamination across all materials. Equipping commercial and residential customers with education on proper disposal including bulky items and e-waste to build a multi-faceted approach to reducing contamination and increasing diversion.
3. Implement education and awareness around best practices, such as reducing the use of plastic bags in the recycle and organic waste streams. Encourage customers to place recycling in containers loose and dry and to keep bags, including BPI-certified or compostable bags out of the residential organic waste stream.
4. Create a safety campaign to ensure customers are aware of common waste-hazards including batteries and e-waste. Provide customers with education on proper disposal of hazardous items that are not accepted in collection containers.

This report focuses on the implementation and success of each of these goals, participation in collection programs, tonnage trends, subscription levels, and outreach and education provided to customers. We will provide an update on program efficiency, economic indicators, and our effectiveness in meeting our shared goals and objectives as set forth by our franchise agreement.



# GREENWASTE RECOVERY, LLC

## Annual Report - City of Carmel-by-the-Sea

### January 1 - December 31, 2024

## Section 1 | Tonnage Report

### 2024 Annual Tonnage Summary

Customer Type	Material	Total	Material Type as a Percentage of the Customer Type Total Tonnage
Single Family	MSW	870.6	24.22%
	Recycle	846.8	23.56%
	Organics	1,877.1	52.22%
	<b>Diversion</b>	<b>76%</b>	
MFD	MSW	54.6	45.91%
	Recycle	34.9	29.31%
	Organics	29.5	24.78%
	<b>Diversion</b>	<b>54%</b>	
Commercial	MSW	754.6	41.13%
	Recycle	636.6	34.70%
	Organics	443.3	24.17%
	<b>Diversion</b>	<b>59%</b>	
Debris Box	MSW	357.5	47.72%
	Recycle	-	
	Organics	120.2	16.05%
	C&D	271.3	36.22%
	<b>Diversion</b>	<b>52%</b>	
Agency	MSW	1,198.02	66.44%
	Recycle	276.50	10.82%
	Organics	260.6	22.75%
	C&D	23.0	0.00%
	<b>Diversion</b>	<b>29%</b>	
Summary of Total Tonnage for All Customer Types	MSW	3,235.2	40.49%
	Recycle	1,794.8	22.46%
	Organics	2,666.0	33.37%
	C&D	294.4	3.68%
	<b>Diversion</b>	<b>60%</b>	

## I. Single-Family Residential

The City of Carmel-by-the-Sea's single-family sector continues to see high participation in recycling and organics programs.

**Overall, the City of Carmel-by-the-Sea's single-family sector diversion percentage remained at 76% in 2024.**

Outreach tactics vary significantly due to the number of single-family customers versus all other sectors. Print materials such as newsletters, postcards, or social media posts continue to be the main avenue for educating customers. Print content is developed based on campaign goals designated in the PEOP, as well as information gathered by drivers and outreach coordinators while in the field.

Successes and challenges for 2024 are identified below, followed by specific program recommendations and strategies that will be deployed in 2024.

### **Successes:**

1. 65% Diversion Reached: The diversion goal set forth in the franchise agreement is 65% city-wide. The single-family sector continues to surpass that mark and remains a driving force in reaching the city's overall diversion goal.
2. Sustained Participation in Expanded Curbside Program: GreenWaste has seen sustained participation in the Bulky Item Reuse Event Program within the City.

Curbside Program	2023	2024
Bulky Item Reuse Events	200	199



## II. Multi-Family Dwellings (MFD)

	All MFD Customers	NON AB341 Customers	AB341 MFD Customers
<b>Total Customers</b>	24	4	20
<b>% of the MFD Waste Stream</b>	100%	17%	83%
<b>Customers Participating in Recycling Programs</b>	24	4	20

\*Detailed documentation on all AB341 customer touches is provided in the AB341 annual report. See AB341 annual report for additional information.

Despite GreenWaste's effectiveness in contacting 100% of the AB341-eligible MFD customers, obstacles continue to impede effective implementation and use of diversion programs. GreenWaste continues to promote recycling, and diversion programs and highlights potential cost-savings associated with their implementation.

It is widely agreed that there are significant challenges in achieving both high and consistent diversion in the multi-family sector, yet every year, GreenWaste looks for innovative solutions to solve these challenges.

**Overall, the City of Carmel-by-the-Sea's multi-family sector diversion percentage remained at 54% in 2024.**

### **Successes:**

1. **AB 341 Compliance:** All Carmel-by-the-Sea's multifamily customers have consistently participated in recycling services, having achieved 100% compliance for several years in a row. As of the end of 2024, MFD data indicates that approximately 26 cubic yards of recycling are being diverted from the landfill each week from this sector. The Outreach team continues to monitor feedback from our drivers to enhance recycling services and highlight the cost benefits of recycling vs. landfilling to property management.
2. **SB1383 Participation:** The outreach team has been working to increase the sector's use of their organics carts. Our team is labeling our inventory of bins and carts with educational decals. Additionally, our operations team ensures all organic carts that leave our facility have decals as well. This coming year, we are looking to update the design of these decals with industry and design best practice for point-of-disposal signage and to ensure design consistency with other outreach materials. We have also created a new "What Goes Where" guide, which details which stream customers should put over 100 of the most common materials.
3. **City Support:** The city has been actively monitoring residents who have not yet subscribed to organic services and have been encouraging participation by enforcing municipal codes and

imposing potential fines. Additionally, the city has organized events such as Earth Day and Community Day, where the outreach team collaborates with other organizations to educate residents on proper sorting practices. These events also address service-related questions and provide educational materials, fostering open spaces for community involvement and engagement.

### **Challenges:**

1. Incentivizing Participation for Tenants: Multi-family customers usually do not receive or pay their waste bill, which limits our ability to incentivize participation through financial extranalties. Our team has observed high levels of contamination, particularly from film plastic, in both recycling and organic waste streams. Contaminated recycling and organic carts may incur fees for contamination or return service, which sometimes negates the benefits of participating in these programs. This can deter property managers from increasing recycling and organic subscriptions.

Proposed Strategies: With the city's support, there will be increased contamination enforcement to increase pressure on the multi-family sector to closely monitor their waste streams. With our assistance and regular reporting, the city will issue violation notices as a warning, along with fines ranging from \$100 for the first offense to \$500 for the fourth offense. This more aggressive approach aims to foster a cultural change regarding waste sorting practices and possibly encourage increased participation.

2. Compostable-wear in the Organics Stream: Compostable wear is being marketed as organic and compostable. While our program does not accept them in the organics stream, we are still seeing a significant amount of compostable-wear such as bags, utensils, plates, etc., in the green organics cart.

Proposed Strategies: The outreach team and operations are collaborating closely to monitor organic carts for excessive contamination. The goal is to provide feedback on contamination issues and educate users on proper sorting practices. Additionally, our drivers have been tagging customer carts, notifying them when contaminants are detected in the organic stream. This helps further educate customers and also reminds them that their carts are monitored for contamination. Furthermore, we will notify the City of regular offenders and they will be implementing notices of violation for individuals who contaminate the waste streams.

