



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

REGULAR MEETING Tuesday, January 7, 2020

**OPEN SESSION
4:30 PM**

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

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.

ANNOUNCEMENTS

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

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.** Approve December 2, 2019 Special Meeting Minutes and December 3, 2019 Meeting Minutes as presented.
- 2.** Review monthly reports for November: 1.) City Administrator Contract Log; 2.) Community Planning and Building Department Reports; 3.) Police, Fire, and Ambulance Reports; 4.) Public Records Act Requests, and 5.) Public Works

Department Report

3. Approve the check register for November 2019
4. Adopt Ordinance 2019-003 amending Carmel Municipal Code (CMC) Chapters 17.08, 17.14, 17.28, 17.68 and 17.70 to establish regulations for transient rentals in the Commercial and Multi-Family Zoning Districts and to prohibit the advertising of unpermitted transient rentals within all Zoning Districts which constitutes reading of the title and waiver of reading of the Ordinance.
5. Receive Mad Dogs and Englishmen Bike Tours Report
6. Receive report on Fee Waiver Incentive Program intended to promote hotel and commercial business improvement projects
7. Adopt Resolution 2020-001 approving Amendment No. 2 to the Landscape Maintenance Services Contract with Town & County Gardening
8. Adopt Resolution No. 2020-002, rejecting a Bid Protest and authorizing the City Administrator to execute a contract with Avila Construction Company for the Harrison Memorial Library Meeting Room Project for a not-to-exceed amount, including 10% contingency, of \$275,800.
9. Adopt Resolution No. 2020-003 approving a contract to operate the Carmel-by-the-Sea Farmers' Market with Good Roots Events, Inc. for an 18-Month Term
10. Adopt Resolution No. 2020-004, authorizing a refund of a Use Permit Fee in the amount of \$2,800 to Cihat Dalmis
11. Adopt Resolution 2020-005 authorizing the City Administrator to execute Amendment No. 1 to the Mail Delivery Service Contract with Peninsula Messenger Service for a total not to exceed fee increase of \$72,000

ORDERS OF BUSINESS

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

12. Adopt Resolution 2020-006, receiving the Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019
13. Provide staff with direction regarding fees for "historic events."
14. Receive a presentation on pension cost management strategies and provide direction to staff

PUBLIC HEARINGS

FUTURE AGENDA ITEMS

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.

Britt Avrit, MMC
City Clerk

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the City Council, Board or Commission regarding any item on this agenda, after the posting of the agenda and received by 12:00PM the day of the Council meeting, will be available for public review in the City Clerk's Office located at City Hall, Monte Verde Street between Ocean Avenue and 7th Avenue, during normal business hours. In addition, such writings or documents will be available for public review at the respective meeting. Documents and/or writings received at the meeting, or after 12:00PM the day of the meeting, will be made available for public review the following business day.

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 831-620-2007 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).

CHALLENGING DECISIONS OF CITY ENTITIES The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City of Carmel-by-the-Sea is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision, including without limitation Government Code section 65009 applicable to many land use and zoning decisions, Government Code section 66499.37 applicable to the Subdivision Map Act, and Public Resources Code section 21167 applicable to the California Environmental Quality Act (CEQA). Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. Government Code section 65009 and 66499.37, and Public Resources Code section 21167, impose shorter limitations periods and requirements, including timely service in addition to filing. If a person wishes to challenge the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Carmel-by-the-Sea, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.



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

January 7, 2020
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Britt Avrit, City Clerk

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Approve December 2, 2019 Special Meeting Minutes and December 3, 2019 Meeting Minutes as presented.

RECOMMENDATION:

Approve December 2, 2019 Special Meeting Minutes and December 3, 2019 Meeting Minutes as presented.

BACKGROUND/SUMMARY:

The City Council routinely approves the Minutes of its meetings.

FISCAL IMPACT:

None for this action.

PRIOR CITY COUNCIL ACTION:

None for this action.

ATTACHMENTS:

Attachment #1 - December 2, 2019 Special Meeting Minutes

Attachment #2 - December 3, 2019 Meeting Minutes

CITY COUNCIL SPECIAL MEETING
Monday, December 2, 2019
4:30 PM

CALL TO ORDER AND ROLL CALL

Mayor Potter called the meeting to order at 4:31

Present: Council Members Reimers, Baron, Theis, Mayor Pro Tem Richards, Mayor Potter

CLOSED SESSION

Item A: Conference with Labor Negotiators (§54957.6) Agency Designated Representative: Maxine Gullo, Assistant City Administrator. Employee organization: Ambulance

Item B: Conference with Legal Counsel – Anticipated Litigation (§ 54956.9)(b) Case Name Unspecified - One Case

Item C: Conference with Real Property Negotiators (§ 54956.8). Property: 25800 Hatton Road. Agency Negotiators: Director of Contracts & Budgets Sharon Friedrichsen, and Director of Public Works Robert Harary. Negotiating Parties: Les Albiol and Patricia Albiol. Under Negotiation: Terms and Conditions for New (Residential Curatorship) Lease

PUBLIC APPEARANCES

Melanie Billig
Mike Buffo

ADJOURNMENT

Mayor Potter adjourned the meeting at 6:07

APPROVED:

ATTEST:

Dave Potter, Mayor

Britt Avrit, MMC
City Clerk

REGULAR MEETING
Tuesday, December 3, 2019

OPEN SESSION
4:30 PM

CALL TO ORDER AND ROLL CALL

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

Present: Council Members Baron, Reimers, Theis, Mayor Pro Tem Richards, Mayor Potter

PLEDGE OF ALLEGIANCE

City Administrator Rerig

EXTRAORDINARY BUSINESS

Item A: MST Presentation

Item B: Employee Introductions: Sara Davis and Giuliano Picciuto

Item C: Recognition of William Godwin, Mo Massoudi, David Refuerzo, Niels Reimers, and Nancy Whitman for their service to the citizens of Carmel-by-the-Sea

PUBLIC APPEARANCES

The following members of the public spoke:

Barbara Livingston
Georgina Armstrong
Ellen Gannon
Teresa Bugula
Robin Welch
Jack Galante
Carrie Glen

ANNOUNCEMENTS

Item A: City Administrator Announcements

The City Administrator discussed Building & Planning Director Marc Weiner's upcoming departure as he leaves Carmel-by-the-Sea to take a position in Laguna Beach. Mr. Rerig thanked the Public Works crews for their hard work during the recent storm and stated the upcoming Menorah and Tree Lighting event may not take place due to weather.

Item B: City Attorney Announcements/ Closed Session Oral Report in accordance with GC § 54957.1(a)

The City Attorney stated the City Council met in Closed Session on December 3, 2019 with no reportable action.

Item C: Councilmember Announcements

Council Member Baron discussed the upcoming Climate Committee meeting being held December 10, 2020.

Council Member Reimers thanked Mr. Weiner for his hard work and dedication; discussed her recent attendance at the League of CA Cities Conference; thanked the City Clerk for the Minutes she prepares.

Mayor Pro Tem stated it has been a pleasure working with Mr. Weiner.

CONSENT AGENDA

Item No. 5 was pulled for separate discussion.

The City Administrator stated Item No. 9 needs to be removed from the Consent Agenda.

On a motion by Council Member Reimers and seconded by Mayor Pro Tem Richards, the City Council removed Item No. 9 from the Consent Agenda, by the following vote:

AYES: BARON, REIMERS, THEIS, RICHARDS, POTTER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Council Member Baron requested the Council Meeting scheduled for December 1, 2020 be changed to December 8 because the City Council election results will not be certified by the December 1, 2020 City Council meeting.

On a motion by Council Member Baron and seconded by Mayor Potter, the City Council approved Item No. 5 amending the proposed schedule to schedule the December 2020 City Council meeting for December 8, 2020 and the preceding Monday meeting to be held December 7, 2020, by the following vote:

AYES: BARON, REIMERS, THEIS, RICHARDS, POTTER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

On a motion by Mayor Pro Tem Richards and seconded by Council Member Theis, the City Council approved the Consent Calendar with the exception of Item No.'s 5 and 9, by the following vote:

AYES: BARON, REIMERS, THEIS, RICHARDS, POTTER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

Item 1: Approve October 28, 2019 Special Meeting Minutes, November 4, 2019 Special Meeting Minutes, November 5, 2019 Meeting Minutes and November 19, 2019 Special Meeting Minutes as presented.

Item 2: Monthly Reports for October: 1.) City Administrator Contract Log; 2.) Community Planning and Building Department Reports; 3.) Police, Fire, and Ambulance Reports; 4.) Public Records Act Requests, and 5.) Public Works Department Report

Item 3: October 2019 Check Register Summary

Item 4: Adopt Resolution 2019-083, authorizing the City Administrator to execute Amendment #1 to the Master Program Funding Agreement between the Transportation Agency for Monterey County and the City of Carmel-by-the-Sea

Item 5: Adopt Resolution 2019-084 establishing the meeting dates of the City Council for calendar year 2020.

Item 6: Adopt Resolution 2019-085 authorizing the purchase of a Community Activities Cargo Van from Cypress Coast Ford

Item 7: Adopt Resolution 2019-086 authorizing the City Administrator to execute Change Order No. 2 to the On-Call, As-Needed Tree Services Contract with West Coast Arborists for a total not-to-exceed fee increase of \$25,000.

Item 8: Adopt Resolution 2019-087 approving the Memorandum of Understanding (MOU) between the City of Carmel-by-the Sea General Employees Union – an affiliate of the Laborers' International Union of North America, United Public Employees of California, LIUNA/UPEC, Local 792, AFL-CIO; and the City of Carmel-by-the-Sea Management Employees Union - an affiliate of the Laborers' International Union of North America, United Public Employees of California, LIUNA/UPEC, Local 792, AFL-CIO for the period July 1, 2019 through June 30, 2022 and authorize the City Administrator to make technical corrections as necessary and execute the Memorandum of Understanding.

Item 9: **REMOVED** Adopt Resolution 2019-088 authorizing the City Administrator to execute a Professional Services Agreement with Nichols Consulting Engineers, for a not-to-exceed fee, including contingency, of \$132,899, for the Scenic Pathway Renovation Project

Item 10: Adopt Resolution 2019-089, authorizing the City Administrator to Execute a 3-year Professional Services Agreement with Applied Marine Sciences for Microbial and Copper Source Tracking to meet State Requirements for Areas of Special Biological Significance.

Item 11: Adopt Resolution 2019-090 authorizing the City Administrator to execute an agreement for the purchase of six emergency radios for the fire department as identified in the FY 2019/20 budget as a Capital Improvement.

Item 12: Adopt Resolution 2019-091, authorizing the City Administrator to execute Amendment No. 1 to the Professional Services Agreement with Surveillance Grid Integration, in the amount of \$20,589, to install video processors and wall monitors for the Security Pole Camera Project.

Item 13: Adopt Resolution 2019-092 approving the Memorandum of Understanding (MOU) between the City and Carmel-by-the-Sea Police Officers Association for the period July 1, 2019 through June 30, 2022 and authorize the City Administrator to make technical corrections as necessary and execute the Memorandum of Understanding and adopt the Police Officers Association classifications salary plan in accordance with Municipal Code 2.52.520.

PUBLIC HEARINGS

Item 14: Ordinance 2019-002 amending Carmel Municipal Code (CMC) Title 15 (Buildings and Construction) by adopting the 2019 editions of the California Building (CBC), Residential (CRC), Energy (CEnC), Fire (CFC), Mechanical (CMC), Plumbing (CPC), Electrical (CEC), Green Building Standards (CGBSC), Historic Building (HBC), and Existing Building Codes (EBC) with local amendments; and adopt Resolution 2019-077 approving Standard Operating Guidance Procedures (SOG 17-07) for private storm water drainage systems.

Mayor Potter stated this item will not be heard at this time and stated it will be heard at a date to be determined.

Council Member Theis requested clarification regarding the consequences for not hearing the item at this time.

On a motion by Mayor Potter and seconded by Council Member Baron, the City Council continued this item to a date to be scheduled, by the following vote:

AYES:	BARON, REIMERS, THEIS, RICHARDS, POTTER
NOES:	NONE
ABSENT:	NONE
ABSTAIN:	NONE

Item 15: Introduce Ordinance 2019-003 amending Carmel Municipal Code (CMC) Chapters 17.08, 17.14, 17.28, 17.68 and 17.70 to establish regulations for transient rentals in the Commercial and Multi-Family Zoning Districts and to prohibit the advertising of unpermitted transient rentals within all Zoning Districts.

Council Member Theis recused herself due to the perceived conflict of interest that she has because she is the owner of an Inn and left the dais at this time.

Council Member Reimers recused herself due to her family having a short-term rental permit and left the dais at this time.

Director of Planning & Building, Marc Weiner provided the staff report for this item.

Addressing the City Council on this item:

Tom Ward
Vince Brigantino
Chris Campbell
Chris Sanders
Kent Ipsen
Richard Kreitman
Jack Galante
Judy Ivy
Beth Sanders
Anthony Tersall
Joy Calangelo
Catherine Campagno
Chris Mack
Diane Singer
Barbara Livingston
Anthony Lombardo
Mark Stillwell
George Medaros
Karen Ferlito
Maria Sutherland
Mike Brown
Sue McCloud

The Building & Planning Director provided the history related to how the City arrived at the proposed ordinance; specifically the number of permits applied for and the loss of housing stock.

Mayor Pro Tem stated this issue began 2½ years ago and he tried getting the item placed on an agenda at that time; he is opposed to short term rentals; morally owe it to the people who have been issued permits to let that right run with the land; permits were legal when they were approved.

Item 15 Continued...

Council Member Baron stated he agrees with most of what Mayor Pro Tem Richards said and stated it is sad it has taken this long to act; believes a housing issue exists and 39 units in the downtown has a large impact on housing. He morally agrees the short term rentals are bad for the village and wonders does the Council allow the community to live with these units forever because of the mistake made 2 ½ years ago; he is not willing to accept a perpetuity punishment; discussed statements of some short term rental permit holders stating if the 6 month clause had remained as part of the proposed ordinance, they would kick out their renters in order to keep the short term rental permit; he is not responsible for other people's actions; need to find a way to amortize the units out; feels there is another side of the morality coin.

Mayor Potter stated he does not want to leave the meeting without taking action; has always been opposed to short term rentals; discussed future of zoning in the State; believes the Village is doing the best it can and stated 30 years is not a long time, perhaps to some people at the age they are now, but not to his children; recommends creating a program that incentivizes ending short term rentals, such as if a short term rental is retired, a type of bonus is given which may motivate people to get out of the short term rental market.

Council Member Baron stated he is requesting a roll call vote regarding amortization (Option 1) in order to take action tonight and if the vote is 1-2, he commits to giving his vote for perpetuity.

Mayor Potter requested returning in the near future to add an incentivizing component to the Ordinance.

Mayor Pro Tem Richards stated he would prefer to amortize the rentals out next month and cannot because a promise was made to the people who were granted permits; would prefer to not have any but he cannot do that as he doesn't believe that is the right thing to do.

Council Member Baron made a motion to introduce Ordinance 2019-003 amending Carmel Municipal Code (CMC) Chapters 17.08, 17.14, 17.28, 17.68 and 17.70 to establish regulations for transient rentals in the Commercial and Multi-Family Zoning Districts and to prohibit the advertising of unpermitted transient rentals within all Zoning Districts identifying Option 1 which is amortization over 30 years and waive further reading of the ordinance.

The motion failed for lack of a second.

On a motion by Mayor Pro Tem Richards and seconded by Mayor Potter, the City Council introduced Ordinance 2019-003 amending Carmel Municipal Code (CMC) Chapters 17.08, 17.14, 17.28, 17.68 and 17.70 to establish regulations for transient rentals in the Commercial and Multi-Family Zoning Districts and to prohibit the advertising of unpermitted transient rentals within all Zoning Districts identifying Option 2, in perpetuity and waived further reading of the ordinance, by the following vote:

AYES:	BARON, RICHARDS, POTTER
NOES:	NONE
ABSENT:	NONE
RECUSED:	REIMERS, THEIS

FUTURE AGENDA ITEMS

The City Administrator stated the agenda packet for the January meeting will be provided near the New Year's Eve holiday.

ADJOURNMENT

Mayor Potter adjourned the meeting at 6:47 p.m.

APPROVED:

ATTEST:

Dave Potter, Mayor

Britt Avrit, MMC
City Clerk



CITY OF CARMEL-BY-THE-SEA

CITY COUNCIL

Staff Report

January 7, 2020
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Britt Avrit, City Clerk

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Review monthly reports for November: 1.) City Administrator Contract Log; 2.) Community Planning and Building Department Reports; 3.) Police, Fire, and Ambulance Reports; 4.) Public Records Act Requests, and 5.) Public Works Department Report

RECOMMENDATION:

Review and receive monthly reports.

BACKGROUND/SUMMARY:

This is a monthly series of reports.

FISCAL IMPACT:

None for this action.

PRIOR CITY COUNCIL ACTION:

Monthly approvals.

ATTACHMENTS:

- Attachment #1 - City Administrator Contract Log
- Attachment #2 - Community Planning & Building Report
- Attachment #3 - Police, Fire & Ambulance Report
- Attachment #4 - Public Records Act Request Logs
- Attachment #5A - Public Works Department Report
- Attachment #5B - Forester's Report

CITY ADMINISTRATOR CONTRACT LOG

Nothing to report for November, 2019



CITY OF CARMEL-BY-THE-SEA

Monthly Report

November 2019

Community Planning and Building Department

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Marc Wiener, Community Planning and Building Director
SUBMITTED ON:	December 4, 2019
APPROVED BY:	Chip Rerig, City Administrator

NOVEMBER 2019 – DEPARTMENT ACTIVITY REPORT

I. PLANNING APPLICATIONS:

In November of 2019, 31 planning permit applications were received.

II. BUILDING APPLICATIONS/INSPECTIONS:

In November of 2019, 59 Building Permit applications were received.

III. CODE COMPLIANCE CASES:

In November of 2019, 26 new code compliance cases were initialized.

IV. ENCROACHMENT APPLICATIONS:

In November of 2019, 19 encroachment permit applications were received.

V. YEAR-TO-DATE TRENDS

Table 1 includes the November 2019 totals, for planning and building permit applications, encroachments and code compliance cases with a comparison to November 2018 totals. As shown in the table, in 2019 there was a **15% increase** in planning permit applications, a **23% increase** in building permit applications, **22% increase** in code compliance cases, and a **36% increase** in encroachment permit applications compared to the same period 2018.

Table 1

	<u>Planning</u>	<u>Building</u>	<u>Code Compliance</u>	<u>Encroachments</u>
2018 Totals	421	567	306	168
2019 Totals	483	698	374	229
% Difference	+15%	+23%	+22%	+36%



Planning Permit Report

11/01/2019 - 11/30/2019

Permit #	Permit Type	Project Description	Address/Location	Date Received	Date Approved	Status
19487	Preliminary Site Assessment	*(16) Cottage units with 16 parking spaces garage and underground spa, pool & exercise rooms. *(8) Single Family Residence.	Carpenter & Guadalupe between 1st & 2nd Avenues	11/26/2019		In Review
19486	Appeal	Appeal of Historic Resources Board Decision being appealed to the City Council.	SE Corner of 7th Avenue and Dolores Street	11/26/2019		In Review
19485	Historic Evaluation	Historic Evaluation.	Camino Real, 4 SW of 13th	11/25/2019		In Review
19484	Design Study	Raise Roof Ridge 6" on east and center wings.	NW corner of San Carlos Street & 11th Avenue	11/25/2019		Pending Assignment
19483	Business License	This business license BL 19-483 (Patisserie Boiserie) authorizes use of a approximately 2,300 square foot business space offering the following goods and services. a. Primary Use: This use is classified as a Full-Line Restaurant (NAICS 722511):	Mission E/S between Ocean & 7th Avenue	11/22/2019	11/26/2019	Approved
19482	Design Study	Remodel of existing two story single family residence.	26162 Ladera Drive	11/22/2019		In Review
19481	Business License	Wine Tasting Room	E/S Lincoln between 5th & 6th	11/21/2019		In Review

19479	Variance	Variance Application	Monte Verde, 3 SE of 11th Avenue	11/25/2019		In Review
19478	Authorized Work	Paint exterior of building. Body color to be Benjamin Moore "White Dove"; eaves and fascia to be Benjamin Moore "Super White"; door and window color on the first floor to be Benjamin Moore "Black". All windows on second floor shall be painted the body color, Benjamin Moore "White Dove".	Dolores	11/4/2019	11/22/2019	Approved
19477	Design Study	Landscape front yard	Mission Street, 7 SE of 8th	11/21/2019		In Review
19476	Authorized Work	Replace rotten French doors with identical pair, finished in same (existing) finish, in same footprint. Contractor State License #: 227866 City Business License #	Second Avenue, 2 NW of Lobos	11/20/2019	11/20/2019	Approved
19475	Design Study	Proposed 12.5 sf balcony addition at the upper floor adjacent to existing study room, new chimney to the existing direct vent fireplace in the living room to match the chimney at dining room, and bronze eyebrow canopy above door at the porch entry to an existing single family residence.	North Carmelo 2 NE of 4th	11/18/2019		In Review
19474	Design Study	Cover current roof deck trellis with a low-slope roof to provide better covering during rainy months.	Casanova, 5 SW of 8th Street	11/15/2019		In Review
19473	Business License	This business license authorizes use of a retail space to specialize in the sale of clothing, apparel, and clothing accessories. a. Primary Use: This use is classified as a Family Clothing Store (NAICS 448140):	Southside of Ocean Avenue, 3 storefronts East of San Carlos	11/14/2019	11/19/2019	Approved
19472	Business License	This business license BL 19-472 (Carmel Maker Space) authorizes use of a 700 square foot commercial space offering the following goods and services. a. Primary Use: This use is classified as a Electronics Store (NAICS 443142):	3 NW of Dolores & 6th Avenue - Su Vecino Courtyard	11/15/2019	11/25/2019	Approved

19471	Historic Evaluation	Remove garage, build new single family home.	SWC of Lincoln and 5th	11/15/2019		In Review
19470	Historic Evaluation	Remodel existing house.	Lincoln, 1 SW of 5th	11/15/2019		In Review
19469	Notice of Exempt Work	Remove and replace existing site coverage in accordance with DS 17-323 and as shown on Sheet L1 prepared by Mark Thompson Design and dated received by the Community Planning & Building Department on November 8, 2019. The scope of work is limited to replacing the patio and walkways and does not include the proposed water feature or new landscaping.	NWC Torres & 9th Ave	11/8/2019	11/14/2019	Approved
19468	Design Study	10' X 20' detached single car garage, single story with shakertown cedar shingles and asphalt roof shingles to mach the primary existing single family residence.	Carpenter, 4 SE of First	11/13/2019		In Review
19467	Temporary Use Permit	Temporary use permit for a one night extension of hours. From 10:00 p.m. to 1:00 a.m. on December 31, 2019 extending to January 1, 2020.	SE Corner Dolores & 7th	11/12/2019		In Review
19466	Use Permit	Use Permit for new underground parking garage, new commercial food store and new rental apartments.	2 SE corner of 7th Avenue & Dolores Street	11/8/2019		In Review
19465	Design Study	Full interior remodel.	Dolores, 2 NW of 4th	11/8/2019		In Review
19464	Design Review	Repaint commercial building.	NE Corner Ocean & Dolores	11/8/2019		In Review
19463	Design Review	Design Review - Track II Major	2 SE corner of 7th Avenue & Dolores Street	11/8/2019		In Review
19462	Lot Merger	Lot merger for new SFR	Casanova, 5 SE of 12th Avenue	10/3/2019		In Review
19461	Design Review	Carmel Bakery Building - Paint building and restore colors to an appropriate color scheme for its historical period. Built in 1900.	Ocean Avenue between Dolores & Lincoln	11/4/2019		In Review
19460	Business License	This business license BL 19-460 (Synergy One Lending) authorizes use of a 1000 square foot	Dolores Street, 2 SW of 7th, Unit E	11/5/2019	11/14/2019	Approved

		commercial space offering the following goods and services. Primary Use: This use is classified as a Mortgage Loan Office (NAICS 522310): This industry comprises establishments primarily engaged in arranging loans by bringing borrowers and lenders together on a commission or fee basis.				
19459	Use Permit	Use permit to change use. Inclusion of coffee sales.	Ocean 2 NE of Dolores	11/6/2019		Corrections Required
19458	Preliminary Site Assessment	Remodel of an existing single level residence with basement with 3 1/2 bathrooms. Plans too large to scan.	Carmelo Street, 5 NW of Ocean Avenue	11/1/2019		In Review
19457	Historic Evaluation	Remodel of an existing single level residence with basement with 3 1/2 bathrooms.	Carmelo Street, 5 NW of Ocean Avenue	11/1/2019		In Review
19456	Notice of Exempt Work	Replace all existing windows with new Sierra Pacific Aluminum Clad windows with simulated divided lights. No changes to existing rough openings.	Camino Real 4 SW of Ocean	10/31/2019		In Review

