



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

Mayor Dave Potter, Council Members Jeff Baron,
Jan Reimers, Bobby Richards, and Carrie Theis
Contact: 831.620.2000 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

CITY COUNCIL SPECIAL MEETING Tuesday, June 16, 2020 4:30 PM

Governor Newsom's Executive Order N-29-20 has allowed local legislative bodies to hold public meetings via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. Also, see the Order by the Monterey County Public Health Officer issued March 17, 2020. The health and well-being of our residents is the top priority for the City of Carmel-by-the-Sea. To that end, this meeting will be held via teleconference and web-streamed on the City's website ONLY.

To attend via Teleconference; Dial in number 1-520-800-2388 PIN: 203 330 439#

The public can also email comments to cityclerk@ci.carmel.ca.us. Comments must be received 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 added to the agenda and made part of the record.

CALL TO ORDER AND ROLL CALL

PUBLIC APPEARANCES

Members of the Public are invited to speak on any item that does not appear on the Agenda and that is within the subject matter jurisdiction of the City Council. The exception is a Closed Session agenda, where speakers may address the Council on those items before the Closed Session begins. Speakers are usually given three (3) minutes to speak on any item; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Applicants and appellants in land use matters are usually given more time to speak. If an individual wishes to submit written information, he or she may give it to the City Clerk. Speakers and any other members of the public will not approach the dais at any time without prior consent from the Chair of the meeting.

CONSENT AGENDA

Items on the consent agenda are routine in nature and do not require discussion or independent action. Members of the Council, Board or Commission or the public may ask that any items be considered individually for purposes of Council, Board or Commission discussion and/ or for public comment. Unless that is done, one motion may be used to adopt all recommended actions.

1. Adopt Resolution 2020-039, authorizing application for, and receipt of, State of

California Local Early Action Program (LEAP) Planning Grant Program funds.

ORDERS OF BUSINESS

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

2. Outdoor Seating in the Public Way
3. Resolution 2020-040 Adopting the Fiscal Year 2020-2021 Operating Budget

ADJOURNMENT

This agenda was posted at City Hall, Monte Verde Street between Ocean Avenue and 7th Avenue, Harrison Memorial Library, NE corner of Ocean Avenue and Lincoln Street, and 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/carmel/> on in accordance with the 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).



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

**June 16, 2020
CONSENT AGENDA**

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Marnie Waffle, AiCP – Acting Community Development Planning & Building Director
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Adopt Resolution 2020-039, authorizing application for, and receipt of, State of California Local Early Action Program (LEAP) Planning Grant Program funds.

RECOMMENDATION:

Adopt Resolution 2020-039, authorizing application for, and receipt of, State of California Local Early Action Program (LEAP) Planning Grant Program funds.

BACKGROUND/SUMMARY:

The Local Early Action Planning Grants Program (LEAP) is part of the broader Program formerly known as the Local Government Planning Support Grants Program, which was established as part of the 2019-20 Budget Act. The 2019-20 Budget Act provides a spectrum of support, incentives, resources and accountability to meet California's housing goals. Some specific elements include:

- Planning Support (local and regional planning grants)
- Incentives (Pro-housing preference and infill incentive grants)
- Funding Resources
- Accountability (penalties for noncompliant housing plans)
- Reform (collaborative processes to reform regional housing needs)

The Local Government Planning Support Grants Program provides one-time grant funding to regions and jurisdictions for technical assistance, preparation and adoption of planning documents, and process improvements. The over-arching goals of the Program are to (1) accelerate housing production; and (2) facilitate compliance to implement the sixth cycle of the regional housing need assessment (RHNA).

Grants are available to eligible applicants on a noncompetitive, Over-the-Counter (OTC) basis. A local match is not required. Applications will be accepted up until July 1, 2020.

Eligible applicants are limited to local governments, i.e., cities and counties. Eligible activities must demonstrate an increase in housing related planning activities and facilitate accelerated housing production. Eligible activities may be part of a larger planning effort (e.g., a comprehensive zoning code update). Eligible activities are not necessarily jurisdiction-wide and may include a smaller geography with a significant impact on housing production.

Applicants must propose and document plans or processes that increase housing planning and facilitate accelerating local housing production. The application must demonstrate a significant positive effect on accelerating housing production through timing, cost, approval certainty, entitlement streamlining, feasibility, infrastructure capacity, or impact on housing supply and affordability. An application must include an explanation and documentation of the nexus to accelerating housing production.

In order to be eligible for grant funding, an applicant must submit a completed application prior to July 1, 2020. Successful applicants will receive an Award Letter from the Department and will be awarded funds. Applicants will enter into a state Standard Agreement (Standard Agreement) for distribution of funds. The Standard Agreement process will specify, among other things, the amount of funds granted, timeline for expenditure of funds, and the approved use of funds. Expenditure report dates and other requirements will also be identified in the Standard Agreement.

FISCAL IMPACT:

The City is eligible to receive up to \$65,000 in planning grants under the State of California Local Early Action Program (LEAP) Planning Grant Program to complete the projects outlined in the grant application. If the Council adopts the Resolution, a budget adjustment in the amount of \$65,000 would be made following approval of the grant application.

PRIOR CITY COUNCIL ACTION:

On November 5, 2019, the City Council adopted Resolution 2019-081 authorizing application for, and receipt of, SB 2 Planning Grants Program (PGP) Funds in the amount of \$165,000. The LEAP grant funding would supplement these efforts.

ATTACHMENTS:

Attachment #1 - Resolution 2020-039 LEAP Program Grant

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

RESOLUTION NO. 2020-039

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
AUTHORIZING APPLICATION FOR, AND RECEIPT OF, STATE OF CALIFORNIA
LOCAL EARLY ACTION PROGRAM (LEAP) PLANNING GRANT PROGRAM FUNDS**

WHEREAS, pursuant to Health and Safety Code 50515 et. Seq, the Department of Housing and Community Development (HCD) is authorized to issue a Notice of Funding Availability (NOFA) as part of the Local Government Planning Support Grants Program (hereinafter referred to by the Department as the Local Early Action Planning Grants program or LEAP); and

WHEREAS, the City Council of the City of Carmel-By-The-Sea desires to submit a LEAP grant application package ("Application"), on the forms provided by HCD, for approval of grant funding for projects that assist in the preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance to implement the sixth cycle of the regional housing need assessment; and

WHEREAS, the HCD has issued a NOFA and Application on January 27, 2020 in the amount of \$119,040,000 for assistance to all California Jurisdictions.

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

Authorize and direct the City Administrator, or his/her designee, to apply for, and submit to HCD, the Application package; and

Authorize the City Administrator, or his/her designee, to enter into, execute and deliver on behalf of the City, a State of California Agreement (Standard Agreement) for the amount of \$65,000, and any and all other documents required or deemed necessary or appropriate to evidence and secure the LEAP grant, the obligations related thereto, and all amendments thereto; and

Acknowledge that the City shall be subject to the terms and conditions as specified in the NOFA, and the Standard Agreement provided by HCD after application approval. The Application and any and all accompanying documents are incorporated in full as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the Application will be enforceable through the fully executed Standard Agreement. Pursuant to the NOFA and in conjunction with the terms of the Standard Agreement, the City hereby agrees to use the funds for eligible uses and allowable expenditures in the manner presented and specifically identified in the approved Application.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-
BY-THE-SEA this 16th day of June, 2020, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Britt Avrit, MMC
City Clerk



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

June 16, 2020
ORDERS OF BUSINESS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Marnie Waffle, AiCP – Acting Community Development Planning & Building Director
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Outdoor Seating in the Public Way

RECOMMENDATION:

Provide direction to staff on use of the public way for outdoor seating.

BACKGROUND/SUMMARY:

On March 17, 2020, the Monterey County Health Officer adopted a shelter-in-place order that required all non-essential businesses to close their doors and all non-essential workers to shelter-in-place at their private residences to slow the spread of COVID-19. Restaurants were designated an essential business and were allowed to continue operations in a limited capacity through take-out and delivery only. In support of these limited operations, City staff allowed local businesses to place temporary signage in the public way to identify their take-out services.

On May 12, 2020, the City Council held a discussion on whether to provide restaurants with access to the public right-of-way (i.e. Dolores Street) for outdoor seating for the consumption of take-out food orders. After much public discussion the Council decided this was not a viable option, at least for the near term.

As an alternative to closing Dolores Street, the City Administrator evaluated the possibility of providing individual restaurants the opportunity to apply for a temporary encroachment permit to place tables and chairs in the public way for their patrons to consume their take-out orders. As the Memorial Day weekend approached, staff felt it was prudent to facilitate some form of outdoor seating that would be safe and orderly for the anticipated crowds that would be visiting the village. Local restaurants expressed a high level of interest in these outdoor seating areas, and while no injuries or accidents were reported, the haste in which some outdoor seating areas were set up resulted in haphazard arrangements.

Since Memorial Day, staff and local business owners have been working cooperatively to improve outdoor seating arrangements, ensure restaurants understand the terms of their permits and improve the aesthetics of the outdoor seating areas.

The shelter-in-place order has been largely effective in Monterey County due to the efforts of residents and businesses in adhering to the Order. As a result, on May 26, 2020, the Monterey County Health Officer

amended the shelter-in-place order to allow restaurants to provide limited dine-in services, in addition to take-out and delivery orders. This amendment became effective on Saturday, May 30, 2020 when the Governor approved Monterey Counties variance request.

In order to comply with social distancing requirements, the seating capacity of restaurants has been severely restricted. Outdoor seating in the public way is an opportunity to compensate for the loss of interior seats, allowing restaurants to serve more of their clientele and thus improving their ability to remain in business.

Temporary Encroachment Permit Terms and Conditions:

Temporary Encroachment Permits for outdoor seating may be issued for the public sidewalk and/or public parking spaces located adjacent to a restaurant. The application form (refer to Attachment 1) requires the following be submitted for review by City Staff:

- 1) Completed application for 'Outdoor Seating in the Public Way';
- 2) Site plan and photographs showing the layout of the outdoor seating area;
- 3) Photo/Detail of the outdoor seating barrier (when located in a parking space);
- 4) Photographs of the tables and chairs (plastic not permitted); and
- 5) A certificate of insurance with an endorsement in the amount of \$2,000,00 in combined single limit insurance for personal injury and/or property damage per occurrence and \$4,000,000 in aggregate naming, "The City of Carmel-By-The-Sea, its elected officials, officers, agents and employees are additionally insured under the policy."

Applications are reviewed by the Chief of Police, Public Works Director and Acting Community Planning & Building Director. Special conditions may be placed on a permit depending on unique site conditions (i.e. width of a street, distance from a corner, etc.). Permit holders must review and sign a list of Standard Conditions (Attachment 2) that must be adhered to in order to maintain the permit. The Code Compliance Officer is actively enforcing the permit conditions. To date, Staff has approved 22 permits for outdoor seating and another 12 applications are in review.

Questions for Discussion:

On June 9, 2020, Mayor Potter formed an-hoc working group of himself and Mayor Pro Tem Richards to act in an advisory capacity making recommendations to the City Council on outdoor seating in the public way; both for the near term and potentially permanently. The Mayor asked for input from Graeme Robertson, Mary Crowe, Tim Twomey and Jenny MacMurdo, Marnie Waffle and the City Administrator. The Ad-hoc working group held its first meeting on June 12, 2020 to provide recommendations on various aspects of the current outdoor seating program and potential direction for a more permanent program. The following topics were discussed.