## III. Commercial Businesses (COM)

	All COM Customers	NON AB341 COM Customers	AB341 COM Customers
<b>Total Customers</b>	229	203	26
<b>Percent of the Commercial Waste Stream</b>	100%	89%	11%
<b>Customers Participating in Recycling Programs</b>	231	199	26

\*Detailed documentation on all AB341 customer touches is provided in the annual report. See AB341 annual report for additional information.

Significant targeted outreach was provided to large commercial generators that are required to comply with AB341 and AB1826. Per the Franchise Agreement, GreenWaste is required to “*Offer Recycling opportunity assessments at least one (1) time annually to AB341 Eligible Commercial Customers to promote Recyclable and Organic Materials Collection.*”.

GreenWaste continues to remain successful in creating these assessment opportunities, however, while these customers are the largest individual generators, they only make up only 12% of the total commercial customer base in the City of Carmel-by-the-Sea. In 2024, GreenWaste continued its efforts to identify generators outside of the AB341 and AB1826 customer list to provide them with outreach, education, and technical assistance.

**Overall, the City of Carmel-by-the-Sea’s commercial sector diversion percentage remained at 59% in 2024.**

There are several challenges specific to the commercial sector which make it difficult to achieve high and consistent diversion. Despite those challenges, GreenWaste is seeing large year-over-year increases in diversion.

Successes and challenges for 2024 are identified below, followed by specific program recommendations and strategies that will be deployed in 2024.

#### **Successes:**

1. **AB341 100% Compliance:** GreenWaste has worked closely with Carmel-by-the-Sea's commercial sector to help ensure they have consistently met their AB 341 requirements to subscribe to recycling services. Our outreach team works together with the sector to provide feedback and service recommendations, which have helped expand recycling services for businesses. This initiative has successfully reduced the amount of recyclable material ending up in landfills while also providing education to maximize recycling diversion and cut costs. Additionally, this approach has allowed businesses to increase organic waste services, as the reduction in costs from expanded recycling creates an incentive for those with more recycling services than trash.

**Workshops and Training:** Our outreach team has been conducting waste assessments with

the commercial sector and following up with in-person training on best sorting practices and what is allowed and not allowed in each of the three streams. The outreach team additionally developed step by step worksheets to guide users on setting up sorting stations in their businesses. This resource was designed for a variety of the commercial sector, including retail, restaurants, hospitality, and office spaces. It aims to help businesses track their current waste and tailor services to meet their specific needs.

2. Community Collaboration: The GreenWaste outreach team has established strong relationships with local community leaders and members. This has been invaluable as we implement waste-sorting education and gather feedback on operational concerns. Since April, the team has been meeting monthly with the organization Carmel Cares, which includes business owners from realty offices, restaurant owners, retail shop owners, city staff, and residents. These meetings provide a platform to discuss concerns, address questions, and plan upcoming events. Through these discussions, we have identified areas where further education is needed to enhance participation and increase waste diversion, all with continuous feedback from the community.

### **Challenges:**

1. Limited Spaces: This is an ongoing issue in Carmel by the Sea. Many businesses face difficulty participating in organics collection due to a lack of space for carts or bins. Although some have been granted physical space waivers for SB 1383 compliance, these waivers do not allow businesses to fully engage in organics diversion programs. And customers must choose between having a recycling cart or a trash cart while the majority of their waste comes from those streams.

Proposed Strategies: With support from the city, we have encouraged some businesses to participate in recycling and organics collection. This has involved storing recycling and organics containers inside the businesses rather than in designated areas. While there has been some pushback, city reinforcement has helped us successfully engage businesses in diverting recycling and organics from the landfill.

2. Waste Overflow: During the summer months, Carmel-by-the-Sea experiences a significant influx of tourists and part-time residents. This increase in population leads to a higher amount of waste in the commercial sector, particularly from restaurants. Drivers have indicated that carts are overflowing with excess cardboard, trash bags, and organic waste. Our drivers have been instructed to collect all this waste and bill accordingly. However, this sometimes results in spillage onto sidewalks and streets that attract birds, which can lead to larger messes that our drivers struggle to clean up.

Proposed Strategies: With the help of drivers who provide detailed feedback, we have identified specific customers who tend to generate more waste during the summer months. Our Outreach team will connect with these customers to offer a seasonal service option that is tailored to their specific waste management needs. Additionally, we can increase service frequency during this period to help prevent overflow and spillage onto the streets. These adjustments typically cost

less than the overflow fees charged for excess waste, which will help customers. Once the seasonal influx is over, customers can either modify their services back to the previous levels or schedule a change in advance to ensure they don't forget. For those who have resisted or ignored our efforts to adjust their services, we will forward these accounts to the city for additional support.

## IV. Agency

	All Agency Accounts	NON AB341 Accounts	AB341 Agency Accounts
<b>Total Accounts</b>	15	12	3
<b>Accounts Participating in Recycling Programs</b>	15	12	3

\*Detailed documentation on all AB341 customer touches is provided in the annual report.  
See AB341 annual report for additional information.

In 2024, the Outreach team continued to work with Agency Facilities to ensure source separation was taking place at each site. All Agency Facilities subscribe to recycling and organics programs, and participation in both continues to be seen.

**Overall, the City of Carmel-by-the-Sea's diversion percentage for agency facilities remained at 29% overall in 2024.**

Challenges are identified below, followed by specific program recommendations and strategies that will be deployed in 2024.

**Successes:**

1. Community Collaboration: GreenWaste has partnered with Carmel Cares, an organization that comes quarterly to clean the agency's containers. During this collaboration, we have consistently received feedback from both the organization and the city regarding various issues, which we have been able to resolve promptly. This partnership has also helped us identify which sites require more frequent service. It also has helped us identify signs of potential illegal dumping and narrow down what businesses may be using the public cans for personal use. This collaboration has been beneficial for all parties.
2. Increase Recycling Opportunities: Many of the city agency containers have been upgraded to the new two-stream ribbon cans. This rollout has provided the community with better access to recycling options, as residents can now dispose of their recyclables through two separate streams. The ribbon cans are clearly labeled at their openings, guiding the public on how to sort their waste correctly. Additionally, the cans located along the beach feature updated acceptance list decals on their lids to educate beachgoers about what items are allowed in each of the two streams.

**Challenges:**

1. Illegal Dumping: Agency locations that are open to the public, such as parks or downtown areas, struggle with contamination and illegal dumping. Additionally, we suspect some businesses will use the downtown cans for their overflow waste.

2. Proposed Solutions: GreenWaste will continue to reach out to customers who are potentially using city cans for personal use and offer to conduct a waste survey to better understand their needs and provide tailored services. Additionally, we will collaborate with the city to create more visible signs that educate the public about the acceptable materials for agency containers.