Total Records: 31

12/4/2019



Building Permit Report

11/01/2019 - 11/30/2019

Permit #	Date Submitted	Date Approved	Project Description	Valuation	Permit Type	Property Location
190697	11/27/2019	11/27/2019	Commercial. Replace broken window facing Ocean Avenue in same location, no divided light and no style change. Contact: Cast Counties Glass (831) 649-4447	0	Exempt Work	SW Corner Ocean & San Carlos
190696	11/26/2019		Residential. Plumbing additions and modifications associated with BP 19-694.	0	Plumbing	NE Corner Guadalupe & 2nd
190695	11/26/2019		Residential. Electrical additions and modifications associated with BP 19-694.	0	Electrical	NE Corner Guadalupe & 2nd
190694	11/26/2019		Residential. Kitchen wall removal, closet wall removal, installation of washer/dryer, kitchenette cabinet counter and cabinet remodel.	14,340	Building	NE Corner Guadalupe & 2nd
190693	11/26/2019	11/27/2019	Residential. New roof mounted 4.07 KW PV system with 11 solar modules. Installation of one battery backup system. No service upgrade associated with project. Contact: Scudder Roofing Sun energy System (831) 384-3900	35,110	Electrical	Lobos 4 NW of 3rd

190692	11/25/2019		Residential. Plumbing additions and modifications associated with BP 19-689.	0	Plumbing	Dolores 2 NW of 12th
190691	11/25/2019		Residential. Mechanical additions and modifications associated with BP 19-689.	0	Mechanical	Dolores 2 NW of 12th
190690	11/25/2019		Residential. Electrical additions and modifications associated with BP 19-689.	0	Electrical	Dolores 2 NW of 12th
190689	11/25/2019		Residential. Remodel kitchen, 3 bathrooms, new bedrooms, new floors and doors, exterior lighting, plumbing, and driveway.	85,000	Building	Dolores 2 NW of 12th
190688	11/22/2019	11/22/2019	Residential. Remove and replace tar and gravel roofing on flat portion of roof with same material type. Contact: R & R Roofing (813) 596-1055	6,384	Roofing	Dolores 3 NE of 10th
190687	11/22/2019		Residential. Remove and replace existing roof on studio building. Roof to include "Green Roof" system.	6,500	Building	NW Corner Lopez & 4th
190686	11/22/2019	11/22/2019	Commercial. Install new 30 ASTM felt below new 30 year composition shingle. Material will match the existing material. Contact: Coastal Roofing & Waterproofing (408) 479-7088	2,500	Roofing	NE Corner San Carlos & 5th
190685	11/21/2019	11/21/2019	Residential. Replace (e) furnace and duct work. Install Bryant 926TA036060 60,000 BTU furnace and new duct work. Contact: R & S Heating & Sheet Metal (831) 641-0508	10,700	Mechanical	Casanova 2 SW of 9th
190684	11/21/2019	11/21/2019	Residential. Replace water heater in-kind with new 50 gallon water heater. Contact: A & R Plumbing (831) 394-7221	1,600	Plumbing	Santa Lucia 2 NE of Scenic
190683	11/20/2019		Residential. Plumbing additions and modifications associated with BP 19-680.	0	Plumbing	Scenic 2 SE of 8th
190682	11/20/2019		Residential. Mechanical additions and modifications associated with BP 19-680.	0	Mechanical	Scenic 2 SE of 8th

190681	11/20/2019		Residential. Electrical additions and modifications associated with BP 19-680.	0	Electrical	Scenic 2 SE of 8th
190680	11/20/2019		Residential. Interior remodel, replacement of windows and doors, redesign of front landscape, retaining walls, front walkway, and driveway.	250,000	Building	Scenic 2 SE of 8th
190679	11/20/2019	11/20/2019	Residential. Remove existing grape stake side fences and replace with redwood fences at a maximum of 6' tall. 811 #W932200647. Contact: Carmel Custom Homes (831) 717-0404	0	Exempt Work	Casanova 3 SE of 10th
190678	11/20/2019		Residential. Interior alterations to kitchen & bathrooms. (NO exterior or structural work). Improvements to M.E.P. systems.	125,000	Building	Junipero 3 NW of 5th Avenue Unit C
190677	11/19/2019		Residential. Plumbing additions and modifications associated with BP 19-675.	0	Plumbing	Carmelo 2 SW of 7th
190676	11/19/2019		Residential. Electrical additions and modifications associated with BP 19-675.	0	Electrical	Carmelo 2 SW of 7th
190675	11/19/2019		Residential. Interior remodel of (e) garage and conversion to a guest house	10,000	Building	Carmelo 2 SW of 7th
190674	11/19/2019	12/4/2019	Residential. Install Bryant Heat Pump to tie into (e) solar power for heating. 2688BNV36000 unit. Contact: R&S Heating & Sheet Metal (831) 641-0508	8,500	Mechanical	Casanova 4 NW of Ocean
190673	11/19/2019	11/19/2019	Residential. remove 30 year shingle system and install an Owens Corning Duration premium asphalt shingles roof system in "Driftwood" color. Contact: Ross Roofing (831) 394-8581	8,045	Roofing	SE Corner Lincoln & 9th
190672	11/19/2019	11/19/2019	Residential. Tear off existing comp shingle roof. Install a GAF Comp roofing system. New comp roof to be Triple Layer comp or equivalent. Contact: Warren Knox (831) 461-0634	10,744	Roofing	Carmelo 4 SE of 11th

190671	11/18/2019	11/18/2019	Residential. Re-roof. Remove wood shakes and replace with Brown Presidential TL. Contractor State License #: 875501 City Business License #: 19497 Tel: 831. 455. 9168	25,800	Roofing	Carmelo, 3 NE of 4th
190670	11/15/2019	11/15/2019	Commercial. Modify A.W. Shucks restrooms to comply with ADA requirements. Add new accessible unisex restroom to tenants restrooms on second floor.	40,000	Building	Ocean 2 SW of San Carlos
190669	11/15/2019	11/15/2019	Residential. Remove portion of garage roof, replace damaged fascia perimeters, replace roof with matching asphalt shingles materials. No structural changes to be done. Contact: Monterey Coast Construction (831) 917-4105	3,953	Building	San Antonio 4 SW of 2nd
190668	11/15/2019	11/15/2019	Residential. Remove existing 199K BTU tankless on exterior wall and replace with new 199K BTU tankless in same location. Contractor Precision Plumbing & Heating Tel: 831. 261. 4009	3,000	Plumbing	San Antonio 3 SE of 13th
190667	11/15/2019	11/15/2019	Residential. Install tankless water heater and remove old 40 gal tank water heater. Precision Plumbing & Heating. Tel #: 831. 261. 4009	4,000	Plumbing	NEC Guadalupe & 2nd
190666	11/14/2019	11/14/2019	Commercial. Install reclaimed wood to preexisting walls, adding clothing hooks and racks to walls and floor for displaying clothing. Adding shelves to existing walls. Install plug-and-play wireless cameras and speaker throughout space. Contact: The Barn (805) 450-4007	0	Exempt Work	Ocean 4 SE of San Carlos
190665	11/14/2019	11/14/2019	Commercial. New flashing, repair pavers, and apply sealant to patio area. Contact: Tubridy Constriction (831) 809-3097	10,000	Building	SW Corner San Carlos & 7th
190664	11/13/2019	11/13/2019	Residential. Replacement of tiles surrounding bathtub in small bathroom. Replacement of bath/shower fixtures and elevation of shower head	0	Exempt Work	Monte Verde 2 SE of 12th

190663	11/13/2019	11/13/2019	Residential. Remove an area of 14'x7' tile in living room and replace with hardwood flooring. Contact: Kathrin Nikolussi (415) 215-3699	0	Exempt Work	Santa Fe 5 NW of 5th
190662	11/13/2019	11/13/2019	Residential. Interior upgrades/repairs to include: painting of entire apartment and cabinets, patch small holes in drywall, replace living room and bedroom carpet with new flooring, replace glazing in broken bedroom window, replace kitchen floor and entry tile with Luxury Plank Vinyl, replace kitchen stove, cook top, refrigerator, and dishwasher in same locations, replace kitchen counter top with granite countertops, and repair window crank for kitchen window. Contact: Joel Sanchez Construction (650) 669-6360	0	Exempt Work	Mission 2 NE of 5th
190661	11/12/2019		Convert 203 s.f. of (e) retail space at main and 423 s.f. of (e) office space at upper to reconvert a residential apartment. Convert 93 s.f. of the (e) storage area at upper level into the proposed closet of upper level apartment. New shed roof section on east side of building to match opposite shed roof section on west side, which adds 84 s.f. to apartment upper level. Reconfigure rear courtyard with new 4'-0" high fence and entry gate. Reconfigure apartment (e) landing and stair at main level. Reconfigure (e) public walkway. Rebuild existing rear balcony.	200,000	Building	Ocean Avenue, 4 SW of Dolores Street
190660	11/12/2019	11/20/2019	Residential. Reinforce existing interior garage structure to enhance stability and add 1/2" sheetrock for interior finish. Re-route existing electrical wiring as required by new framing members. No exterior modifications. Contact: Masterwork Builders (831) 229-8628	12,000	Building	Camino Real 9 NE of 4th
190659	11/12/2019	11/12/2019	Residential. Replace front fence with one of same design, replace 20" retaining wall, re-design patio	65,000	Building	San Antonio 4 SW of 10th

			with a reduction in site coverage, install fire pit and portable spa.			
190658	11/12/2019	11/12/2019	Residential. Tear off existing wood shake roof and install Presidential TL in Solaris Country Gray. Contact: Roof Time (831) 637-3168	26,740	Roofing	Guadalupe 3 SE of 7th
190657	11/12/2019	11/27/2019	Residential. Deck repair and expansion. Contact: Iftikhar Ahmed (408) 421-1296	11,000	Building	Santa Fe 3 SW of 4th
190656	11/12/2019		Residential. Plumbing additions and modifications associated with BP 19-653.	0	Plumbing	NW Corner San Carlos & 10th
190655	11/12/2019		Residential. Mechanical additions and modifications associated with BP 19-653.	0	Mechanical	NW Corner San Carlos & 10th
190654	11/12/2019		Residential. Electrical additions and modifications associated with BP 19-653.	0	Electrical	NW Corner San Carlos & 10th
190653	11/12/2019		Residential. Addition of three bedrooms and two bathrooms to SFR.	75,000	Building	NW Corner San Carlos & 10th
190652	11/8/2019	11/8/2019	Residential. Remediation due to water damage. Drywall tear out at kitchen and dining room felings. Tear out at guest bedroom and bathroom 2' up wall. Remove floors in all rooms. Tear out in garage ceiling and walls. Contact: Disaster Kleenup Specialist (831) 899-3938	2,000	Building	Dolores 4 SW of 13th
190651	11/8/2019	11/8/2019	Residential. Replacement of dryrot damaged decking with new 2"x6" redwood decking. No changes to (e) structural framing nor redwood painted guardrails. Contact: J Stepanek Construction (831) 915-2730	0	Exempt Work	Santa Rita 2 NW of 5th
190650	11/8/2019		Residential. Install new 4.90 kw roof mounted pv system with 14 solar modules, There will be two	36,495	Electrical	Dolores 4 NW of 2nd

			energy storage systems installed and no main panel upgrade.			
190649	11/8/2019	11/8/2019	Residential. Remove (e) comp shingle roof system. Install (n) composition shingle roof systems over 38 lb roofing underlayment. Contact: Scudder Roofing (831) 384-1500	44,000	Roofing	Lobos 4 NW of 3rd
190648	11/7/2019	11/8/2019	Residential. Install 40amp EV charger on exterior of garage. Contact: Watson's Charging Station & Electric (408) 805-5046	1,500	Electrical	Palou 3 NW of N Casanova
190647	11/7/2019		· INTERIOR REMODEL TO EXISTING TWO-STORY SINGLE FAMILY RESIDENCE · REPLACE ALL EXTERIOR DOORS AND WINDOWS ON MAIN LEVEL · NEW ENTRY GABLE OVERHANG · EXTEND EXISTING CANTILEVERED TERRACE · REDUCE EXISTING WALKWAYS, PATIOS, ETC. · REPLACE AND REBUILD EXISTING TERRACE STAIRS	222,500	Building	Camino Real 3 NW of 8th
190646	11/6/2019	11/20/2019	Residential. Interior remodel of guest house to convert to an ADU.	9,000	Building	Junipero 2 NW of 3rd
190645	11/6/2019	11/25/2019	Residential. Repair opening in block wall. Contact: Steele Tape Construction (831) 682-0470	1,500	Building	Junipero 2 SW of 5th
190644	11/5/2019		Commercial. Remove part of non-load bearing wall to connect both units as well as install 2 additional fitting rooms in the second unit. Connect back stock areas to join both back spaces, put up devising wall in back area to enclose fitting rooms that will be no taller than 5'10".	2,500	Building	Ocean 3 SE of San Carlos
190643	11/5/2019	11/5/2019	Residential. Replace handrail and tile on deck/balcony. Replace plywood, waterproofing, and flashing. Contact: California Premier Restoration (831) 275-2103	4,000	Building	Mission 3 NW of 4th Unit 5

190642	11/5/2019	11/5/2019	Residential. Exploratory demolition to determine layout of sewer/water/gas plan. Contact: Jolley Builders (831) 238-6044	1,500	Building	Ocean 4 SW of Dolores Unit A
190641	11/4/2019	11/5/2019	Residential. Remove (e) redwood/cedar fence. replace fencing with new material "like for like". Replace 42' of fencing at no more than 8'3" in height. Contact: RW Construction & Contracting (831) 261-9642.	0	Exempt Work	Guadalupe 3 SE of 5th
190640	11/4/2019	11/4/2019	Residential. Remove and replace damaged siding, re-set window using existing frame and casement. Contact: Icon Building & Development (831) 601-6861	0	Exempt Work	Guadalupe 3 SW of 1st
190639	11/1/2019	11/5/2019	Residential. Remove comp roof - replace with Malarkey 30 year fiberglass shingles. Contact: Premo Roofing (831) 443-3605	42,900	Building	SE Corner Monte Verde & 7th

Total Records: 59

12/4/2019



Code Compliance Report

11/01/2019 - 11/30/2019

Case #	Case Type:	Status	Location	Problem Description	Date Received	Date Closed
19375	Sign Violation	Closed	San Carlos NW of 6th	A-Frame sign in ROW	11/26/2019	11/26/2019
19374	Right of way Violation	Closed	San Carlos SW of Ocean	Chairs in sidewalk	11/25/2019	11/25/2019
19373	Skin Care Complaint	Closed	Ocean NE of Dolores	Soliciting sales outside of business	11/23/2019	11/23/2019
19372	Right of way Violation	Closed	Junipero 2 NW of 8th	Parking on sidewalk	11/23/2019	11/23/2019
19371	Sign Violation	Closed	Dolores NE of Ocean	A-Frame sign	11/23/2019	11/23/2019
19370	Sign Violation	Closed	Ocean NW of Mission	A-Frame sign	11/23/2019	11/23/2019
19369	Tree Violation	Closed	Monte Verde NW of 6th	Tree trimming without permit	11/22/2019	11/22/2019
19368	Short-term Rental	Open	Lopez 4 NE of Jane Powers Walkway	Non-compliant STR	11/21/2019	

19367	Skin Care Complaint	Closed	Ocean SE of Monte Verde	Soliciting sales outside of business	11/19/2019	11/19/2019
19366	Skin Care Complaint	Closed	Ocean SE of Monte Verde	Soliciting sales outside of business	11/18/2019	11/18/2019
19365	Right of way Violation	Closed	Dolores NW of 7th	Tripping hazard in ROW	11/18/2019	11/18/2019
19364	Right of way Violation	Open	Dolores NE of 7th	Paving in ROW	11/12/2019	
19363	Building Violation	Open	SWC Monte Verde and 7th	Water service change out, bathroom remodel without permits.	11/14/2019	
19362	Right of way Violation	Closed	Dolores 5 SW of 12th	Cones in ROW	11/12/2019	11/12/2019
19360	Building Violation	Closed	SW Corner of Monte Verde and 12th	Fireplace installation	11/12/2019	11/12/2019
19359	Health and Safety Code Violation	Open	Dolores 2 SW of 2nd	Rat infestation / Property Maintenance	11/6/2019	
19358	Planning/Building Violation	Open	NW Corner of Torres and 9th	Landscaping/construction w/o permits	11/8/2019	
19357	Planning Violation	Open	Mission 4 NE of 9th	Site coverage change	11/8/2019	
19356	Tree Violation	Closed	Dolores 5 NE of Santa Lucia	Tree root cutting / Driveway w/o permit	11/7/2019	11/22/2019
19355	Building Violation	Closed	Dolores 4 SW of 13th	Demolition without permit	11/7/2019	11/12/2019
19354	Tree Violation	Open	Torres 3 NE of 5th	Tree trimming without permit	11/5/2019	

19353	Sign Violation	Closed	NW Corner of Junipero and 6th	Sign in ROW	11/5/2019	11/5/2019
19352	Sign Violation	Closed	E Lincoln between Ocean and 7th	Excessive Signage	11/4/2019	
19351	Skin Care Complaint	Closed	Ocean SE of Monte Verde	Aggressive soliciting	11/4/2019	11/4/2019
19350	Skin Care Complaint	Closed	Ocean SE of Monte Verde	Aggressive soliciting	11/4/2019	11/4/2019
19349	Building Violation	Open	NW Corner of Lopez and 4th	Re-roof without permit	11/1/2019	

Total Records: 26

12/4/2019



Encroachment Permit Report

11/01/2019 - 11/30/2019

Permit #	Permit Type	Date Submitted	Project Description	Property Location	Date Issued	Status
190228	Temp Ench	11/27/2019	Sewer lateral replacement and install of BWV. Contact: Rooter King of Monterey County (831) 235-3822.	San Carlos 4 SW of 8th	11/27/2019	Approved
190227	Temp Ench	11/26/2019	20 X 3' Asphalt Patch & 6' X 6' Two Patches. 811# 928701659. Contact: MPE (831) 383-9472	24836 Santa Fe	11/27/2019	Approved
190226	Temp Ench	11/26/2019	Excavate and repair 5'x10' asphalt patch. 811# W929000561. Contact: MPE (831) 383-9472	San Carlos between 11th & 12th	12/3/2019	Approved
190225	Temp Ench	11/22/2019	Replace 4" cast iron with SDR17 using trenchless system. Contact: ACME Plumbing (831) 262-5632	2996 Franciscan Way	11/22/2019	Approved
190224	Driveway	11/21/2019	Remove portions of existing paver driveway to create a partial ribbon driveway & provide additional planting.	Casanova 3 NW of 9th		In Review
190223	Perm Ench	11/20/2019	Permit to allow roof stormwater to flow from fanopy at front of building and discharge onto street via downspouts that are routed beneath sidewalk and through sidewalk curb.	Dolores 3 NW of 7th		Approved

190222	Temp Ench	11/20/2019	Sewer lateral replacement, install two way clean out with SRV & BWV work. Contact: Rooter King of Monterey County Inc (831) 235-3822	NW Corner San Carlos & 5th	11/21/2019	Approved
190221	Temp Ench	11/19/2019	Excavate eight 4'x5' pits in the asphalt and 3'x3' pits in dirt area to install eight new services for CalAm. Contact: California American Water (831) 601-1759	Guadalupe between 1st and 2nd	11/19/2019	Approved
190220	Temp Ench	11/18/2019	Trench/pothole 20'x2.5' to install new water service. Contractor to restore asphalt/street. Contact: California American Water (831) 601-1759	Mission 3 SW of 1st	11/19/2019	Approved
190219	Temp Ench	11/15/2019	PG&E to replace two boxes in sidewalk and pull cable. PM# 35089887. Contact: PG&E (831) 574-9590	Dolores 3 NW of 7th	11/18/2019	Approved
190218	Temp Ench	11/15/2019	Pouring concrete foundation, need space to safely maneuver and park concrete truck. Contact: Giles Healey (831) 601-1152	Monte Verde 3 NE of 6th	11/18/2019	Approved
190217	Temp Ench	11/15/2019	Replacement of sewer lateral. Contact: Rooter King of Monterey County (831) 235-3822	San Carlos 1 NE of Vista	11/18/2019	Approved
190216	Temp Ench	11/13/2019	Replacement of 4" sewer lateral line in street. Contact: Hawk Plumbing (831) 277-8408	NW Corner Dolores & 11th	11/13/2019	Approved
190215	Temp Ench	11/8/2019	Replacement of sewer lateral. No work to be done without City Forester on site to monitor hand digging around Eucalyptus tree on site. Contact: Rooter King of Monterey County (831) 235-3822	Lincoln 4 NE of 6th	11/8/2019	Approved
190214	Driveway	11/8/2019	Replace existing concrete driveway with permeable pavers. Replace existing pavers with new pavers. Contact: Hattersley Construction Partnership (831) 759-9762	Dolores 5 NE of Santa Lucia	11/20/2019	Approved
190213	Perm Ench	11/6/2019	3" PVC discharge to flowline of rolled AC curb at two locations at north property line area. Contact: Robert Purvis (209) 604-1825	4 Oak Knoll Way	11/25/2019	Approved

190212	Temp Ench	11/6/2019	Close sidewalk to allow for crane to deliver steel to job site. Contact: Draper Construction (831) 521-6375	Dolores 3 SW of Ocean	11/7/2019	Approved
190211	Temp Ench	11/4/2019	Repair 8'x10' asphalt patch due to water leak. Contact: West Valley Construction (408) 640-8913	Scenic Road 882' South of 8th	11/5/2019	Approved
190210	Temp Ench	11/4/2019	Sewer lateral replacement on property and street. Install a two way clean out with SRV and BWV. Contact: Rooter King of Monterey County (831) 235-3822	NE Corner San Carlos & 1st	11/4/2019	Approved

Total Records: 19

12/4/2019



CITY OF CARMEL-BY-THE-SEA

Monthly Report

Public Safety

November 2020

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Paul Tomasi, Director of Public Safety
APPROVED BY:	Chip Rerig, City Administrator

AMBULANCE REPORT

Summary of Carmel Fire Ambulance November Calls for Service

AMBULANCE PERFORMANCE MEASURE

The performance goal for Code-3 (life threatening emergency-lights & siren) ambulance calls with a response time of 5 minutes or less from dispatch to arrival is 95%. For the month of November 2019 the ambulance was able to meet the performance measure. The response time was 100% with (0) code-3 call over 5 minutes.

64 Calls for service in CBTS Average response time: 2:58 min.

34 Code 3 calls for service –No calls over 5:00 min.

**There were two additional calls for service with a response time over five minutes. They were non-emergency calls classified as Code 2.*

AMR Responded to 4 calls for service in CBTS during the Month of November.

- 2 calls to cover Carmel's Ambulance while on a call within CBTS
- 1 calls covering the Carmel Ambulance while on a call outside CBTS
- 0 calls cancelled when Carmel's Ambulance responded
- 1 call responded to while Carmel Ambulance was not on any calls

MONTEREY FIRE REPORT

Summary of Monterey Fire November Calls for Service

FIRE PERFORMANCE MEASURE

The performance goal for Code-3 (life threatening emergency-lights & siren) fire calls with a response time of 5 minutes or less from dispatch to arrival is 95%. For the month of November 2019 the fire department was able to meet the performance measure. The response time was 98% with (1) code-3

*The performance goal for Code-3 (life threatening emergency-lights & siren) ambulance calls with a response time of 5 minutes or less from dispatch to arrival is 95%.

Attachment 3
call over 5 minutes. The single incident was the result of the Carmel engine being committed to another call.

78 total calls for service in CBTS Average response time: 3:08 min.
56 total Code-3 calls

**There were two additional calls for service with a response time over five minutes. These were none emergency calls classified as Code 2.*

BEACH FIRES

There were 7 illegal beach fires recorded during the month of November and 1 propane fire.

*The performance goal for Code-3 (life threatening emergency-lights & siren) ambulance calls with a response time of 5 minutes or less from dispatch to arrival is 95%.