- 1) The City has approximately 52 restaurants. While not all restaurants may ask for outdoor seating in the public way, and some may request seating on the sidewalk only, the downtown could lose between 52 and 104 parking spaces. The loss of spaces would add to the perceived parking problem downtown and would remove public parking that would otherwise be used by retail customers.
 - a. If 52-104 spaces became unavailable for parking, how might this affect the downtown as a whole?
- 2) Smaller restaurants tend to have shorter street frontages (i.e. 20 feet wide) resulting in only one public parking space directly in front of their business.
 - a. Should a smaller sized restaurant be allowed to use public parking that is located in front of an adjacent business for outdoor seating?
 - b. Should the adjacent business be given the opportunity to approve/deny outdoor seating

in front of their business?

- 3) ABC has indicated a willingness to issue temporary permits to restaurants to allow serving of alcohol in outdoor seating areas on public property.
 - a. Should the City allow alcohol to be served and consumed in outdoor seating areas on public property?
 - b. If so, should the hours that alcohol is served be regulated by the City?
 - c. Should wine tasting rooms and drinking places (i.e. bars) be allowed to use the public way similar to restaurants?
 - d. If so, should they be required to also provide bona-fide meals?
 - e. How will businesses ensure that patrons do not leave the seating area with an alcoholic beverage? And ensure that alcohol is not being passed on to underage drinkers?
- 4) The number of tables/chairs located in the public way will be determined primarily by social distancing requirements as well as site constraints (i.e. sidewalk widths, loading zones, etc.). In a typical 20-foot long parking space, two 4-top tables (or four, 2-top tables) could be accommodated.
 - a. Should the City set a maximum limit on the number of tables/chairs placed in the public way?
 - b. Should each restaurant be allowed a fixed amount (i.e. 8 chairs)?
 - c. Or should the number of seats be a percentage of the restaurants interior seats (i.e. 10%, 20%)?
 - d. If a restaurant has a private outdoor patio, should they also be allowed to use the public way?
- 5) Sidewalk widths vary throughout the downtown. Some areas are more narrow, others wider. Tree wells, trash cans, and light poles also reduce the area where people can pass.
 - a. Should restaurants be allowed to use BOTH the sidewalk and public parking for outdoor seating OR should it be limited to one or the other?
 - b. Should sidewalk seating be prohibited altogether?
- 6) Currently staff is not allowing outdoor seating in designated loading zones or disabled accessible parking spaces but is permitting outdoor seating in 30-minute parking spaces.
 - a. Should outdoor seating be prohibited in 30-minute parking spaces?
 - b. Should the City restrict deliveries in the downtown to morning hours to minimize conflicts?
- 7) Restaurants are required to obtain a Use Permit from the Planning Commission. Use Permits often establish the maximum number of seats a restaurant can have (indoors and outdoors) and the hours they can operate.
 - a. Should restaurants be required to amend their Use Permit and go before the Planning Commission to obtain approval for outdoor seating in the public way?
- 8) A variety of types and styles of barriers have been used for outdoor seating areas in public parking spaces. Some are more substantial (i.e. large wooden planter boxes, wine barrels) and others more modest (i.e. flower pots). Additionally, for the comfort of patrons, restaurants may want to provide umbrellas and/or portable heat lamps.
 - a. Should the City adopt minimum standards (i.e. height, weight, style) to create some consistency between outdoor seating areas?
 - b. Should accessory comfort items (i.e. umbrellas, heat lamps) be allowed in the public way?
 - c. Should they be removed at close of business?
 - d. How/where will propane be safely stored?
- 9) Should restaurants be allowed to use temporary lighting within the outdoor seating areas? If so, should the lighting be limited to solar powered lights only? If electrified lights are allowed, where will power source be and how will restaurants ensure that cords do not become a tripping hazard?
- 10) The Zoning Code does not allow commercial activity on public property (with a few exceptions).
 - a. Should the Zoning Code be amended to allow restaurants to use public property for outdoor seating as a permanent use?

The Ad-hoc working group provided the following recommendations:

- 1) The loss of parking downtown is an important issue and warrants further discussion including input from the broader business community.
- 2) Business owners should take a consistent and proactive role in making sure that employees parking in City parking lots (Vista Lobos and Sunset Center) as opposed to the commercial district.
- 3) Outdoor seating areas should be subject to design review by the Planning Commission for more consistency and an improved aesthetic. Barriers should be more substantial (minimum height and weight) to protect patrons while respecting the charm of the Village.
- 4) Restaurants should be allowed to serve alcohol with meals if the proper Alcohol Beverage Control (ABC) license is obtained.
- 5) Businesses that have private patios should make use of that space before requesting seats in the public way.
- 6) Wine tasting rooms and drinking places should be allowed to participate in the outdoor seating program as long as they provide bona-fide meals (not snacks or pre-packaged food items).
- 7) Conflicts between delivery trucks, pedestrians and vehicles could be minimized by establishing delivery hours earlier in the day. Additional input from the business community should be sought.

Chamber of Commerce Survey Results:

The Chamber of Commerce surveyed local businesses/organizations and the community on the topic of outdoor seating (refer to Attachment 3). A total of 74 responses were received. 79 percent of respondents said the outdoor seating program was either great or good; 48 percent are supportive of making the program permanent.

FISCAL IMPACT:

Unknown.

PRIOR CITY COUNCIL ACTION:

At the May 12, 2020 meeting, the City Council held a discussion on whether to provide restaurants with access to the public right-of-way for outdoor seating for the consumption of take-out food orders.

At the June 2, 2020 meeting the City Council adopted a Resolution updating the insurance requirements. Insurance is required for most encroachment permit applications including outdoor seating in the public way.

ATTACHMENTS:

Attachment 1 - Temporary Encroachment Permit for Outdoor Seating in the Public Way

Attachment 2 - Standard Conditions of Permit Approval

Attachment 3 - Chamber of Commerce Survey



TEMPORARY ENCROACHMENT PERMIT APPLICATION

Outdoor Seating in the Public Way

City of Carmel-by-the-Sea
Department of Community Planning & Building
P.O. Drawer CC, Carmel, CA 93921
(831) 620-2010 OFFICE

1. Business Name & Location: _____

Block: _____ Lot(s): _____ Parcel #: _____

2. Applicant: _____

Mailing Address: _____ City: _____ State: _____ Zip: _____

Telephone # (____) _____ E-Mail: _____

3. Submittal Requirements:

- Completed application for 'Outdoor Seating in the Public Way'
- Site plan and photographs showing the layout of the outdoor seating area
- Photo/Detail of the outdoor seating barrier (when located in a parking space)
- Photographs of the tables and chairs (plastic not permitted)
- A certificate of insurance with an endorsement in the amount of **\$2,000,00** in combined single limit insurance for personal injury and/or property damage per occurrence and **\$4,000,000** in aggregate naming, *"The City of Carmel-By-The-Sea, its elected officials, officers, agents and employees are additionally insured under the policy."*

4. Description of Outdoor Seating Area, including number of parking spaces requested (if applicable), and the number of tables and chairs:

Applicant Acknowledgement

I understand and agree to comply with all pertinent conditions, standards and requirements as specified by the Carmel Municipal Code, State, County and Federal regulations pertaining to this permit application. I agree to properly maintain the subject work at no expense to the City and to indemnify the City from any liability arising from the permit issued. Acceptance by the City of the work described hereon is not a waiver of my obligations as stated herein.

Applicant Name (Print Clearly): _____

Signature: _____ Date: _____

Public Works Department: Approve/Disapprove (circle one)

By: _____ Date: _____

Planning Department: Approve/Disapprove (circle one)

By: _____ Date: _____

Police Department: Approve/Disapprove (circle one)

By: _____ Date: _____

Approval Stamp

Additional Conditions of Permit Approval by City Departments:



Temporary Encroachment Permit
Outdoor Seating in the Public Way
Standard Conditions of Approval

Attachment 2

1. **Permit Validity.** This permit for outdoor seating in the public way is valid until **December 31, 2020** or until dine-in restaurant operations return to normal capacity, whichever occurs first.
2. **Liability Insurance.** A certificate of insurance and an endorsement for the term of the encroachment in the amount of **\$2,000,000** in combined single limit insurance for personal injury and/or property damage per occurrence and **\$4,000,000** in aggregate naming *"The City of Carmel-By-The-Sea, its elected officials, officers, agents and employees are additionally insured under the policy."* The insurance shall be maintained for the duration of the public right-of-way encroachment. Failure to maintain liability insurance may result in revocation of the Encroachment Permit.
3. **Safety Protocols.** It is the applicant's responsibility to be informed of, and comply with, all industry guidance for restaurants published by the Center for Disease Control (CDC), State of CA Governor's Office and/or the Monterey County Health Officer.
4. **Safety Barrier.** For seating located in a parking space(s), or immediately adjacent to a roadway, a physical barrier must be provided between restaurant patrons and vehicles. The barrier must be approved by the City prior to the seating area being made available to the public and shall remain in place while the outdoor seating area is in use.
5. **Outdoor Seating Maintenance.** The applicant is responsible for sanitizing and disinfecting the outdoor seating area after each customer; providing a trash receptacle for use by patrons (separate from city trash receptacles); and, keeping the outdoor seating area clean and free of trash and debris.
6. **Number of Outdoor Seats.** Up to half of the permitted interior seats may be placed outside the restaurant ("standard allowance"). In addition to the "standard allowance", for every one interior seat that is removed, two exterior seats may be provided. To request additional outdoor seating, please contact the Monterey Peninsula Water Management District (MPWMD), conserve@mpwmd.net.
7. **Outdoor Seating Location.** Outdoor seating may occur on the public sidewalk and/or in a parking space(s) located in front of, or adjacent to, the restaurant. Seating may not be placed in a loading zone or Americans with Disabilities Act (ADA) accessible parking space. Seating located on a public sidewalk shall maintain a 4 foot clear accessible path of travel.
8. **Outdoor Seating Layout.** The outdoor seating layout shall be established, and remain consistent with, the approved temporary encroachment permit. At no time shall the entry/exit to any tenant space, nor any public sidewalk, nor any path of travel providing emergency egress, be blocked by outdoor seating.
9. **Seating Area Use Regulations.** The outdoor seating area may be used for to-go/take-out orders and/or table service. At no time shall employees providing service to the tables obstruct or otherwise block the public sidewalk. Consumption of alcoholic beverages is NOT permitted. Music

(live or amplified), lighting, and/or signage of any type is NOT permitted, unless otherwise approved by the City. Plastic tables and/or chairs are NOT permitted.

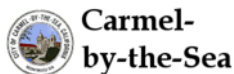
10. **Public Infrastructure.** Permanent attachments to public infrastructure including, but not limited to, streets, sidewalks, curbs, trash cans, light poles, traffic signs, trees, bike racks, fire hydrants, etc. are NOT permitted. Damage to public infrastructure as a result of the outdoor seating may result in revocation of the encroachment permit.
11. **Modifications.** Any modifications to the outdoor seating area shall be submitted to the Community Planning & Building Department for approval.
12. **Other Permits and Approvals.** It is the applicant's responsibility to secure any applicable permits or approvals from other agencies including, but not limited to, Alcoholic Beverage Control (ABC), Monterey County Health Department, and/or the Monterey Peninsula Water Management District (MPWMD).
13. **Permit Revocation.** The City reserves the right to revoke the permit if it is determined the seating area poses a risk to public safety or if the terms of the permit are violated.
14. **Indemnification.** The applicant agrees, at his or her sole expense, to defend, indemnify, and hold harmless the City, its public officials, officers, employees, and assigns, from any liability; and shall reimburse the City for any expense incurred, resulting from, or in connection with any project approvals. This includes any appeal, claim, suit, or other legal proceeding, to attack, set aside, void, or annul any project approval. The City shall promptly notify the applicant of any legal proceeding, and shall cooperate fully in the defense. The City may, at its sole discretion, participate in any such legal action, but participation shall not relieve the applicant of any obligation under this condition. Should any party bring any legal action in connection with this project, the Superior Court of the County of Monterey, California, shall be the situs and have jurisdiction for the resolution of all such actions by the parties hereto.