## V. Events, Workshops, Presentations or Sponsorships

### [Appendix](#)

{Link Expires on April 30, 2025}

### **Section II: Vehicle Inventory:**

Please see below link to access PC Vehicle List 2024.

### [Appendix](#)

{Link Expires on April 30, 2025}

### **Section III: Cost Based Rate Adjustment Data:**

This section does not apply to 2024.

### **Section IV: Collection and Subscription:**

Please see the link below to access Collection and Subscription data.

### [Appendix](#)

{Link Expires on April 30, 2025}

### **Section V: Public Education and Outreach:**

- a. Please see below link to access outreach materials provided to Customers, pursuant to Section Exhibit C, Section 1.9 or otherwise used for education and outreach efforts in accordance with Exhibit C of the Agreement.

### [Appendix](#)

{Link Expires on April 30, 2025}

- b. Effective 11/29/21 and forthgoing, record of print material disseminated, or direct contact was made.

### [Appendix](#)

{Link Expires on April 30, 2025}

- c. Please see the link below to access mass distribution and bill insert mailings.

### [Appendix](#)

{Link Expires on April 30, 2025}

- d. Please see the link below view 2024 social media posts, email communication and other electronic messages.

[Appendix](#)

{Link Expires on April 30, 2025}

- e. Please see below link to access 2024 Public Education and Outreach Plan.

[Appendix](#)

{Link Expires on April 30, 2025}

## Section VI: Compliance Monitoring and Enforcement:

- a. SB1383 Regulatory Non-Compliance Complaints:

Date	Customer ID	Address	Investigation and Response Note
None as of 2024			

- b. SB1383 Non-collection event reviews:

Date	Customer ID	Address	Reason Note
None as of 2024			

## **Greenwaste Sustainability Report Highlights**

Key highlights from the 2025 Sustainability Report include:

- **GHG Emissions Decrease:** With a 53.4% decrease in Total Scope 1 and 2 GHG emissions versus baseline, GreenWaste surpassed its 2030 emission reduction target of 45% total combined Scope 1 and Scope 2 market-based GHG emissions from its 2022 baseline. This remarkable achievement underscores the company's commitment to renewable and zero emission energy sources.
- **Double Materiality Assessment:** In alignment with leading reporting standards, GreenWaste engaged with stakeholders across its value chain, including municipalities, customers, trade associations, non-profits, and employees, to prioritize the most important potential impact and business activity sustainability topics.
- **Domestic Recycling:** GreenWaste sent the majority of its top diverted materials by ton to 100% domestic end-market processing. In doing so, GreenWaste supports the local circular economy and can reduce GHG emissions associated with material transportation.
- **Continuous Innovation:** GreenWaste continues to drive forward investments in emerging collection and material and resource recovery technology and pilot projects. In 2024, GreenWaste piloted North America's first refuse hydrogen-powered fuel cell electric vehicle and added to its fleet of electric collections vehicles.
- **Employee Culture:** GreenWaste prides itself on the commitment its employees share in servicing customers. The company maintains a robust average tenure across its workforce, speaking to GreenWaste's cultivation of an environment where growth, development, and wellbeing are celebrated at every level. GreenWaste also continues to focus on its safety initiatives, resulting in its low TRIR of 2.07 and LTIR of 0.41.



# CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

June 3, 2025  
ADJOURNMENT

**TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Chip Rerig, City Administrator

**APPROVED BY:** Chip Rerig, City Administrator

**SUBJECT:** Correspondence Received After Agenda Posting

**RECOMMENDATION:**

**BACKGROUND/SUMMARY:**

**FISCAL IMPACT:**

**PRIOR CITY COUNCIL ACTION:**

**ATTACHMENTS:**



# CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

June 3, 2025  
ADJOURNMENT

**TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Chip Rerig, City Administrator

**APPROVED BY:** Chip Rerig, City Administrator

**SUBJECT:** Presentations received after agenda posting

## RECOMMENDATION:

## BACKGROUND/SUMMARY:

## FISCAL IMPACT:

## PRIOR CITY COUNCIL ACTION:

## ATTACHMENTS:

AB 2561 - Vacancies Presentation  
FY 25-26 Appropriations Limit Presentation  
FY 25-26 Budget Adoption Presentation  
Fire Hazard Severity Zone Ordinance PPT  
Green Waste Rate Adjustment Presentation



# CITY OF CARMEL-BY-THE-SEA

## **Assembly Bill (AB) 2561 Presentation:**

### **City of Carmel-by-the-Sea Vacancies, Recruitment, and Retention Efforts**

City Council Meeting  
June 2, 2025



# Background – AB 2561

- Effective January 1, 2025
- Requires all public employers to disclose the status of vacancies, recruitment, and retention efforts before budget adoption.
- AB 2561 intends to foster transparency regarding the number of vacancies in a public agency, how the City conducts recruitments, and retention efforts.
- Additional obligation may apply if the vacancy rate in a bargaining unit exceeds 20%





# General Workforce Information

Total Budgeted Full-Time Positions FY 24/25:

96

<b>Represented</b>	<b>66</b>
<b>At Will</b>	<b>19</b>
<b>Ambulance</b>	<b>6</b>
<b>Council</b>	<b>5</b>
<b>Total</b>	<b>96</b>



# Vacancy Information by Bargaining Units

Bargaining Unit	Budgeted FTEs	Vacancies	% Vacant
General Unit (LiUNA)	33	3	9.1%
Management Unit (LiUNA)	11	1	9.1%
Police Officers Association	22	2	9.1%
<b>Total</b>	<b>68</b>	<b>6</b>	<b>9.1%</b>

- Recruitment for all vacancies will start in the coming weeks/months
- Expected completion is summer 2025



# City's Recruitment & Retention efforts

- HR Policy & Process Enhancements:
  - Working closely with hiring managers and our external recruiting consultant
    - Targeted job ads
    - Faster application reviews
    - Quicker interview scheduling
    - Efficient conditional offer & background process
- The City's salary and benefits alignment with market median in recent years have enhanced our competitiveness and reduced turnover.



# Conclusion

- The City successfully hired 22 new employees over the last 12 months
- We will continue to evaluate and refine our policies with the goal of maintaining a high-quality workforce.