RESPONSE SUMMARY REPORT BY DISTRICT

27015 CARMEL-BY-THE-SEA FIRE AMBULANCE

Alarm Dates: 11/01/2019 to 11/30/2019

Attachment 3



MEDICAL RESPONSES CARMEL CITY

INCIDENT	PRIORITY	DATE	ALARM	ARRIVAL	RESPONSE	CALL CLEARED	STREET
191101-CFA01547	Emergent	11/1/2019	10:16:49 AM	10:19:01 AM	0:02:12	11:08:28 AM	SAN CARLOS ST / SANTA LUCIA
191102-CFA01553	Emergent	11/2/2019	6:46:26 PM	6:49:45 PM	0:03:19	7:15:00 PM	CAMINO REAL ST / 8TH AVE
191103-CFA01555	Emergent	11/3/2019	11:16:41 AM	11:19:11 AM	0:02:30	12:21:40 PM	DOLORES ST / 9TH AVE
191104-CFA01559	Emergent	11/4/2019	7:26:52 AM	7:30:02 AM	0:03:10	8:10:14 AM	25981 RIDGEWOOD RD
191105-CFA01568	Emergent	11/5/2019	10:16:00 AM	10:18:46 AM	0:02:46	11:00:32 AM	SAN CARLOS ST / 13TH AVE
191105-CFA01571	Emergent	11/5/2019	3:31:01 PM	3:32:01 PM	0:01:00	4:07:00 PM	CASANOVA ST / 10TH AVE
191106-CFA01575	Emergent	11/6/2019	3:02:20 AM	3:06:43 AM	0:04:23	3:52:23 AM	2 PINE RIDGE RD
191106-CFA01577	Emergent	11/6/2019	6:43:43 PM	6:45:52 PM	0:02:09	7:25:00 PM	JUNIPERO AVE / 8TH AVE
191106-CFA01578	Emergent	11/6/2019	10:27:41 PM	10:29:42 PM	0:02:01	11:14:26 PM	5TH AVE / MISSION ST
191107-CFA01579	Non-Emergent	11/7/2019	12:00:23 AM	12:04:10 AM	0:03:47	12:10:26 AM	CASANOVA ST / 9TH AVE
191107-CFA01585	Emergent	11/7/2019	3:53:56 PM	3:54:58 PM	0:01:02	4:28:00 PM	SAN CARLOS ST / OCEAN AVE
191107-CFA01587	Emergent	11/7/2019	7:43:25 PM	7:43:49 PM	0:00:24	8:19:00 PM	MISSION ST / 6TH AVE
191108-CFA01590	Emergent	11/8/2019	11:27:06 AM	11:28:50 AM	0:01:44	12:19:03 PM	LINCOLN ST / 7TH AVE
191108-CFA01593	Emergent	11/8/2019	4:18:54 PM	4:22:35 PM	0:03:41	5:29:26 PM	8TH AVE / LINCOLN ST
191109-CFA01598	Emergent	11/9/2019	2:39:36 PM	2:39:44 PM	0:00:08	3:50:00 PM	OCEAN AVE / MONTE VERDE ST
191110-CFA01600	Emergent	11/10/2019	2:12:44 AM	2:16:01 AM	0:03:17	2:58:13 AM	LINCOLN ST / 8TH AVE
191110-CFA01602	Emergent	11/10/2019	10:13:23 AM	10:15:40 AM	0:02:17	11:01:10 AM	2ND AVE / LINCOLN ST
191110-CFA01604	Emergent	11/10/2019	1:43:58 PM	1:46:39 PM	0:02:41	2:10:00 PM	9TH AVE / CARMELO ST
191111-CFA01612	Non-Emergent	11/11/2019	7:13:39 PM	7:18:00 PM	0:04:21	8:15:30 PM	3080 RIO RD
191115-CFA01621	Emergent	11/15/2019	4:06:16 AM	4:09:23 AM	0:03:07	5:22:32 AM	CAMINO REAL ST / 8TH AVE
191115-CFA01622	Emergent	11/15/2019	7:03:55 AM	7:06:49 AM	0:02:54	7:13:48 AM	7TH AVE / LINCOLN ST
191115-CFA01625	Emergent	11/15/2019	12:27:59 PM	12:30:54 PM	0:02:55	12:49:17 PM	MISSION ST / 5TH AVE
191117-CFA01630	Non-Emergent	11/17/2019	4:51:44 PM	4:55:29 PM	0:03:45	5:05:31 PM	SAN CARLOS ST / SANTA LUCIA
191118-CFA01633	Emergent	11/18/2019	3:52:31 AM	3:56:20 AM	0:03:49	4:25:00 AM	VIZCAINO / FLANDERS WAY
191120-CFA01647	Non-Emergent	11/20/2019	9:35:01 AM	9:37:57 AM	0:02:56	9:50:17 AM	LINCOLN ST / 8TH AVE
191121-CFA01656	Emergent	11/21/2019	7:32:18 PM	7:34:14 PM	0:01:56	8:05:32 PM	OCEAN AVE / LINCOLN ST
191122-CFA01658	Emergent	11/22/2019	2:30:35 PM	2:34:30 PM	0:03:55	2:44:37 PM	LINCOLN ST / 7TH AVE
191123-CFA01662	Emergent	11/23/2019	2:44:28 PM	2:46:14 PM	0:01:46	4:13:04 PM	SAN CARLOS ST / 8TH AVE
191123-CFA01666	Non-Emergent	11/23/2019	7:59:37 PM	8:05:00 PM	0:05:23	8:06:00 PM	LOBOS ST / 4TH AVE
191124-CFA01668	Emergent	11/24/2019	2:05:09 PM	2:07:47 PM	0:02:38	2:09:08 PM	2 PINE RIDGE RD
191124-CFA01670	Emergent	11/24/2019	5:52:58 PM	5:56:03 PM	0:03:05	6:29:00 PM	CARMELO ST / 10TH AVE
191126-CFA01678	Emergent	11/26/2019	11:58:02 AM	12:00:33 PM	0:02:31	12:59:05 PM	26025 JUNIPERO ST
191126-CFA01679	Non-Emergent	11/26/2019	12:59:54 PM	1:06:15 PM	0:06:21	1:16:02 PM	26210 DOLORES ST
191126-CFA01680	Non-Emergent	11/26/2019	6:00:02 PM	6:05:00 PM	0:04:58	6:30:00 PM	26210 DOLORES ST
191127-CFA01690	Emergent	11/27/2019	2:16:21 PM	2:18:21 PM	0:02:00	3:44:00 PM	FOREST RD / 7TH AVE

191127-CFA01691	Emergent	11/27/2019	9:57:36 PM	10:00:25 PM	0:02:49	11:09:38 AM	Attachment 3 ALTA AVE / SAN CARLOS ST
191128-CFA01692	Non-Emergent	11/28/2019	6:33:11 AM	6:38:00 AM	0:04:49	6:41:41 AM	JUNIPERO AVE / 10TH AVE
191128-CFA01694	Emergent	11/28/2019	10:47:14 AM	10:49:51 AM	0:02:37	11:40:08 AM	PINE RIDGE RD / FOREST RD
191129-CFA01698	Emergent	11/29/2019	4:23:51 AM	4:24:43 AM	0:00:52	4:57:53 AM	5TH AVE / DOLORES ST
191129-CFA01702	Emergent	11/29/2019	3:42:41 PM	3:44:15 PM	0:01:34	4:16:00 PM	7TH AVE / DOLORES ST
191130-CFA01703	Emergent	11/30/2019	1:57:50 PM	2:00:50 PM	0:03:00	2:48:00 PM	26025 JUNIPERO ST
191130-CFA01705	Emergent	11/30/2019	8:35:26 PM	8:36:46 PM	0:01:20	8:59:00 PM	5TH AVE / DOLORES ST

NUMBER OF EMS INCIDENTS	42	AVERAGE RESPONSE	0:02:48
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FIRE RESPONSES CARMEL CITY

INCIDENT	PRIORITY	DATE	ALARM	ARRIVAL	RESPONSE	CALL CLEARED	STREET
191101-CFA01545	Emergent	11/1/2019	8:54:21 AM	8:56:26 AM	0:02:05	9:04:40 AM	OCEAN AVE / MONTE VERDE ST
191103-CFA01554	Non-Emergent	11/3/2019	8:49:33 AM	8:54:15 AM	0:04:42	8:58:12 AM	CARPENTER ST / 3RD AVE
191104-CFA01558	Non-Emergent	11/4/2019	7:01:39 AM	7:05:01 AM	0:03:22	7:06:14 AM	SAN CARLOS ST / 4TH AVE
191104-CFA01561	Emergent	11/4/2019	4:19:29 PM	4:21:43 PM	0:02:14	4:25:57 PM	DOLORES ST / 7TH AVE
191108-CFA01589	Emergent	11/8/2019	10:01:23 AM	10:03:40 AM	0:02:17	10:10:26 AM	DOLORES ST / OCEAN AVE
191108-CFA01591	Non-Emergent	11/8/2019	1:20:57 PM	1:25:12 PM	0:04:15	1:27:28 PM	CAMINO REAL ST / 12TH AVE
191108-CFA01592	Emergent	11/8/2019	1:46:16 PM	1:50:20 PM	0:04:04	1:54:33 PM	LINCOLN ST / 13TH AVE
191110-CFA01603	Emergent	11/10/2019	11:29:02 AM	11:31:57 AM	0:02:55	11:36:32 AM	1ST AVE / LOBOS ST
191111-CFA01609	Emergent	11/11/2019	9:26:50 AM	9:28:54 AM	0:02:04	9:32:48 AM	OCEAN AVE / MONTE VERDE ST
191114-CFA01620	Emergent	11/14/2019	8:51:20 PM	8:53:50 PM	0:02:30	8:58:03 PM	MONTE VERDE ST / 7TH AVE
191116-CFA01627	Emergent	11/16/2019	4:53:23 PM	4:55:39 PM	0:02:16	5:04:49 PM	JUNIPERO AVE / 7TH AVE
191118-CFA01634	Emergent	11/18/2019	9:44:40 AM	9:47:29 AM	0:02:49	9:53:03 AM	DOLORES ST / OCEAN AVE
191118-CFA01635	Emergent	11/18/2019	12:08:03 PM	12:10:05 PM	0:02:02	12:14:42 PM	SAN CARLOS ST / 4TH AVE
191120-CFA01650	Non-Emergent	11/20/2019	1:55:42 PM	1:57:51 PM	0:02:09	2:01:39 PM	OCEAN AVE / TORRES ST
191123-CFA01665	Emergent	11/23/2019	7:37:09 PM	7:40:36 PM	0:03:27	7:42:00 PM	SANTA RITA ST / 1ST AVE
191125-CFA01674	Emergent	11/25/2019	3:20:39 PM	3:24:23 PM	0:03:44	3:27:21 PM	JUNIPERO AVE / 1ST AVE
191126-CFA01676	Emergent	11/26/2019	9:39:54 AM	9:44:18 AM	0:04:24	10:05:35 AM	8TH AVE / SAN CARLOS ST
191126-CFA01681	Emergent	11/26/2019	7:40:50 PM	7:45:00 PM	0:04:10	7:50:00 PM	CARMELO ST / 8TH AVE
191126-CFA01682	Emergent	11/26/2019	9:23:00 PM	9:26:13 PM	0:03:13	9:37:02 PM	DOLORES ST / 1ST AVE
191126-CFA01684	Emergent	11/26/2019	9:58:58 PM	10:02:33 PM	0:03:35	10:37:29 PM	JUNIPERO AVE / 2ND AVE
191126-CFA01685	Emergent	11/26/2019	10:41:29 PM	10:46:00 PM	0:04:31	10:56:10 PM	CASANOVA ST / 8TH AVE
191129-CFA01699	Emergent	11/29/2019	6:30:42 AM	6:35:17 AM	0:04:35	6:41:37 AM	ALTA AVE / MISSION ST

NUMBER OF FIRE INCIDENTS	22	AVERAGE RESPONSE	0:03:15
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TOTAL CARMEL CITY INCIDENT.	64	AL AVERAGE RESPONSE TIME	0:02:58
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RESPONSES BY DISTRICT

INCIDENT	PRIORITY	DATE	ALARM	ARRIVAL	RESPONSE	CALL CLEARED	STREET
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CARMEL HIGHLANDS

INCIDENT

191101-CFA01551	Emergent	11/1/2019	9:56:31 PM	10:11:03 PM	0:14:32	11:10:13 PM	31541 HWY 1
191107-CFA01580	Non-Emergent	11/7/2019	1:40:03 AM	1:59:00 AM	0:18:57	1:59:23 AM	95 YANKEE POINT DR

191107-CFA01586	Non-Emergent	11/7/2019	6:28:51 PM	6:41:22 PM	0:12:31	7:36:08 PM	Attachments	27045 MOUNTAIN CANYON RD
191111-CFA01607	Emergent	11/11/2019	12:41:18 AM	12:48:22 AM	0:07:04	12:58:31 AM		27045 MEADOW WAY
191111-CFA01608	Emergent	11/11/2019	8:00:48 AM	8:08:30 AM	0:07:42	8:46:18 AM		27953 SAN JOSE CREEK CANYON
191121-CFA01653	Emergent	11/21/2019	1:05:46 PM	1:12:22 PM	0:06:36	2:21:51 PM		2963 CUESTA WAY
191122-CFA01659	Emergent	11/22/2019	4:20:27 PM	4:29:00 PM	0:08:33	5:12:00 PM		76 SPRUCE WAY
191127-CFA01689	Emergent	11/27/2019	12:03:27 PM	12:08:05 PM	0:04:38	1:09:43 PM		2922 CUESTA WAY
191129-CFA01701	Emergent	11/29/2019	2:58:49 PM	3:08:13 PM	0:09:24	3:09:51 PM		HWY 1 / SPINDRIFT RD
Subtotal		9	Average Response Time		0:10:00	Carmel Highlands		

CYPRESS FIRE

INCIDENT								
191101-CFA01546	Emergent	11/1/2019	9:04:44 AM	9:08:59 AM	0:04:15	9:34:00 AM		HWY 1 / CARPENTER ST
191101-CFA01548	Emergent	11/1/2019	2:47:46 PM	2:52:19 PM	0:04:33	3:50:00 PM		HWY 1 / CARMEL RIVER
191101-CFA01550	Emergent	11/1/2019	7:07:03 PM	7:13:31 PM	0:06:28	7:20:27 PM		3560 EDGEFIELD PL
191104-CFA01560	Emergent	11/4/2019	12:41:33 PM	12:45:56 PM	0:04:23	1:46:26 PM		CARMEL VALLEY RD / CARMEL I
191105-CFA01565	Emergent	11/5/2019	12:31:23 AM	12:37:31 AM	0:06:08	1:15:14 AM		26395 SCENIC RD
191105-CFA01573	Emergent	11/5/2019	9:55:04 PM	10:01:41 PM	0:06:37	10:03:23 PM		25535 CANADA VALLEY DR
191107-CFA01582	Emergent	11/7/2019	4:26:35 AM	4:31:48 AM	0:05:13	5:13:00 AM		26122 CARMEL KNOLLS DR
191108-CFA01588	Emergent	11/8/2019	6:29:01 AM	6:35:25 AM	0:06:24	6:38:01 AM		3771 RIO RD
191109-CFA01596	Emergent	11/9/2019	9:20:24 AM	9:25:36 AM	0:05:12	9:34:36 AM		26245 CARMEL RANCHO BLVD
191109-CFA01597	Emergent	11/9/2019	1:03:23 PM	1:05:56 PM	0:02:33	1:58:13 PM		3310 RIO RD
191111-CFA01611	Emergent	11/11/2019	3:52:42 PM	3:56:55 PM	0:04:13	4:33:00 PM		26245 CARMEL RANCHO BLVD
191112-CFA01613	Emergent	11/12/2019	12:14:46 AM	12:22:14 AM	0:07:28	12:24:42 AM		27045 MEADOW WAY
191112-CFA01614	Emergent	11/12/2019	10:31:23 AM	10:38:07 AM	0:06:44	11:08:00 AM		25301 OUTLOOK DR
191114-CFA01618	Emergent	11/14/2019	1:20:33 AM	1:25:06 AM	0:04:33	1:48:08 AM		24642 CABRILLO ST
191114-CFA01619	Emergent	11/14/2019	10:10:29 AM	10:16:10 AM	0:05:41	11:17:02 AM		4000 RIO RD
191115-CFA01623	Emergent	11/15/2019	7:46:35 AM	7:49:06 AM	0:02:31	8:43:15 AM		3600 OCEAN AVE
191116-CFA01626	Emergent	11/16/2019	11:56:57 AM	12:02:07 PM	0:05:10	12:18:33 PM		26245 CARMEL RANCHO BLVD
191117-CFA01628	Emergent	11/17/2019	11:01:48 AM	11:06:09 AM	0:04:21	11:50:41 AM		26414 BIRCH PL
191117-CFA01629	Emergent	11/17/2019	12:43:55 PM	12:47:20 PM	0:03:25	1:33:20 PM		26414 BIRCH PL
191118-CFA01640	Emergent	11/18/2019	7:43:17 PM	7:49:06 PM	0:05:49	7:52:00 PM		3390 MOUNTAIN VIEW AVE
191118-CFA01641	Emergent	11/18/2019	10:04:50 PM	10:12:00 PM	0:07:10	10:19:11 PM		25495 CANADA VALLEY DR
191119-CFA01643	Emergent	11/19/2019	8:13:27 AM	8:18:38 AM	0:05:11	9:40:00 AM		26270 DOLORES ST
191119-CFA01644	Non-Emergent	11/19/2019	2:08:15 PM	2:19:04 PM	0:10:49	2:26:11 PM		65 HACIENDA CARMEL
191120-CFA01648	Emergent	11/20/2019	10:26:20 AM	10:28:51 AM	0:02:31	11:09:40 AM		26245 CARMEL RANCHO BLVD
191120-CFA01649	Emergent	11/20/2019	11:50:42 AM	11:55:12 AM	0:04:30	1:00:00 PM		CARMEL VALLEY RD / CARMEL I
191123-CFA01660	Non-Emergent	11/23/2019	12:03:30 AM	12:10:11 AM	0:06:41	12:15:44 AM		3390 MOUNTAIN VIEW AVE
191123-CFA01664	Emergent	11/23/2019	5:53:58 PM	5:59:00 PM	0:05:02	6:18:09 PM		26245 CARMEL RANCHO BLVD
191124-CFA01667	Emergent	11/24/2019	10:51:44 AM	10:56:38 AM	0:04:54	11:48:44 AM		555 CARMEL RANCHO SHOPPING
191124-CFA01671	Emergent	11/24/2019	8:36:29 PM	8:41:21 PM	0:04:52	8:48:13 PM		26171 MESA DR
191125-CFA01672	Emergent	11/25/2019	5:55:02 AM	6:02:10 AM	0:07:08	6:52:58 AM		3850 RIO RD
191125-CFA01673	Emergent	11/25/2019	7:49:28 AM	7:53:11 AM	0:03:43	7:56:16 AM		HWY 1 / OCEAN AVE
191125-CFA01675	Emergent	11/25/2019	4:46:15 PM	4:50:16 PM	0:04:01	5:50:50 PM		MONTE VERDE ST / 15TH AVE
191127-CFA01687	Non-Emergent	11/27/2019	4:18:10 AM	4:24:59 AM	0:06:49	4:36:56 AM		24513 PESCADERO RD
191127-CFA01688	Non-Emergent	11/27/2019	9:46:22 AM	9:56:00 AM	0:09:38	10:02:23 AM		95 YANKEE POINT DR
191129-CFA01700	Emergent	11/29/2019	12:34:32 PM	12:39:13 PM	0:04:41	1:17:18 PM		26414 BIRCH PL

191104-CFA01564 / Emergent , 11/4/2019 / 6:54:14 PM 6:59:12 PM 0:04:58 8:13:16 PM Attachment 3

1000 MISCAL ST

Subtotal	1	Average Response Time	0:04:58	SEASIDE
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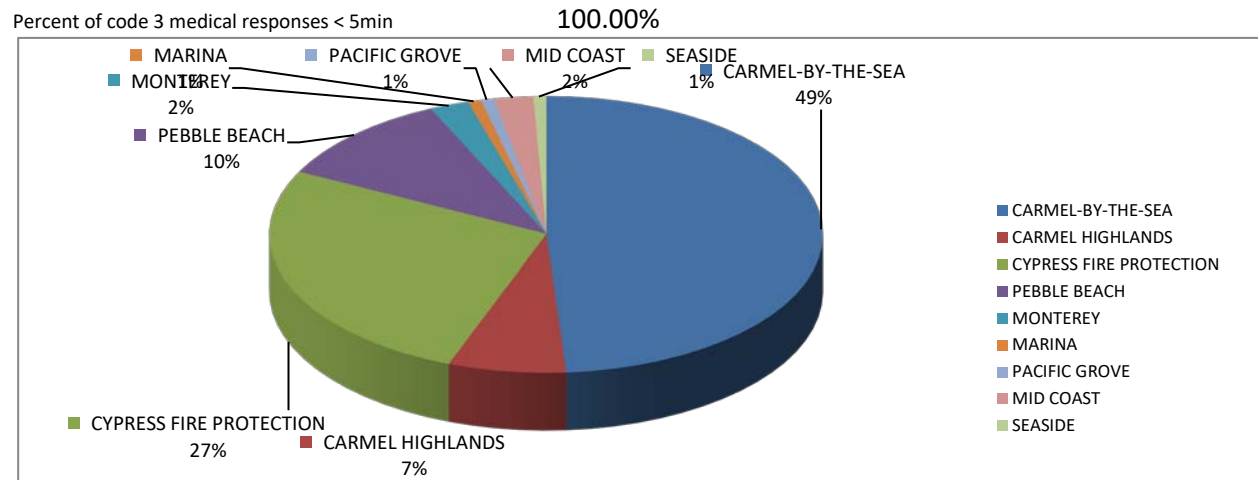
TOTAL All CALLS	131	TOTAL AVERAGE RESPONSE TIME	0:05:23	
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CITY OF CARMEL - FIRE AMBULANCE DEPARTMENT

NOVEMBER 2019

Response Summary Report by District Type

<u>District Response</u>	<u>Number</u>	<u>Average Response Time</u>
CARMEL-BY-THE-SEA	64	0:02:58
CARMEL HIGHLANDS	9	0:10:00
CYPRESS FIRE PROTECTION	35	0:05:25
PEBBLE BEACH	14	0:07:55
MONTEREY	3	0:04:50
MARINA	1	0:20:23
PACIFIC GROVE	1	0:10:52
MID COAST	3	0:25:32
SEASIDE	1	0:04:58
Total Responses	131	0:05:23





RESPONSE SUMMARY REPORT BY INCIDENT TYPE

27060 CARMEL-BY-THE-SEA

Alarm Date From: 11/1/2019 To: 11/30/2019



INCIDENT	DATE	ALARM	ARRIVAL	RESPONSE	STREET	
131	Passenger vehicle fire					
19-0008168	11/18/2019	12:08:03	12:10:06	0:02:03	SAN CARLOS	4TH
Subtotal	1	Average Response Time		0:02:03		
311	Medical assist, assist EMS crew					
19-0007773	11/1/2019	10:16:49	10:20:07	0:03:18	SAN CARLOS	SANTA LUCIA
19-0007788	11/1/2019	22:17:08	22:20:17	0:03:09	LINCOLN	8TH
19-0007808	11/2/2019	18:46:26	18:49:29	0:03:03	CAMINO REAL	8TH
19-0007879	11/5/2019	15:31:01	15:34:18	0:03:17	CASANOVA	10TH
19-0007909	11/6/2019	22:27:41	22:30:14	0:02:33	MISSION	5TH
19-0007930	11/7/2019	19:43:25	19:43:35	0:00:10	6TH	MISSION
19-0007996	11/10/2019	2:12:44	2:16:13	0:03:29	LINCOLN	8TH
19-0008262	11/21/2019	19:32:18	19:34:47	0:02:29	OCEAN	LINCOLN
19-0008437	11/27/2019	21:57:36	22:00:54	0:03:18	SAN CARLOS	4TH
19-0008506	11/30/2019	13:57:50	14:02:04	0:04:14	26025 JUNIPERO	
Subtotal	10	Average Response Time		0:02:54		
321	EMS call, excluding vehicle accident with injury					
19-0007774	11/1/2019	10:25:50	10:33:26	0:07:36	* CAMINO REAL	OCEAN
19-0007821	11/3/2019	11:16:41	11:19:51	0:03:10	DOLORES	9TH
19-0007848	11/4/2019	7:26:52	7:30:28	0:03:36	25981 RIDGEWOOD	
19-0007871	11/5/2019	10:16:00	10:19:44	0:03:44	13TH	SAN CARLOS
19-0007874	11/5/2019	10:53:29	10:55:00	0:01:31	8TH	LINCOLN
19-0007890	11/6/2019	3:02:20	3:06:46	0:04:26	2 PINE RIDGE	
19-0007905	11/6/2019	18:43:43	18:46:30	0:02:47	JUNIPERO	8TH
19-0007926	11/7/2019	15:53:56	15:55:34	0:01:38	SAN CARLOS	OCEAN