*Acknowledgement and acceptance of conditions of approval.

Applicant Signature

Print Name Date

Once signed, please return to the Community Planning & Building Department.



Marnie R. Waffle <mwaffle@ci.carmel.ca.us>

Fwd: Anonymous Survey Data Set

Chip Rerig <crerig@ci.carmel.ca.us>

Fri, Jun 12, 2020 at 10:42 AM

To: "Marnie R. Waffle" <mwaffle@ci.carmel.ca.us>, Britt Avrit <bavrit@ci.carmel.ca.us>

Please incorporate (attach) Jenny's email and attachments to the outdoor seating agenda report. Thanks.

Take good care.

Chip Rerig, City Administrator
City of Carmel-by-the-Sea
831.620.2058

----- Forwarded message -----

From: **Jenny MacMurdo** <ceo@carmelchamber.org>

Date: Fri, Jun 12, 2020 at 8:46 AM

Subject: Anonymous Survey Data Set

To: Chip Rerig <crerig@ci.carmel.ca.us>

Good morning Chip!

Attached are the data set in an excel document with 2 tabs. In the first tab are the overall responses, and the second tab has the "written in OTHER" responses. You can also see the overall results by clicking this link:

<http://survey.constantcontact.com/survey/a07eh4wj3ewkb6o2msa/results>

I just want to be very clear that this was **not** a scientific survey and that the results can be interpreted/inferred in many different ways. We have received some feedback about the way the questions were written, and that some felt the questions were leading towards a negative response. That was not the intent, in fact we did make an effort to make the questions unbiased. The Chamber is for solutions that are supportive of the needs of business, especially in these unprecedented times when their livelihoods are at risk, as well as the City and the community you serve. Now that we've concluded the survey, we can see the results leaned towards the positive which we find very encouraging.

We had 74 total responses to the survey that was sent out 3 times this week to the following database:

986 Member Representatives from 517 member businesses/organizations

345 Website Sign-Ups (Community)

Here are the stats for the 3 emails sent to date:

1st: 45% Open Rate

2nd: 43% Open Rate

3rd: 38% Open Rate

Attached is also a word document consisting of 2 more emails from members who preferred to have their thoughts in written format instead of in survey format. I have not included their names, as we did not ask for their permission to reveal their personal information.

I hope this data set will be useful moving forward as the City considers pro-business and community policies in the future. If you have any additional questions, please don't hesitate to reach out.

Stay well,

Jenny MacMurdo

Jenny MacMurdo

President/CEO

Carmel Chamber of Commerce

O 831 624 3877 x203

C 618 521 6497

ceo@carmelchamber.org

www.carmelchamber.org



2 attachments

 **responses_export.xls**
44K

 **Comments regarding the dining.docx**
17K

CARMEL CHAMBER of COMMERCE

Creating *the* Links

Overall Survey Results: Carmel Chamber of Commerce Survey

Text Block:

Times have changed, and our City has tried to be flexible and pivot to the needs of our community during this time. One of the most visible changes has been the acceptance of outdoor seating for our struggling restaurants. Your Chamber understands these struggles and is committed to helping our leaders find temporary and permanent solutions, as well as seeking input from not only the business community but the entire community as a whole. On June 16th, the City Council will have a special meeting regarding the outdoor seating as well as adopting the FY 20/21 budget. We'd like for you to take a few minutes to give your input in order to give our Council members some public thoughts on the subject in advance as they weigh their decisions. THANK YOU for your valuable input!

How do you feel about the new temporary outdoor seating arrangements the City has allowed to restaurants recently?

Answer	0%	100%	Number of Responses	Response Ratio
It's a great temporary solution, and I would support it being made permanent.			35	47.9%
It's a good temporary solution, but I would not support it being made permanent.			23	31.5%
I don't support this temporary solution. (If this is your answer, you can skip to the final question.)			9	12.3%
Other			8	10.9%
Totals			73	100%

Now to more specifics: In your opinion, should a restaurant be allowed to set up tables in a parking stall in front of an adjacent retailer?

Answer	0%	100%	Number of Responses	Response Ratio
YES			22	29.7%
NO			40	54.0%
Other			9	12.1%
No Responses			3	4.0%
Totals			74	100%

If YES, in your opinion, should that retail neighbor have the right to deny that use?

Attachment 3

Answer	0%	100%	Number of Responses	Response Ratio
YES			27	36.4%
NO			14	18.9%
Other			7	9.4%
No Responses			26	35.1%
Totals			74	100%

In your opinion, should restaurants also be allowed the use of sidewalks for tables in addition to parking stalls?

Answer	0%	100%	Number of Responses	Response Ratio
YES			25	33.7%
NO			34	45.9%
Other			12	16.2%
No Responses			3	4.0%
Totals			74	100%

In your opinion, how many outside tables is reasonable for each restaurant be allowed to place outside?

Answer	0%	100%	Number of Responses	Response Ratio
1-3			12	16.2%
4-6			33	44.5%
NO LIMIT			12	16.2%
NONE AT ALL			10	13.5%
No Responses			7	9.4%
Totals			74	100%

In your opinion, should the city allow retailers to use the public right of way as well?

Answer	0%	100%	Number of Responses	Response Ratio
YES			25	33.7%
NO			36	48.6%
Other			10	13.5%
No Responses			3	4.0%
Totals			74	100%

In your opinion, should alcohol be allowed to be sold and consumed in the outdoor spaces designated to each restaurant?

Answer	0%	100%	Number of Responses	Response Ratio
--------	----	------	---------------------	----------------

Attachment 3

YES		45	60.8%
NO		17	22.9%
Other		7	9.4%
No Responses		5	6.7%
Totals		74	100%

In your opinion, should propane heat lamps be allowed?

Answer	0% 	100%	Number of Responses	Response Ratio
YES			41	55.4%
NO			29	39.1%
No Responses			4	5.4%
Totals			74	100%

In your opinion, should propane fire pits be allowed?

Answer	0% 	100%	Number of Responses	Response Ratio
YES			22	29.7%
NO			46	62.1%
No Responses			6	8.1%
Totals			74	100%

In your opinion, should umbrellas be allowed?

Answer	0% 	100%	Number of Responses	Response Ratio
YES			55	74.3%
NO			15	20.2%
No Responses			4	5.4%
Totals			74	100%

Under the normal permit process for changes to a business license, a public hearing would be held. Should each restaurant have to go through a public hearing process to vet each restaurant's plan?

Answer	0% 	100%	Number of Responses	Response Ratio
YES			27	36.4%
NO			31	41.8%
Other			13	17.5%
No Responses			3	4.0%
Totals			74	100%

For over 100 years Carmel has had a parking problem perception. In your opinion, do you believe decreasing roughly 80 parking spaces for restaurant use is an acceptable temporary solution until all can open at full capacity?

Answer	0% 100%	Number of Responses	Response Ratio
YES		42	56.7%
NO		20	27.0%
Other		11	14.8%
No Responses		1	1.3%
Totals		74	100%

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Constant Contact Survey Results

Survey Name: Restaurant ReOpening Survey

Response Status: Partial & Completed

Filter: None

Jun 12, 2020 8:09:35 AM

1. How do you feel about the new temporary outdoor seating arrangements the City has allowed to restaurants recently?

	Number of Response(s)	Response Ratio
It's a great temporary solution, and I would support it being made permanent.	35	48.6%
It's a good temporary solution, but I would not support it being made permanent.	23	31.9%
I don't support this temporary solution. (If this is your answer, you can skip to the final question)	9	12.5%
Other	8	11.1%
Total	72	100%

2. Now to more specifics: In your opinion, should a restaurant be allowed to set up tables in a parking stall in front of an adjacent retailer?

	Number of Response(s)	Response Ratio
YES	23	31.0%
NO	40	54.0%
Other	8	10.8%
No Responses	3	4.0%
Total	74	100%

3. If YES, in your opinion, should that retail neighbor have the right to deny that use?

	Number of Response(s)	Response Ratio
YES	27	36.4%
NO	15	20.2%
Other	6	8.1%
No Responses	26	35.1%
Total	74	100%

4. In your opinion, should restaurants also be allowed the use of sidewalks for tables in addition to parking stalls?

	Number of Response(s)	Response Ratio
YES	26	35.1%

NO	34	45.9%
Other	11	14.8%
No Responses	3	4.0%
Total	74	100%

5. In your opinion, how many outside tables is reasonable for each restaurant be allowed to place outside?

	Number of Response(s)	Response Ratio
1-3	11	14.8%
4-6	34	45.9%
NO LIMIT	12	16.2%
NONE AT ALL	10	13.5%
No Responses	7	9.4%
Total	74	100%

6. In your opinion, should the city allow retailers to use the public right of way as well?

	Number of Response(s)	Response Ratio
YES	25	33.7%
NO	36	48.6%
Other	10	13.5%
No Responses	3	4.0%
Total	74	100%

7. In your opinion, should alcohol be allowed to be sold and consumed in the outdoor spaces designated to each restaurant?

	Number of Response(s)	Response Ratio
YES	44	59.4%
NO	17	22.9%
Other	7	9.4%
No Responses	6	8.1%
Total	74	100%

8. In your opinion, should propane heat lamps be allowed?

	Number of Response(s)	Response Ratio
YES	41	55.4%

NO	29	39.1%
No Responses	4	5.4%
Total	74	100%

9. In your opinion, should propane fire pits be allowed?

	Number of Response(s)	Response Ratio
YES	22	29.7%
NO	46	62.1%
No Responses	6	8.1%
Total	74	100%

10. In your opinion, should umbrellas be allowed?

	Number of Response(s)	Response Ratio
YES	54	72.9%
NO	16	21.6%
No Responses	4	5.4%
Total	74	100%

11. Under the normal permit process for changes to a business license, a public hearing would be held. Should each restaurant have to go through a public hearing process to vet each restaurant's plan?

	Number of Response(s)	Response Ratio
YES	26	35.1%
NO	32	43.2%
Other	13	17.5%
No Responses	3	4.0%
Total	74	100%

12. For over 100 years Carmel has had a parking problem perception. In your opinion, do you believe decreasing roughly 80 parking spaces for restaurant use is an acceptable temporary solution until all can open at full capacity?