Thank you



# CITY OF CARMEL-BY-THE-SEA

## Resolution 2025-053 Appropriations (GANN) Limit Adopting Fiscal Year 2025-2026

City Council Meeting

June 3, 2025



# Purpose and Background

- State Constitution to place limit (ceiling) on spending by state, school districts and local governments
- State prescribed formula for calculating spending limit
  - Applies only to revenues defined as proceeds of taxes
  - Adjusted annually by change in cost-of-living and population (both factors provided by State Department of Finance)
- Council to select adjustment factors
  - Change in local assessment roll or **per capita personal income (historic choice)**
  - Change in **City (historic choice)** or County population



# Spending Limit Calculation

Prior FY 24-25 Appropriations Limit of \$42,449,301  
X

Change factor of 1.0620 (A multiplied by B)  
A-Based on City population adjustment (.9977) and  
B-Based on State per capita income (1.0620)

---

FY 25-26 Appropriations Limit of \$45,081,158





# Recommendation

- Confirm selection of annual adjustment factors as provided by State Department of Finance
  - Change in City population and State per capita personal income
- Adopt FY 25-26 Appropriation Limit (resolution 2025-053)
  - Appropriation Limit of \$45,081,158



# CITY OF CARMEL-BY-THE-SEA

## Fiscal Year 2025-2026 Budget Adoption

Resolution 2025-052

June 3, 2025



# Updates and Timeline

## May 21, 2025 Budget workshop

- Remove Library Plan Admin and UV Film CIP projects ( \$75K )
- Reduced for Rio & Junipero Medians and Devendorf Improvements (\$90K)
- CIP Project List Prioritized
- Questions 44 to 51 added to Q & A document

## June 2, 2025 Council Approval of Fiscal Year 2025 – 2026 Budget

- If approved, additional Budget Adjustments can be approved at the July Regular Meeting
- If not approved, City Council will hold a special meeting on June 17 to continue work



# FY 25-26 Budget at-a-Glance

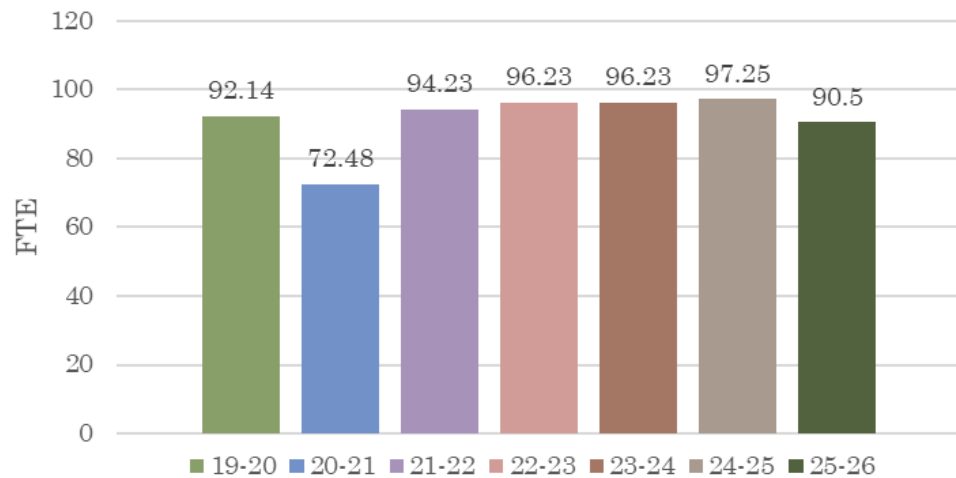
<b>FY25-26 Proposed Revenues</b>		<b>\$34,915,081</b>
General Fund Expenditures		28,778,542
Debt Service Expenditures		509,100
Pension Unfunded Liability Mitigation Expenditures		2,708,158
Capital Outlay Expenditures		7,834,000
<b>FY25-26 Proposed Expenditures</b>		<b>\$39,829,800</b>
<b>Use of Fund Balance for Capital Projects</b>		<b>\$4,914,719</b>
<b>Funded Full Time Equivalent (FTE) positions</b>		<b>90.50</b>





# Staffing at-a-Glance

Funded FTE by Fiscal Year

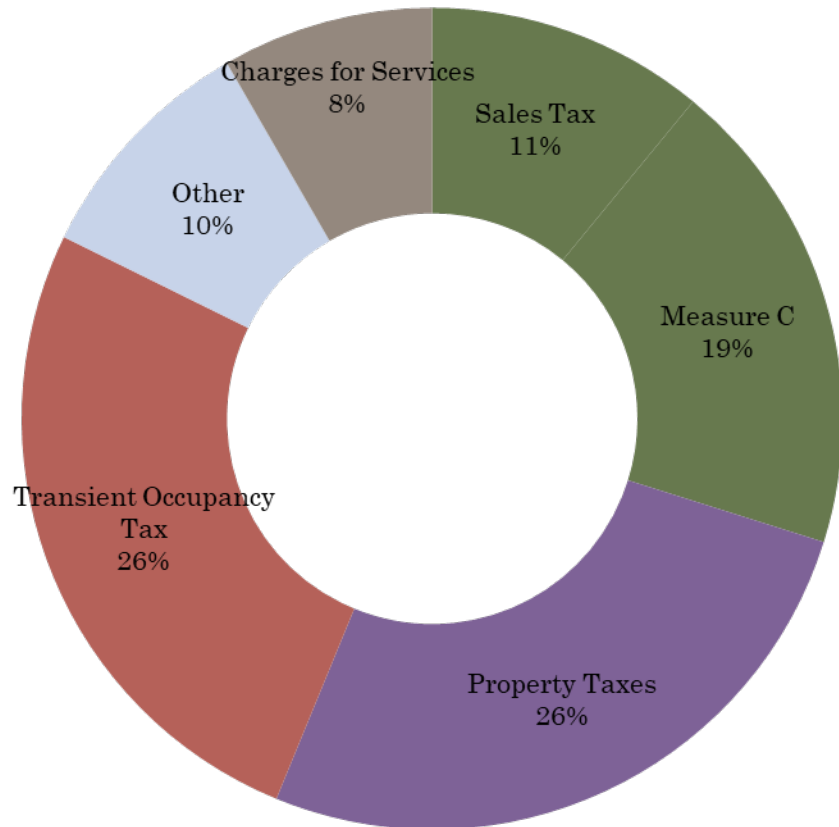


	FY 24/25	FY 25/26	
Department and Title	Adopted	Proposed	Change
<b>Administration</b>			
Human Resources Manager	0.00	1.00	1.00
Senior Human Resources Analyst	1.00	0.00	-1.00
<b>Community Activities</b>			
Community Services Assistant	1.00	0.50	-0.50
<b>Library</b>			
Library Associate	0.00	3.00	3.00
Library Assistant (full-time)	4.00	1.00	-3.00
Librarian II	1.00	0.00	-1.00
Hourly Library Assistant	3.25	2.00	-1.25
<b>Community Planning &amp; Building</b>			
Senior Planner	0.00	1.00	1.00
Assistant Planner	1.00	0.50	-0.50
Code Compliance Coordinator	2.00	1.50	-0.50
<b>Police</b>			
Sergeant	2.00	3.00	1.00
Police Officer	9.00	10.00	1.00
<b>Ambulance</b>			
Paramedics	6.00	0.00	-6.00
<b>Citywide Total Funded Positions</b>	<b>97.25</b>	<b>90.50</b>	<b>-6.75</b>