19-0007948	11/8/2019	11:27:06	11:29:41	0:02:35	LINCOLN	8TH
19-0007954	11/8/2019	16:18:54	16:22:06	0:03:12	LINCOLN	8TH
19-0008000	11/10/2019	10:13:23	10:16:19	0:02:56	2ND	LINCOLN
19-0008009	11/10/2019	13:43:58	13:46:46	0:02:48	9TH	CARMELO
19-0008097	11/15/2019	4:06:16	4:10:24	0:04:08	CAMINO REAL	8TH
19-0008105	11/15/2019	12:27:59	12:29:56	0:01:57	MISSION	5TH
19-0008249	11/21/2019	14:06:15	14:08:29	0:02:14	TORRES	MOUNTAIN VIEW
19-0008298	11/23/2019	14:44:28	14:46:32	0:02:04	8TH	SAN CARLOS
19-0008321	11/24/2019	17:52:58	17:55:55	0:02:57	10TH	CARMELO
19-0008365	11/26/2019	11:58:02	12:01:57	0:03:55	26025 JUNIPERO	
19-0008422	11/27/2019	14:16:21	14:19:05	0:02:44	FOREST	7TH
19-0008447	11/28/2019	10:47:14	10:50:32	0:03:18	PINE RIDGE	FOREST
19-0008464	11/29/2019	4:23:51	4:26:53	0:03:02	DOLORES	5TH
19-0008476	11/29/2019	15:42:41	15:45:22	0:02:41	7TH	DOLORES
19-0008512	11/30/2019	18:02:47	18:05:15	0:02:28	SAN CARLOS	OCEAN
19-0008516	11/30/2019	20:35:26	20:39:00	0:03:34	DOLORES	5TH
Subtotal	24	Average Response Time		0:03:08		
322	Motor vehicle accident with injuries					
19-0007771	11/1/2019	9:03:00	9:06:05	0:03:05	CARPENTER	HIGHWAY #1
Subtotal	1	Average Response Time		0:03:05		
323	Motor vehicle/pedestrian accident (MV Ped)					
19-0008275	11/22/2019	14:30:35	14:34:17	0:03:42	7TH	LINCOLN
Subtotal	1	Average Response Time		0:03:42		
412	Gas leak (natural gas or LPG)					
19-0007918	11/7/2019	11:14:07	11:17:19	0:03:12	LINCOLN	5TH
Subtotal	1	Average Response Time		0:03:12		
440	Electrical wiring/equipment problem, Other					
19-0007846	11/4/2019	7:01:39	7:05:01	0:03:22	4TH	SAN CARLOS
19-0008092	11/14/2019	20:51:20	20:53:50	0:02:30	MONTE VERDE	7TH
Subtotal	2	Average Response Time		0:02:56		

445	Arcing, shorted electrical equipment					
19-0008393	11/26/2019	21:23:00	21:25:04	0:02:04	DOLORES	1ST
19-0008401	11/26/2019	21:58:58	22:00:18	0:01:20	JUNIPERO	3RD
Subtotal	2	Average Response Time		0:01:42		
521	Water evacuation					
19-0008394	11/26/2019	21:33:20	21:42:54	0:09:34	* 2ND	LOBOS
19-0008396	11/26/2019	21:38:45	21:39:10	0:00:25	TORRES	5TH
Subtotal	2	Average Response Time		0:04:59		
553	Public service					
19-0007857	11/4/2019	16:19:29	16:21:43	0:02:14	7TH	DOLORES
19-0008264	11/21/2019	20:12:40	20:16:17	0:03:37	SAN CARLOS	CAMINO DEL MONTE
19-0008348	11/25/2019	15:20:39	15:24:23	0:03:44	JUNIPERO	1ST
19-0008367	11/26/2019	12:59:37	13:04:09	0:04:32	26210 DOLORES	
19-0008376	11/26/2019	18:00:02	18:04:29	0:04:27	26210 DOLORES	
19-0008378	11/26/2019	19:40:50	19:45:01	0:04:11	CARMELO	8TH
19-0008405	11/26/2019	22:41:29	22:44:20	0:02:51	CASANOVA	8TH
19-0008443	11/28/2019	6:33:11	6:37:49	0:04:38	JUNIPERO	10TH
Subtotal	8	Average Response Time		0:03:47		
554	Assist invalid					
19-0007779	11/1/2019	16:12:45	16:16:40	0:03:55	SANTA RITA	4TH
19-0007910	11/7/2019	0:00:23	0:04:53	0:04:30	CASANOVA	9TH
19-0008075	11/14/2019	7:43:19	7:47:39	0:04:20	CARMELO	9TH
19-0008099	11/15/2019	7:03:55	7:06:49	0:02:54	LINCOLN	7TH
19-0008125	11/16/2019	13:56:03	14:01:31	0:05:28	* SAN CARLOS	SANTA LUCIA
19-0008152	11/17/2019	16:56:22	16:59:36	0:03:14	10TH	CARMELO
19-0008161	11/18/2019	3:52:31	3:56:20	0:03:49	VIZCAINO	FLANDERS
19-0008305	11/23/2019	19:59:37	20:04:20	0:04:43	4TH	LOBOS
Subtotal	8	Average Response Time		0:04:07		
622	No Incident found on arrival at dispatch address					
19-0007951	11/8/2019	13:46:16	13:50:20	0:04:04	LINCOLN	13TH
19-0008169	11/18/2019	12:31:59	12:35:42	0:03:43	MONTE VERDE	5TH

19-0008361	11/26/2019	9:40:36	9:43:57	0:03:21	8TH	SAN CARLOS
Subtotal	3	Average Response Time		0:03:43		
651	Smoke scare, odor of smoke					
19-0007819	11/3/2019	8:49:33	8:54:15	0:04:42	CARPENTER	3RD
Subtotal	1	Average Response Time		0:04:42		
733	Smoke detector activation due to malfunction					
19-0007769	11/1/2019	8:54:21	8:56:26	0:02:05	OCEAN	MONTE VERDE
19-0007913	11/7/2019	4:58:34	5:03:34	0:05:00	JUNIPERO	5TH
19-0008224	11/20/2019	13:55:42	13:57:49	0:02:07	OCEAN	TORRES
19-0008467	11/29/2019	6:30:42	6:35:17	0:04:35	ALTA	MISSION
Subtotal	4	Average Response Time		0:03:27		
736	CO detector activation due to malfunction					
19-0008304	11/23/2019	19:37:09	19:39:45	0:02:36	1ST	SANTA RITA
Subtotal	1	Average Response Time		0:02:36		
743	Smoke detector activation, no fire- unintentional					
19-0008004	11/10/2019	11:29:02	11:31:57	0:02:55	1ST	LOBOS
19-0008408	11/27/2019	3:43:57	3:47:50	0:03:53	CARMELO	OCEAN
Subtotal	2	Average Response Time		0:03:24		
744	Detector activation, no fire - unintentional					
19-0007949	11/8/2019	13:20:57	13:25:12	0:04:15	CAMINO REAL	12TH
19-0008020	11/11/2019	9:26:50	9:29:00	0:02:10	OCEAN	MONTE VERDE
Subtotal	2	Average Response Time		0:03:12		
745	Alarm system activation, no fire - unintentional					
19-0007945	11/8/2019	10:01:23	10:03:40	0:02:17	DOLORES	OCEAN
19-0008131	11/16/2019	16:53:23	16:55:39	0:02:16	7TH	JUNIPERO
19-0008164	11/18/2019	9:44:40	9:47:29	0:02:49	OCEAN	DOLORES
Subtotal	3	Average Response Time		0:02:27		

7451	Medical Alarm Device Activation, no medical					
19-0008302	11/23/2019	17:02:22	17:03:15	0:00:53	13TH	SAN CARLOS
19-0008316	11/24/2019	14:05:09	14:08:11	0:03:02	2 PINE RIDGE	
Subtotal	2	Average Response Time		0:01:57		

* Over 5 minute responses:

19-0007774 Code 3 response, ME11 Responded from downtown Monterey
 19-0008394 Code 2 response, pending incidents due to sever weather caused delay
 19-0008125 Code 2 response



CARMEL-BY-THE-SEA NOVEMBER 2019 Response Summary Report by Incident Type

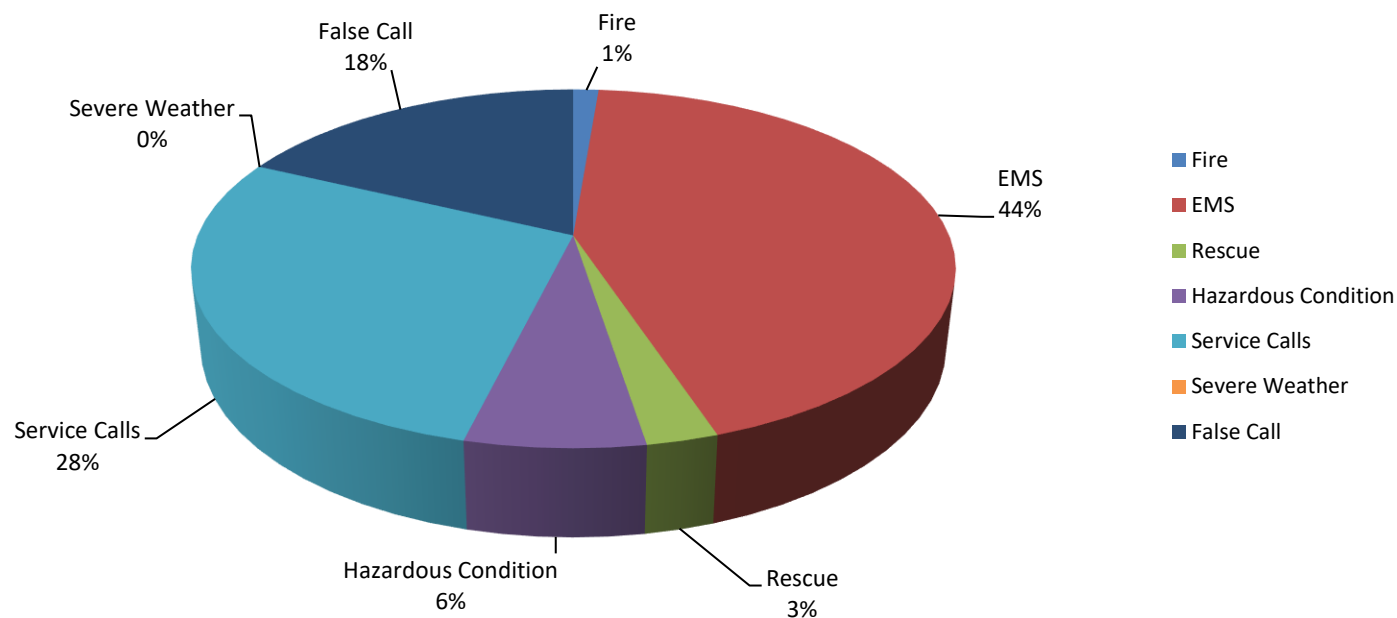


Type of Call	Number	Average Response Time
Fire	1	2:03
EMS	34	3:04
Rescue	2	3:23
Hazardous Condition	5	2:30
Service Calls	22	4:03
Severe Weather	0	0:00
False Call	14	2:55

Total Responses

78

3:16



Total Code 3 Calls:

56

Response Times for Code 3

Calls ≤ 5 minutes:

98%



CITY OF CARMEL-BY-THE-SEA

Monthly Report

November 2019

City Clerk's Office

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Britt Avrit, City Clerk
SUBMITTED ON:	December 17, 2019
APPROVED BY:	Chip Rerig, City Administrator

In the month of November, the City received and responded to 25 requests for public records.

	This Month	Calendar YTD
City Clerk's Office	6	181
Police Department	19	224
TOTAL REQUESTS/RESPONSES	25	405

PRA LOG
NOVEMBER 2019

REQUEST NUMBER	REQUEST DATE	10-DAY DUE DATE	EXPECTED PRODUCTION DATE	STATUS	COMPLETED DATE	REQUESTOR	INFORMATION REQUESTED	NOTES
2019-183	11/1/2019				11/8/2019	Paterson	Electronic copies of Public Records Act requests and City's responses to PRA requests CITY CLERK'S OFFICE PRA LOG SEPTEMBER 2019 REQUEST NUMBERS PRA 2019-153 through PRA 2019-157.	
2019-184	11/1/2019				11/20/2019	Paterson	Electronic copies of the job application, resume and any other materials of the City's new forester Sara Davis and public records demonstrating the City had 26 applicants given that California has no express exemption from disclosure of job applications and disclosure of information as to education, training, experience, awards, previous positions and publications has been held to implicate no privacy or public policy exemption. <i>Eskaton Monterey Hospital v. Myers</i> , 134 Cal. App. 3d 788, 794, 184 Cal. Rptr. 840 (1982).	
2019-185	11/5/2019				11/15/2019	Tim/Sandcastle Estates	all permits associated with parcel 010-291-004-000	notified requesting party copies ready for review or purchase 11/15/19; requestor indicates payment mailed 11/15/19
2019-186	11/6/2019				11/15/2019	K. Ipsen	all permits associated with parcel 010-291-004-000	
2019-187	11/12/2019				11/15/2019	S. Jones – ZeroWaste USA, LLC	electronic PDF copies of all Invoices for DOG WASTE BAGS for 2017-2019 (OR the most recent) by Parks & Recreation, Public Works, Facilities, Grounds Maintenance, Trails & Open Spaces, Animal Control/Shelter, Police/Sheriff K9 Team, etc...	
2019-188	11/27/19 received 12/2/19	12/12/2019				Paterson	Electronic copies of Public Records Act requests and City's responses to PRA requests CITY CLERK'S OFFICE PRA LOG OCTOBER 2019 REQUEST NUMBERS PRA 2019-159 through PRA 2019-182, excluding PRA 2019-161, 162, 163, 173, 174, 177	

Request No.	Request Date & Received By	10-Day Due Date	14-Day Ext. Date	Date Completed by PSO	Requestor	Phone	Info Requested	Status	Date & PSO Mailed
2019-0001	11/1/2019	11/10/2019			Rod Goya	415-668-1229	CG1900164	DENIED	MAILED LETTER BY DA
2019-0002	11/02/19 mw	11/11/2019			Dennis Chase	214-728-7160	CA1900633	completed	11/02/19 mw
2019-0003	11/5/2019			N/A	John Coniglio	373-3151	FG1905821	mis-routed	Mailed back MJR
2019-0004	11/5/2019			9-Nov	Metropolitan Reporting	800-245-6686	CA1900548-photos	COMPLETED	MAILED BY DA
2019-0005	11/5/2019			11-05 MJR	Metropolitan Reporting	800-245-6686	CA1900654	COMPLETED	MAILED BY MJR
2019-0006	11/5/2019			11-05 MJR	Metropolitan Reporting	800-245-6686	CA1900633	COMPLETED	MAILED BY MJR
2019-0007	11/12/2019			11-12 MJR	Dunnion Law Firm	831-373-8035	CA1900642	COMPLETED	Mailed by MJR
2019-0008	11/14/2019	11/24/2019		11-14 DA	Dept of Social Services	888-422-5669	CQ1700101	completed	emailed by DA
2019-0009	11/14/2016	11/24/2019		11-15 DA	LexisNexis	800-934-9698	CA1900660	completed	mailed by DA
2019-0010	11/14/2016	11/24/2019		11-15 DA	LexisNexis	800-934-9698	CA1900642	completed	mailed by DA
2019-0011	11/14/2016	11/24/2019		11-15 DA	LexisNexis	800-934-9698	CA1900642	completed	mailed by DA
2019-0012	11/14/2019	11/24/2019		11-15 DA	Nicole Costa	831-6243729	CG1900054	Completed	redacted report released
2019-0013	11/13/2019	11/23/2019		11-16-19 DA	LexisNexis		CA1900654	COMPLETED	MAILED BY DA
2019-0014	11/13/2019	11/23/2019		11-16 DA	LexisNexis		CA1900660	COMPLETED	MAILED BY DA
2019-0015	11/13/2019	11/23/2019		11-16 DA	LexisNexis		CC1900705	COMPLETED	MAILED BY DA
2019-0016	11/13/2019	11/23/2019		11-16 DA	LexisNexis		CA1900607	COMPLETED	MAILED BY DA
2019-0017	11/17/2019				Kristina May		CG1900425-Supp 2	don't see supp 2	
2019-0018	11/15/2019	11/25/2019		11-21-19 DA	Richard Cartwright	831-238-7463	incident date	completed	redacted CAD report released
2019-0019	11/19/2019			11-21-19 DA	Stan Wright		CG1900701	completed	report released at front counter
2019-0020	11/22/2019	12/2/2019		11/23/2019	LexisNexis		CA1900673	completed	mailed by DA
2019-0021	11/24/2019	12/4/2019		11/24/2019	Glen Gaudet	647-296-8086	CA1900717	completed	released at front counter



CITY OF CARMEL-BY-THE-SEA

Monthly Report

Public Works Department Report – November 2019

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Robert M. Harary, P.E., Director of Public Works
SUBMITTED ON:	December 13, 2019
APPROVED BY:	Chip Rerig, City Administrator

Forest and Beach Commission Meeting of November 14 was Canceled:

- Next meeting will be held on December 12, 2019.

PW Administration

- Continued to serve as interim City Forester and worked with contract arborist to manage tree removals, pruning permit applications, task orders, and public inquiries.
- Attended Strategic Planning Session with the City Council and Directors.
- Attended TAMC's Technical Advisory Committee and reviewed 2020 state legislation which impacts municipal transportation programs.
- Supported the November 20th Traffic Safety Committee meeting regarding parking, perceived speeding, and public safety issues.

Environmental Programs

- Submitted supplemental information to the Compliance Plan and Annual Report regarding the Area of Special Biological Significance as required by California Water Quality Control Board.
- Prepared a three-year Professional Services Agreement with Applied Marine Science regarding copper and bacteria testing in accordance with State requirements.
- Coordinated the first Climate Action Committee meeting on November 20th, set up the organization of the Committee, and reviewed sample plans prepared by nearby agencies.

Facility Maintenance

- Continued removing unused, unsightly newspaper racks and modified newsstands.
- Continued to retrofit three restrooms in the Park Branch Library to be ADA-compliant.
- Installed a parking citation payment kiosk in the Police lobby.
- Upgraded the old electrical system to meet current code within the Ocean Avenue median island between Junipero and Mission Streets.
- Relocated shelves, bookcases, and furniture in the Harrison Memorial Library in preparation for the upcoming Meeting Room construction project.

Public Works Department Report – November 2019

Forestry, Parks and Beach

- See attached Forester's Report for November 2019 and summarized below:
- City Trees: 11 dead/hazardous trees were removed, and 11 trees were planted.
- Private Trees: 18 dead/hazardous trees were removed, and 21 private trees were planted.
- Continued landscape beautification at city-wide locations.
- Removed poison oak along the Doolittle Trail in the Mission Trail Nature Preserve.
- Prepared a design for a sustainable, demonstration Rain Garden in front of the Public Works facility and began site preparations.

Project Management

- Presented the scope of work, status, and schedule for the Police Building Renovation Project to the City Council.
- The 100% plans for the Police Building Renovation Project was reviewed for the Building Permit and only minor issues required correction.
- Bid documents were completed, and the Scout House Roof Replacement Project was advertised for construction bids.
- Following Council's rejection of only one bid received for the Harrison Memorial Library Meeting Room Project, the project was rebid and four bids were received the second time.
- Revised the plans and bidding documents for the Sunset Center Boiler Replacement Project, and the project will be advertised for bids in December.

Street Maintenance

- Cleaned up the Sunset Center north parking lot and supported the Homecrafter's Marketplace.
- Placed over 7 tons of hot mix asphalt to repair four deteriorated sections of residential streets.
- Several storms hit the City during the last two weeks of November. During and immediately following storm events, tree debris was removed from the street and public right-of-way, storm drain catch basins were cleaned out, streets were swept more frequently, trees were inspected for hanging limbs, sandbags were set up, etc.
- Condition assessments of the City's storm drain system, including the use of CCTV video and pole cameras, were completed through the City's pipes, culverts, and access holes.
- Received, installed, and was trained on a new traffic sign plotter and software. This plotter replaces an ancient plotter and allows us to replace nearly any sign meeting current requirements.

NOVEMBER 2019

Attachment 6

		November	YTD	2018			November	YTD	2018
City Trees Removed (upper/lower)		11(5/6)	127(105/18)	145	City Trees Planted (upper/lower)		11(8/3)	56(44/12)	62
W/S Torres, 60' N of 5th	2 oaks, 10" and 12" DBH (dead)				Junipero btwn 10th and 11th	1 x 5-gal Monterey pine - r			
S/S 7th, 50' E of San Carlos	10" DBH New Zealand tea tree (hazard)				Carmelo 20' NW of 7th	1 Monterey pine and 1 oak - r			
E/S Crespi, 50' S of Mountain View	7" DBH Coast live oak (advanced decline)				8th btwn Monte Verde and Casanova	1 x 5-gal Monterey pine - r			
S/S Mountain View, 30' E of Vizcaino	4 Coast live oaks 5", 6", 8" and 8" DBH (advanced decline)				SE corner of San Carlos and 7th	1 Strawberry tree - r			
Forest Theatre	14" DBH Monterey pine, 6" DBH Monterey cypress, 7" DBH Coast live oak				S side of Ocean, 40ft E of Monte Verde	1 x 5 gal strawberry tree - r			
					N side 2nd Street, at Casanova St.	3 x 5-gal Monterey pines			
					Forest Hill Park	2 x 5-gal Monterey pines			
					Forest Theatre	1 x 5-gal Monterey pine			
					r - replacement of tree under care				
Private Removal Permits (upper/lower)		18(4/14)	163(102/61)	76	Private Planting Requirements		21(9/12)	105(48/57)	20
N Carmelo St 5 &6 N of 4th	1 oak (diseased)				6 x 15 gal lower canopy tree				
8th Ave 2 SE of Monte Verde	1 Deodar cedar				6 x 15 gal lower canopy tree				
Lincoln 5 SE of 3rd	1 oak (decay)				2 x 5 gal upper canopy tree				
NE corner of Casanova and 13th	4 oaks				7 x 15 gal upper canopy tree				
Carmello 3 SE of 2nd	2 oaks								
Palou 7 NE of Casanova	1 pine								
Guadalupe 3 SE of 7th	1 oak								
Mission 3 SE Of 10th	2 oak (dead)								
NWC Santa Rita and 2nd	1 pine								
Casanova 2 NE of 12th	1 oak and prune								
Santa Rita 2 SE of 4th	1 pine (decay)								
Carmelo 5 NE of Ocean	1 oak (dead)								
Construction Permits (remove/prune)		2(1/1)	21(12/9)	15	Construction Planting Requirements		0 (0/0)	21(11/10)	7
Camino Real 4 NE of 9th	Remove 15" oak								
Monte Verde 2 SE of 11th	Remove 1 and prune								
Private Pruning Permits (upper/lower)		2(1/1)	28(17/12)	16	Trees Under Care				
Torres 3 SW of 9th	1 oak				FOCF trees planted	108			
Camino Real 2 NW of 2 NW of 13th	1 pine				City watered	158			
					City irrigated	40			



CITY OF CARMEL-BY-THE-SEA

CITY COUNCIL

Staff Report

January 7, 2020
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Robin Scattini, Finance Manager

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Approve the check register for November 2019

RECOMMENDATION:

Approve the check register for November 2019.

BACKGROUND/SUMMARY:

The check register is produced from the City's financial system. The report groups the checks by the respective department or function. The check register includes the check number, the name of the vendor, a description of the purchase, the check issue date and the amount of the check. Per the California Supreme Court's decision in the case of Los Angeles County Board of Supervisors v. Superior Court (Dec. 29, 2016) (2016 WL 7473802), the check register excludes the specific invoice payments for legal services incurred for pending and active investigations, pending and active litigation, as well as recently concluded matters. The Supreme Court has ruled that these specific invoices are protected under attorney-client privilege and need not be disclosed under the Public Records Act.

On the last page of the report, staff have included the contract balance for the respective vendors that were paid in November.

FISCAL IMPACT:

The check register summary for November 2019 totals \$868,360.

PRIOR CITY COUNCIL ACTION:

Council ratified the October 2019 check register at its December 3 regular meeting.