	Number of Response(s)	Response Ratio
YES	42	56.7%
NO	20	27.0%
Other	11	14.8%
No Responses	1	1.3%
Total	74	100%

Constant Contact Survey Results

Survey Name: Restaurant ReOpening Survey

Response Status: Partial & Completed

Filter: None

Jun 12, 2020 8:09:35 AM

1. How do you feel about the new temporary outdoor seating arrangements the City has allowed to restaurants recently? - Other responses		
	Answer	Respondent
	It's mostly a hodge podge and with few people wearing masks on the street a dang	Anonymous
	Itâs a good temporary solution, and time will tell if it should continue.	Anonymous
	Great temp solution, open to longer after more experience.	Anonymous
	It's not fair that restaurants can use the outdoor spaces and retailers can't.	Anonymous
	The areas need to be better defined and more protected from traffic	Anonymous
	I have always found tables too close together so I like the distancing	Anonymous
	I have issues with people walking by not wearing a mask while customers are eat.	Anonymous
	Great temporary solution but I would not support it as currently structured	Anonymous
2. Now to more specifics: In your opinion, should a restaurant be allowed to set up tables in a parking stall in front of an adjacent retailer? -		
	Answer	Respondent
	depends on who if tuck box no	Anonymous
	Case by case, depends on retailer hours, parking options, etc.	Anonymous
	on,y if it doesn't negatively impact the other retailer's operations/potential	Anonymous
	possibly. If agreeable. could benefit both businesses	Anonymous
	I would like to see more streets closed to traffic	Anonymous
	It depends on what type of retailer	Anonymous
	Depends on the relationship with the retailer. It could be argued that mor	Anonymous
	With permission of the other business	Anonymous
3. If YES, in your opinion, should that retail neighbor have the right to deny that use? - Other responses		
	Answer	Respondent
	I retail shop can decide either way	Anonymous
	No, not unilaterally. 3rd-party review/arbitrator.	Anonymous
	Maybe. If the retail use involves moving heavy/large objects for transport	Anonymous
	I don't know.	Anonymous
	I don't think tables should be allowed	Anonymous
	No, it is usually their staff that uses the parking spot	Anonymous
4. In your opinion, should restaurants also be allowed the use of sidewalks for tables in addition to parking stalls? - Other responses		
	Answer	Respondent

YES, if a minimum of 4 feet wide walking pathway can be maintained.	Anonymous
No - This blocks foot traffic and exposes pedestrians to COVID	Anonymous
Case by case, depends on location, sidewalk width and pedestrian safety.	Anonymous
Depends on location to ensure pedestrian and dog use FIRST	Anonymous
if adequate pedestrian walkway is available somewhere	Anonymous
Not if they are using parking spaces	Anonymous
Widen the walks and protect them like downtown Santa Cruz	Anonymous
Only if the sidewalk is wide enough or the street is closed to traffic	Anonymous
as long as people can pass by.	Anonymous
Yes with limitations based on the size of the sidewalk and number of tables	Anonymous
Only if there is enough space for safe access for the public to pass by	Anonymous

6. In your opinion, should the city allow retailers to use the public right of way as well? - Other responses

Answer	Respondent
wine tasting rooms	Anonymous
i think signs about the retail would be great, but not items for sale outside	Anonymous
No, but I'm sure they feel they have as much right as the restaurants.	Anonymous
Case by case ... they're very different business models.	Anonymous
If they can we should be allowed an outdoor space to sell as well.	Anonymous
Place merchandise outside our doors?	Anonymous
No comment b/c I don't know how it's different from the side walk	Anonymous
We don't want the wharf, it will start to get messy	Anonymous
That is where it gets into the grey zone if tables are allowed outside.	Anonymous
don't understand	Anonymous

7. In your opinion, should alcohol be allowed to be sold and consumed in the outdoor spaces designated to each restaurant? - Other

Answer	Respondent
only at the tables specifically set up	Anonymous
That seems like a liability issue for the City	Anonymous
Yes, but control, behavior, etc. protocols must be put in place.	Anonymous
Essential to operation/viability of business	Anonymous
Yes, but monitored. Memorial Day Weekend was a mess.	Anonymous
Yes, but if so, tasting rooms should also be allowed to serve in outdoor spaces	Anonymous
Yes with ABC restrictions enforced	Anonymous

11. Under the normal permit process for changes to a business license, a public hearing would be held. Should each restaurant have to go

Answer	Respondent
City should develop guidelines and approve over the counter plan	Anonymous
NO, I support the use of a staff-level approval for each restaurant plan.	Anonymous
I think that each restaurant should have a plan for their outdoor operation	Anonymous

Strict guidelines from City	Anonymous
Not for temporary. If it becomes permanent , yes.	Anonymous
Only if controversial	Anonymous
No, but adhere to standard must-haves with hearings for variances	Anonymous
plans should be submitted for committee approval, not public hearing	Anonymous
Temporary seating NO til late 2021	Anonymous
I mostly trust the planning department to decide on what is appropriate	Anonymous
they need to be vetted not sure about individual hearings	Anonymous
Many questions are missing on this survey so it is not possible to answer this	Anonymous
Yes if made permanent. No if temporary	Anonymous

12. For over 100 years Carmel has had a parking problem perception. In your opinion, do you believe decreasing roughly 80 parking spaces

Answer	Respondent
Valet parking at Sunset Center with a fee should be used to take missing parkin	Anonymous
Yes, since it will be months, if not years, until we are back to the same number	Anonymous
Yes, but parking alternatives should be made available if at all possible.	Anonymous
Temporary - Need End Date	Anonymous
yes, if all available options are open and no charge	Anonymous
ABSOLUTELY! It's the only way to keep things going	Anonymous
Yes, I support closing some streets to traffic	Anonymous
For limited time only / only in front of restaurant and limited number	Anonymous
ABSOLUTELY NOT	Anonymous
I don't believe the use of parking spaces is appropriate	Anonymous
But if made permanent restaurants should pay city for spaces.	Anonymous

Comments regarding the dining “parklets”

I took the survey and found it a bit frustrating. The multiple-choice format and the answer options were very limiting and lead to predetermined conclusions. The questions seemed to channel the answers towards problems rather than solutions.

These are my thoughts:

The Wild West spirit:

Everybody tried to quickly deal with a new freedom!

The sudden opening of sidewalk and street seating came on very fast with only a few DO NOT guidelines leaving restaurant owners to fend for themselves. It was a bit like the Wild West.

Varying aesthetics and interpretations:

Everyone has a different sense of aesthetics and a different budget. This created a wide variety of “parklets”. Not knowing how long this outdoor seating would last, some merchants set up very minimal “parklets” using pots and plants that they might have brought from their backyard. Others set up more elegant patios with flowers etc. reminiscent of the sidewalk cafes of Europe. Others created isolation boxes where guests are kept in a large “bull pen”.

A few merchants interpreted the “two parking spaces” to include sidewalks seating in front of other merchant’s storefronts. Others kept up large banners and outdoor signage that is not in the tradition of Carmel. These banners were left over from when only “Food to Go” was permitted. Some owners did not “break down” the parklets at night resulting in table cloths blowing into the street.

Music, lights and heating guidelines can be recommended as they apply to our climate.

Carmel’s history of parklets:

There is a long history of “parklets” the city has installed throughout downtown Carmel. They all share a common aesthetic and look and they are well integrated in the street landscape of the city. The same cohesiveness and sense of integration can easily be applied to the outdoor dining parklets. With that in mind we might look at potential solutions and new ideas.

Options:

Some restaurants with existing substantial patios might not need or even want to block off two parking spaces in front of their establishment.

In the future when 6 feet “social distancing” is no longer required, one parking space will provide as many dining tables and seats as currently in two parking spaces. This will mitigate the concern about losing parking spaces.

Safety barriers should be required to meet standards imposed by the city and keep diners safe. For instance, sturdy metal posts with reflectors could easily be anchored to the pavement at the outside corners of the parklets. They could either be permanent or removable. We should not consider a flower pot as a protective barrier.

Conclusion

One thing seems certain at this point: the visitors who sat outdoors LOVED the experience. The comments were very positive. The “selfies”, the social media postings went viral.

Let us therefore not throw out the baby with the bathwater.

Let us come up with a practical, beautiful extension of our “al fresco” dining experience

This will give downtown Carmel a new vitality and bring it in line with what is occurring in various communities throughout California from Tiburon to Laguna Beach to name just two cities.

Respectfully submitted

Hi Jenny ,

I am responding via email, because I think that dialogue is more effective than a survey in this situation.

I am in support if the additional seating with some guidance, which I think can be

reasonably worked out.

There are many restaurants in Carmel that cannot survive without half of their seats. I don't think that a few tables in front of a retail store will cause a store to fail. But not giving small restaurants more seats will certainly cause them to fail.

And no one else will come in , because the numbers just don't work. We would end up with a lot of empty restaurant spaces, which is bad for everyone. Empty storefronts will definitely make Carmel less charming.

I think that the outdoor seating is giving the small restaurants a fighting chance. This is an extraordinary time, it is unrealistic to expect business to go on as usual. It seems to me that we can come together as a community and work out the details.

I have had only positive feedback about the seats in front of XXXX from locals and visitors alike.

Thanks



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

June 16, 2020
ORDERS OF BUSINESS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Sharon Friedrichsen - Director, Contracts and Budgets

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Resolution 2020-040 Adopting the Fiscal Year 2020-2021 Operating Budget

RECOMMENDATION:

Adopt Resolution 2020-040 Adopting the Fiscal Year 2020-2021 Operating Budget.

BACKGROUND/SUMMARY:

The purpose of this agenda item is for Council to consider adopting the Fiscal Year 2020-2021 ("FY 20-21") Operating Budget. Carmel Municipal Code Section 3.060.010 states "prior to the beginning of each fiscal year, the City Council shall adopt a budget for expenditures and anticipated revenues." The fiscal year begins on July 1, 2020.

The FY 20-21 Recommended Budget totals \$19.7 million, which consists of the General Fund Operating Budget (\$18.5 million) and debt service (\$1.2 million). Due to budgetary constraints, no funding is allocated for capital projects or vehicle and equipment purchases. The FY 20-21 Budget authorizes 92.14 full-time equivalent (FTE) positions, but includes funding for 72.48 FTE. This reflects restoring the funding of 1 FTE (Maintenance Worker/Gardener) since the FY 20-21 Budget was presented to Council on June 2, 2020; however, it does not result in an increase in budgeted expenditures as the contract service line item within Public Works has decreased to offset the associated salary and benefit expenses. Anticipated Citywide revenues, including revenues that have restricted uses, total approximately \$19 million. However, estimated General Fund revenues total \$17.4 million, which requires the use of approximately \$1.1 million of prior years savings, or Fund Balance, in order to balance the FY 20-21 Budget.

As part of the budget process, City staff received a variety of questions and communications regarding the FY 20-21 Budget. The questions and associated responses, as well as other correspondence, is included as attachments to this staff report.

FISCAL IMPACT:

The FY 20-21 Recommended Budget proposes to use approximately \$1.1 million of General Fund balance in order to fund planned expenditures.

PRIOR CITY COUNCIL ACTION:

Council held public meetings on the proposed Fiscal Year 2020-2021 and Five Year Capital Improvement Program on April 7, 2020 and May 5, 2020 and held public meetings on the Fiscal Year 2020-2021 Budget on May 12, 2020 and June 2, 2020.

ATTACHMENTS:

Attachment #1-Resolution 2020-040_Adopt FY 20-21 Budget
Attachment #2-FY 20-21 Budget Questions and Responses
Attachment #3- Budget Question #1-2008 Library MOA
Attachment #4- Budget Question #2-SCC2020CityFundingOutline (1)
Attachment #5-Budget Question #3-SCC 2020-21 Fixed Expenses
Attachment #6-Budget Question #5-SCC FY 2019 2020 Approved Budget Overview
Attachment #7-Budget Question#6-FY 20-21 Recommended Budget-Outside Services
Attachment #8- Budget Question #17-Monterey Symphony Request
Attachment #9- Budget Question #17-Symphony Sunset Center Inc. Analysis 052920

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

RESOLUTION NO. 2020-040

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
ADOPTING THE FISCAL YEAR 2020-2021 ANNUAL OPERATING BUDGET**

WHEREAS, on February 4, 2020, the City Council adopted the budget schedule for Fiscal Year 2020-2021 in accordance with Carmel Municipal Code Section 3.060.020; and

WHEREAS, the Fiscal Year 2020-2021 Budget includes the General Fund and other revenues, the General Fund Operating Budget for various City departments and services, debt service and proposed transfers among funds; and

WHEREAS, the City Council held public meetings on the proposed Fiscal Year 2020-2021 and Five Year Capital Improvement Program on April 7, 2020 and May 5, 2020; and

WHEREAS, the City Council held public meetings on the Fiscal Year 2020-2021 Budget on May 12, 2020 and June 2, 2020 and considered the adoption of the budget during a public meeting on June 16, 2020; and

WHEREAS, the Fiscal Year 2020-2021 Budget includes \$19,733,910 in expenditures, which includes \$18,489,395 for General Fund Operations, \$1,244,515 for debt service and no funding for capital projects or vehicle and equipment purchases; and

WHEREAS, the Fiscal Year 2020-2021 Budget includes \$17,426,268 in anticipated General Fund revenues, \$1,244,515 in projected local sales tax revenue to fund debt service and \$329,214 in estimated transportation-related revenues and assumes the use of \$1,063,127 in fund balance to support the General Fund Operating Budget expenditures; and

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, which starts on July 1.