# Revenues at-a-Glance

FY 25-26 Citywide Revenue Sources

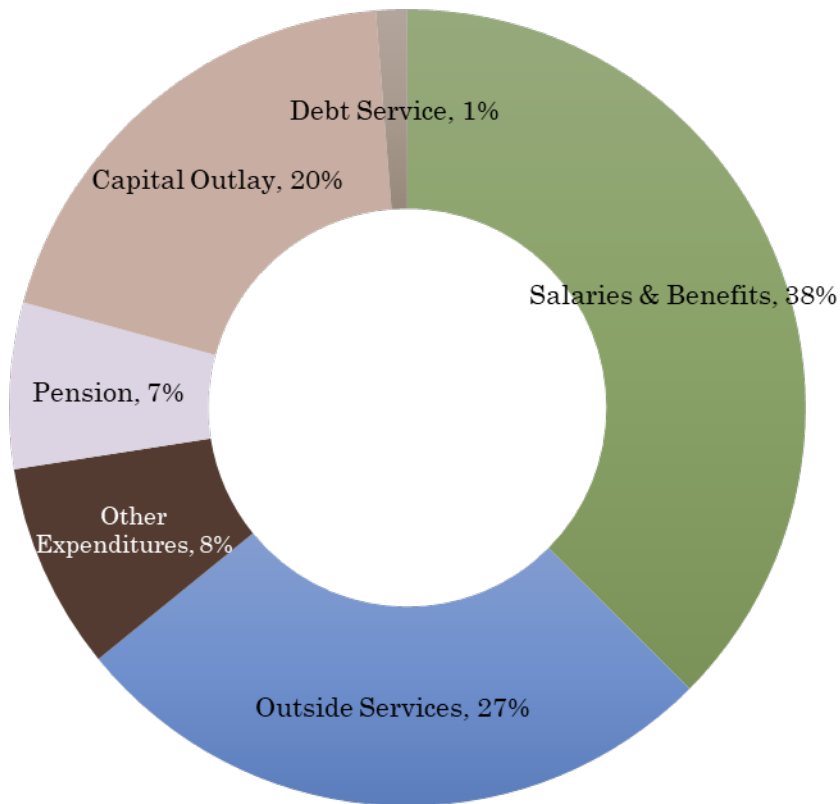


Source	Budget	% of Budget	
Sales Tax	\$3,828,119	11%	82%
Measure C	6,595,056	19%	
Property Taxes	9,198,405	26%	
Transient Occupancy Tax	9,109,116	26%	
Other	3,272,484	10%	
Charges for Services	2,911,901	8%	
<i>Building</i>	1,006,537	35%	
<i>Ambulance</i>	1,196,238	41%	
<i>Planning</i>	259,705	9%	
<i>Other Departmental Charges</i>	449,421	15%	
Total	\$ 34,915,081	100%	



# Expenditures at-a-Glance

FY 25-26 Expenditure by Type



FY25-26		
Proposed Budget		
Type of Expenditure		% of Budget
Salaries & Benefits	\$15,069,084	38%
Outside Services	10,730,711	27%
Other Expenditures	2,978,747	8%
Pension	2,708,158	7%
Capital Outlay	7,834,000	20%
Debt Service	509,100	1%
Total	\$39,829,800	100%





# Expenditures by Function

FY 25-26 Expenditures by Function



Total Expenditures	Budget	%
Administration	\$3,755,017	9%
Citywide	4,814,943	12%
Council	248,752	1%
Debt	509,100	1%
Legal	517,000	1%
Planning	2,356,051	6%
Ambulance	2,359,760	6%
Fire	3,417,424	9%
Police	5,555,440	14%
Marketing	1,167,981	3%
Library	1,491,904	4%
Community Activities	246,400	1%
Public Works	5,556,028	14%
<b>Operating Budget</b>	<b>\$31,995,800</b>	<b>80%</b>
<b>Capital</b>	<b>7,834,000</b>	<b>20%</b>
<b>Total</b>	<b>\$39,829,800</b>	<b>100%</b>



# Budgetary Guideline – Operating Expenses

Policy states that:

Total Expenditures, excluding CIP, shall not exceed 90% of Budgeted Revenue.

<b>Budgeted Revenue</b>	<b>\$ 34,915,081</b>
Budgeted Expenditures, excluding CIP	31,995,800
Expenditures as a % of Revenue	91.64%
Excess expenditures	572,227

Policy states that:

A balanced budget is a budget in which total funding sources meet or exceed uses.



# Projected Fund Balances – June 30, 2026

Projected Fund Balances June 30, 2026				
Fund Description	Audited Fund	Revenue & (Expenses)	Transfers In & (Out)	Estimated Fund
	Balance June 2025			Balance June 2026
<b>Unspendible Prepaid Items</b>	\$28,693	\$0	\$0	\$28,693
<b>Restricted funds</b>	-			
101 General Fund 115 Trust	4,124,794	-	1,000,000	5,124,794
201 Gas Tax	-	170,993	(170,993)	-
202 Transportation Safety	-	244,137	(244,137)	-
203 COPS	-	161,792	(161,792)	-
204 Parking in Lieu	758,830	-	-	758,830
205 Asset Seizure	5,616	-	-	5,616
206 Local Measure Sales Tax	-	6,595,056	(6,595,056)	-
401 Debt Service	34,807	(509,100)	509,100	34,807
501 Worker's Comp	-	(127,000)	127,000	-
502 OPEB Reserve	-	-	-	-
503 Veh & Eq Replacement	462,820	(1,210,000)	1,210,000	462,820
LIB Library	1,453,651	-	-	1,453,651
<b>Committed funds</b>				
102 Hostelry Reserve	-	9,109,116	(9,109,116)	-
<b>Assigned funds</b>				
101 General Fund Reserve	15,654,022		343,878	15,997,900
301 Capital Projects	3,893,235	(6,624,000)	6,624,000	3,893,235
<b>Unassigned funds</b>				
101 General Fund	14,153,262	(12,725,713)	6,467,116	7,894,665
	<b>\$40,569,730</b>	<b>(\$4,914,719)</b>	<b>\$0</b>	<b>\$35,655,011</b>