ATTACHMENTS:

November 2019 check register

November 2019 Check Register

Check No.	Vendor/Employee	Transaction Description	Date	Amount
Department: 000 Marketing & Economic Development				
44200	Visit Carmel	July-Sept 2019 CRID remittance	11/26/2019	66,642.64
Total for Department: 000 Marketing & Economic Development				66,642.64
Department: 110 City Council				
44031	Coastal TPA, Inc	Dental and vision reimbursement claims	11/07/2019	46.20
44042	Peninsula Messenger Service	Mail service: Sort and delivery	11/07/2019	5,655.00
44055	Jan Reimers	Meal reimbursements: League of California Cities confer.	11/08/2019	55.89
44186	California Coastal Trail Association	Annual membership dues	11/26/2019	300.00
44199	US Bank	Lodging and transportation: League of Cal. Cities conf.	11/26/2019	1,144.99
Total for Department: 110 City Council				7,202.08
Department: 111 City Administration				
44025	AT&T	Telephone service citywide	11/07/2019	626.25
44026	AT&T	Long distance telephone service	11/07/2019	35.61
44031	Coastal TPA, Inc	Dental and vision reimbursement claims	11/07/2019	103.95
44032	Comcast	Cal-Net NonCGEN charges through 9/30/19	11/07/2019	967.35
44041	Office Depot, Inc.	Office supplies	11/07/2019	136.93
44043	Pitney Bowes Inc. Supplies	Postage meter ink and sealer	11/07/2019	258.80
44045	Sloan Sakai Yeong & Wong	Professional services	11/07/2019	2,687.50
44051	Verizon Wireless	Usage and purchases, voice, messaging, data	11/07/2019	119.20
44084	Alhambra	Water service City Hall	11/14/2019	160.16
44086	Coastal TPA, Inc	Dental and vision reimbursement claims	11/14/2019	376.92
44087	Community Hospital of the Monterey Peninsula	Healthy Eating Workshop for city employees	11/14/2019	150.00
44088	Copies By-The-Sea	Agenda and misc printing services	11/14/2019	1,538.18
44090	Office Depot, Inc.	Office supplies	11/14/2019	517.14
44093	Renne Public Law Group	Professional services	11/14/2019	7,088.91
44094	Sloan Sakai Yeong & Wong	Professional services	11/14/2019	1,260.76
44095	Sprint	Cell service, usage and purchases	11/14/2019	400.88
44096	Universal Staffing Inc	Contract services for temp office help	11/14/2019	1,936.13
44097	Zoom Imaging Solutions, Inc.	Admin copier usage	11/14/2019	303.63
44108	Carmel Pine Cone	Legal noticing	11/20/2019	834.25
44116	Faronics	Basic Support 5 year subscription	11/20/2019	5,000.00
44137	Public Storage Inc	Storage Unit DO41 Monthly Fee	11/20/2019	721.00
44187	California Municipal Statistics Inc	Direct and overlapping debt statement for CAFR	11/26/2019	500.00
44188	Carmel Pine Cone	Legal noticing	11/26/2019	515.00
44190	Digital Deployment	Comprehensive IT Service Program-Monthly fee	11/26/2019	700.00

44191	Jane Wilson	Reimburse: Strategic Planning refreshments & CALPELRA	11/26/2019	86.51
44195	Papillon Center for Transition	Grief support for Public Works staff	11/26/2019	101.50
44196	Toshiba Financial Service	Copier contract Admin ESTUDIO 5506ACT	11/26/2019	371.54
44198	Universal Staffing Inc	Contract services for temp office help	11/26/2019	476.00
44199	US Bank	FAS:IT subscriptions, Google storage	11/26/2019	2,902.96
Total for Department: 111 City Administration				30,877.06

Department: 112 City Attorney

44054	Adams, Ferrone & Ferrone	POA settlement attorney fees	11/08/2019	23,500.00
44085	Burke,Williams & Sorensen, LLP	Professional services through 9/30/2019	11/14/2019	4,238.00
Total for Department: 112 City Attorney				27,738.00

Department: 115 Community Planning & Building

44029	Caltronics Business Systems, Inc.	Front Copier Repair & Maintenance: Invoice #2878310	11/07/2019	1,582.47
44031	Coastal TPA, Inc	Dental and vision reimbursement claims	11/07/2019	103.95
44034	Engineered Fire Systems	September 2019 plan reviews	11/07/2019	1,000.00
44050	US Bank	Conference lodging, APA membership fee, fire code info	11/07/2019	2,005.81
44086	Coastal TPA, Inc	Dental and vision reimbursement claims	11/14/2019	762.37
44165	California Building Officials	2019 CALBO Ed Week- registration fee	11/21/2019	390.00
44167	Carmel Towing & Garage	CPB Car Fuel - Invoice #11-01-2019	11/21/2019	126.65
44169	Coastal TPA, Inc	Dental and vision reimbursement claims	11/21/2019	113.00
44171	Engineered Fire Systems	October plan reviews - Invoice #15776	11/21/2019	300.00
44176	Office Depot, Inc.	Office supplies	11/21/2019	62.09
Total for Department: 115 Community Planning & Bu				6,446.34

Department: 116 Police

44023	Alhambra	PD, water service	11/07/2019	154.09
44025	AT&T	T1 & internet	11/07/2019	82.35
44028	California Peace Officers Association	Annual Membership: Tomasi, inv# 201710	11/07/2019	125.00
44031	Coastal TPA, Inc	Dental and vision reimbursement claims	11/07/2019	254.10
44032	Comcast	Cable TV & T1	11/07/2019	54.27
44033	Community Hospital of the Monterey Peninsula	Sept 2019 blood draws - inv# 400350697	11/07/2019	52.00
44035	First Security Services	Sept 2019 beach patrol - inv# IN-0020848	11/07/2019	3,765.42
44037	Lemos Service Inc	1951 Chevy Deluxe repairs - inv# 250183	11/07/2019	341.94
44040	Monterey Tire Service Inc	Repairs - inv# 1-91247	11/07/2019	86.20
44041	Office Depot, Inc.	Office supplies	11/07/2019	79.13
44044	Silke Communications	Microphone/antenna issues - inv# 89115	11/07/2019	519.59
44047	T2 Systems Canada Inc.	Digital Iris Svcs.	11/07/2019	75.00
44049	Universal Staffing Inc	Contract services for temp office help	11/07/2019	185.94
44057	Anthony Gotelli	FLSA settlement	11/15/2019	3,740.39

44058	Christina Newton	FLSA settlement	11/15/2019	7,084.80
44059	Christina Woznuk	FLSA settlement	11/15/2019	2,324.93
44060	Christoper Johnson	FLSA settlement	11/15/2019	27,929.85
44061	Cindi Mitchell	FLSA settlement	11/15/2019	1,308.61
44062	Cristie Nino	FLSA settlement	11/15/2019	467.32
44063	David Di Maggio	FLSA settlement	11/15/2019	8,211.70
44064	Dawn Almario	FLSA settlement	11/15/2019	3,872.71
44065	Esther Partido	FLSA settlement	11/15/2019	8,167.76
44066	Gerald Maldonado	FLSA settlement	11/15/2019	10,028.58
44067	Gregory Johnson	FLSA settlement	11/15/2019	11,315.87
44068	Jacob Clifford	FLSA settlement	11/15/2019	13,110.04
44069	Jeff Watkins	FLSA settlement	11/15/2019	14,772.32
44070	Jesse Juarez	FLSA settlement	11/15/2019	4,417.33
44071	Joe Boucher	FLSA settlement	11/15/2019	14,393.93
44072	Joe Martis	FLSA settlement	11/15/2019	6,921.33
44073	Kenrick Shen	FLSA settlement	11/15/2019	18,600.78
44074	Luke Powell	FLSA settlement	11/15/2019	21,095.43
44075	Maureen Roddick	FLSA settlement	11/15/2019	14,921.17
44076	Melissa Webster	FLSA settlement	11/15/2019	12,533.90
44077	Melvin Mukai	FLSA settlement	11/15/2019	612.60
44078	Michael Bruno	FLSA settlement	11/15/2019	20,552.43
44079	Rachelle Lightfoot	FLSA settlement	11/15/2019	18,945.11
44080	Ricardo Mendoza	FLSA settlement	11/15/2019	21,649.80
44081	Ronald Pfleger	FLSA settlement	11/15/2019	25,190.67
44082	Shannon Brawner	FLSA settlement	11/15/2019	2,914.44
44083	Tracy Cook	FLSA settlement	11/15/2019	3,618.59
44086	Coastal TPA, Inc	Dental and vision reimbursement claims	11/14/2019	1,749.74
44107	Caltronics Business Systems, Inc.	Copier meter reading	11/20/2019	152.16
44111	Comcast	Cable TV & T1	11/20/2019	185.05
44113	De Lage Landen Financial	Copier lease and usage	11/20/2019	160.95
44114	Duncan Solutions	Tix system revenue mgmt - inv# DS0000002228	11/20/2019	2,000.84
44130	Monterey County Sheriff-Coroner	Criminal Justice Info System, 07/01/19-09/30/19	11/20/2019	18,807.34
44139	Same Day Shred	Shredding services	11/20/2019	45.00
44143	T2 Systems Canada Inc.	Digital Iris Svcs.	11/20/2019	125.00
44145	Transunion Risk & Alterna	Investigative searches	11/20/2019	80.20
44147	Universal Staffing Inc	Contract services for temp office help	11/20/2019	371.88
44148	US Bank	Training lodging, fuel, animal control supplies, registr. fee	11/20/2019	2,042.19

Total for Department: 116 Police

330,197.77

Department: 117 Fire

44039	Mission Linen Service	Linen maintenance - inv# 511026911	11/07/2019	94.78
44100	Alhambra	Water service	11/20/2019	161.90
44103	American Supply Company	Janitorial supplies- inv# 2865738	11/20/2019	298.36
44110	City Of Monterey	Fire Admin Services	11/20/2019	208,022.50

44128	Mission Linen Service	Linen maintenance - inv# 511073149	11/20/2019	205.30
Total for Department: 117 Fire				208,782.84
Department: 118 Ambulance				
44027	Bound Tree Medical LLC	Medical supplies	11/07/2019	99.90
44031	Coastal TPA, Inc	Dental and vision reimbursement claims	11/07/2019	57.75
44051	Verizon Wireless	Cell phone service	11/07/2019	14.04
44053	Wittman Enterprises, LLC	AMB billing svcs. - inv# 190902	11/07/2019	3,460.57
44086	Coastal TPA, Inc	Dental and vision reimbursement claims	11/14/2019	663.84
44110	City Of Monterey	Ambulance OT coverage	11/20/2019	17,053.92
44136	Peninsula Welding & Medical Supply, inc.	Oxygen cylinder rentals	11/20/2019	159.99
44149	Wittman Enterprises, LLC	Amb billing services - inv# 1909092	11/20/2019	4.89
44169	Coastal TPA, Inc	Dental and vision reimbursement claims	11/21/2019	346.79
Total for Department: 118 Ambulance				21,861.69
Department: 119 Public Works				
44024	American Messaging	Pagecopy useage - inv# L5253283TJ	11/07/2019	2.50
44031	Coastal TPA, Inc	Dental and vision reimbursement claims	11/07/2019	174.14
44056	Robert Harary	Mileage reimbursement: June/Sept/Nov TAMC meetings	11/08/2019	69.60
44086	Coastal TPA, Inc	Dental and vision reimbursement claims	11/14/2019	420.00
44099	Ailing House Pest Control	Pest control: citywide all buildings and parks	11/20/2019	589.00
44100	Alhambra	Water Delivery for Public Work	11/20/2019	175.82
44101	Always Under Pressure	Switch float installed- inv#90902	11/20/2019	81.41
44102	American Lock & Key	Keys for city properties. inv#63029	11/20/2019	16.93
44103	American Supply Company	Supplies for facilities maintenance, inv#0143397	11/20/2019	3,715.99
44107	Caltronics Business Systems, Inc.	Copier meter reading	11/20/2019	143.65
44109	Cintas Corporation	Uniform Service for Public Works Division	11/20/2019	461.13
44110	City Of Monterey	Public Works vehicle maintenance	11/20/2019	2,627.98
44112	Concept Security	Work done on panic button at City Hall - inv#980882	11/20/2019	705.00
44113	De Lage Landen Financial	Copier lease and usage	11/20/2019	204.45
44115	Edges Electrical Group	Electrical supplies for Public Works projects	11/20/2019	62.42
44117	Fastenal Company	Supplies for Public Works projects	11/20/2019	33.70
44119	GCS Environmental Equipment Services	Curtains and water pump for sweeper, inv#20237	11/20/2019	675.01
44121	Golden State Portables	Forest Theater portable toilets	11/20/2019	596.29
44122	Granite Rock Company	Asphalt for various City location projects	11/20/2019	874.13
44123	Hayward Lumber	Lumber and supplies for Public Works projects	11/20/2019	248.89
44126	Marina Backflow Company	Test on backflow devices	11/20/2019	550.00
44127	Mirage Window Cleaning	Window cleaning service for various City Buildings	11/20/2019	710.00
44129	MJ Murphy Lumber and Hardware	Hardware and lumber supplies for Public Works projects	11/20/2019	267.96
44134	Office Depot, Inc.	Office supplies	11/20/2019	227.35
44135	Otis Elevator Company	Service: Harrison Memorial Library, inv#SJM66501A19	11/20/2019	797.31
44138	Pureserve Building Service	Janitorial services citywide	11/20/2019	19,060.43

44140	Scarborough Lumber & Building	Supplies for Public Works projects	11/20/2019	305.42
44141	State of Ca - Dept of Industrial Relations	Lic fee for elevator at Park Branch Library, inv#E1675386S	11/20/2019	225.00
44146	Trucksis Enterprises, Inc.	Flags for various City locations, inv#11535	11/20/2019	302.98
44160	Acme Rotary Broom Service	Gutter brooms for sweeper, inv 1078	11/21/2019	981.98
44161	Ailing House Pest Control	Pest control: citywide all buildings and parks	11/21/2019	1,119.00
44162	American Supply Company	Mutt Mitts	11/21/2019	2,977.58
44166	Carmel Area Wastewater District	CDS unit cleanout	11/21/2019	4,595.07
44167	Carmel Towing & Garage	Fuel for PW vehicles	11/21/2019	2,406.54
44168	Cintas Corporation	Uniform Service for Public Works Division	11/21/2019	286.14
44169	Coastal TPA, Inc	Dental and vision reimbursement claims	11/21/2019	125.46
44173	Iverson Tree Service	Tree work citywide	11/21/2019	5,629.62
44174	John Ley's Tree Service	Tree work citywide	11/21/2019	5,841.00
44175	MJ Murphy Lumber and Hardware	Hardware and lumber supplies Public Works projects	11/21/2019	121.10
44178	Pureserve Building Service	Janitorial services citywide	11/21/2019	19,060.43
44179	Scarborough Lumber & Building	Supplies for Public Works projects	11/21/2019	64.64
44180	Sherwin-Williams Co.	Paint and supplies for all divisions of Public Works	11/21/2019	134.87
44181	Terex Utilities	Annual Inspection, parts, labor for the bucket truck	11/21/2019	877.04
44182	Tope's Tree Service Inc.	Tree work citywide	11/21/2019	6,515.00
44183	Uline Inc.	Safety clothing and supplies, inv11353809	11/21/2019	196.29
44184	West Coast Arborists Inc .	Tree work citywide	11/21/2019	15,278.00
44185	Bent Mfg. Co	10 small barricades -inv#0005699-IN	11/26/2019	1,368.74
44197	Town and Country Gardening	Landscape maintenance: citywide	11/26/2019	20,784.20

Total for Department: 119 Public Works	122,687.19
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Department: 120 Library

44031	Coastal TPA, Inc	Dental and vision reimbursement claims	11/07/2019	103.95
44092	Pacific Grove Self Storage	Storage unit for City art	11/14/2019	280.00
44169	Coastal TPA, Inc	Dental and vision reimbursement claims	11/21/2019	146.00

Total for Department: 120 Library	529.95
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Department: 121 Community Activities

44031	Coastal TPA, Inc	Dental and vision reimbursement claims	11/07/2019	23.10
44089	Golden State Portables	Portable toilet/handwashing station services: Halloween	11/14/2019	1,163.56
44120	Glastonbury Inc	Tree Lighting sound deposit	11/20/2019	450.00
44124	Hodges Rental All	City birthday lunch rentals - chairs, tables, freezer	11/20/2019	1,036.00
44144	The Christmas Light Pros	Install & remove lights on Ocean Ave holiday tree	11/20/2019	5,300.00
44172	Golden State Portables	Portable toilet/handwashing station services	11/21/2019	596.29

44192	Monterey County Agricultural Commissioner	Farmers Market inspection	11/26/2019	96.00
44193	Office Depot, Inc.	Office supplies	11/26/2019	106.22
44199	US Bank	Event supplies	11/26/2019	2,003.63
Total for Department: 121 Community Activities				10,774.80

Department: 122 Economic Revitalization

44030	Carmel Chamber of Commerce	Annual membership	11/07/2019	445.00
Total for Department: 122 Economic Revitalization				445.00

Department: 130 Non-Departmental

44091	Pacific Gas & Electric	Gas & electric service citywide	11/14/2019	17.39
44106	Cal-Am Water Company	Water service citywide	11/20/2019	6,221.32
44164	Cal-Am Water Company	Water service citywide	11/21/2019	646.12
44194	Pacific Gas & Electric	Gas & electric service citywide	11/26/2019	803.41
Total for Department: 130 Non-Departmental				7,688.24

Department: 311 Capital Projects

44104	American Wholesale Lighting	LED lights for City facilities, inv#20	11/20/2019	100.97
44118	Ferguson Enterprises, Inc.	Plumbing supplies for ADA compliance, inv#8043958	11/20/2019	404.08
44125	Kasavan Architects Inc	Police dept renovation: architectural & engineering designs	11/20/2019	7,040.00
44131	Musson Theatrical Inc	Sunset Cultural Center stage rigging repairs	11/20/2019	3,780.00
44132	Native Solutions	North Dunes restoration project	11/20/2019	3,500.00
44133	Nicole Nedeff	Biological consulting Mission Trail Nature Preserve	11/20/2019	412.50
44189	Copies By-The-Sea	Police Station Remodel booklet- inv#1012	11/26/2019	128.54
Total for Department: 311 Capital Projects				15,366.09

Department: 411 Debt Service

44048	Union Bank Of California	Annual admin fee Carmel 2010 Rev Bonds	11/07/2019	2,013.00
Total for Department: 411 Debt Service				2,013.00

Department: 513 Veh & Equip Replacement

44105	Axiom Engineers Consulting	Design High Efficiency Boilers: Sunset Center	11/20/2019	500.00
44142	Surveillance Grid Intergration Inc	Installation services: security pole cameras project	11/20/2019	2,325.00
44170	Denco Sales Co Inc	Plotter- Sign Maker for PW Signs.	11/21/2019	6,282.50

Total for Department: 513 Veh & Equip Replacement	9,107.50
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Grand Total	868,360.19
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November Contract Payments:

Vendor	Contract Amt	Paid through November	Contract Balance	
Pen Messenger	\$ 203,025.00	\$ 148,857.00	\$ 54,168.00	
City of Monterey	\$2,381,892.00	\$ 1,031,059.25	\$1,350,832.75	Fire admin services
West Cst Arborists	\$ 100,000.00	\$ 87,938.00	\$ 12,062.00	
Renne Public Law	\$ 40,000.00	\$ 33,886.82	\$ 6,113.18	
J. Ley's Tree Svc.	\$ 100,000.00	\$ 14,575.50	\$ 85,424.50	
Sloan SY & Wong	\$ 75,000.00	\$ 10,105.39	\$ 64,894.61	
Pureserve	\$ 231,587.00	\$ 95,302.15	\$ 136,284.85	
Town&Ctry Gard.	\$ 126,415.00	\$ 148,805.78	\$ (22,390.78)	contract amendment forthcoming
Kasavan	\$ 179,408.00	\$ 139,113.61	\$ 40,294.39	PD renovation
Musson	\$ 57,075.00	\$ 53,409.00	\$ 3,666.00	
Nicole Nedeff	\$ 6,000.00	\$ 1,050.00	\$ 4,950.00	
Tope's Tree Svc.	\$ 100,000.00	\$ 48,987.00	\$ 51,013.00	
Iverson Tree Svc.	\$ 50,000.00	\$ 47,256.25	\$ 2,743.75	
Native Solutions	\$ 24,500.00	\$ 3,500.00	\$ 21,000.00	
Axiom Engineers	\$ 17,500.00	\$ 12,500.00	\$ 5,000.00	SCC Boilers
Surveillance Grid	\$ 130,589.00	\$ 102,693.73	\$ 27,895.27	



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

January 7, 2020
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Marnie Waffle, AICP, Sr. Planner

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Adopt Ordinance 2019-003 amending Carmel Municipal Code (CMC) Chapters 17.08, 17.14, 17.28, 17.68 and 17.70 to establish regulations for transient rentals in the Commercial and Multi-Family Zoning Districts and to prohibit the advertising of unpermitted transient rentals within all Zoning Districts which constitutes reading of the title and waiver of reading of the Ordinance.

RECOMMENDATION:

Adopt Ordinance 2019-003 amending Carmel Municipal Code (CMC) Chapters 17.08, 17.14, 17.28, 17.68 and 17.70 to establish regulations for transient rentals in the Commercial and Multi-Family Zoning Districts and to prohibit the advertising of unpermitted transient rentals within all Zoning Districts which constitutes reading of the title and waiver of reading of the Ordinance.

BACKGROUND/SUMMARY:

On December 3, 2019, the City Council introduced an Ordinance (2019-003) amending the Municipal Code to regulate transient rentals in the Commercial and Multi-Family Zoning Districts, and to prohibit advertising of unpermitted transient rentals in all Zoning Districts. Staff has scheduled the Ordinance for second reading and final adoption. The City Council opted to allow the transient rentals to continue operation in perpetuity, and as such, the Ordinance includes this provision.

Following adoption by the City Council, a Local Coastal Program amendment will be submitted to the California Coastal Commission. The Ordinance will not go into effect until the amendments to the Municipal Code have been certified by the California Coastal Commission.

FISCAL IMPACT:

Transient occupancy tax revenue is collected from transient rentals. As of November 2018, the City has collected approximately \$75,000 in transient occupancy tax revenue from transient rental units.

PRIOR CITY COUNCIL ACTION:

On December 3, 2019, the City Council introduced an Ordinance (2019-003) amending the Municipal Code to regulate transient rentals in the Commercial and Multi-Family Zoning Districts, and to prohibit advertising of unpermitted transient rentals in all Zoning Districts.

ATTACHMENTS:

Attachment #1 - Ordinance 2019-003 Transient Rentals

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

ORDINANCE NO. 2019-003

AN ORDINANCE AMENDING CARMEL MUNICIPAL CODE (CMC) CHAPTERS 17.08, 17.14, 17.28, 17.68 AND 17.70 TO ESTABLISH REGULATIONS FOR TRANSIENT RENTALS IN THE COMMERCIAL AND MULTI-FAMILY ZONING DISTRICTS AND TO PROHIBIT THE ADVERTISING OF UNPERMITTED TRANSIENT RENTALS WITHIN ALL ZONING DISTRICTS.

WHEREAS, Pursuant to Ordinance 96, the City of Carmel-by-the-Sea is determined to be primarily, essentially and predominantly a residential City, wherein business and commerce have in the past, are now, and are proposed to be in the future subordinated to its residential character; and

WHEREAS, there has been a recent proliferation of transient rentals in the downtown area including the Commercial and Multi-Family Zoning Districts; and

WHEREAS, the City's General Plan – Housing Element includes several policies that promote preserving housing, including a policy to preserve and expand affordable and rental housing opportunities to enable local employees such as teachers, police, fire fighters and other City personnel to live in the community where they work; and

WHEREAS, in 2017, the State Legislature passed the Housing Package which consisted of 15 bills intended to promote and streamline housing production. Additional housing bills have since been passed and went into effect in January 2019; and

WHEREAS, the recently adopted housing bills provide a legislative intent declaring that there is a severe statewide shortage of both market-rate and affordable housing supply; and

WHEREAS, the State Department of Housing and Community Development has conducted a Housing Needs Assessment and determined that an additional 1.8 million units need to be constructed by 2025 in order to meet population growth demands, and average housing production over the past 10 years is less than half of this target need; and

WHEREAS, the conversion of long-term rental units into transient rentals eliminates some of the most affordable housing in the City and conflicts with the City's General Plan as well as a State mandate to preserve and increase housing supply; and

WHEREAS, the City's Zoning Ordinance is also its Local Coastal Program; and

WHEREAS, the City certifies that the amendments are intended to be carried out in a manner fully in conformance with the Coastal Act; and

WHEREAS, this ordinance is an amendment to titles 17.08, 17.14, 17.28, 17.68 and 17.70 of the City's Zoning Ordinance/Local Coastal Implementation Plan and requires certification by the California Coastal Commission; and

WHEREAS, on March 5, 2019, the City Council held a duly noticed public hearing and received a report on transient rentals in the City's Commercial and Multi-Family Zoning Districts and directed staff to prepare an ordinance to prohibit such use in these Districts; and

WHEREAS, on April 10, 2019, the Planning Commission held a duly noticed public hearing and received a report on transient rentals in the City's Commercial and Multi-Family Zoning Districts and made recommendations to the City Council; and

WHEREAS, on June 4, 2019, July 2, 2019 and September 10, 2019 the City Council held duly noticed meetings and received reports on transient rentals in the City's Commercial and Multi-Family Zoning Districts and directed staff to prepare an ordinance to regulate such use in these Districts; and

WHEREAS, on October 10, 2019, the City Council held a duly noticed public hearing on transient rentals in the City's Commercial and Multi-Family Zoning Districts and continued the item for further discussion; and

WHEREAS, on November 5, 2019, the City Council held a duly noticed public hearing on transient rentals in the City's Commercial and Multi-Family Zoning Districts and continue with the item with direction for modification; and

WHEREAS, on December 3, 2019, the City Council held a duly noticed public hearing on transient rentals in the City's Commercial and Multi-Family Zoning Districts; and

WHEREAS, on January 7, 2020, the City Council held a duly noticed public hearing on transient rentals in the City's Commercial and Multi-Family Zoning Districts; and

WHEREAS, this Ordinance was found to be exempt from environmental review, per the provisions of Section 15061(b)(3) of the California Environmental Quality Act (CEQUA) of 1970 as amended;

WHEREAS, the City Council finds that this ordinance is necessary to preserve the housing stock in the Commercial and Multi-Family Zoning Districts.