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 as part of the 2019-2020 fiscal year-end process.

Adopts the City of Carmel-by-the-Sea's Fiscal Year 2020-2021 Recommended 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 2020-2021.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-
THE-SEA this 16th day of June, 2020, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Britt Avrit, MMC
City Clerk

Attachment 2

**Fiscal Year 2020-2021 Recommended Budget
Budget Questions and Responses, Funding Requests and
Supplemental Information and Correspondence**

Budget Questions and Responses

1. What was the Library budget for FY 19-20? What is the vision for providing library services while also implementing social distancing protocols? What roles do the Carmel Public Library Foundation (CPLF) and the Library Board of Trustees play in relation to the library and the City?

Response: The Fiscal Year 2019-2020 Adopted Budget for the Library is \$1,183,675. At this time libraries in Monterey County have been approved to provide curbside pick-up of materials for their communities, which we are looking to implement in the coming weeks. The next phase of reopening for libraries will look similar to other gathering places like religious institutions that have been allowed to reopen with limited capacity. Access to library facilities in this next phase will likely be limited to appointment only visits in order to limit the number of people in buildings at any given time and to ensure that safety protocols are followed. At the current proposed staffing level this will be a challenge to facilitate in addition to curbside pick-up.

Post COVID-19 once all restrictions are lifted the library will continue to be an essential part of the City's social infrastructure and recovery process. During times of crisis, such as the 2008 recession, library usage increased, as many who are out of work, experiencing homelessness, struggling with the digital divide, or on restricted incomes turned to our library for support. The need for the Carmel Public Library to continue providing crucial information, facilitate community connection in-person and virtually, help people find new opportunities for work or business, and to offer a moment of respite, will be as high post COVID-19 as during COVID-19.

The CPLF was established to keep the library open, relevant and thriving and to ensure free library service in perpetuity by providing funding for 100% of the books, materials, programs, equipment and services. The CPLF has provided the library with \$291,000 in funds each fiscal year for the past 4 years for the library's operating budget. This is also supplemented by funds from the Friends of the Library.

The Library Board of Trustees is the governing body for the library charged with management of the library buildings and property, administration of library funds, approval of library policies, and the adoption of the library's annual budget. The Board of Trustees has a Memorandum of Agreement (MOA) with the City of Carmel wherein the City is required to provide a certain level of staffing and maintain the library facilities (See attached MOA).

2. Request to have the Executive and Artistic Director of the Sunset Cultural Center (SCC) provide a presentation during the June 16 meeting.

Response: Chrisitne Sandin will be available to provide a brief presentation and answer questions regarding the Sunset Cultural Center's FY 20-21 budget request. The Sunset Cultural Center's 2020-21 Pandemic Operating Vision is attached for reference.

3. Please provide a detailed list of the hard facility-related expenses for the Sunset Center.

Attachment 2

**Fiscal Year 2020-2021 Recommended Budget
Budget Questions and Responses, Funding Requests and
Supplemental Information and Correspondence**

Response: An outline provided by SCC staff is attached for reference, including a general overview of SCC's most basic anticipated administrative overhead costs during a closure.

4. Why is the Sunset Cultural Center projected contributed income number lower than usual at \$100,000 (per the SCC 2020-21 Pandemic Operating Vision)?

Response: According to the Sunset Cultural Center's Executive and Artistic Director, with an extended closure, SCC will not be able to deliver programs and services that are at the heart of SCC's fundraising effort and capacity. SCC generally receives \$200,000 in grants that support arts education outreach efforts. That will disappear with no activity in the schools next fall or spring. Also, SCC usually collects \$100,000+ in annual *Bravo!* membership fees that support the *Sunset Presents* programming. Those main stage programs will not occur, and SCC does not expect to receive membership renewals until the Center re-opens. Lastly, the SCC Gala event will not happen in the fall, so SCC staff anticipate an additional \$150,000 reduction in that fundraising category as well. That totals \$450,000 in contributed income that will not be realized in a closure situation where programs and services are not offered. However, SCC is confident it can receive individual donations in the amount of at least \$100,000; however, SCC wants to start off with a conservative and realistic expectation of its donors and hope the donations grow in quantity and size as SCC announces a new season for 2021-22 (announcing a new season would likely happen in late spring 2021). The \$100,000 individual donations budget is for an annual appeal at the end of this calendar year.

5. We have been following the budget process in Carmel closely, and we know that there is a question about the amount to be given to Sunset. I'd like to take a look at last year's Sunset Center budget and its proposed budget for this year.

Response: As referenced in Question #2 above, the Sunset Cultural Center's 2020-21 Pandemic Operating Vision includes a funding request to the City for FY 20-21. According to the Sunset Cultural Center's Executive and Artistic Director, the City's contribution is primarily used to cover the costs related to the facility (maintenance, landscaping, utilities, facility staff) while SCC supports the rest of the budget through earned revenue, grants and donations. The Sunset Cultural Center Fiscal Year 2019-2020 budget is also attached for reference.

6. Provide a list of contract services recommended for funding within the FY 20-21 budget.

Response: As shown on the attachment, the majority of contract services recommended to be funded as part of the Fiscal Year 2020-2021 Budget are specialized in nature and either pertain to a mandated function and/or are necessary to maintain City operations. These specialized services require either technical knowledge, professional certifications or specialized equipment that is either not readily available in-house or is required to be performed by an independent party.

In developing the Fiscal Year 2020-2021 Budget, staff strived to reduce expenses related to contract services. For example, the anticipated budget for tree-related services in Fiscal Year 2020-2021 is \$95,000 as compared to \$375,000 in Fiscal Year 2019-2020 as the majority of tree maintenance, planting and watering will be performed in-house with existing staff. The proposed \$95,000 will allow the City to utilize contractors when specialized equipment is needed as well as to have resources on hand

Attachment 2

**Fiscal Year 2020-2021 Recommended Budget
Budget Questions and Responses, Funding Requests and
Supplemental Information and Correspondence**

to address storm-related damage and other emergencies. Similarly, staff recently placed the landscape maintenance contract, budgeted at \$125,000 in Fiscal Year 2019-2020, out to bid due to: (1) the extensive scope of services to be performed and (2) an expectation that the current economic climate would generate cost savings for this service. However, rather than outsource this service, maintenance activities will be performed in-house utilizing existing staff and prioritized to address fuel load reduction in our natural areas within the urbanized forest.

7. What are the specific contract services in Community Planning and Building?

Response: Contract services include operational expenses for a copier lease and software licensing/subscriptions for permitting, public noticing and short-term rental compliance tracking that together total \$28,950. In addition, contract services include funding totaling \$170,000 for consultants for the historic context statement update (\$2,000), affordable housing planning studies (\$160,000) and fire protection systems plan checks (\$8,000). The affordable housing planning study is fully funded through a reimbursement-based State grant while the fire plan review costs are recovered through charges for services.

8. On page 34 (Citywide) expenses, what is the difference between 'Property Tax Assessments' for \$76,260 and 'County Property Tax Administration Fees' for \$67,422?

Response: Property tax assessments include voter approved taxes, agency direct charges and special assessments levied on City-owned property, such as the assessment for the Carmel Area Wastewater District and the Monterey Peninsula Water Management District water supply charge. Property tax administration fees are the fees charged by the Monterey County Auditor-Controller for collecting property taxes on behalf of the City.

9. Why is the 'home mail delivery' housed as a Council expense instead of as a Citywide expense?

Response: Home mail delivery is housed within Council as it is considered a discretionary program that the Council chooses to fund to assist residents who are unable (or unwilling) to collect their mail directly from the U.S. Post Office. Citywide expenses, on the other hand, are expenses related to the City's overall "cost of doing business" that are necessary in order to provide a variety of services to residents, businesses, and visitors. These operational expenses include costs such as insurance premiums, pension obligations and mandated retiree-healthcare, and utilities whose costs are largely outside of the City's control.

10. What is the 24-hour staffing for the Police Department? How many staff are working at night?

Response: The Police Department's Fiscal Year 2020-2021 Recommended Budget includes funding for 14 sworn officers, 3 parking officers and 4 dispatchers. Police officers and dispatchers work 12 hour shifts. Police officers are assigned to either a day shift (7 am to 7 pm) or an evening shift (7 pm to 7 am) to provide 24 hour coverage. The evening shift includes two personnel, typically a Supervisor and an Officer, which is the

Attachment 2

**Fiscal Year 2020-2021 Recommended Budget
Budget Questions and Responses, Funding Requests and
Supplemental Information and Correspondence**

minimum staffing level. One dispatcher also works the evening shift. The Police Department utilizes a cover officer position that works from 3 pm to 3 am whenever possible. However, this position is only used when the Department staffing is at full capacity, meaning there are no vacant positions and no officer is on leave due to vacation, sickness or injury. The use of the cover officer position helps mitigate overtime expenses. In addition when there are no vacancies, this position affords the Department the ability to provide an additional officer for patrol, particularly on the weekends, which are the busiest time for the Department.

11. Why is the workers' compensation so high, comparatively, in the Library?

Response: The City receives an estimate of its workers compensation insurance premium, which is based on a percentage of Citywide payroll expense and prior claims. Finance staff allocate the insurance costs to each department based upon the authorized positions known as full-time equivalents (FTE's) per department and the total salary and benefit costs per department. All departments' share of the workers' compensation premium is paid from the General Fund.

12. What is the value of each (LiUNA, POA, Ambulance) previously-negotiated salary increases due July 1, 2020?

Response: The value of the POA negotiated salary increase due July 1 approximates to \$46,000. The value of the Ambulance negotiated salary increase due July 1 approximates to \$10,000. The next LiUNA negotiated salary increase isn't due until January 1, 2021.

13. Did PD decrease their operating budget by 20%? How about the Ambulance? Monterey Fire?

Response: The Fiscal Year 2020-2021 Police Department Recommended Budget of \$3.9 million reflects a decrease of \$373,000, or approximately 9%, compared to the Fiscal Year 2019-2020 Adopted Budget, which is comprised of \$373,000 in salary and benefit savings from defunding four (4) vacant positions and \$34,000 in service and supplies reductions. The majority of the Department's operational expenses are necessary to provide services under the current service delivery model and largely outside of the Department's control in terms of costs, such as dispatch, jail booking fees and animal control, which are all provided by Monterey County. In addition, the Department incurs costs for items like fuel, vehicle maintenance, software for the license plate readers for parking enforcement, maintenance costs for the recently installed surveillance cameras, equipment and software for body cameras. The Department offset these types of expenses with other reductions where feasible, such as decreasing contractual assistance for beach patrol, and decreasing the budgets for safety equipment and training respectively.

The Fiscal Year 2020-2021 Recommended Budget for Ambulance of \$1.5 million reflects a decrease of \$102,000, or approximately 6.5%, compared to the Fiscal Year 2019-2020 Adopted Budget. The services and supplies budget includes expenses necessary for current operations including fuel, vehicle maintenance, medical supplies, training to maintain certifications and credentials, required administrative and medical oversight, contracted services with the City of Monterey for on call station coverage as needed and

Attachment 2

**Fiscal Year 2020-2021 Recommended Budget
Budget Questions and Responses, Funding Requests and
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outside services with a billing provider to recover costs associated with transports. Building and equipment maintenance costs were reduced as feasible to achieve savings.

The Fiscal Year 2020-2021 Recommended Budget for Fire of \$2.7 million reflects an increase of approximately \$23,000, or just under 1%, compared to the Fiscal Year 2019-2020 Adopted Budget. The FY 20-21 Budget includes a one-time cost of \$20,000 for a wildfire risk assessment. Based upon direction by Council during its June 2, 2020 meeting, the City will be issuing a Request for Proposals for fire services that will begin, contractually, in 2021.