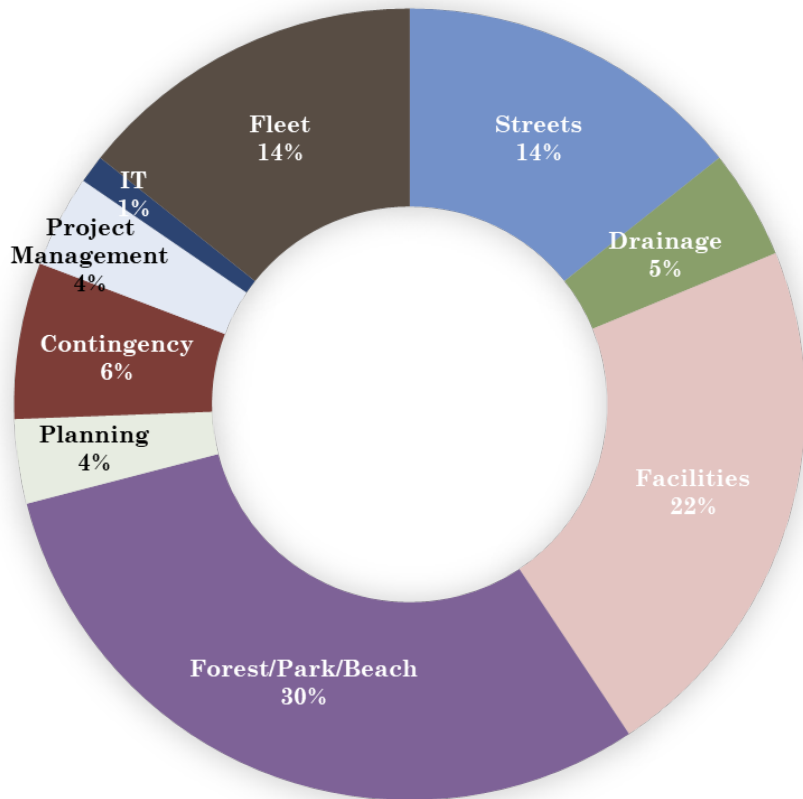
# Projected Fund Balance Summary

Projected Fund Balances June 30, 2026	
Fund	Estimated Fund Balance June 2026
Unspendible Prepaid Items	\$28,693
Restricted funds	7,840,518
Committed funds	-
Assigned funds	19,891,135
Unassigned funds	7,894,665
	\$35,655,011



# Capital Projects at-a-Glance

FY 25-26 CIP Funding by Category



Category	Amount	% of Budget
Streets	\$1,120,000	14%
Drainage	\$350,000	4%
Facilities	\$1,715,000	22%
Forest/Park/Beach	\$2,374,000	30%
Planning	\$270,000	3%
Contingency	\$500,000	6%
Project Management	\$295,000	4%
IT	\$90,000	1%
Fleet	\$1,120,000	14%
Total	\$7,834,000	100%



# Budgetary Guideline – CIP Expenditures

Policy states that:

Expenditures for CIP shall be a minimum of 10% of Budgeted Revenue.

<b>Budgeted Revenue</b>	<b>\$34,915,081</b>
Budgeted CIP Expenditures	7,834,000
Expenditures as a % of Revenue	22.44%
Excess expenditures	4,342,492



# Five-Year CIP Roll-Forward

(in thousands)

Category	Year 1 (Budget)	Year 2	Year 3	Year 4	Year 5
Total Identified Projects	\$ 7,834	\$ 8,800	\$ 5,710	\$ 2,815	\$ 250
Estimated Additional Infrastructure Needs \$33M - \$60M		4,600	4,600	4,600	4,600
Total Potential Need	\$ 7,834	\$ 13,400	\$ 10,310	\$ 7,415	\$ 4,850

Estimated Annual  
Revenue

\$ 3,400 \$ 3,400 \$ 3,400 \$ 3,400

Ending Fund Balance

\$ 7,895 \$ (2,105) \$ (9,015) (13,030) \$ (14,480)





# CIP Expenditure Analysis

Current Budget **\$6,624,000**

Potential Budget **\$5,724,000**

Potential Savings **\$900,000**

Streets	Resurface Parking (CL, SC)	\$300,000	\$0	<b>\$300,000</b>
Streets	Road Project (10 segments)	\$300,000	\$0	<b>\$300,000</b>
Streets	Scenic/Santa Lucia ADA Pkg	\$20,000	\$20,000	<b>\$0</b>
Streets	Sidewalks	\$500,000	\$500,000	<b>\$0</b>
Streets	SS Retaining Walls	\$450,000	\$450,000	<b>\$0</b>
Drainage	Junipero Bypass Pipe Design	\$175,000	\$175,000	<b>\$0</b>
Drainage	MTNP Stream Projects 5-6	\$175,000	\$175,000	<b>\$0</b>
Facilities	ADA Upgrade Year 8	\$20,000	\$20,000	<b>\$0</b>
Facilities	City Hall Exterior Shingles	\$70,000	\$70,000	<b>\$0</b>
Facilities	Design Repairs CH, FS	\$150,000	\$150,000	<b>\$0</b>
Facilities	Fire Backflows (3 Bldgs)	\$200,000	\$200,000	<b>\$0</b>
Facilities	Fire Station Upgrades	\$175,000	\$175,000	<b>\$0</b>
Facilities	Forest Theatre Stage	\$60,000	\$60,000	<b>\$0</b>
Facilities	Park Library Window Repairs	\$50,000	\$0	<b>\$50,000</b>
Facilities	Picadilly Restroom Design	\$70,000	\$70,000	<b>\$0</b>
Facilities	PD/PW project	\$50,000	\$50,000	<b>\$0</b>
Facilities	SS Elevator Power Unit	\$120,000	\$120,000	<b>\$0</b>
Facilities	SS Painting Phase 2	\$250,000	\$250,000	<b>\$0</b>
Facilities	Yoga Center reroof	\$50,000	\$0	<b>\$50,000</b>
FPB	Rio/Junipero Median	\$25,000	\$25,000	<b>\$0</b>
FPB	4th Ave Outfall	\$900,000	\$900,000	<b>\$0</b>
FPB	Shorelins Stairs Repair	\$300,000	\$300,000	<b>\$0</b>
FPB	Forest Plan Year 2	\$739,000	\$739,000	<b>\$0</b>
FPB	Devendorf Park Improvements	\$35,000	\$35,000	<b>\$0</b>
FBP	San Ramp at 8th	\$275,000	\$275,000	<b>\$0</b>
FPB	Scenic Pathway	\$100,000	\$0	<b>\$100,000</b>
Planning	Objective Design Guidelines	\$200,000	\$100,000	<b>\$100,000</b>
Planning	CEQA MTNP CFMP	\$70,000	\$70,000	<b>\$0</b>
Contingency & Project Management		\$795,000	\$795,000	<b>\$0</b>