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

SECTION 1. Title 15 of the Municipal Code of the City of Carmel-by-the-Sea is amended as shown in Exhibit "A" attached hereto and incorporated herein. All previous amendments not identified and revised in Exhibit "A" will remain in effect.

SECTION 2. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 3. Severability. If any section, subsection, or part of this Ordinance is held to be invalid or unenforceable, all other sections, subsections, or parts of subsections of this ordinance shall remain valid and enforceable.

SECTION 4. Effective Date. This Ordinance shall be in full force after its final passage and adoption with an effective date of February 6, 2020.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
this 7th day of January, 2020, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Britt Avrit, MMC
City Clerk

EXHIBIT A

Chapter 17.08

RESIDENTIAL ZONING DISTRICTS

17.08.060 Prohibited Uses.

Uses such as transient bed and breakfast, hostel, hotel, inn, lodging, motel, hotel, resort and other transient lodging uses for remuneration, are prohibited in the residential **Single-Family Residential (R-1) district** districts, except as otherwise permitted by this code.

A. Liability and Enforcement. Any person acting as agent, real estate broker, real estate sales agent, property manager, reservation service or otherwise who arranges or negotiates for the use of residential property in violation of the provisions of this section is guilty of an infraction for each day in which such residential property is used, or allowed to be used, in violation of this section.

B. Infractions. Any person who uses, or allows the use of, residential property in violation of the provisions of this section is guilty of an infraction for each day in which such residential property is used, or allowed to be used, in violation of this section. (Ord. 2004-02 § 1, 2004; Ord. 2004-01 § 1, 2004).

17.08.040 Land Use Regulations.

Schedule II-1 Land Use Regulations for Residential Districts			
P = Permitted Use L = Limitations Apply C = Conditional Use Permit Required	R-1	R-4	Additional Regulations
Residential			See CMC 17.08.060
Single-Family	P	P	See CMC 17.08.050 (E), (H)
Accessory Dwelling Units			See CMC 17.08.050 (G)
Accessory Dwelling Unit, Interior	P	P	
Accessory Dwelling Unit, New Structure	P	P	
Class I Accessory Dwelling Unit	P	–	
Class II Accessory Dwelling Unit	P	–	
Studio	P	P	
Guesthouse (Noncommercial)	C	–	See CMC 17.08.050 (C)
Multifamily Dwellings			See CMC 17.08.050 (F)
0 – 22 dwelling units/acre	–	P	
22 dwelling units/acre	–	C	

Schedule II-1 Land Use Regulations for Residential Districts			
P = Permitted Use L = Limitations Apply C = Conditional Use Permit Required	R-1	R-4	Additional Regulations
Senior Citizen Housing	L-5	P	
Family Day Care			
Small Family	L-5	P	
Large Family	–	C-4	See CMC 17.08.050(B)
Group Residential	–	C	
<u>Transient Rental, Legal Nonconforming</u>	–	<u>L-6</u>	<u>Chapter 17.68 CMC, Other Use Classifications, See Nonconforming Definition</u>
<u>Transient Rental, Housing Incentive</u>	–	<u>L-7</u>	<u>See CMC 17.14.040 (W)(b).</u>
Specific Limitations and Conditions 1. Limited to advertising, consumer credit reporting, secretarial and court reporting, equipment maintenance and repair, personnel supply services, and nonretail computer services and repair. 2. Allowed only on existing quasi-public use sites established prior to December 1, 1980, or added as an accessory use to such existing uses. 3. Limited to existing units established prior to January 1, 1967, and/or authorized by a use permit issued between 1967 and 1990. *Note: These provisions approved by voter referendum. 4. Limited to existing commercial spaces established prior to 1993 and occupied by commercial uses continuously since that time. 5. Limited to occupancy within a single-family residence. <u>6. Limited to permits approved prior to the adoption of Ordinance 2019-003.</u> <u>7. Limited to transient rental units approved through the issuance of a conditional use permit as an incentive for the creation of new housing units. See CMC 17.14.040 (W)(b).</u>			

Chapter 17.14
COMMERCIAL ZONING DISTRICTS¹

17.14.030 Land Use Regulations.

Residential/Public and Semipublic				
Colleges and Trade Schools	P	P	P	
Community Centers	C	C	C	
Conference Facilities, Small	C	C	C	
Community Social Service Facility	P	P	P	
Family Day Care				See CMC 17.08.050(B)
Small Family	–	–	P	
Large Family	–	C	C	
Libraries, Public	P	P	P	
Multifamily Dwellings				See CMC 17.14.040(N)
0 – 22 dwelling units/acre	P	P	P	
23 – 33 dwelling units/acre	C	C	C	
34 – 44 dwelling units/acre	C	C	C	Chapter 17.64 CMC, Findings Required for Permits and Approvals
45 – 88 dwelling units/acre	C	C	C	Chapter 17.64 CMC, Findings Required for Permits and Approvals
<u>Transient Rental, Legal Nonconforming</u>	<u>L-7</u>	<u>L-7</u>	<u>L-7</u>	<u>Chapter 17.68 CMC, Other Use Classifications, See Nonconforming Definition</u>
<u>Transient Rental, Housing Incentive</u>	<u>L-8</u>	<u>L-8</u>	<u>L-8</u>	<u>See CMC 17.14.040 (W)(b).</u>
Specific Limitations and Conditions: L-1: Limited to advertising, consumer credit reporting, secretarial court reporting, equipment maintenance and repair, personnel supply services, and nonretail computer services and repair. L-2: Allowed only as accessory use to gasoline stations and limited to a maximum of 300 square feet. No sales of alcohol are permitted. See CMC 17.14.040(D)(2) and (J)(2). L-3: Any establishments with activities generating noise, odors, deliveries by large vehicles, high traffic by customers, or requiring large storage needs are not permitted. L-4: Limited to offices for the following categories: operators of nonresidential buildings, apartment buildings, dwellings, real estate agents and managers, and title companies. L-5: Limited to sites that are already developed with a single-family dwelling, or that were originally developed as, or used as, a single-family dwelling but have since been converted to another use. Existing single-family dwellings can be maintained, altered, repaired and/or redeveloped. R-1 district floor area ratio standards shall apply to these sites. L-6: Subject to the same regulations as apply to other family residential dwellings in the same zone. <u>L-7: Limited to permits approved prior to the adoption of Ordinance 2019-003.</u> <u>L-8: Limited to transient rental units approved through the issuance of a conditional use permit as an incentive for the creation of new housing units. See CMC 17.14.040 (W)(b).</u>				

17.14.040 Additional Use Regulations.**V. Travel Services.**

1. Only office uses are allowed.

W. Transient Rentals. With the exception of lawfully permitted hotels, motels and transient rentals, transient lodging of residential dwellings for remuneration is prohibited in the CC, SC and RC Districts. Permitted transient rentals are limited to the following:

1. Transient Rental, Legal Nonconforming. Transient rental units permitted prior to the effective date of Ordinance 2019-003 are classified as a legal nonconforming use as defined in CMC 17.68.090. Transient rental permits are allowed in perpetuity and the 6-month abandonment provisions contained in CMC 17.36 shall not apply.
2. Transient Rental, Housing Incentive. Transient rental units are permitted in the CC, SC, RC and R-4 Districts as an incentive for the creation of new rental housing units. One transient rental unit is permitted for the creation of three new rental units; one of the new units on the site shall be rented as "low-income" and the second unit shall be rented as "moderate income" as defined in CMC 17.70.020. The third rental unit may be rented at market rate.
 - a. Rental units created through this incentive program are subject to the density provisions identified in CMC 17.14.030.
 - b. Two of the rental units must be a minimum of 650 square feet in size.
 - c. The transient rental may be located at the same site as the three new rental units, or elsewhere within the CC, SC, RC or R-4 Districts.
 - d. Transient rentals permitted as an incentive require the issuance of a conditional use permit, must be maintained at the original site of approval, and are not classified as legal nonconforming as defined in CMC 17.68.090.
 - e. Transient rentals require one off-street parking space per unit in all districts.

Division IV. Provisions Applying in All or Several Districts

Chapter 17.28

GENERAL SITE REGULATIONS AND STANDARDS FOR SPECIFIC USES

Sections:

[17.28.010](#) Timeshare Projects.

[17.28.020](#) Noise from Electrical and Mechanical Equipment.

[17.28.030](#) Regulations Incorporated from Other Titles.

[17.28.040](#) Advertising of Transient Rentals

17.28.040 Advertising of Unpermitted Transient Rentals.

(a) No responsible party shall post, publish, circulate, broadcast or maintain any advertisement of an unpermitted transient rental.

(b) For purposes of this section the following words and phrases shall have the meaning respectively ascribed to them by this section.

1. "Advertisement" means any announcement, whether in a magazine, newspaper, handbill, notice, display, billboard, poster, email, Internet website, platform or application, any form of television or radio broadcast or any other form of communication whose primary purpose is to propose a commercial transaction.

2. "Responsible party" means any property owner or tenant, or any agent or representative thereof, who causes or permits any violation of this Code. To cause or permit includes failure to correct after receiving notice from the City of the violation. A responsible party does not include online hosting platforms/companies.

3. "Transient" is a period of time less than 30 consecutive days as defined in Municipal Code Section 17.70.020 of the Carmel-by-the-Sea Municipal Code.

(c) Each day that an advertisement is posted, published, circulated, broadcast or maintained by a responsible party in violation of this section is a separate offense.

Division VI. Classifications, Terms and Definitions**Chapter 17.68
USE CLASSIFICATIONS****17.68.030 Residential Use Classifications.****Residential Housing Types.**

Multifamily Dwelling. A building or group of buildings on a single building site that contains two or more dwellings, each with its own facilities for parking, living, sleeping, cooking, and eating. This classification includes condominiums, townhouses, and apartments.

Senior Citizen Housing. Housing provided for senior citizens as defined by the State of California (California Civil Code Section [51.3](#)).

Transient Rental. Any residential unit that is occupied for the purposes of sleeping, lodging, or similar reasons for a period of less than 30 consecutive days in exchange for a fee or similar consideration. The permit runs with the land and these units are required to pay transient occupancy tax and are classified as a Group R-1 occupancy if the site contains more than one transient rental unit (CMC 15.04.020 (16)).

Transient Rental, Legal Nonconforming. Transient rentals permitted prior to the adoption of Ordinance 2019-003 that are classified as a legal nonconforming use as defined in CMC 17.68.090 and are subject the provisions of CMC 17.36 with the following exception: Lawfully permitted transient rentals approved prior to the adoption of Ordinance 2019-003 that are replaced by non-transient residential uses shall not be considered abandoned and may be reestablished at any time.

Transient Rental, Housing Incentive. Transient rentals that are permitted on sites in the CC, SC, RC and R-4 Districts as an incentive for the creation of new rental housing units, in accordance with the provisions contained in CMC 17.14.040 (W)(b). These units are permitted through the issuance of a conditional use permit, must be maintained at the original site of approval, and are not classified as legal nonconforming.

Chapter 17.70
LIST OF TERMS AND DEFINITIONS¹

17.70.020 Definitions.

Transient. A period of time less than 30 consecutive days.

Transient Rental. Any residential unit that is occupied for the purposes of sleeping, lodging, or similar reasons for a period of less than 30 consecutive days in exchange for a fee or similar consideration. These units are required to pay transient occupancy tax and are classified as a Group R-1 occupancy if the site contains more than one transient rental unit (CMC 15.04.020 (16)).



CITY OF CARMEL-BY-THE-SEA

CITY COUNCIL

Staff Report

January 7, 2020
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Marnie Waffle, AICP, Sr. Planner

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Receive Mad Dogs and Englishmen Bike Tours Report

RECOMMENDATION:

Receive Mad Dogs and Englishmen Bike Tours Report.

BACKGROUND/SUMMARY:

On July 2, 2019 the City Council approved a Use Permit amendment to allow for guided bicycle tours as an ancillary use to the Mad Dogs & Englishmen retail bicycle shop (Attachment 1). The Use Permit allows for up to two guided, group bicycle tours per day (one in the morning and one in the afternoon) between June and October and a maximum of one bicycle tour per day between November and May. Groups are limited to a maximum of 10 bicyclists plus one tour guide. No more than one tour may be offered concurrently. The business owners have indicated that the morning tour has been most popular over the last 6 months and groups average between 4 and 10 cyclists.

Safety Report:

In approving the Use Permit amendment, the City Council placed a special condition on the permit (Attachment 2) that a safety report be brought back to the City Council in January 2020. The Community Planning & Building Department has not received any complaints regarding the group tours and the Police Department had no reports of bicycle accidents in the village over the last 6 months. The business owners also reported no issues related to the group tours.

FISCAL IMPACT:

None for this action.

PRIOR CITY COUNCIL ACTION:

On July 2, 2019 the City Council approved a Use Permit to allow for guided group bicycle tours as an ancillary use to the Mad Dogs and Englishmen retail bicycle shop. A special condition was included to provide a report on the safety of the bike tours at the January 2020 City Council meeting.

ATTACHMENTS:

Attachment 1 - July 2, 2019 City Council Staff Report

Attachment 2 - After Action Letter and Final Conditions of Approval



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

July 2, 2019
PUBLIC HEARINGS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Marnie Waffle, AICP, Sr. Planner
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Consideration of an amendment to a Use Permit (UP 18-040) authorizing an existing bicycle rental business (Mad Dogs and Englishmen) to conduct guided, group bicycle tours located at the southwest corner of Ocean and Mission in the Central Commercial (CC) District.

RECOMMENDATION:

Approve a Use Permit Amendment to UP 18-040 (Mad Dogs and Englishmen) to allow an existing bicycle rental business (Mad Dogs and Englishmen) to conduct guided, group bicycle tours.

BACKGROUND/SUMMARY:

On March 14, 2018, the Planning Commission voted 2-2 on a Use Permit application for the establishment of bicycle rentals within a portion of a retail bicycle shop located at the southwest corner of Ocean and Mission in the Central Commercial (CC) District. The tie vote resulted in a denial of the application. The City Council called up the application for review at their April 3, 2018 meeting and voted 4-0 to approve the application with the condition that guided bicycle tours would be prohibited. The applicant was not proposing guided tours at the time and was amenable to the condition of approval. The Council indicated that the issue of guided group tours could be revisited at a later date.

Mad Dogs and Englishman has been in operation for over a year now and bicycle rentals have been a popular amenity. Small groups currently take self-guided tours; however, requests for a local tour guide has increased and the applicant would like to amend the Use Permit to allow for guided bicycle tours.

Project Description:

Guided, group bicycle tours would be offered twice a day between June and October, one in the morning and one in the afternoon. A tour guide would lead up to 10 cyclists on a 2-3 hour bicycle tour that would begin and end at the bicycle shop. The tour routes would include the following:

- 1) Scenic Drive to Pebble Beach and 17 Mile Drive;
- 2) Scenic Drive to Mission Ranch and the Carmel Mission, and Rio Road to Point Lobos; and,
- 3) Tour of Comstock Cottages, to Scenic Drive, to Mission Ranch and the Carmel Mission (refer to Attachment 1).

Most tours would use Eighth Avenue to Scenic Drive both of which are designated bike routes in the City's General Plan; San Carlos and Rio Road are also designated bike routes (refer to Attachment 2). The business would employ one tour guide to lead the group on one of the three routes. Only one group would be taken on a guided tour at a time (i.e. guided tours along all three routes would not be conducted concurrently).

The Carmel Municipal Code (CMC 5.36) contains standards for commercial walking tours, but does not specifically address bicycle tours. The walking tour regulations include standards that are not applicable to bicycle tours, such as the tour area being restricted to the commercial district only and a prohibition on blocking the sidewalk. Nonetheless, the walking tour standards prohibit the use of voice amplification systems, which is drafted as a condition of approval for the proposed group bicycle tours (refer to Attachment 4).

Staff supports the applicant's proposal for group bicycle tours. The Use Permit is conditioned to limit the number of cyclists to 10, with only two tours per day and no sound amplification. Tours would be permitted between the months of June through October only. In staff's opinion, the Conditions of Approval will minimize the potential for negative impacts associated with this use.

ENVIRONMENTAL REVIEW:

The proposed project is categorically exempt from the California Environmental Quality Act (CEQA) requirements, pursuant to Section 15303 (Class 3) – New Construction or Conversion of Small Structures. The project consists of adding guided bicycle tours to the business operations; no modifications will be made to the exterior of the structure.

FISCAL IMPACT:

None.

PRIOR CITY COUNCIL ACTION:

The City Council approved the Use Permit for bicycle rentals on April 3, 2018.

ATTACHMENTS:

Attachment 1 - Applicant's Written Statement
Attachment 2 - General Plan Bike Routes Map
Attachment 3 - Findings for Approval
Attachment 4 - Conditions of Approval

June 4, 2019

Applicant's Written Statement

Page 1 of 1

For the tours, we would be departing from our shop. Tours will be 8-10 cyclists max per group. We would ideally offer a max of up to two tours a day during the peak season when we have extended daylight hours- one in the morning and one in the afternoon. Off season would be one tour a day. No tours when we have rain or bad weather. The tours are typically 2-3 hours long. There will be no amplifying equipment. Mostly cycling with a few stops here and there.

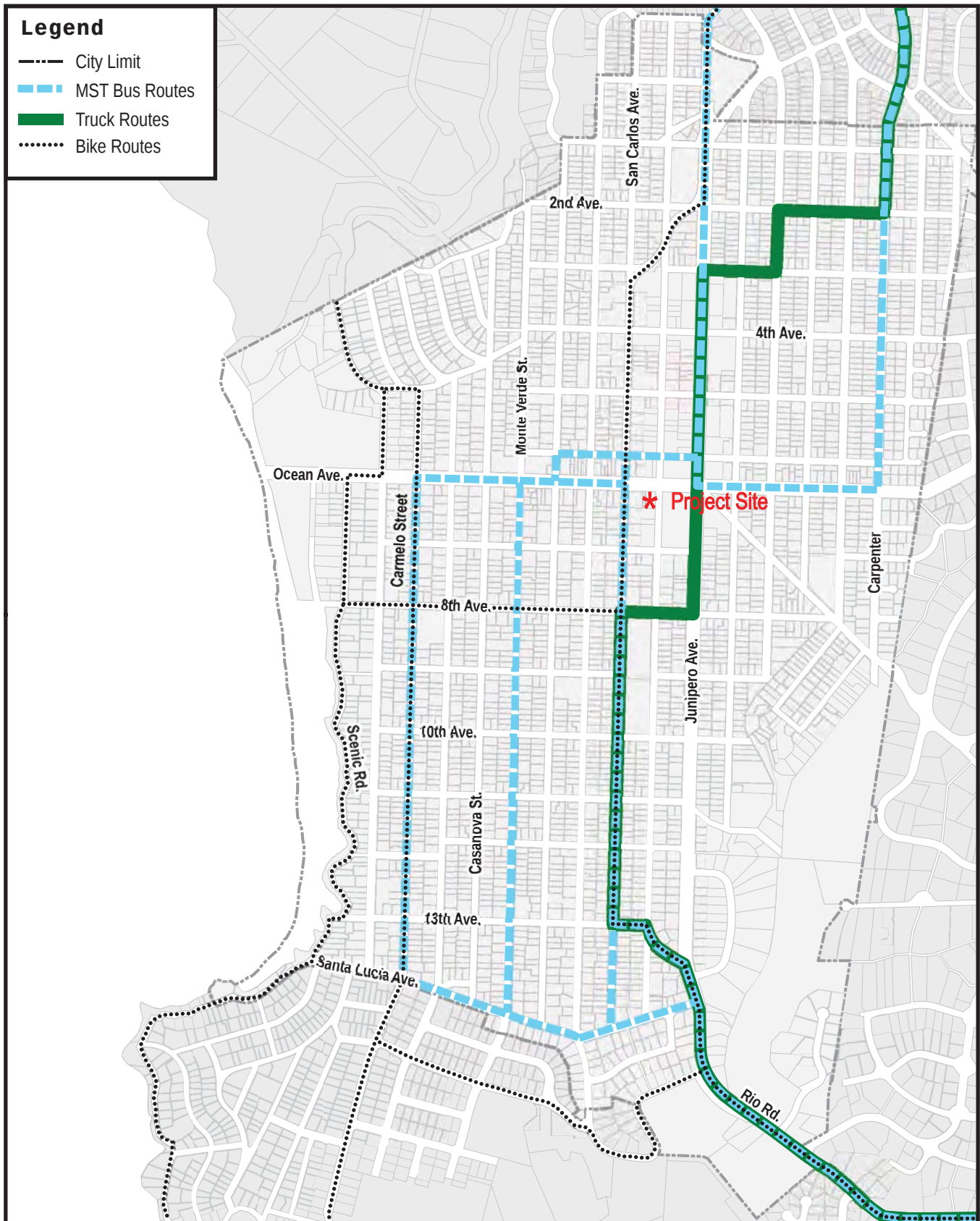
We are considering three tour options for this area:

- 1- Pebble Beach/17 Mile Drive- cycle from our shop down to Scenic and then into Pebble to do the coastal route of 17 Mile Drive (this is by far our most popular route)
- 2- Point Lobos Hikes and Bikes- bike from our shop down Scenic, past Mission Ranch and Carmel Mission, down Rio Road to Point Lobos and back
- 3- Carmel Scenic Cottage Tour- cycle around Carmel to point out the remaining Comstock Cottages, including a ride down Scenic past Mission Ranch and Carmel Mission

We are already sending groups out riding these same routes pretty much every day, we are just asking to be allowed to promote them as tours and to have a tour guide go out with the riders. Stops will be brief and we will do everything we can to ensure we don't disrupt pedestrian or vehicular traffic. We have had a lot of requests for guided tours since opening, and they are a very popular way for visitors to explore the area in Carmel and Monterey County.

Please let me know if you need any additional information.

Thanks,
Jennifer
Mad Dogs & Englishmen



Source: City of Carmel (2009), MST (2009), Carmel Bike Plan (1997)

CITY OF CARMEL-BY-THE-SEA

DEPARTMENT OF COMMUNITY PLANNING AND BUILDING

FINDINGS FOR APPROVAL

UP 18-040 Amendment
Jennifer Blevins (Mad Dogs & Englishmen Bike Shop)
Southwest Corner of Ocean & Mission
Block 77; Lot(s) 1 & 2
APN: 010-141-001

PROJECT DESCRIPTION:

Approval of a Use Permit Amendment (UP 18-040) to allow a bicycle rental business (Mad Dogs and Englishmen) to conduct guided, group bicycle tours from an existing 2,600-square foot retail bicycle shop located at the southwest corner of Ocean & Mission in the Central Commercial (CC) District.

FINDINGS OF FACT:

1. The project site is located at the southwest corner of Ocean Avenue and Mission Street in the Central Commercial (CC) Zoning District.
2. The applicant submitted a request for a Use Permit amendment to conduct guided, group bicycle tours from an existing retail bicycle shop named Mad Dogs & Englishmen Bike Shop.
3. Carmel Municipal Code Section 17.14.040.T.14 (Sporting Goods, Bicycles, Hobbies, Toys and Games) establishes that bicycle rentals require the issuance of a conditional use permit.
4. Carmel Municipal Code Section 17.70.020 defines an accessory use as being secondary to a principal use and incidental in terms of area, extent, and purpose to a primary use.
5. On April 3, 2018, the City Council granted a Use Permit (UP 18-040) to allow for bicycle rentals as an ancillary use to the retail bicycle shop with the condition that guided bicycle tours would be prohibited.
6. The project is exempt from the requirements of the California Environmental Quality Act (Class 3 – New Construction or Conversion of Small Structures).

FINDINGS FOR APPROVAL:

1. The proposed use, as conditioned, is not in conflict with the General Plan.
2. The proposed use, as conditioned, will comply with all zoning standards applicable to the use and zoning district.
3. The granting of the Use Permit will not set a precedent for the approval of similar uses whose incremental effect will be detrimental to the City, or will be in conflict with the General Plan.
4. The proposed use will not make excessive demands on the provision of public services, including water supply, sewer capacity, energy supply, communication facilities, police protection, and fire protection.
5. The proposed use will not be injurious to public health, safety or welfare.
6. The proposed use will be compatible with surrounding land uses and will not conflict with the purpose established for the district within which it will be located.
7. The proposed use will not generate adverse impacts affecting health, safety, or welfare of neighboring properties or uses.
8. Allowing the proposed use will not conflict with the City's goal of achieving and maintaining a balanced mix of uses that serve the needs of both local and nonlocal populations.
9. The proposed use will provide adequate ingress and egress to and from the proposed location.
10. The capacity of surrounding streets is adequate to serve the automobile and delivery truck traffic generated by the proposed use.
11. The guided, group bicycle tours are compatible with the retail bicycle and bicycle rental shop.
12. The proposed land use, considered as a whole, appears to have the primary and ancillary uses united by a consistent theme and the use will not exhibit a character of multiple, unrelated activities combined into one business.
13. The use will contribute to the character of the commercial district as a residential village with a mix of unique retail and service shops.