14. What is the amount of money collected in fines for tree issues and where does that fund reside? Where is the money for the forestry account (the money from fines, etc.)? May the funds be used to support city tree planting and watering programs?

Response: Fees collected for tree removal permits are considered to be a charge for service and are budgeted as revenue within the General Fund and this revenue is used to support the Public Works Department. Fines received for illegal tree removal and other tree-related damages are held within the Refundable Deposit Fund in a specific account known as the Urban Forest Restoration Fund. This fund was established by resolution for the receipt of public donations for the enhancement of Carmel's urban forest. There is currently \$73,000 within the Fund, of which \$53,000 is available for use. The funds may be used to support tree planting and watering programs with Council approval.

15. What activities may the parking in lieu program fund? For instance, could the funds be used to repave a parking lot or to satisfy the City's Maintenance of Effort (MOE) requirements to receive State transportation funds?

Response: The parking in-lieu program is codified within Carmel Municipal Code Chapter 17.38, Off-Street Parking Requirements. Since the Municipal Code does not specifically cite permissible uses of the parking in-lieu fee, guidance is provided through Section 1318 of Ordinance No 122, which established the City's parking in lieu program. Section 1318 states "Such funds so collected by the city shall be deposited in a special fund and used by the city to develop off-street parking available to the general public in or near the business district of the city."

Based on Ordinance No. 122, Section 1318 and Section 17.38.040 of the Municipal Code, the parking in lieu funds must be used to acquire and/or develop off-street parking. Street maintenance is most likely not a permissible use of parking in lieu funds because, even though parking may be permitted on public streets, the maintenance of the streets does not develop off-street parking, it just maintains existing parking. Furthermore, the in lieu funds are to be used to acquire and develop "off-street" parking and street parking, by definition, is not off-street.

In order to receive State gas taxes (Highway Users Tax Account) as well as Road Maintenance and Road Rehabilitation funds (RMRA) enacted as part of SB1, the City is required to allocate a portion of its local General Fund revenues for transportation-related projects. This is known as the Maintenance of Effort (MOE) requirement, which has the objective that local funds used for street maintenance and other eligible expenses are maintained and State funds do not replace, or supplant, local funds allocated for this purpose. The City also receives a portion of the voter-approved sales

Attachment 2

**Fiscal Year 2020-2021 Recommended Budget
Budget Questions and Responses, Funding Requests and
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tax allocated for transportation safety projects (Measure X) from the Transportation Agency for Monterey County (TAMC). TAMC also has a MOE requirement that mirrors the State.

The intent of the MOE is for a jurisdiction to use its general purpose funds, such as property or sales tax, for transportation-related projects. The parking in-lieu fund has a more restrictive purpose. In addition, the MOE funds must be used for street maintenance and rehabilitation and other eligible transportation-related projects as defined by the State and TAMC. Neither State or local funds may be used to pave a parking lot or specifically to develop off-street parking.

Funding Requests and Restorations

16. The City received five applications requesting \$3,000 each (the grant maximum) as part of the Fiscal Year 2020-2021 Council discretionary grant process, which was underway prior to the emergence of the coronavirus. The applications were received from the Carmel Heritage Society, the Carmel Youth Center, Community Human Services for the Casa de Noche Buena shelter, the Monterey County Film Commission, the Food Bank of Monterey County and MEarth. In addition, the City received funding requests from Community Human Services (\$5,000), the Film Commission (\$2,500), United Way (\$3,000), Covia Home Match (\$5,000), the Carmel Chamber of Commerce (\$15,000) and the Monterey County Convention and Visitors Bureau (\$120,000).

Response: The Fiscal Year 2020-2021 Recommended Budget includes funding for the Carmel Youth Center (\$2,500), Community Human Services (\$4,000), United Way (\$2,500), the Carmel Chamber of Commerce (\$15,000) and the Monterey County Convention and Visitors Bureau (\$120,000).

17. In addition, a request was received by the Monterey Symphony for the City to commission a forensic accounting audit of the Sunset Cultural Center, including the Symphony's willingness to fund \$5,000 toward such an audit.

Response: This is a policy decision to be determined by the City Council.

18. In an excerpt from one comment, "So as Council considers biodegradable mutt mitts, isn't that a small token to offset the impact our canine visitors might have on climate change? If this is not feasible now, I would hope it would be restored to the budget at the earliest opportunity."

Response: The Fiscal Year 2020-2021 Recommended Budget includes \$10,000 for mutt mitts, which is a 50% decrease from Fiscal Year 2019-2020. The cost for pet waste bags is very expensive and a reduction that is necessary due to the City's budget constraints. The City is optimistic that dog owners will take the initiative to purchase mutt mitts for their own use or that individuals and businesses will consider the sponsorship of a mutt mitt station at a cost of \$750 a year.

**MEMORANDUM OF AGREEMENT
BETWEEN HARRISON MEMORIAL LIBRARY BOARD OF TRUSTEES
AND THE CITY OF CARMEL-BY-THE-SEA**

The parties seek to solidify their longstanding and mutually beneficial relationship by entering into this Memorandum of Agreement ("Agreement") which supersedes the agreement between the parties dated June 2, 1987 and amended April 9, 1992. The Harrison Memorial Library Board of Trustees ("HML") and the City Council of the City of Carmel-by-the-Sea ("City") agree to the following:

1. **PURPOSE.** The purpose of this Agreement is to define the respective powers and duties of the parties with respect to the control, operation and funding of the Harrison Memorial Library main building and Park Branch, in light of the provisions of Chapter 5, Part 11, Division 1, Title 1 of the California Education Code.

2. **POWERS AND DUTIES OF THE PARTIES.** Except to the extent this Agreement explicitly assigns specific powers and duties to HML or the City, each party shall have those powers and duties assigned to it by Education Code § 18900 - 18965. Provided, however, the parties further agree as follows:

A. Capital Improvement, Maintenance. City shall continue to pay for reasonable and necessary maintenance services and capital improvement funding for the Harrison Memorial Library main building and Park Branch. For the purposes of this sub-section "maintenance" shall include custodial and grounds-keeping services and the provision of necessary supplies for on-going operation of the library.

Capital improvements and maintenance for the library facilities will be budgeted and paid for by City as needed as part of the annual City budget. An estimate of these needs includes:

1. Painting, exterior and interior, every ten years;
2. Carpets, replace every ten years, and repair/clean as needed;
3. Wooden furniture, refinish every ten years, and repair/clean as needed;
4. Upholstered furniture, recover every ten years, and repair/clean as needed;
5. Equipment (e.g., air conditioning, furnace, lights, and other fixed assets) and supplies intended for ongoing consumption such as janitorial and restroom supplies; and the like, to be provided on an as needed basis.

B. Personnel Costs. The parties acknowledge that all Library personnel are employees of City. The City shall continue to fund all personnel costs associated with operating the libraries at service levels which meet the public use needs of the libraries as defined by HML ("service level needs"). Personnel costs include salaries, benefits, cost-of-

living and union negotiated increases. The parties agree that current service level needs are:

1. Eight full time positions, four of which require Masters of Library Science (defined as one Library Director and three Librarian II positions);
2. Seven part time positions, three of which require Masters of Library Science (defined as Librarian I positions); and
3. Six on-call Library Assistants to cover for illness and vacations.

C. Service Level Determination. If HML determines that the service level needs of the libraries require additional positions beyond those described above and if City has funds available to pay for such positions, City shall fund the additional positions. If City does not have funds available to pay for such additional positions, HML may develop private funding sources for same, and provide restricted funds to City for use solely to add the personnel positions required by HML. Such private funds shall only be used to pay for additional library personnel and shall not be used by City for any other purpose. It is understood that such private funds shall only be used to augment City funding and shall not be applied to cover personnel costs that City is obligated to pay pursuant to the service level needs agreed to above.

D. Additional Funding from Non-public Sources. HML shall continue to use its reasonable best efforts to develop funding through charitable donations, whether from the Carmel Public Library Foundation or other sources. As set forth in Section 2C, above, such additional funding shall supplement, not replace, funding provided by City for capital improvements, maintenance, and operational needs of the libraries including personnel costs, and City shall not decrease or withdraw its funding as a consequence of the development of private funding.

3. **FINANCIAL EMERGENCIES.** The parties understand that fiscal emergency situations may arise which require the City to lay off City employees and cut services. Should such a fiscal emergency occur which requires the City to lay off City employees and cut services, the impact upon library services of such lay-offs and cuts shall be no more severe, in kind and quantity, than upon any other City service not involving police or fire suppression. In such circumstance, HML may provide private funding, on a temporary basis, by providing restricted funds to City to be used solely for the purposes specified by HML in connection with library operations. If private funding is provided it shall not relieve City of its obligations to properly staff and maintain library services and buildings as set forth in Section 2, above, and shall only be provided by HML to maintain library service levels during fiscal emergency situations.

4. **LIBRARY PROPERTY.** The HML Park Branch building and all land surrounding it, including landscaping, driveways, reserved library staff parking (four (4) marked spaces), walkways, etc., will be preserved for library uses, under the management, supervision and control of HML. HML acknowledges that the current nineteen marked public parking spaces and travel lanes to the nineteen designated spaces shall continue to be used for public parking purposes.

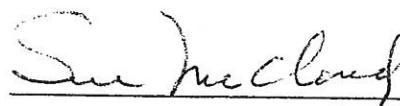
5. **RESERVED LIBRARY STAFF PARKING.** Four (4) parking spaces at the HML Park Branch shall be reserved for use by library staff. If possible, City shall also set aside six (6) reserved parking spaces for patrons and three (3) reserved parking spaces for library staff that are conveniently located for use by library patrons and staff near the Harrison Memorial Library main building.

6. **TERM.** This Agreement shall remain in full force and effect so long as City has public libraries pursuant to Chapter 5, Part 11, Division 1, Title 1 of the Education Code; provided, however, that each three years hereafter the parties shall meet and confer regarding the need (if any) to amend this Agreement.



President, Board of Trustees

Harrison Memorial Library



Mayor

City of Carmel-by-the Sea

April 23, 2008

Date

April 18, 2008

Date

CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL

RESOLUTION NO. 2008-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE
SEA ENTERING INTO A NEW MEMORANDUM OF AGREEMENT WITH THE
HARRISON MEMORIAL LIBRARY BOARD OF TRUSTEES

WHEREAS, in 1992 the City Council and the Harrison Memorial Library Board of Trustees entered into a Memorandum of Agreement regarding maintenance, operation and capital improvement costs; and

WHEREAS, the parties seek to revise said Agreement and to make it current with actual practice and conditions and to include provisions for developing private funding to augment current service levels;

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

1. Approve the attached Memorandum of Agreement.
2. Authorize the Mayor, on behalf of the City, to execute the Memorandum of Agreement

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 3rd day of April, 2008, by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS

SIGNED:

SUE McCLOUD, MAYOR
City of Carmel-by-the-Sea

ATTEST:

Heidi Burch
City Clerk



SCC

Carmel-by-the-Sea

2020-21 Pandemic Operating Vision

Prepared by C. Sandin 5/20/20

Overview

- Sunset Cultural Center Inc. (SCC), a community led nonprofit 501(c)3, manages Carmel's two treasured cultural assets – the Sunset Center complex and the outdoor Forest Theater. Contractually, SCC receives 20% (\$770,000) of its annual budget (\$3.9 million in 2019) from an operating grant provided by sales, TOT, and property tax-generated revenue. SCC contributes to the local economy by presenting celebrity and other cultural entertainment that stimulates activity in our local restaurants, retail shops, and even hotels.
- On March 13, SCC made the early decision to close both facilities to ensure public health during the COVID-19 pandemic. Today, months later, these two venues remain closed to public gatherings and likely will not be permitted to resume cultural activity until Phase 4 of the pandemic recovery. No one has any guess as to when that might occur.
- SCC's earned income accounts for between 60 to 70% of budget revenues (depending on the year) – virtually all of which has been eliminated due to the sudden shutdown of operations in March 2020. All remaining spring events – rentals as well as our own presentations – were cancelled or rescheduled to later dates. Cash flows were severely impacted and monthly administrative and facilities fixed expenses remain.
- SCC made the very difficult decision in March to eliminate 4 of its 20 total staff positions and subsequently also reduced all remaining staff members in administration, facilities, events, development, programming, and marketing by 50%. SCC also immediately applied for financial assistance through the SBA PPA program and eventually received loans that would support this new structure until June 30, 2020.
- SCC is working hard to pivot to a new model that serves the community through virtual offerings and collaborative partnerships with other local arts and business organizations. Still, this content is difficult to monetize and SCC will need to survive on grants and contributed income for the foreseeable future. Of course, this will also require that we significantly shrink our operation and staffing while facilities remain closed to public gatherings.

