

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

REGULAR MEETING MINUTES

Tuesday, May 7, 2024

TOUR OF INSPECTION - 4:00 p.m.

Prior to calling the meeting to order, the Council conducted an on-site tour of inspection of the property listed below.

- A.** Carmelo Street 2 northeast of 8th Avenue, Carmel-by-the-Sea, Block N, Lot 16 APN 010-265-010 (De Caussin)

OPEN SESSION - 4:30 p.m.

CALL TO ORDER AND ROLL CALL

Mayor Potter called the meeting to order at 4:30 p.m.

Roll call: Councilmembers Jeff Baron, Alissandra Dramov, Karen Ferlito, Mayor Pro Tempore Bobby Richards, and Mayor Dave Potter were present.

PLEDGE OF ALLEGIANCE

Mayor Potter led the pledge of allegiance.

EXTRAORDINARY BUSINESS

A. Proclamation Recognizing May 19-25 as National Public Works Week - Councilmember Ferlito read the proclamation and presented it to Public Works Department Director Bob Harary.

B. Proclamation Declaring May as Military Appreciation Month - Mayor Pro Tem Richards read the proclamation and presented it to the Veterans from local post 512.

C. Carmel High School Report Out - Colin Pritchard and Racey Chisum from the Carmel High School ASB reported on happenings at Carmel High School.

PUBLIC APPEARANCES

Helen Rothwell

Richard Kreitman

Craig Rose

Linda Califiore

Ken White

ANNOUNCEMENTS

A. City Administrator - City Administrator Rerig thanked Planning Commissioner Michael LePage, who installed irrigation and lighting for the WWII memorial. He thanked Public Works for spreading wood chips out for the Big Sur Marathon recently and reported that the repairs at the Post Office are underway and moving along as quickly as possible. He announced with great sorrow that City Librarian Michaela Carozza passed away yesterday unexpectedly and asked the Council to adjourn the meeting in her memory.

B. City Attorney - City Attorney Brian Pierik said that there was no reportable action from Closed Session yesterday or today.

C. Councilmember Announcements -

Mayor Pro Tem Richards - Announced that the Fire and Ambulance ad hoc held a meeting recently and will hold a public meeting in June. He added that the Flock Camera ad hoc will also hold a public meeting in June and encouraged the public to participate. He requested a future agenda item an ad hoc to discuss the possibility of Carmel becoming a Charter City.

Councilmember Dramov - Announced that there will be a community listening session on the Flock Cameras on June 10th.

Councilmember Ferlito - Provided a brief update from the Street Address ad hoc committee:

- The ad hoc met with the USPS Address Management Systems Manager at the Post Office to address several concerns.
- Implementing street addresses will not result in at home delivery and the post office in town will remain open, and mail delivery to P.O. boxes will continue unchanged.
- To comply with the CA Fire Code, the City needs to have house and building numbers visible from the street for community safety.
- Requested a future agenda item in June or July to give a more detailed report and seek direction from Council.

Councilmember Baron - Announced that the next Fire and Ambulance Ad Hoc meeting will be a public meeting on May 14th at 3pm. He agrees with adding an agenda item in June or July regarding a detailed update on street addresses and supports a discussion forming an ad hoc on becoming a Charter City.

Mayor Potter - Thanked the ad hoc committee for their updates and requested that an ad hoc report out item be added to all future agendas to keep the public informed.

ORDERS OF BUSINESS

Item 4 - Consideration and recommendation of FY 2024-2025 Council Discretionary Grant Funds and provide direction for the disbursement of the funds to various organizations

City Clerk Romero gave a presentation to Council on the item and requested direction on the total amount of funding to allocate for the Fiscal Year (FY) 2024-2025 budget, and how to allocate the funds among the eligible applicants. She summarized that 16 applications were received, and among those 11 applications were found to have all the eligibility requirements of the Council's Discretionary Grant Policy, and as of today, the Tor House Foundation submitted additional supporting documentation bringing the total number of eligible applicants to 12.

Public Comment:
Megan Whilden

Councilmember Ferlito said that the Tor House Foundation submitted the documentation missing from their application packet today and requested that the Council consider awarding a grant to the Tor House Foundation. Council consensus was to support as many local non-profits as possible.