CITY OF CARMEL-BY-THE-SEA

DEPARTMENT OF COMMUNITY PLANNING AND BUILDING

CONDITIONS OF APPROVAL

UP 18-040 Amendment
Jennifer Blevins (Mad Dogs & Englishmen Bike Shop)
Southwest Corner of Ocean & Mission
Block 77; Lot(s) 1 & 2
APN: 010-141-001

PROJECT DESCRIPTION:

Approval of a Use Permit Amendment (UP 18-040) to allow a bicycle rental business (Mad Dogs and Englishmen) to conduct guided, group bicycle tours from an existing 2,600-square foot retail bicycle shop located at the southwest corner of Ocean & Mission in the Central Commercial (CC) District.

AUTHORIZATION:

This approval authorizes an existing retail bicycle shop with ancillary bicycle rentals to conduct guided, group bicycle tours that begin and end at the retail/rental shop as follows:

- 1) Guided, group bicycle tours are permitted between June and October.
- 2) Guided, group bicycle tours are limited to a maximum of two tours per day, one in the morning and one in the afternoon.
- 3) Guided, group bicycle tours are limited to a maximum of 10 bicyclists plus one tour guide.
- 4) No more than one tour may be offered concurrently.

CONDITIONS OF APPROVAL:

1. All merchandise shall be contained within the enclosed building at all times. Rental bicycles shall not be displayed or stored outside of the retail/rental bicycle shop.
2. The guided, group bicycle tours shall be conducted in a manner consistent with the presentations and statements submitted in the application and at the public hearing. Any change in the use which would alter the findings or conditions adopted as part of this permit shall require approval of a new Use Permit by the City.
3. No voice amplification systems (portable public address systems, bull horns, etc.) shall be used for any guided, group bicycle tour.
4. This Use Permit amendment approval shall be valid for six (6) months following final action by the City Council. If the guided group bicycle tour use is not established

pursuant to CMC Section 17.52.170 (Time Limits on Approvals and Denials) the approval shall become null and void.

5. The bicycle tours shall be operated in accordance with all traffic laws and conducted in a safe and courteous manner to pedestrians, vehicles and other users of the public right-of-way.
6. In accordance with CMC 10.40.010, it is unlawful for any person to ride, use or operate a bicycle upon any sidewalk within any of the commercial districts of the City.
7. Violations of the terms of this Use Permit amendment or other ordinances of the City may constitute grounds for revocation of the Use Permit and the associated business license by the Planning Commission pursuant to CMC Section 17.66.050 (Revocation).
8. A summary sheet of basic Use Permit requirements (allowed days, allowed hours, special mitigations) shall be posted on the premises or shall be available upon request by any enforcement officer of the City.
9. The applicant agrees, at its 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

Printed Name

Date

Property Owner Signature

Printed Name

Date



City of Carmel-by-the-Sea
COMMUNITY PLANNING AND BUILDING DEPARTMENT
POST OFFICE DRAWER CC
CARMEL-BY-THE-SEA, CA 93921
(831) 620-2010 OFFICE

July 5, 2019

Jennifer Blevins
1491 Cypress Drive, #1661
Pebble Beach, CA 93953

Via email: jennblevins@me.com

RE: City Council Decision
UP 18-040 Amendment (Mad Dogs & Englishmen Bike Shop)
S/W Corner of Ocean & Mission
Block: 77, Lot(s): 1 & 2; APN: 010-141-001

Dear Ms. Blevins,

On July 2, 2019, the City Council voted 5-0 to approve your Use Permit amendment (UP 18-040) to allow for guided group bicycle tours as an ancillary use to the retail bicycle shop located in the Central Commercial (CC) Zoning District. The City Council's decision is final and conclusive.

Enclosed are the revised and adopted conditions of approval for the Use Permit (UP 18-040) amendment. Please sign the conditions of approval and arrange to have the property owner sign as well. Once signed, please return the original to our office.

If you have any questions, please do not hesitate to contact me. I can be reached directly at (831) 620-2057 or mwaffle@ci.carmel.ca.us.

Regards,

Marnie R. Waffle, AICP
Senior Planner

Encl. (1) Final Conditions of Approval

CITY OF CARMEL-BY-THE-SEA

DEPARTMENT OF COMMUNITY PLANNING AND BUILDING

CONDITIONS OF APPROVAL

REVISED BY STAFF JULY 1, 2019 AND
ADOPTED BY THE CITY COUNCIL ON JULY 2, 2019

UP 18-040 Amendment
Jennifer Blevins (Mad Dogs & Englishmen Bike Shop)
Southwest Corner of Ocean & Mission
Block 77; Lot(s) 1 & 2
APN: 010-141-001

PROJECT DESCRIPTION:

Approval of a Use Permit Amendment (UP 18-040) to allow a bicycle rental business (Mad Dogs and Englishmen) to conduct guided, group bicycle tours from an existing 2,600-square foot retail bicycle shop located at the southwest corner of Ocean & Mission in the Central Commercial (CC) District.

AUTHORIZATION:

This approval authorizes an existing retail bicycle shop with ancillary bicycle rentals to conduct guided, group bicycle tours that begin and end at the retail/rental shop as follows:

- 1) Guided, group bicycle tours ~~are permitted~~ between June and October shall be limited to a maximum of two tours per day, one in the morning and one in the afternoon.
- 2) Guided, group bicycle tours between November and May shall be limited to a maximum of one tour per day. ~~are limited to a maximum of two tours per day, one in the morning and one in the afternoon.~~
- 3) Guided, group bicycle tours are limited to a maximum of 10 bicyclists plus one tour guide.
- 4) No more than one tour may be offered concurrently.

CONDITIONS OF APPROVAL:

1. All merchandise shall be contained within the enclosed building at all times. Rental bicycles shall not be displayed or stored outside of the retail/rental bicycle shop.
2. The guided, group bicycle tours shall be conducted in a manner consistent with the presentations and statements submitted in the application and at the public hearing. Any change in the use which would alter the findings or conditions adopted as part of this permit shall require approval of a new Use Permit by the City.
3. No voice amplification systems (portable public address systems, bull horns, etc.) shall be used for any guided, group bicycle tour.
4. This Use Permit amendment approval shall be valid for six (6) months following final action by the City Council. If the guided, group bicycle tour use is not established pursuant to CMC Section 17.52.170 (Time Limits on Approvals and Denials) the approval shall become null and void.

5. The bicycle tours shall be operated in accordance with all traffic laws and conducted in a safe and courteous manner to pedestrians, vehicles and other users of the public right-of-way.
6. In accordance with CMC 10.40.010, it is unlawful for any person to ride, use or operate a bicycle upon any sidewalk within any of the commercial districts of the City.
7. Violations of the terms of this Use Permit amendment or other ordinances of the City may constitute grounds for revocation of the Use Permit and the associated business license by the Planning Commission pursuant to CMC Section 17.66.050 (Revocation).
8. A summary sheet of basic Use Permit requirements (allowed days, allowed hours, special mitigations) shall be posted on the premises or shall be available upon request by any enforcement officer of the City.
9. The applicant agrees, at its 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.

SPECIAL CONDITIONS:

10. A safety report shall be brought before the City Council in 6 months (January 2020).

***Acknowledgement and acceptance of conditions of approval.**

Applicant Signature

Printed Name

Date

Property Owner Signature

Printed Name

Date



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

**January 7, 2020
CONSENT AGENDA**

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Marnie Waffle, AICP, Sr. Planner
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Receive report on Fee Waiver Incentive Program intended to promote hotel and commercial business improvement projects

RECOMMENDATION:

Receive report on Fee Waiver Incentive Program intended to promote hotel and commercial business improvement projects.

BACKGROUND/SUMMARY:

On November 6, 2018, the City Council passed a resolution waiving all planning and building fees for hotel and commercial improvement projects for the remainder of 2018 and the entire 2019 calendar year. The fee waiver applied to design review and building permit applications associated with physical site improvements to existing buildings containing hotel and commercial businesses only. The fee waiver did not apply to proposals for new commercial buildings, use permits or business licenses. The program has concluded and staff is reporting to the City Council on the outcome.

STAFF ANALYSIS

The purpose of the program was to incentivize improvements to hotel and commercial properties, to both improve visitor experience and generate additional tax revenue for the City. Nearly two-thirds of the City's tax revenue comes from sales tax and transient occupancy tax, and as such, an investment in hotel and commercial properties could potentially increase tax revenue for the City in the long run. At the November 6, 2018 City Council meeting, staff presented data showing a positive correlation between hotel improvements and nightly rental rate in Carmel.

Since the program was approved, a total of **51** projects qualifying for the fee waiver were submitted to the Building Safety Division, with a total of **\$74,198** waived in building fees. Additionally, **10** qualifying projects were submitted to the Planning Division, with a total of **\$11,536** waived in planning fees. There was a wide range of projects submitted that qualified for the fee waiver. Many of the projects were for repairs and/or mechanical, plumbing and electrical upgrades. Some of the improvements were for hotel upgrades, interior tenant improvements, and storefront remodels. Most of storefront remodels occurred in the Carmel Plaza, and there were some in the downtown as well. A list of projects and fees waived is included as Attachment 1.

Feedback from the community was largely positive. Community Planning and Building did a fair amount of outreach in the beginning of the program, however, many individuals were still not fully aware of the fee waiver program until they came in to pull a permit. In some instances, the fee waiver was the impetus for the project, however, the majority of cases the projects were already scheduled or being done as a necessary repair. Permitting fees range from 2-5% of the total project valuation, which is a relatively small amount in comparison to the total project cost. This is a potential reason why the fee waiver program did not illicit more property improvement projects.

FISCAL IMPACT:

The City waived **\$74,198** in building permit fees and **\$11,536** in planning fees during the duration of the program.

PRIOR CITY COUNCIL ACTION:

On November 6, 2018, the City Council passed a resolution waiving all planning and building fees for hotel and commercial improvement projects for the remainder of 2018 and the entire 2019 calendar year.

ATTACHMENTS:

Attachment 1 - Planning & Building Fees Waived 2019



Permit Report

1/1/2019 - 12/18/2019

Permit #	Permit Identifier	Project Description	Track	Address/Location	Date Received	Status	Receipt Number	Application Fee
19464	DR 19-464 (Laub)	Repaint commercial building.	One	NE Corner Ocean & Dolores	11/8/2019	In Review	Waived	\$ 445.00
19461	DR 19-461 (Pepe Family Trust)	Carmel Bakery Building - Paint building and restore colors to an appropriate color scheme for its historical period.	One	Ocean Avenue between Dolores & Lincoln	11/4/2019	In Review	Waived	\$ 445.00
19440	DR 19-440 (Carmel Plaza Suite #101 & #103)	This Design Review authorizes modifications to suites 101 & 103 at Carmel Plaza. Modifications include: façade material updates, the addition	One	Carmel Plaza - Ocean Avenue & Mission, Carmel, CA 93921	10/24/2019	Approved	Waived	\$ 855.00
19425	DR 19-425 (Ricketts)	Paint the exterior front and south side of the building containing Gallery Elite and Collector's Gallery. The main building will be painted "Greystone" and the trim will be painted "Malibu	One	Northeast side of San Carlos, between 5th and 6th Avenue (Gallery Elite and Collector's Gallery).	9/24/2019	Approved	Waived	\$ 445.00
19424	DR 19-424 (Horizon Inn)	This Design Review authorizes modifications to the outdoor patio area	One	SW Corner of Junipero & 3rd	10/11/2019	Approved	Waived	\$ 445.00
19227	DR 19-227 (Great Valley Holdings LLC)	Reconstruction of existing commercial building to a mixed-use building with ground floor commercial and second	Two	5th Avenue between San Carlos & Dolores	6/4/2019	Corrections Required	Waived	\$ 4,689.00
19209	DR 19-209 (Archer)	1) Re-configuring existing storefront windows and entry so that the entry door is parallel to Ocean Avenue. The	One	North side of Ocean Avenue, between Mission & San Carlos	5/24/2019	Approved	Waived	\$ 815.00
19189	DR 19-189 (128 S. Cannon LLC)	Remodel north facade (6th Avenue). Remove existing brick veneer, copper awnings, wood doors, planters & lights.	Two	Sixth, 2 SW of Mission	5/9/2019	Corrections Required	Waived	\$ 2,137.00
19116	DR 19-116 (Gould Family Trust)	Repair and/or replace 168 sf of second floor balcony on historic building due to dry rot & termites	One	NE Corner Ocean & San Carlos	3/19/2019	Corrections Required	Waived	\$ 815.00
19047	DR 19-047 (Carmel Country Inn)	The removal of one parking space from the Carmel Country Inn lot in order to install an ADA-compliant parking space	One	SE corner of Dolores Street and 3rd Avenue	1/18/2019	Approved	Waived	\$ 445.00
								\$ 11,536.00

Total Records: 10

12/18/2019

Permit Number	Permit Identifier	Description of Work	Fee Name	Fee Amount
180526	BP 18-526 (Pure Barre)	Commercial. TI - Remodel of two existing tenant spaces to a fitness facility, work to include interior walls, ceilings, accessible unisex restroom, mechanical and electrical systems, interior finishes and millwork.	Technology Surcharge	1.55
180526	BP 18-526 (Pure Barre)	Commercial. TI - Remodel of two existing tenant spaces to a fitness facility, work to include interior walls, ceilings, accessible unisex restroom, mechanical and electrical systems, interior finishes and millwork.	Title 15 Permit 150001-202000	2,753.67
180526	BP 18-526 (Pure Barre)	Commercial. TI - Remodel of two existing tenant spaces to a fitness facility, work to include interior walls, ceilings, accessible unisex restroom, mechanical and electrical systems, interior finishes and millwork.	Title 15 Plan Check	1,789.89
180526	BP 18-526 (Pure Barre)	Commercial. TI - Remodel of two existing tenant spaces to a fitness facility, work to include interior walls, ceilings, accessible unisex restroom, mechanical and electrical systems, interior finishes and millwork.	Plan Revision	250.00
180526	BP 18-526 (Pure Barre)	Commercial. TI - Remodel of two existing tenant spaces to a fitness facility, work to include interior walls, ceilings, accessible unisex restroom, mechanical and electrical systems, interior finishes and millwork.	Plan Revision	250.00
180526	BP 18-526 (Pure Barre)	Commercial. TI - Remodel of two existing tenant spaces to a fitness facility, work to include interior walls, ceilings, accessible unisex restroom, mechanical and electrical systems, interior finishes and millwork.	Plan Revision	250.00
180526	BP 18-526 (Pure Barre)	Commercial. TI - Remodel of two existing tenant spaces to a fitness facility, work to include interior walls, ceilings, accessible unisex restroom, mechanical and electrical systems, interior finishes and millwork.	Permit by Appointment	100.00
180578	BP 18-578 (McDonald)	Residential. Remove affected sheetrock approx 4' high and flooring due to sewage incident. No electrical outlets damaged by incident, no electrical work to be done. No mechanical systems damaged by incident, no mechanical work to be conducted. RV01 - Submitted 6/28/19 - <u>Water damage repairs to (e) exterior stairs.</u>	Plan Revision	250.00
180578	BP 18-578 (McDonald)	Residential. Remove affected sheetrock approx 4' high and flooring due to sewage incident. No electrical outlets damaged by incident, no electrical work to be done. No mechanical systems damaged by incident, no mechanical work to be conducted. RV01 - Submitted 6/28/19 - <u>Water damage repairs to (e) exterior stairs.</u>	Title 15 Permit 1-56000	113.50
180632	BP 18-632 (Cobblestone Investors)	Commercial. Create 1-hr rating enclosure for existing mechanical & storage areas in basement of hotel.	Technology Surcharge	1.55
180632	BP 18-632 (Cobblestone Investors)	Commercial. Create 1-hr rating enclosure for existing mechanical & storage areas in basement of hotel.	Title 15 Permit 1-56000	1,155.52
190031	BP 19-031 (Mitchell)	Commercial. Interior renovations to basement and first floor. Contact: Stocker & Allaire (831) 375-1890	Technology Surcharge	1.55
190031	BP 19-031 (Mitchell)	Commercial. Interior renovations to basement and first floor. Contact: Stocker & Allaire (831) 375-1890	Title 15 Permit 56001-102000	1,662.92
190031	BP 19-031 (Mitchell)	Commercial. Interior renovations to basement and first floor. Contact: Stocker & Allaire (831) 375-1890	Title 15 Plan Check	1,080.90
190031	BP 19-031 (Mitchell)	Commercial. Interior renovations to basement and first floor. Contact: Stocker & Allaire (831) 375-1890	Title 15 Permit 150001-202000	1,003.49
190031	BP 19-031 (Mitchell)	Commercial. Interior renovations to basement and first floor. Contact: Stocker & Allaire (831) 375-1890	Title 15 Permit 202001-253000	436.31
190033	BP 19-033 (Ipsen - Tasting Room)	Commercial. Tenant improvement to (e) commercial retail space for a wine tasting room. 1,227 SF of interior improvements only. Extend interior partition wall, construct tasting counter, and related electrical and plumbing work. Contact: Terra Nova Industries (510) 719-6067	Technology Surcharge	1.55

190033	BP 19-033 (Ipsen - Tasting Room)	Commercial. Tenant improvement to (e) commercial retail space for a wine tasting room. 1,227 SF of interior improvements only. Extend interior partition wall, construct tasting counter, and related electrical and plumbing work. Contact: Terra Nova Industries (510) 719-6067	Title 15 Permit 202001-253000	3,528.11
190033	BP 19-033 (Ipsen - Tasting Room)	Commercial. Tenant improvement to (e) commercial retail space for a wine tasting room. 1,227 SF of interior improvements only. Extend interior partition wall, construct tasting counter, and related electrical and plumbing work. Contact: Terra Nova Industries (510) 719-6067	Title 15 Plan Check	2,293.27
190036	BP 19-036 (Hideaway Inn)	Commercial. Demolition of approximately 12 bathrooms to dryout structure after storm damage. Contact: MESS (831) 333-6431	BPRF	2.00
190036	BP 19-036 (Hideaway Inn)	Commercial. Demolition of approximately 12 bathrooms to dryout structure after storm damage. Contact: MESS (831) 333-6431	SMIP- Commercial	8.40
190036	BP 19-036 (Hideaway Inn)	Commercial. Demolition of approximately 12 bathrooms to dryout structure after storm damage. Contact: MESS (831) 333-6431	Technology Surcharge	1.55
190036	BP 19-036 (Hideaway Inn)	Commercial. Demolition of approximately 12 bathrooms to dryout structure after storm damage. Contact: MESS (831) 333-6431	Title 15 Plan Check	559.28
190036	BP 19-036 (Hideaway Inn)	Commercial. Demolition of approximately 12 bathrooms to dryout structure after storm damage. Contact: MESS (831) 333-6431	Title 15 Permit 1-56000	860.43
190038	BP 19-038 (Carmel Country Inn -Teschler)	Commercial. Convert existing unit to ADA unit. Contact: Chris Tescher Construction (831) 594-7721	Technology Surcharge	1.55
190038	BP 19-038 (Carmel Country Inn -Teschler)	Commercial. Convert existing unit to ADA unit. Contact: Chris Tescher Construction (831) 594-7721	Title 15 Permit 1-56000	1,253.88
190038	BP 19-038 (Carmel Country Inn -Teschler)	Commercial. Convert existing unit to ADA unit. Contact: Chris Tescher Construction (831) 594-7721	Title 15 Plan Check	815.02
190086	BP 19-086 (The Hideaway/Cobblestone Investors LLC)	Commercial. Repair water damage in rooms 1-6 & 12-17. Work includes reinstallation of all fixtures in same location. Replacement of insulation, drywall, waterproofing, showers, and tile finishes. Contego intumescent paint will be used on 2nd floor ceiling. Misc. repairs to rooms 100, 20, 21, 201 & 24. Contact: Avila Construction (831) 372-5580	Technology Surcharge	1.55
190086	BP 19-086 (The Hideaway/Cobblestone Investors LLC)	Commercial. Repair water damage in rooms 1-6 & 12-17. Work includes reinstallation of all fixtures in same location. Replacement of insulation, drywall, waterproofing, showers, and tile finishes. Contego intumescent paint will be used on 2nd floor ceiling. Misc. repairs to rooms 100, 20, 21, 201 & 24. Contact: Avila Construction (831) 372-5580	Title 15 Plan Check	3,030.63
190086	BP 19-086 (The Hideaway/Cobblestone Investors LLC)	Commercial. Repair water damage in rooms 1-6 & 12-17. Work includes reinstallation of all fixtures in same location. Replacement of insulation, drywall, waterproofing, showers, and tile finishes. Contego intumescent paint will be used on 2nd floor ceiling. Misc. repairs to rooms 100, 20, 21, 201 & 24. Contact: Avila Construction (831) 372-5580	Title 15 Permit 304001 and above	4,662.50
190093	BP 19-093 (Mary A Goold Tr)	Commercial. Removal of minor non-bearing partition walls, addition of glass sidelight at existing partial height wall, patch floors and walls, and new interior paint. No exterior changes. Contact: CoBuild Construction Services, Inc (510) 244-3663	Technology Surcharge	1.55
190093	BP 19-093 (Mary A Goold Tr)	Commercial. Removal of minor non-bearing partition walls, addition of glass sidelight at existing partial height wall, patch floors and walls, and new interior paint. No exterior changes. Contact: CoBuild Construction Services, Inc (510) 244-3663	Title 15 Permit 1-56000	489.38
190100	BP 19-100 (D&K 6th St, LLC)	Commercial. Repairs & improvements to the existing roof deck. Contact: Bull Construction (831) 236-7828	Technology Surcharge	1.55
190100	BP 19-100 (D&K 6th St, LLC)	Commercial. Repairs & improvements to the existing roof deck. Contact: Bull Construction (831) 236-7828	Title 15 Permit 102001-150000	2,164.67

190100	BP 19-100 (D&K 6th St, LLC)	Commercial. Repairs & improvements to the existing roof deck. Contact: Bull Construction (831) 236-7828	Title 15 Plan Check	1,407.04
190101	EP 19-101 (D&k 6th St, LLC)	Commercial. Replacement of (e) exterior lighting with approved LED down lights and adding GFI outlets and 1 wall mounted fixture to (e) deck. Contact: Bull Construction (831) 236-7828	Title 15 Permit 1-56000	489.38
190101	EP 19-101 (D&k 6th St, LLC)	Commercial. Replacement of (e) exterior lighting with approved LED down lights and adding GFI outlets and 1 wall mounted fixture to (e) deck. Contact: Bull Construction (831) 236-7828	Title 15 Plan Check	318.10
190101	EP 19-101 (D&k 6th St, LLC)	Commercial. Replacement of (e) exterior lighting with approved LED down lights and adding GFI outlets and 1 wall mounted fixture to (e) deck. Contact: Bull Construction (831) 236-7828	Technology Surcharge	1.55
190103	PP 19-103 (Desai/Carmel Resort Inn)	Commercial. New main water line from two meters to feed units throughout property. Abandon old water line. Lemu's Plumbing (831) 676-1985	Technology Surcharge	1.55
190103	PP 19-103 (Desai/Carmel Resort Inn)	Commercial. New main water line from two meters to feed units throughout property. Abandon old water line. Lemu's Plumbing (831) 676-1985	Title 15 Permit 1-56000	625.72
190103	PP 19-103 (Desai/Carmel Resort Inn)	Commercial. New main water line from two meters to feed units throughout property. Abandon old water line. Lemu's Plumbing (831) 676-1985	Title 15 Plan Check	406.72
190141	MP 19-141 (Ocean Properties, LLC)	Commercial. Remove (e) furnace and replace with (n) Bryant 577CNWC42060N-TP furnace unit. Contact: R&S Heating and Sheet Metal (831) 641-0508	Over The Counter Permits (Single-Trade)	185.00
190141	MP 19-141 (Ocean Properties, LLC)	Commercial. Remove (e) furnace and replace with (n) Bryant 577CNWC42060N-TP furnace unit. Contact: R&S Heating and Sheet Metal (831) 641-0508	Technology Surcharge	1.55
190144	BP 19-144 (Horizon Inn)	Commercial. Repair storm damage to patio deck - changing out existing jacuzzi tubs for newer safer models. Contact: Stowe Contracting (831) 594-4448	Technology Surcharge	1.55
190144	BP 19-144 (Horizon Inn)	Commercial. Repair storm damage to patio deck - changing out existing jacuzzi tubs for newer safer models. Contact: Stowe Contracting (831) 594-4448	Title 15 Permit 102001-150000	1,979.24
190144	BP 19-144 (Horizon Inn)	Commercial. Repair storm damage to patio deck - changing out existing jacuzzi tubs for newer safer models. Contact: Stowe Contracting (831) 594-4448	Title 15 Plan Check	1,286.51
190144	BP 19-144 (Horizon Inn)	Commercial. Repair storm damage to patio deck - changing out existing jacuzzi tubs for newer safer models. Contact: Stowe Contracting (831) 594-4448	Stop Work Order	3,301.21
190156	BP 19-156 (White)	Commercial. Replacement of old heater unit and removal of second heater. Move sink approx 4'. Contact: Johanna White (214) 912-6823	Over The Counter Permits (Single-Trade)	185.00
190156	BP 19-156 (White)	Commercial. Replacement of old heater unit and removal of second heater. Move sink approx 4'. Contact: Johanna White (214) 912-6823	Technology Surcharge	1.55
190156	BP 19-156 (White)	Commercial. Replacement of old heater unit and removal of second heater. Move sink approx 4'. Contact: Johanna White (214) 912-6823	Stop Work Order	188.05
190162	BP 19-162 (OWRF Suite 203B)	Commercial. Interior TI, new dressing rooms, storage rooms, and interior finishes. Contact: LWG Construction (408) 607-8591	Technology Surcharge	1.55
190162	BP 19-162 (OWRF Suite 203B)	Commercial. Interior TI, new dressing rooms, storage rooms, and interior finishes. Contact: LWG Construction (408) 607-8591	Title 15 Plan Check	1,329.04
190162	BP 19-162 (OWRF Suite 203B)	Commercial. Interior TI, new dressing rooms, storage rooms, and interior finishes. Contact: LWG Construction (408) 607-8591	Title 15 Permit 102001-150000	2,044.68
190183	EP 19-183 (Hotel Carmel)	Commercial. Remove and replace three light fixtures, rewire throughout with 12 gauge, and install new wiring for 4 wall sconces and 2 picture lights. Clarence Electric Corp (831) 224-5591	Technology Surcharge	1.55
190183	EP 19-183 (Hotel Carmel)	Commercial. Remove and replace three light fixtures, rewire throughout with 12 gauge, and install new wiring for 4 wall sconces and 2 picture lights. Clarence Electric Corp (831) 224-5591	Title 15 Permit 1-56000	434.84
190183	EP 19-183 (Hotel Carmel)	Commercial. Remove and replace three light fixtures, rewire throughout with 12 gauge, and install new wiring for 4 wall sconces and 2 picture lights. Clarence Electric Corp (831) 224-5591	Title 15 Plan Check	282.65