SCC's Pandemic Operating Vision

- After much data collection, discussion, and debate, the SCC Board of Trustees, informed by staff, have decided the best course of action is to remain closed for the duration of one full season, or until the introduction of therapeutics for the virus restores the public's confidence in returning to mass gatherings.
- SCC will re-examine this operating strategy quarterly, or at whatever point positive news about the treatment for COVID-19 emerges and our society moves toward a Phase 4 re-opening of our economy. It is widely known that concert halls and theaters will not be allowed to operate again until we reach this Phase 4.
- SCC will shift gears downward into a “power saver mode” where we can remain intact to the degree that we will be ready to “drop in” entertainment events and program a full diverse season and schedule outside presentations, the core of our operation and brand, in the future. To be properly prepared to do this will require a minimum of lead time, facility care, and staffing as outlined on the next page.
- During this closure SCC will focus on core competencies, retaining key programming and development staff to provide just enough cultural content and community activity to keep our audiences and donors engaged during an extended closure. At this level, we will also be poised to launch a main-stage performance program and a “re-opening” fundraising drive that could return us to near-normal for the (hopefully) 2021-22 season. SCC would need between 3 to 6 months lead time to program a season and prepare for a return to full operations, including activity from our historical and community presenting partners.

Projected Revenue & Expenses – Full Closure / Limited Service

REVENUES:		
	Contractual Operating Support	\$ 770,000.00
	* Budget Relief (25 % reduction)	\$ (192,500.00)
	2020-21 City Support Total	\$ 577,500.00
	SCC Contributed Income	\$ 100,000.00
	2020-21 TOTAL REVENUE	\$ 677,500.00
EXPENDITURES:		
	Administrative Overhead Total	\$ 150,000.00
	\$12,500 per month	\$ -
	Facilities Overhead Total	\$ 270,000.00
	\$22,500 per month	\$ -
	(pro-rated for closure)	
	Staffing Total - 2 FTE	\$ 250,000.00
	E.D./Artistic & Development	\$ -
	Misc. Expense	\$ -
	TOTAL EXPENDITURES	\$ 670,000.00

LIMITED SERVICE SCOPE:

Minimal facility and usage monitoring. No landscaping, gutter or window cleaning services. No facilities, event, technical support, or box office staff retained. Administrative / programming / development functions covered through department heads (2 FTE). No venue marketing, booking, or event support until a re-opening is in sight. *SCC reserves the right to an increase in additional grant money should the City budget recover more substantially and quickly than anticipated.

• Admin costs include:

- Legal/Accounting
- Liability insurances
- Equipment & Software licenses
- Phone/cable/Misc.

• Facilities costs include:

- Alarm systems & tests
- Fire safety systems & tests
- Elevator/Lift & HVAC maintenance contracts
- Pest control
- Utilities

• Staff costs include:

- Combination of department heads (2 FTE) in: Admin/programming/development

Benefits for All

- A continued full facility closure that prohibits public assembly currently appears to be the most likely ongoing scenario for the **public health and safety of our community**.
- Funding SCC at the proposed level **ensures the sustainability of the desired model of a community led nonprofit organization** managing treasured cultural assets.
- Continued funding enables our organization to be very nimble while **maintaining the ability to be responsive when the time to stage entertainment events arrives**.
- **The SCC Board has agreed to remain intact** throughout a long period of closure.
- **Key talent will be retained** for limited ongoing virtual programming and development efforts.
- Periodic engagement efforts by SCC will **contribute to the recovery of our local economy** even during a theater closure.
- **City staff will not need to take on venue-related inquiries and issues** that still occur during closure.

2020-21 SCC FIXED EXPENSES

Facilities Fixed Expenses

Description	Vendor	Monthly (x12)	Semi (x2)	Quarterly (x4)	Annual (x1)	Annual Total
Fire Systems						
Testing/certification	Central Coast Systems		\$ 3,505.00		\$	7,010.00
Monitoring	Central Coast Systems	\$ 105.00			\$	1,260.00
Testing/certification	First Alarm			\$ 165.00	\$	660.00
Monitoring	First Alarm			\$ 170.40	\$	681.60
Sprinkler pump test	A&B Fire				\$ 1,500.00	\$ 1,500.00
Fire extinguishers	Monterey Fire Extinguisher				\$ 850.00	\$ 850.00
Security Systems						
Monitoring	Sentry		\$ 1,344.00		\$	2,688.00
Equipment lease	Sentry		\$ 2,022.00		\$	4,044.00
Elevators and Lifts						
Inspection	Elevator Service Co.	\$ 405.00		\$ 125.00	\$	5,360.00
Annual Testing	Elevator Service Co.				\$ 2,500.00	\$ 2,500.00
Certification	State of California				\$ 500.00	\$ 500.00
HVAC						
Maintenance	Pacific Coast Trane	\$ 4,695.00			\$	56,340.00
Repairs	Pacific Coast Trane				\$ 2,500.00	\$ 2,500.00
Water Treatment	Water Tech Inc.	\$ 195.00			\$	2,340.00
Theatrical Systems						
Rigging Inspection	Musson Theatrical				\$ 2,000.00	\$ 2,000.00
Lift Inspection	JR Clancy				\$ 4,000.00	\$ 4,000.00
Fire Curtain Inspection	Musson Theatrical				\$ 1,000.00	\$ 1,000.00
Equipment Repair	Various				\$ 7,500.00	\$ 7,500.00
Insurance	Alliance Member Services	\$ 1,800.00			\$	21,600.00
Maintenance						
Custodial Contract	SBM			\$ 6,000.00	\$	24,000.00
Grounds	AES Landscaping	\$ 1,350.00	\$ 1,200.00		\$	18,600.00
Plumbing/Heating	Peninsula or Clifton Plumbing				\$ 6,000.00	\$ 6,000.00
Electrical	Collins or Lonestar Electric				\$ 3,500.00	\$ 3,500.00
Locks/Keys	American Lock Service				\$ 1,200.00	\$ 1,200.00
Gutter/Window Cleaning	Monterey Bay Cleaning		\$ 800.00	\$ 700.00	\$	4,400.00
Pest Control	Ailing House				\$ 1,000.00	\$ 1,000.00
Supplies						
Facility Maintenance					\$ 8,700.00	\$ 8,700.00
Custodial Maintenance					\$ 9,000.00	\$ 9,000.00
Theater Maintenance					\$ 3,000.00	\$ 3,000.00
Utilities						
Electricity/Gas	PG&E	\$ 7,500.00			\$	90,000.00
Water	Cal Am Water	\$ 1,500.00			\$	18,000.00
Total Facility:						\$ 264,733.60
Admin Fixed Expenses						
Accounting - Audit	Hayashi & Wayland	\$ -			\$ 15,000.00	\$ 15,000.00
Accounting - Payroll/AP&AR	Contractor TBD	\$ 1,000.00			\$ -	\$ 12,000.00
Benefits - Health (1 FTE)	Blue Shield	\$ 1,025.00			\$ -	\$ 12,300.00
Cable / Internet	Comcast	\$ 200.00			\$ -	\$ 2,400.00
Copier/Printing/Postage	misc.	\$ 200.00			\$ -	\$ 2,400.00
Insurance - D&O	Carmel Insurance	\$ -			\$ 6,500.00	\$ 6,500.00
IT Services (Contract)	Rayne Technology	\$ 1,500.00			\$ -	\$ 18,000.00
Legal	Fenton & Keller, et. al.	\$ -			\$ 35,000.00	\$ 35,000.00
Software Licenses	Tessitura (Develop/Box Office)	\$ 3,000.00			\$ -	\$ 36,000.00
Supplies	misc.	\$ 150.00			\$ -	\$ 1,800.00
Telephone Services	AT&T / Verizon	\$ 1,000.00			\$ -	\$ 12,000.00
Website Hosting & Updates	Sunstar Media	\$ 250.00			\$ -	\$ 3,000.00
Misc.		\$ 250.00			\$ -	\$ 3,000.00
Total Fixed:						\$ 418,133.60

SUNSET CULTURAL CENTER, INC

Budget Overview

	FY 19 / 20 Budget
<u>Income:</u>	
Operating	
Performance revenue	\$775,390
Fees and other income	\$219,138
Rental income	\$456,078
Patron Services	\$26,500
Interest income	\$100
Total Operating Income	\$1,477,206
Contributed Income	
Management Fee from the City of Carmel - SCC	\$750,000
Management Fee from the City of Carmel - FT	\$20,000
Support - Major Gifts, Donations & Sponsorships	\$151,860
Support - Bravo! Memberships	\$100,000
Support - Arts Education Grants	\$200,000
Support Fundraising - Gala	\$140,000
Total Contributed Income	\$1,361,860
Total income	\$2,839,066
<u>Expenses:</u>	
Operating	
Employee's Salaries, payroll taxes and benefits	\$1,094,620
Contracted Labor	\$19,328
General and administrative costs	\$206,944
Performance expenses	\$774,958
Ticketing services	\$223,626
Utilities, maintenance and insurance	\$271,768
Total operating expenses	\$2,591,244
Education & Fundraising	
Arts Education	\$180,300
Fundraising Expenses - Membership & Other	\$67,522
Total Arts Ed & Fundraising Expenses	\$247,822
Total expenses	\$2,839,066
Net Ordinary Income	\$0
Increase (decrease) in net assets	\$0