# Recommendation

**Adopt Resolution 2025-052  
Approving the FY 2025-26 Annual Operating  
and Capital Budget**



# CITY OF CARMEL-BY-THE-SEA

## Fire Hazard Zone Severity Map Ordinance

City Council Meeting

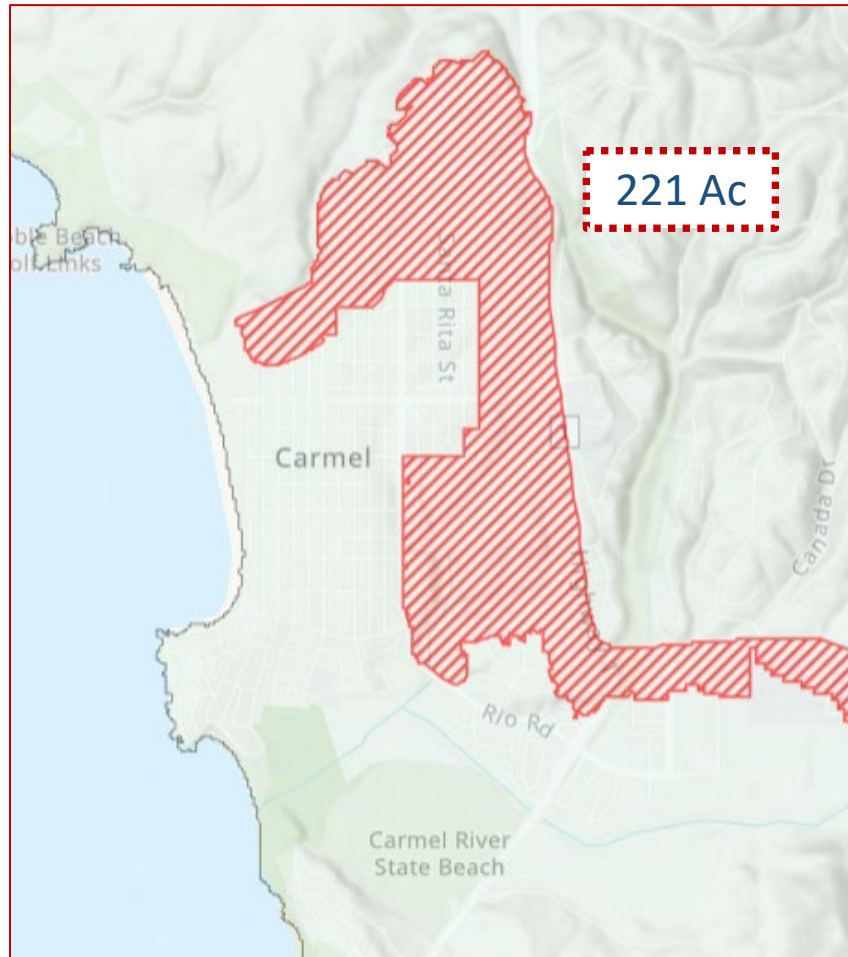
June 3, 2025

Agenda Item No. 3

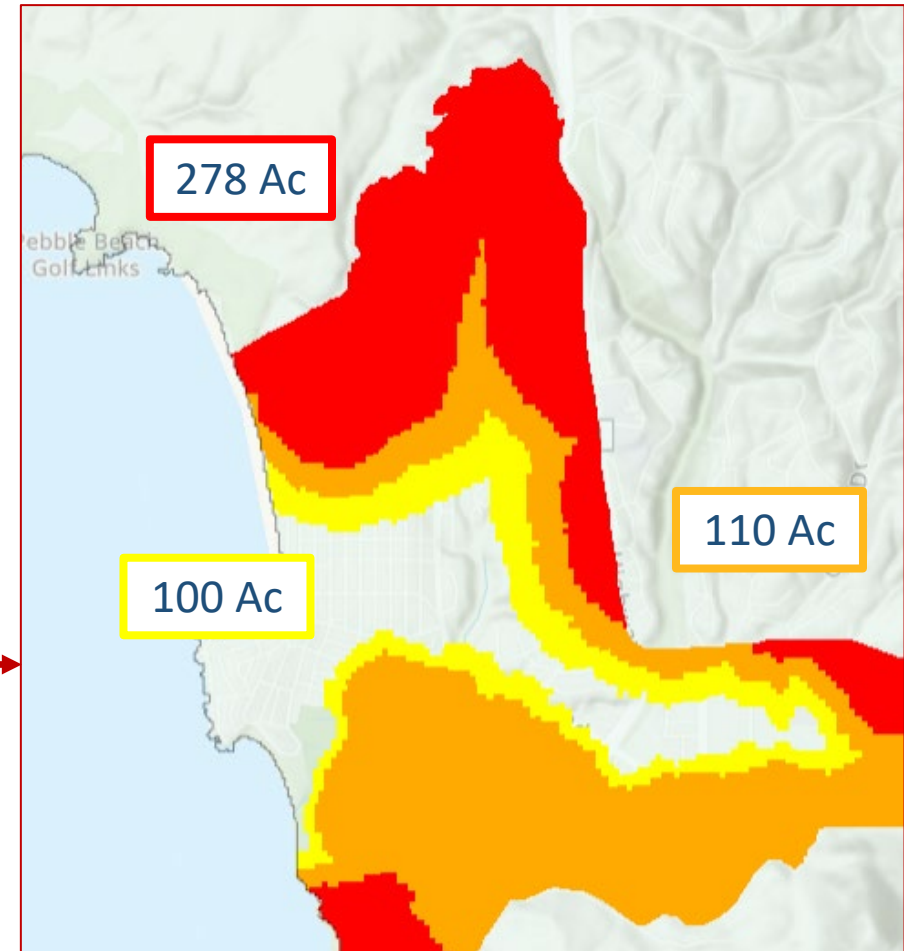
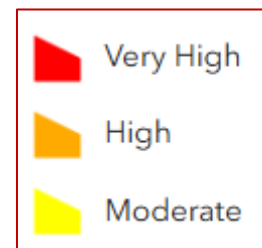




# Fire Hazard Severity Zone (FHSZ) Maps



**2007-2011 FHSZ Map**



**2025 FHSZ Map**



# Government Code Section 51179

- Requires Adoption of Updated Fire Hazard Severity Zone Map by Ordinance 120 Days of Receiving Recommendations from the State Fire Marshal (July 8, 2025)
- Transmit Ordinance to the State Board of Forestry and Fire Protection within 30 Days of Adoption
- Regulations Apply After Ordinance Adoption