Motion by Councilmember Ferlito to allocate \$36,000 for FY 24-25 Council Discretionary Grants, and award \$3,000 to each of the 12 eligible applicants, including the Tor House Foundation, seconded by Councilmember Baron, and approved 4-1-0-0 by the following roll call vote:

AYES: Councilmembers Baron, Ferlito, Richards, and Mayor Potter

NOES: Councilmember Dramov

ABSENT: None

ABSTAIN: None

Item 5 - Receive the Fiscal Year 2024-2025 Recommended Budget

Assistant City Administrator Brandon Swanson gave a presentation on the Recommended Budget for FY 2024-2025 and stated that the City encourages the public to submit budget questions between today and May 17th, and there will be a budget workshop meeting on May 21, 2024, at 4:30 pm. He added that the budget is scheduled for adoption on June 4th. He went over the budget highlights, such as revenue projections, expenditures by type and function, key changes, employee salaries and benefits, and Capital Projects.

Public Comment:
Beth Bowman
Richard Kreitman
Noel Carr
Melanie Billig
Shirley Moon

City Administrator Rerig clarified that the budget presented does not rely on dipping into the City's reserves, instead it utilizes unused fund balance from previous years, known as the "fund balance", which is separate from the reserve fund. Council asked for clarification the staffing

levels, and Mr. Swanson explained that the removal of . Council discussed that the current CIP budget is a result of playing catch up on projects that were halted during the pandemic. Council directed staff to address budget questions at the next meeting on May 21st.

Item 6 - Receive the Fiscal Year 2024-2025 Fee Schedule for Administrative Services, Community Planning and Building, Public Safety, and Public Works services

Assistant City Administrator Swanson gave a presentation to Council summarizing the fee current schedule, proposed fee changes, comparisons with nearby cities, tree permit costs. He added that tonight is to discuss the recommended fee schedule for FY 24-25 which is slated for adoption in June and will incorporate direction received from the council today. Swanson answered questions from Council.

Public Comment:
Mark Stillwell

Staff received comments from Council. No formal action was taken.

Item 7 - Resolution 2024-036, authorizing the City Administrator to execute a Construction Contract with Monterey Peninsula Engineering for the Base Bid, Bid Additive, and 10% contingency, in the total amount of \$433,818, for construction of the Mission Trail Nature Preserve, 3 Stream/Drainage Project

Project Manager Javier Hernandez presented a summary of the Mission Trail Nature Preserve (MTNP) projects, covering their background, design and environmental permit phases, bid process, grant funding, and request for supplemental funding to complete the projects.

Public Comment:
Linda Calafiore
Tasha Witt
Andi Carr

Council discussed postponing parts of the project that aren't time sensitive. Staff explained that postponing could risk permit expiration, which is a time-consuming and costly part of the project.

Motion by Councilmember Ferlito to adopt Resolution 2024-036, seconded by Councilmember Baron, approved 3-2-0-0 by the following roll call vote:

AYES: Councilmembers Baron, Ferlito, Richards, and Mayor Potter

NOES: Councilmembers Dramov, Richards

ABSENT: None

ABSTAIN: None

Item 8 - Resolution 2024-035 ratifying appointments to the Harrison Memorial Library Board of Trustees, Planning Commission, Historic Resources Board, and Forest and Beach Commission

City Clerk Romero summarized the item and announced the names of the applicants that are recommended by the Mayor and Mayor Pro Tem for appointment to various boards and commissions. Mayor Potter thanked all of the applicants who applied.

Motion by Councilmember Ferlito to adopt Resolution 2024-035, seconded by Mayor Potter, and approved 5-0-0-0 by the following roll call vote:

AYES: Councilmembers Baron, Dramov, Ferlito, Richards, and Mayor Potter

NOES: None

ABSENT: None

ABSTAIN: None

Council took a recess at 6:33 pm, and returned to the dais at 7:00 p.m.

Item 9 - Transient Occupancy Tax (TOT) Ballot Measure Discussion and Request for Direction

City Clerk Romero gave a presentation on the item, outlining the possible timeline and actions needed to add a TOT ballot measure to the 2024 election, and provided alternate timelines for 2025 or 2026. She asked for Council direction on whether to proceed.

Public Comment:

Mark Watts, hotel owner

Mark Stillwell, hotel owner

Tasha Witt

Kristi Reimers

Victoria Beach

Dale Byrne

Council discussion continued. Councilmember Ferlito requested a revenue comparison between a TOT increase and a paid parking to gauge community support. Councilmember Baron suggested considering other taxes, like a vacancy tax, and agreed on exploring paid parking management for revenue or a transfer tax by becoming a charter city. He suggested finding a compromise solution to raising the TOT rather than deferring the discussion. Councilmember Dramov said that she would support a 1% TOT increase combined with a 1% Hotel Improvement District (HID) tax decrease and using the funds from the increased TOT to use towards a housing fund.