Department	Service	Vendor	FY 20-21 Budget
Council	courier- home mail delivery	Peninsula Messenger Service	\$59,040
City Attorney	legal advice and assistance	Burke, Williams and Sorensen	\$285,000
Admin- Clerk	conduct municipal elections	Monterey County	\$21,000
Admin-Finance	pension consulting	NHA Advisors	\$15,000
Admin-Finance	bond disclosure reporting	NHA Advisors	\$2,000
Admin-Finance	sales tax consulting and auditing	HdL	\$9,700
Admin-Finance	GASB 75 actuarial study	Pacific Crest Actuaries, LLC	\$2,500
Admin-Finance	financial auditing	Chavan and Associates, LLC	\$32,000
Admin-IT	IT consulting, technical assistance and support	TBD	\$25,000
Marketing	marketing to increase overnight stays within the City	Visit Carmel	\$96,000
Marketing	marketing to increase overnight stays within the City	Monterey County Convention & Visitors Bureau	\$120,000
Marketing	support small businesses and the Visitor Center	Carmel Chamber of Commerce	\$15,000
Marketing	management of the Sunset Center and Forest Theater	Sunset Cultural Center Inc.	\$616,000
Planning & Building	affordable housing planning studies	TBD	\$160,000
Planning & Building	historic context statement	Brunzell	\$2,000
Planning & Building	fire plan review (as requested by the City of Monterey)	Fire Engineered Systems	\$8,000
Fire	fire prevention and suppression services	City of Monterey	\$2,493,245
Fire	dispatch	Monterey County	\$30,000
Fire	wildfire risk assessment study	TBD	\$20,000
Fire	hose and ladder testing	TBD	\$5,000
Fire	fire station alarm testing	Sentry Alarm	\$6,500
Ambulance	station coverage as needed	City of Monterey	\$170,000
Ambulance	administrative oversight	City of Monterey	\$20,000
Ambulance	medical oversight	Dr. Stubbenfield	\$11,000
Ambulance	ambulance transport billing	Wittman	\$40,000
Police	dispatch	Monterey County	\$75,000
Police	jail booking	Monterey County	\$18,000
Police	animal control	Monterey County	\$4,200
Police	background and investigative services	TBD	\$5,500
Police	beach patrol and special event assistance	First Alarm	\$10,000
Public Works	water quality sampling	Applied Marine Science	\$27,900
Public Works	water sampling lab testing	Monterey Bay Analytics Services	\$3,000
Public Works	storm drain vactor	Carmel Area Wastewater District	\$24,400
Public Works	restaurant inspections	Carmel Area Wastewater District	\$8,000
Public Works	solid waste franchise agreement technical assistance	HF&H	\$6,000
Public Works	janitorial services for City buildings and public restrooms	PureServe	\$192,150
Public Works	burglar and fire alarm monitoring for City buildings	Sentry Alarm	\$9,000
Public Works	facility and equipment inspections and maintenance	Various	\$35,450
Public Works	electrical, plumbing, HVAC repairs	Various	\$16,000
Public Works	tree services	Various	\$95,000
Public Works	weed abatement/goats Pescadero Canyon	TBD	\$5,000
Public Works	arborist services	TBD	\$3,000
Total			\$4,801,585

"Outside services" as shown in the FY 20-21 budget book of \$5,406,035 includes contract services as well as various other line item accounts.

Items like water, copier service, linen and uniform service, and equipment and software subscriptions and maintenance were omitted from contract services.

It is over 3 months since we last communicated on this subject. Measure C was a hope for the future of Carmel. COVID-19 was just becoming prominent in the news. Some dialog between the HPP's and the Sunset Center staff was taking place. The Bach Festival had reached agreements on their summer plans and dates. The Symphony was getting ready for its mid March concerts with a Guest Conductor from Italy.

Then the world turned upside down. Due to the immediate closures caused by COVID-19, the beloved Measure C was passed but with little sales tax revenue would not help the City's budget in the short term. With one day notice, on Wednesday, March 11th, the Symphony cancelled its March concerts with rehearsals at Sunset Center scheduled to start the next day, and Pac Rep announced that the closing weekend of its Golden Bough show Matilda was cancelled immediately, and Shelter in Place took effect.

Since then, all of us have endured so many changes and differing realizations, but mostly with hope that there will be recovery and there will be future opportunity.

We are very respectful of your full plate and major budget issues looming ahead for the City of Carmel-by-the-Sea, but we do not want you to lose sight that many of the major issues discussed in our mutual task force meetings affecting the local Performing Arts organizations that perform in your City venues have not been resolved.

We have continued to work with the very limited documents available to the general public including the SCC Inc. Operations Statement for the period July 2019 through December 2019.

Our analysis shows that an "HPP's and Locals" operation could self-sustain continued operations of the Sunset Center with an estimated subsidy from the City of no more than \$100,000 - at least \$500,000 less than the minimum subsidy in the contract between SCC Inc. and the City. This amount could even be lower depending on other possible services provided by the City, i.e. insurance costs, maintenance, etc. The operation and use of the venue would not be jeopardized by the requirement for performances beyond those of all the local user groups - HPP's and local dance companies, Youth Music Monterey County, School programs, etc.

Attached you will find this analysis we have made for the Sunset Center operation if it were run by the HPP's headed by the Monterey Symphony as a venue for the priority of the local users. Following our suggestion from the "White Paper" after the 1st task force meeting, we have allocated the Income and Expenses, of an assumed full year operation, between "Presents" (Note 3 column) and "HPPs & Locals" (Note 4 column). Please understand that these allocations are necessarily only best "guesstimates" at the moment, since we have no direct access to actual accounting data or any staff member at SCC, Inc. who could help.

However, a detailed forensic accounting analysis would show the real numbers, but we are certain having looked carefully at the structure and staffing of the

current Sunset Center, Inc.. that these savings are realistic. The incredibly high salaries and large staff of the Sunset Center is not needed to provide the venue services required for the operation of the Center itself. Much of the current spending is concerned with marketing, fundraising, arranging and selling expensive shows, and well over \$100,000 in fees for the most expensive software in the theatrical industry - Tessitura - all of which are not needed for the local users at all.

The "Presents" column estimates the revenue and expenses that could be undertaken by a successor entity to Sunset Center Inc. with a mission to present concerts/theater/events, etc. and occupy the building when the local users do not need it. **However, our analysis shows that there would still need to be a considerable subsidy - perhaps as much as the current \$600,000 - along with other gifts, grants, etc. without major restructuring of the organization and its mission, for that type of operation to be continued. It is definitely not needed for the long term survival of the venue.**

We present this data in this way to show you that there is a different paradigm for running the Sunset Center that would require far less City subsidy and therefore we do want to continue the dialog with you as you pursue your immediate and future budget cycles and as you look at post Covid-19 Carmel-by-the-Sea. **The success of the Sunset Center as a valuable resource for the Community of Carmel-by-the-Sea is extremely important, and we believe it DOES NOT REQUIRE THE "PRESENTS" Portion of this analysis at all in order to sustain itself and meet the objectives of the historical users who need this facility in order to perform. In the immediate post COVID-19 era, it is even more evident that the City should consider this restructuring since many of the local groups may not even be presenting concerts during the next fiscal year. The Bach Festival revenues won't begin again until July, 2021 and it is highly likely that the we will be announcing very soon (late June/early July) that the next Monterey Symphony concert will be October, 2021. Those are your two biggest sources of revenue from the local users and you will not have that revenue at all in the upcoming fiscal year. There are many surveys that talk about the concern of audiences coming back to facilities like the Sunset Center until an effective vaccine or other remedy is in place and is safe for general use. In Fiscal Year 2020-2021, that work can be done by the organizations that need to do the analysis so they can be poised to open and flourish, and does not take \$600,000 worth of subsidy to pay for salaries of persons at SCC, Inc. for that work. A possible alternative for the city could be to keep the Sunset Center closed during the post Covid-19 Fiscal Year, save the \$600,000 subsidy, conduct the necessary investigations into the Center's operations, and develop the necessary restructuring plan.**

In any case, we do ask that the forensic accounting audit of SCC Inc. be commissioned immediately. We understand that the current \$600,000 subsidy is in your new Fiscal Year Budget Package and is contractually payable to SCC Inc on a quarterly basis. Every quarter that goes by without this analysis being done

will cost the City \$150,000, and this large budget item could stop as soon as the contract is terminated. Once again, if there is any question regarding payment for this forensic audit, the Monterey Symphony believes that it is so important for the future of the Performing Arts in the City and the long term success of the Sunset Center, it is willing to agree to fund the first \$5000 toward the necessary retainer. Please provide an answer by the end of June as to when this forensic accounting audit could begin.

With respect to the Forest Theater we believe a similar analysis will easily show that there is an opportunity for the City to save some subsidy money by allowing the Forest Theater HPP's headed by Pac Rep manage that venue.

Lee E. Rosen
President,
Monterey Symphony

Sunset Cultural Center

Attachment 9

Analysis of "Presents" vs. HPPs/Local Ops

Based on Actual July 2019 - Dec 2019

Reforecast as Full Year Operations

Note 1 - Actual Statement from SCC, Inc.

Note 2 - Amounts from Note 1 doubled for full yeay proxy

Note 3 - "Best Estimate" allocations to "Presents"

Note 4 - "Best Estimate" allocations to "HPPs/Locals"

Income

	Note 1 As Stated SCC, Inc. 6 Months	Note 2 Proforma "Doubled" "Full Year"	Note 3 Allocation of Revenue & Expenses "Presents" "Full Year"	Note 4 HPP's & Locals "Full Year"
Performance Revenue	222,369	444,738	444,738	0
Fees and Other Income	125,764	251,528	62,882 25%	188,646 75%
Rental Income	305,444	610,888	152,722 25%	458,166 75%
Patron Services	30,864	61,728	15,432 25%	46,296 75%
Interest Income	37	74	74	0
Total Operating	684,478	1,368,956	675,848	693,108

Management Fee - City of Carmel - SCC	375,000	750,000	750,000	0
Management Fee - City of Carmel - FT	10,000	20,000	20,000	0
Major gifts, Donations, Sponsorship	42,817	85,634	64,226 75%	21,409 25%
Special Projects	0	0	0	0
Membership	56,275	112,550	112,550 100%	0 0%
Annual Art Action	0	0	0	0
Arts Education	73,560	147,120	147,120	0
Fundraisers	41,650	83,300	83,300	0
Total Public Support	599,302	1,198,604	1,177,196	21,409

Total Income

	1,283,780	2,567,560	1,853,044	714,517
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Expenses

5 Salaries, Wages, Taxes, & Benefits	494,002	988,004	531,454 54%	456,550 46%
Contract Labor	11,391	22,782	11,391 50%	11,391 50%
General and Administrative Costs	138,232	276,464	138,232 50%	138,232 50%
Performance Expenses	272,351	544,702	544,702	0
Ticketing Services - Tesatura	96,345	192,690	192,690 100%	0 0%
Utilities, Maintenance, and Insurance	132,446	264,892	132,446 50%	132,446 50%
Arts Education	57,120	114,240	114,240	0
Fundraising Expenses	67,803	135,606	135,606	0
Total Production Expenses	1,269,690	2,539,380	1,800,761	738,619

Net Ordinary Income

	14,090	28,180	52,283	-24,103
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Net Income Less Subsidy from Carmel

	-370,910	-741,820	-717,718	-24,103
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Reallocated Expenses to HPPs/Locals if "Presents" is 'Spun-off' as 'stand-alone' entity

Utilities, Maintenance, and Insurance

66,223

Restated Net Loss and Estimated Subsidy from City of Carmel to Breakeven

-90,326

Note 5 - It is estimated that HPP's will provide additional Management and Back-office support for Executive leadership, financial oversight, and consolidated ticketing services. The value of these services are included in Salaries, Wages, etc. for the HPP/Locals Expenses

Sunset Cultural Center

Attachment 9

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Note 3 - "Best Estimate" allocations to "Presents"

Note 4 - "Best Estimate" allocations to "HPPs/Locals"

Note 1
As Stated
SCC, Inc.
6 Months

Note 2
Proforma
"Doubled"
"Full Year"

Note 3	Note 4
Allocation of Revenue & Expenses	
"Presents"	HPP's & Locals
"Full Year"	"Full Year"

HPP & Locals" Management Team and Budget

ED - Provided by MSO; Allocation	35,000
CFO - Provided by MSO; Allocation	25,000
Ticketing - Provided by MSO; Allocation	25,000
Total Allocations (with no taxes or benefits)	85,000
TD - Technical Director; FT Emp of SC	80,000
EM - Events Manager; FT Emp of SC	55,000
AA - Admin. Assit; FT Emp of SC	37,440
FM - Facility Maintenance	
FM Mgr; FT Emp of SC	49,920
FM Staff 1; FT Emp of SC	37,440
FM Staff 2; FT Emp of SC	37,440
Total SC FT Staff	297,240
Benefits and Taxes 25%	74,310
TOTAL	371,550

Total Operations Management Budget **456,550**

Notes

1. What goes into Fees and Other Income?
2. Is any Rental Income derived directly for "Presents" events?
3. What are Patron Services?
4. HPP/Local Management Budget - See Above
5. Need more detail