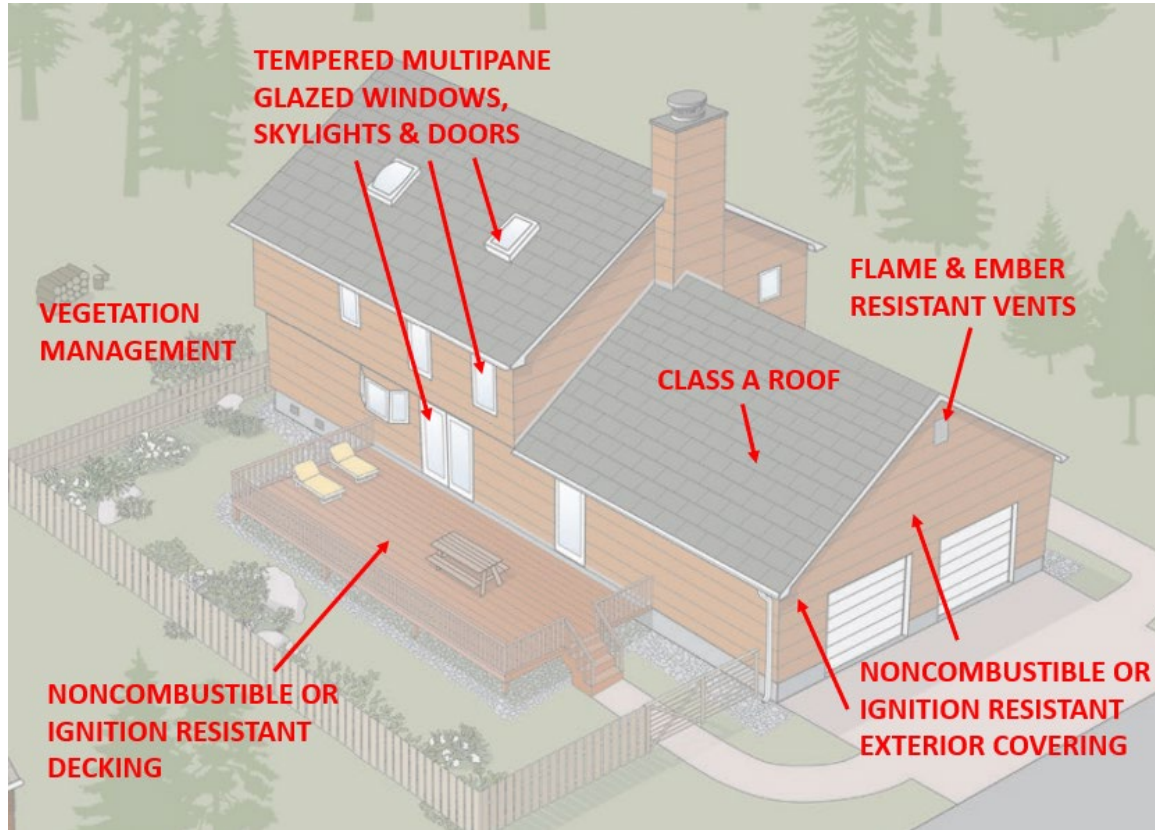


# Chapter 49 Requirements

- California Fire Code Chapter 49
  - Vegetation Management – New Landscaping
    - Fire Resistant Vegetation
    - Proper Spacing
      - Shrubs – 6 feet or Less in Height
      - Shrub Grouping – Maximum Aggregate Diameter of 10 feet and 30 feet from Structures
      - Trees – 10 feet from Combustible Structure
      - Non-Fire-Resistant Tree Exception – 30 feet from Combustible Structure
  - Defensible Space – Existing Landscaping
    - Maintenance and Fuel Reduction
    - Tree limbs/branches Must Be 10 feet from a Chimney or Stovepipe Outlet
    - Vegetation Adjacent to or Overhanging a Building Must Be Free of Dead or Dying Wood
    - Roofs Must Be Free of Leaves, Needles, or Other Vegetation
  - New Structures Require Hardening
  - Property Transfer Disclosure



# Chapter 7A Requirements



- Construction of New Buildings
  - Class A Roof Assembly
  - Wildfire Flame & Ember Resistant Vents
  - Exterior Wall Assembly Requirements
  - Exterior Coverings
  - Open Roof Eaves
  - Enclosed Roof Eaves and Roof Soffits
  - Exterior Porch Ceilings
  - Floor Projections
  - Windows, Skylights and Doors
  - Decking
  - Accessory Building
- Vegetation Management (Chapter 49)





# Existing City-Wide Requirements

- Class A Roofing Assembly
- Spark Arresters
- Fire Sprinkler Systems
- Vegetation Maintenance



# Staff Recommendation

- Find the Action Statutorily Exempt from CEQA
- Request the City Attorney to Read the Draft Ordinance Title
- Motion to Introduce and Waive Reading
- Direct Staff to Return July 1, 2025 for Adoption



# CITY OF CARMEL-BY-THE-SEA

Resolution 2025-054 approving a 4.19% Rate Increase  
for Solid Waste, Recycling and Organics Collection by  
GreenWaste Recovery, and approving an Amendment to  
the Memorandum of Understanding with ReGen  
Monterey effective July 1, 2025

City Council Regular Meeting

June 3, 2025



# Background

- GreenWaste Recovery selected June 19, 2014 for a 15-year term (July 1, 2015 – June 30, 2030)
- Franchise Agreement allows for an annual rate adjustment
- Index-based Rate Adjustment includes:
  - Cost of disposal and processing (“tipping fee”) at the ReGen Monterey facility in Marina
  - Inflationary adjustments to GWR labor and operating costs
  - The City’s Franchise Fee of 13% for FY 2024/2025 was estimated at \$458,996, and for next FY 2025/2026, the franchise fee is estimated at \$478,211



# 2025 Rate Adjustment

- **4.19% Collection Rate Increase**
- Due primarily to increases to labor, vehicle-related costs, and material inflationary indices
- GWR initially estimated the City's rate increase to be 2.74%
- Final rate increase after third party review by HF&H is 4.19%
- Prior Year (June 4, 2024), Council approved a 3.59% rate increase

Carmel Rate Adjustment		
	Current Rates (FY 2024/25)	FY 2025/26
Adjustment	3.59%	4.19%
Residential 32-gallon rate	\$53.78	\$56.03



# SB 1383 Implementation

## 2022



Provide Organics Collection Service to all residents and businesses



Establish Edible Food Recovery Program



Conduct outreach and education



Procurement



Capacity planning

## 2023



Providing Organics Collection Service to all residents and businesses



Established Edible Food Recovery Program (all residents and businesses)



Conducting outreach and education (e.g. provided bins at Earth Day/Arbor Day event)



Set up and implement SB 1383 waiver system

## 2024



Jurisdictions must take action against non-compliant entities by January 1, 2024

## 2025

- 75% Reduction in Organics Disposal by January 1, 2025
- 20% Increase in Edible Food Recovery by 2025



# SB 1383 Implementation

- MOU update for 2025/26 regional implementation costs. Regional implementation cost for Carmel in FY 2025/26 is \$14,213 (included in GWR rates). This amount is covered in Public Works budget.
- City staff is coordinating w/ GWR to support local implementation efforts, including outreach to non-compliant residential and commercial accounts and management of a waiver system.
- A new 32-gallon organics bin service has been added to the Commercial/Multi-Family collection to boost organics recycling rates.
- 23 waivers have been approved and 10 have been denied/added service. City staff and GWR are working with 4 outstanding sites that have not yet added organics or have applied for a waiver.





# Recommendation

Adopt Resolution 2025-54 to approve:

- A 4.19% rate increase to charges by the City's franchised hauler, GreenWaste Recovery, for the collection of solid waste, recycling and organics, effective July 1, 2025, and
- Amendment #4 to the Memorandum of Understanding between ReGen Monterey and Member Agencies for Fiscal Year 2025/26 regional cost allocation

## Questions?