Mayor Potter motioned to table the discussion on a TOT ballot measure to a future meeting date, and to direct staff not to pursue adding a ballot measure to the November 2024 election, seconded by Mayor Pro Tem Richards.

Substitute motion by Councilmember Dramov to decrease the HID tax to 1% and move forward with a 1% TOT special tax used towards a housing fund. Motion died due to lack of second.

Council discussion resumed.

Motion by Mayor Potter to table the discussion on a TOT ballot measure to a future meeting date, and direct staff not to pursue adding a ballot measure to the November 2024 election, seconded by Mayor Pro Tem Richards, and approved 4-1-0-0 by the following roll call vote:

AYES: Councilmembers Dramov, Ferlito, Richards, and Mayor Potter

NOES: Councilmember Baron

ABSENT: None

ABSTAIN: None

Item 10 - Discussion/Direction on housing outreach to identify alternatives to the city-owned sites for the construction of affordable housing.

Principal Planner Marnie Waffle presented on the Housing Element, Regional Housing Needs Allocation (RHNA), identifying housing sites, constraints with religious properties, and other alternatives explored. She answered questions from Council.

Mayor Pro Tem Richards highlighted the Housing Ad Hoc's outreach since day one to local property owners to gauge interest in developing affordable housing. Ms. Waffle encouraged interested property owners to contact the Planning Department with their ideas for affordable housing. Councilmember Dramov expressed concerns about using City-owned sites, like the Sunset Center south parking lot, for affordable housing. Ms. Waffle explained that developing affordable housing on other sites would reduce the RHNA numbers, be reported in the annual housing element update to the state, while automatically removing city owned sites without requiring amending the adopted housing element document.

Public Comment:

Andi Carr

Ken White

Richard Kreitman

Hans Buder

Victoria Beach

Tasha Witt

Kristi Reimers

Michael McWalters

Dale Byrne

Mike

Ms. Waffle addressed public questions and suggested that Council proceed with the adopted housing element projects while also welcoming affordable housing proposals from interested property owners or residents.

Councilmember Dramov said she would like to receive regular updates from the local citizens group exploring alternative affordable housing sites aside to document the city's active pursuit of housing solutions leading to permits and building projects. Councilmember Ferlito supported adopting the presented housing element and reiterated that staff will continue to welcome and follow up on any proposals for deed-restricted low-income housing or market-rate housing. She emphasized that the planning staff has other projects to focus on and does not want it to appear to the state that the housing element is being amended or changed immediately after adoption.

The Council directed staff to maintain contact with the citizen group researching alternative housing sites and requested an update in September, followed by quarterly updates.

PUBLIC HEARINGS

Item 11 - MA 23-103 (Cypress Inn): Consideration of a Mills Act Contract application MA 23-103 (Cypress Inn) for the historic "La Ribera Hotel" located on the northeast corner of Lincoln Street and 7th Avenue in the Residential and Limited Commercial (RC) District. APN 010-147-008-000.

Mayor Potter and Mayor Pro Tem Richards recused themselves from the item due to the proximity of their homes to the project and both left the dais at 8:47 p.m. Councilmember Baron resumed as acting chair of the meeting.

Associate Planner Katherine Wallace gave a presentation to Council on the Cypress Inn, and the 5 findings that were found to have been met by the Historic Resources Board recommending approval of a Mills Act Contract.

Public Comment:

Girard Rose, read a comment from the applicant

Ken White

Anthony Lombardo, spoke on behalf of the applicant

Kate Levett

Peter Rabbido

Tasha Witt

Kristi Reimers

Tom Bruce

KC, read a comment by David Armanesco

Chris Tescher

Karyl Hall

Council discussion resumed, voicing agreement with approval of the Mills Act Contract for the Cypress Inn.

Motion by Councilmember Dramov to approve the Mills Act Contract for the Cypress Inn, seconded by Ferlito, and approved 3-0-0-2 by the following roll call vote:

AYES: Councilmembers Baron, Dramov, Ferlito

NOES: None

ABSENT: None

ABSTAIN: Mayor Pro Tem Richards, Mayor Potter (recused)

Mayor Potter and Mayor Pro Tem Richards returned to the dais at 9:26 p.m.

Council took a recess at 9:26 p.m. returned to the dais at 9:30 p.m.

Item 12 - Resolution 2024-038 ordering the abatement of a declared Public Nuisance, a privately-owned Monterey pine tree, located at the southeast corner of Casanova Street and Eleventh Avenue

City Forester Justin Ono gave a brief overview of the item and answered questions from Council.

Public comment:

Melanie Billig

Christie Hollenbeck

Council received no objections to the abatement of the privately owned Monterey Pine declared a public nuisance from the public. City Forester Ono reiterated that the City has tried for months to reach the property owner to no avail.

Motion by Councilmember Baron to adopt Resolution 2024-038, seconded by Mayor Potter.

Council discussed the option of abating the nuisance, but not putting a lien on the property owner for the cost of the tree removal.

Councilmember Ferlito made a substitute motion, to amend Resolution 2024-038, to abate the tree, but not file a lien against the property for the cost of the abatement. Councilmember Baron agreed to the substitute motion.

Motion by Councilmember Ferlito, to adopt Resolution 2024-038 with the amendment that the tree be removed by the City but not file a lien against the property for the cost of the abatement, seconded by Councilmember Dramov, and approved 3-2-0-0 by the following roll call vote:

AYES: Dramov, Ferlito, Dramov, and Mayor Potter

NOES: Councilmembers Baron, Richards

ABSENT: None

ABSTAIN: None

Item 13 - PERM EN 23-272 (De Caussin): Consideration of a Permanent Encroachment Permit application, PERM EN 23-272 (De Caussin), for existing encroachments in the public right-of-way, fronting a single-family residence located on Carmelo Street 2 northeast of 8th Avenue. APN 010-265-010-000.

Councilmember Dramov recused herself from the item due to proximity of her home to the property location and left the dais and the meeting at 9:41 p.m.

Associate Planner Katherine Wallace gave a presentation on the item, summarizing the process of approving encroachment permits, and when the permits are deferred to Council to provide direction to staff. She added that in 2004 the previous homeowners installed unpermitted stones, steps, and sealed decomposed granite (DG) landing area similar to paving. She stated that staff reviewed the encroachment permit request and found that the sealed DG area does not meet the guidelines for approval and approval would set a precedent. She summarized the options for Council to consider are either to approve the encroachment permit and allow the existing encroachments to remain or be replaced in kind, or, to deny the encroachment permit request and require the homeowner to remove all or some of the encroachments from the public right-of-way at their expense.

Motion by Councilmember Ferlito to deny the encroachment permit request, and direct the homeowner to remove the decomposed granite, crushed rock planter border, and the “half crescent” stone landing with brick edge that was installed without authorization after 2004.

Substitute motion by Mayor Pro Tem Richards, to remove the decomposed granite and put back the mulch and approve the encroachment permit request for the crushed rock planter boarder and the half crescent stone landing with brick edge. Motion seconded by Mayor Potter.

Council discussion resumed. Mayor Pro Tem Richards removed his substitute motion and made a new motion.

Motion by Mayor Pro Tem Richards to approve the encroachment permit for only the crushed rock planter border and what was authorized in 2004, and order the removal of the encroaching decomposed granite and outer portion of the stone half crescent with brick edge, up to the inside row of bricks and put back the mulch, seconded by Councilmember Baron, and approved 4-0-0-1 by the following roll call vote:

AYES: Councilmembers Baron, Ferlito, Richards, and Mayor Potter

NOES: None

ABSENT: None

ABSTAIN: Councilmember Dramov (recused)

Item 14 - Consideration of a Permanent Encroachment Permit application, PERM EN 23-242 (Maxcy-Levy) for the installation of pavers in the public right-of-way fronting a single-family

residence located at Camino Real 3 northwest of 8th Avenue (APN: 010-265-005) -
Recommended for continuance to August 6, 2024

Motion by Mayor Potter to continue this item to a public hearing on July 9, 2024, seconded by Councilmember Ferlito, and approved 4-0-1-0 by the following roll call vote:

AYES: Councilmembers Baron, Ferlito, Richards, and Mayor Potter

NOES: None

ABSENT: Councilmember Dramov

ABSTAIN: None

FUTURE AGENDA ITEMS

Councilmembers Ferlito and Baron requested an agenda item on Street Addresses be added to the agenda in June or July.

Councilmember Baron and Mayor Pro Tem Richards requested that staff provide an update at the September Strategic Planning Workshop regarding the steps required to become a Charter City.

ADJOURNMENT

Council adjourned at 10:08 pm in memory of Michaela Carozza.

APPROVED:

ATTEST:

Dave Potter, Mayor

Nova Romero, MMC, City Clerk