190210	BP 19-210 (Coniglio)	Commercial. Remove three windows, frame and stucco over to remove openings. Contact: Champion Restoration (831) 595-9540	Technology Surcharge	1.55
190210	BP 19-210 (Coniglio)	Commercial. Remove three windows, frame and stucco over to remove openings. Contact: Champion Restoration (831) 595-9540	Title 15 Permit 1-56000	189.42
190210	BP 19-210 (Coniglio)	Commercial. Remove three windows, frame and stucco over to remove openings. Contact: Champion Restoration (831) 595-9540	Title 15 Plan Check	123.12
190220	BP 19-220 (Desai)	Commercial. Repair fire damaged structure, new electrical and plumbing	Technology Surcharge	1.55
190220	BP 19-220 (Desai)	Commercial. Repair fire damaged structure, new electrical and plumbing	Title 15 Permit 102001-150000	2,153.76
190220	BP 19-220 (Desai)	Commercial. Repair fire damaged structure, new electrical and plumbing	Title 15 Plan Check	1,399.94
190223	EP 19-223 (Carmel Properties/Royal Bee)	Commercial. All (e) outlets to remain as is. Current track lighting to be replaced with (n) track and led heads. Lithonia LTKSTBF B320 LED track and lamps to be used (8 watts per head). Existing chandeliers to be removed. Contact: Ferrum Electric Co (818) 207-9505	Technology Surcharge	1.55
190223	EP 19-223 (Carmel Properties/Royal Bee)	Commercial. All (e) outlets to remain as is. Current track lighting to be replaced with (n) track and led heads. Lithonia LTKSTBF B320 LED track and lamps to be used (8 watts per head). Existing chandeliers to be removed. Contact: Ferrum Electric Co (818) 207-9505	Title 15 Permit 1-56000	185.04
190223	EP 19-223 (Carmel Properties/Royal Bee)	Commercial. All (e) outlets to remain as is. Current track lighting to be replaced with (n) track and led heads. Lithonia LTKSTBF B320 LED track and lamps to be used (8 watts per head). Existing chandeliers to be removed. Contact: Ferrum Electric Co (818) 207-9505	Title 15 Plan Check	120.28
190226	BP 19-226 (Carmel Foundation)	Commercial. Construction of ADA concrete ramp in front of building. Contact: Ron Himes (831) 224-4813	Technology Surcharge	1.55
190226	BP 19-226 (Carmel Foundation)	Commercial. Construction of ADA concrete ramp in front of building. Contact: Ron Himes (831) 224-4813	Title 15 Permit 1-56000	625.72
190226	BP 19-226 (Carmel Foundation)	Commercial. Construction of ADA concrete ramp in front of building. Contact: Ron Himes (831) 224-4813	Title 15 Plan Check	406.72
190239	EP 19-239 (Hotel Carmel)	Commercial. Addition of four 120 electrical circuits to kitchen, two to go to existing food heaters, one will go to existing refrigerator and one 10/3 spare line. Contact: Live Oak Electric (805) 540-0321	Technology Surcharge	1.55
190239	EP 19-239 (Hotel Carmel)	Commercial. Addition of four 120 electrical circuits to kitchen, two to go to existing food heaters, one will go to existing refrigerator and one 10/3 spare line. Contact: Live Oak Electric (805) 540-0321	Title 15 Permit 1-56000	185.04
190239	EP 19-239 (Hotel Carmel)	Commercial. Addition of four 120 electrical circuits to kitchen, two to go to existing food heaters, one will go to existing refrigerator and one 10/3 spare line. Contact: Live Oak Electric (805) 540-0321	Title 15 Plan Check	120.28
190260	BP 19-260 (Giem)	Commercial. Remove shake roof, install felt underlayment, Certaineed Landmark TL shingles with aged bark color. Paint flashings. Contact: Charles Frost Roofing Inc (831) 373-7556	Re-Roof Permit	485.00
190260	BP 19-260 (Giem)	Commercial. Remove shake roof, install felt underlayment, Certaineed Landmark TL shingles with aged bark color. Paint flashings. Contact: Charles Frost Roofing Inc (831) 373-7556	Technology Surcharge	1.55
190304	BP 19-304 (Quarter-Lee)	Commercial. Enlarge interior doorway and install new header.	Technology Surcharge	1.55
190304	BP 19-304 (Quarter-Lee)	Commercial. Enlarge interior doorway and install new header.	Title 15 Permit 1-56000	185.04
190304	BP 19-304 (Quarter-Lee)	Commercial. Enlarge interior doorway and install new header.	Title 15 Plan Check	120.28
190305	BP 19-305 (The Chantry)	Commercial. Second story roof at back of unit only - tear off (e) tar and gravel roof and install base, 2 plys, and new tar and gravel roof. Contact: Williams Roofing Co (831) 758-2749	Re-Roof Permit	505.00
190305	BP 19-305 (The Chantry)	Commercial. Second story roof at back of unit only - tear off (e) tar and gravel roof and install base, 2 plys, and new tar and gravel roof. Contact: Williams Roofing Co (831) 758-2749	Technology Surcharge	1.55
190323	BP 19-323 (Georis)	Commercial. Replace walk in refrigeration & freezer appliances. Contact: MPN Refrigeration (831) 287-8808	Technology Surcharge	1.55
190323	BP 19-323 (Georis)	Commercial. Replace walk in refrigeration & freezer appliances. Contact: MPN Refrigeration (831) 287-8808	Title 15 Permit 1-56000	860.43

190323	BP 19-323 (Georis)	Commercial. Replace walk in refrigeration & freezer appliances. Contact: MPN Refrigeration (831) 287-8808	Title 15 Plan Check	559.28
190330	BP 19-330 (LSG Monterey)	Commercial. Add a window to already existing wall.	Technology Surcharge	1.55
190330	BP 19-330 (LSG Monterey)	Commercial. Add a window to already existing wall.	Title 15 Permit 1-56000	185.04
190330	BP 19-330 (LSG Monterey)	Commercial. Add a window to already existing wall.	Title 15 Plan Check	120.28
190340	BP 19-340 (Quarter-Lee Group)	Commercial. Enlarge interior doorway and install new header. Contact: Anthony Walker (831) 601-0910	Technology Surcharge	1.55
190340	BP 19-340 (Quarter-Lee Group)	Commercial. Enlarge interior doorway and install new header. Contact: Anthony Walker (831) 601-0910	Title 15 Permit 1-56000	185.04
190340	BP 19-340 (Quarter-Lee Group)	Commercial. Enlarge interior doorway and install new header. Contact: Anthony Walker (831) 601-0910	Title 15 Plan Check	120.28
190349	BP 19-349 (Yoshida)	Commercial. Remove torchdown material and replace with torchdown material. Roofing material to be a dark, non-reflective color. Contact: Tom & Joy Roofing (831) 663-0661	Re-Roof Permit	505.00
190349	BP 19-349 (Yoshida)	Commercial. Remove torchdown material and replace with torchdown material. Roofing material to be a dark, non-reflective color. Contact: Tom & Joy Roofing (831) 663-0661	Technology Surcharge	1.55
190386	BP 19-386 (Rise + Roam)	Commercial. Tenant improvement to (e) restaurant. Incorporate adjacent office space as bakery production area. Upgrade FF&E throughout. Contact: Craft Design-Build (831) 620-5235	Technology Surcharge	1.55
190386	BP 19-386 (Rise + Roam)	Commercial. Tenant improvement to (e) restaurant. Incorporate adjacent office space as bakery production area. Upgrade FF&E throughout. Contact: Craft Design-Build (831) 620-5235	Title 15 Permit 202001-253000	3,299.05
190386	BP 19-386 (Rise + Roam)	Commercial. Tenant improvement to (e) restaurant. Incorporate adjacent office space as bakery production area. Upgrade FF&E throughout. Contact: Craft Design-Build (831) 620-5235	Title 15 Plan Check	2,144.38
190414	EP 19-414 (La Playa)	Commercial. Electrical installation for new lighting. Contact: Live Oak Electric (805) 540-0321	Technology Surcharge	1.55
190414	EP 19-414 (La Playa)	Commercial. Electrical installation for new lighting. Contact: Live Oak Electric (805) 540-0321	Title 15 Permit 1-56000	185.04
190414	EP 19-414 (La Playa)	Commercial. Electrical installation for new lighting. Contact: Live Oak Electric (805) 540-0321	Title 15 Plan Check	120.28
190417	BP 19-417 (TSD Carmel Properties L.P.)	Commercial. Install tan-colored 50 mil single-ply DuroLast membrane over existing built up cap sheet roof. Install DuroLast over one layer of 1/2 inch EPS insulation and one layer of fire-rated slip sheet. Contact: Jennifer Scudder (831) 384-1500 Contractor License#: 15418	Re-Roof Permit	505.00
190417	BP 19-417 (TSD Carmel Properties L.P.)	Commercial. Install tan-colored 50 mil single-ply DuroLast membrane over existing built up cap sheet roof. Install DuroLast over one layer of 1/2 inch EPS insulation and one layer of fire-rated slip sheet. Contact: Jennifer Scudder (831) 384-1500 Contractor License#: 15418	Technology Surcharge	1.55
190422	BP 19-422 (Frankenberg/Lobos)	Commercial. Rebuild exterior staircase at Unit #25. Remove stucco and rotted framing. Replace in kind. Contact: Michael Simons Inc (831) 320-7062	Technology Surcharge	1.55
190422	BP 19-422 (Frankenberg/Lobos)	Commercial. Rebuild exterior staircase at Unit #25. Remove stucco and rotted framing. Replace in kind. Contact: Michael Simons Inc (831) 320-7062	Title 15 Permit 1-56000	489.38
190422	BP 19-422 (Frankenberg/Lobos)	Commercial. Rebuild exterior staircase at Unit #25. Remove stucco and rotted framing. Replace in kind. Contact: Michael Simons Inc (831) 320-7062	Title 15 Plan Check	318.10
190423	BP 19-423 (CVI Investors)	Commercial. Gas leak repairs in the mechanical room.	Over The Counter Permits	190.00
190433	BP 19-433 (Hill)	Commercial. Remove old stucco from one wall and apply new stucco. Contact: Ray Sobeck (831) 601-4500	Over The Counter Permits (Single-Trade)	190.00
190433	BP 19-433 (Hill)	Commercial. Remove old stucco from one wall and apply new stucco. Contact: Ray Sobeck (831) 601-4500	Technology Surcharge	1.55
190434	PP 19-434 (Carmel Presbyterian Church)	Commercial. Replace 1 1/2" water line. Contact: Bill's Plumbing (831) 521-8855	Over The Counter Permits (Single-Trade)	190.00
190434	PP 19-434 (Carmel Presbyterian Church)	Commercial. Replace 1 1/2" water line. Contact: Bill's Plumbing (831) 521-8855	Technology Surcharge	1.55
190437	BP 19-437 (Archer)	Commercial. Modify & paint existing wood store front at "Mark Areias Jewelers". Contact: Russell Campbell Construction (831) 625-3497	Technology Surcharge	1.55

190437	BP 19-437 (Archer)	Commercial. Modify & paint existing wood store front at "Mark Areias Jewelers". Contact: Russell Campbell Construction (831) 625-3497	Title 15 Permit 1-56000	571.19
190437	BP 19-437 (Archer)	Commercial. Modify & paint existing wood store front at "Mark Areias Jewelers". Contact: Russell Campbell Construction (831) 625-3497	Title 15 Plan Check	371.27
190506	BP 19-506 (Carmel Art Association)	Commercial. Remove existing composition shingles and replace with new using in-kind color replacement "Heather Blend". Remove and reinstall (e) flat, concrete tile over new underlayment. Contact: Scudder Roofing (831) 384-1500	Re-Roof Permit	505.00
190506	BP 19-506 (Carmel Art Association)	Commercial. Remove existing composition shingles and replace with new using in-kind color replacement "Heather Blend". Remove and reinstall (e) flat, concrete tile over new underlayment. Contact: Scudder Roofing (831) 384-1500	Technology Surcharge	1.55
190519	BP 19-519 (Las Tienda, LLC)	Commercial. Roof repair, remove and replace existing mission tile, install new roll roofing underlayment due to roof leaks. Contact: Curt Hays (530) 521-6060	Re-Roof Permit	505.00
190519	BP 19-519 (Las Tienda, LLC)	Commercial. Roof repair, remove and replace existing mission tile, install new roll roofing underlayment due to roof leaks. Contact: Curt Hays (530) 521-6060	Technology Surcharge	1.55
190541	EP 19-541 (The Chantry)	Commercial. Replacement of damaged lighting track. Contact: Ringer Electric (831) 236-2770	Over The Counter Permits	190.00
190541	EP 19-541 (The Chantry)	Commercial. Replacement of damaged lighting track. Contact: Ringer Electric (831) 236-2770	Technology Surcharge	1.55
190549	PP 19-549 (Monte Verde Inn)	Commercial. Snake lines and repair 1 1/2" drain tee in wall. Contact: Roto Rooter (831) 372-8303	Over The Counter Permits (Single-Trade)	190.00
190549	PP 19-549 (Monte Verde Inn)	Commercial. Snake lines and repair 1 1/2" drain tee in wall. Contact: Roto Rooter (831) 372-8303	Technology Surcharge	1.55
190550	PP 19-550 (CVI Investors)	Commercial. New gas line to fireplaces in rooms, lobby furnace and lobby fireplace to fix leaks. Contact: Avila Construction (831) 372-5580	Technology Surcharge	1.55
190550	PP 19-550 (CVI Investors)	Commercial. New gas line to fireplaces in rooms, lobby furnace and lobby fireplace to fix leaks. Contact: Avila Construction (831) 372-5580	Title 15 Permit 1-56000	1,214.54
190550	PP 19-550 (CVI Investors)	Commercial. New gas line to fireplaces in rooms, lobby furnace and lobby fireplace to fix leaks. Contact: Avila Construction (831) 372-5580	Title 15 Plan Check	789.45
190553	BP 19-553 (Georis Trust)	Commercial. Tear off (e) roof and install class "B" heavy shakes over 22" - 30 lb felt & cap sheet. Assembly to meet class "A" fire retardant requirements. Contact: Williams Roofing Co (831) 758-2749	Re-Roof Permit	505.00
190553	BP 19-553 (Georis Trust)	Commercial. Tear off (e) roof and install class "B" heavy shakes over 22" - 30 lb felt & cap sheet. Assembly to meet class "A" fire retardant requirements. Contact: Williams Roofing Co (831) 758-2749	Technology Surcharge	1.55
190577	BP 19-577 (Ricketts/Sippel)	Commercial. Reroute downspout gutter to south side of stairwell, abandon pipe running through north side of stairwell and through building. Contact: Nivlac Construction (831) 320-5491	Technology Surcharge	1.55
190577	BP 19-577 (Ricketts/Sippel)	Commercial. Reroute downspout gutter to south side of stairwell, abandon pipe running through north side of stairwell and through building. Contact: Nivlac Construction (831) 320-5491	Title 15 Permit 1-56000	216.69
190577	BP 19-577 (Ricketts/Sippel)	Commercial. Reroute downspout gutter to south side of stairwell, abandon pipe running through north side of stairwell and through building. Contact: Nivlac Construction (831) 320-5491	Title 15 Plan Check	140.85
190580	BP 19-580 (D & K 6th St. LLC)	Commercial. Remove (E) deck surface and replace with (N) Lt. Wt. concrete overlay & waterproof membrane. Contact: Bull Construction (831) 236-7828	Title 15 Permit 1-56000	407.57
190580	BP 19-580 (D & K 6th St. LLC)	Commercial. Remove (E) deck surface and replace with (N) Lt. Wt. concrete overlay & waterproof membrane. Contact: Bull Construction (831) 236-7828	Title 15 Plan Check	264.92
190591	BP 19-591 (Carmel Presbyterian Church)	Commercial. Repair failed waterproofing on the exterior stairs that failed and add sheetrock to an interior storage area. Contact: Silcon Constructors (831) 920-3545	Technology Surcharge	1.55
190591	BP 19-591 (Carmel Presbyterian Church)	Commercial. Repair failed waterproofing on the exterior stairs that failed and add sheetrock to an interior storage area. Contact: Silcon Constructors (831) 920-3545	Title 15 Permit 1-56000	216.69
190591	BP 19-591 (Carmel Presbyterian Church)	Commercial. Repair failed waterproofing on the exterior stairs that failed and add sheetrock to an interior storage area. Contact: Silcon Constructors (831) 920-3545	Title 15 Plan Check	140.85

190591	BP 19-591 (Carmel Presbyterian Church)	Commercial. Repair failed waterproofing on the exterior stairs that failed and add sheetrock to an interior storage area. Contact: Silcon Constructors (831) 920-3545	Stop Work Order	361.48
190602	PP 19-602 (Isabel Agnes Martin LLC)	Commercial. Remove and replace sheetrock & tile due to plumbing waste leak. Move approx 2' of plumbing supply lines into wall. Contact: JET Construction (831) 521-7481	Over The Counter Permits (Single-Trade)	190.00
190602	PP 19-602 (Isabel Agnes Martin LLC)	Commercial. Remove and replace sheetrock & tile due to plumbing waste leak. Move approx 2' of plumbing supply lines into wall. Contact: JET Construction (831) 521-7481	Technology Surcharge	1.55
190609	BP 19-609 (Inns by the Sea)	Commercial. Interior remodel of lobby and addition of new ADA bathroom. Contact: David McFadden (408) 921-0397	Technology Surcharge	1.55
190609	BP 19-609 (Inns by the Sea)	Commercial. Interior remodel of lobby and addition of new ADA bathroom. Contact: David McFadden (408) 921-0397	Title 15 Permit 1-56000	978.47
190609	BP 19-609 (Inns by the Sea)	Commercial. Interior remodel of lobby and addition of new ADA bathroom. Contact: David McFadden (408) 921-0397	Title 15 Plan Check	636.01
190632	BP 19-632 (Frankenburg/Lobos)	Commercial. Replace decking in-kind and replace post with new pressure-treated post. Contact: Simons Construction Inc (831) 320-7062	Technology Surcharge	1.55
190632	BP 19-632 (Frankenburg/Lobos)	Commercial. Replace decking in-kind and replace post with new pressure-treated post. Contact: Simons Construction Inc (831) 320-7062	Title 15 Permit 1-56000	543.92
190632	BP 19-632 (Frankenburg/Lobos)	Commercial. Replace decking in-kind and replace post with new pressure-treated post. Contact: Simons Construction Inc (831) 320-7062	Title 15 Plan Check	353.55
190644	BP 19-644 (Goold Trust)	Commercial. Remove part of non-load bearing wall to connect both units as well as install 2 additional fitting rooms in the second unit. Connect back stock areas to join both back spaces, put up devising wall in back area to enclose fitting rooms that will be no taller than 5'10".	Technology Surcharge	1.55
190644	BP 19-644 (Goold Trust)	Commercial. Remove part of non-load bearing wall to connect both units as well as install 2 additional fitting rooms in the second unit. Connect back stock areas to join both back spaces, put up devising wall in back area to enclose fitting rooms that will be no taller than 5'10".	Title 15 Permit 1-56000	185.04
190644	BP 19-644 (Goold Trust)	Commercial. Remove part of non-load bearing wall to connect both units as well as install 2 additional fitting rooms in the second unit. Connect back stock areas to join both back spaces, put up devising wall in back area to enclose fitting rooms that will be no taller than 5'10".	Title 15 Plan Check	120.28
190665	BP 19-665 (Burgess)	Commercial. New flashing, repair pavers, and apply sealant to patio area. Contact: Tubridy Constriction (831) 809-3097	Technology Surcharge	1.55
190665	BP 19-665 (Burgess)	Commercial. New flashing, repair pavers, and apply sealant to patio area. Contact: Tubridy Constriction (831) 809-3097	Title 15 Permit 1-56000	353.04
190665	BP 19-665 (Burgess)	Commercial. New flashing, repair pavers, and apply sealant to patio area. Contact: Tubridy Constriction (831) 809-3097	Title 15 Plan Check	229.48
190670	BP 19-670 (TSD Carmel Properties)	Commercial. Modify A.W. Shucks restrooms to comply with ADA requirements. Add new accessible unisex restroom to tenants restrooms on second floor.	Technology Surcharge	1.55
190670	BP 19-670 (TSD Carmel Properties)	Commercial. Modify A.W. Shucks restrooms to comply with ADA requirements. Add new accessible unisex restroom to tenants restrooms on second floor.	Title 15 Permit 1-56000	1,057.16
190670	BP 19-670 (TSD Carmel Properties)	Commercial. Modify A.W. Shucks restrooms to comply with ADA requirements. Add new accessible unisex restroom to tenants restrooms on second floor.	Title 15 Plan Check	687.15

74,198.72



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

January 7, 2020
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Robert Harary, P.E., Director of Public Works

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Adopt Resolution 2020-001 approving Amendment No. 2 to the Landscape Maintenance Services Contract with Town & County Gardening

RECOMMENDATION:

Adopt Resolution 2020-001 approving Amendment No. 2 to the Landscape Maintenance Services Contract with Town & County Gardening for an additional fee of \$110,741 and extending the contract term through June 30, 2020.

BACKGROUND/SUMMARY:

In November 2017, the City Council awarded a contract to Town & Country Gardening to provide landscape maintenance services at 31 locations throughout the City in the amount of \$110,930 plus a 10% contingency of \$11,100. The Contract was awarded to the lowest responsive, responsible bidder for a one-year term, ending on November 26, 2018, with the option of extending the contract for up to three (3) additional one-year terms.

This contract provides for activities including planting, mowing, weeding, edging, pruning, raking, sweeping, minor irrigation repairs, and litter pickup. Many tasks are performed weekly while other tasks are performed bi-weekly, monthly, or quarterly. The 31 locations in the contract include: Scenic Road Steps, Vista Lobos, First Murphy Park, Sunset Center grounds, Forest Hill Park, tennis courts, Lester Rowntree Native Plant Garden, Flander's Mansion grounds, Ocean Avenue paths and medians, Devendorf Park, Harrison Memorial Library, Park Branch Library, Mountain View entrance into Mission Trail Nature Preserve, Post Office parking lot/plaza, six (6) pathways/walkways, Rio Road pathway and medians, Forest Theater grounds, Scout House grounds, and Public Works/Police complex grounds. In a Change Order, Piccadilly Park was replaced by the City Hall grounds for a net annual fee increase of \$1,200 (absorbed by contingency).

Over the past two years, Town & Country Gardening has been diligent in completing assigned maintenance activities, and responsive in performing additional tasks as requested by the City. A task schedule was maintained which facilitated accountability, coordination, and oversight between the Contractor and Public Works staff. Overall, Town & Country Gardening has consistently performed good quality work.

In September 2018, Council approved Amendment No. 1 to the landscape maintenance contract which included a one-year extension (through November 27, 2019), an additional base fee of \$114,923, and a 10% contingency, \$11,492, for additional work. This contract extension has recently expired, and all funds have been expended.

Town and Country graciously accepted the City's request to extend the term through the end of the fiscal year, June 30, 2020, at the same monthly rate, pending approval of Amendment No. 2 by the City Council. This will be the final Amendment to this Contract, and Public Works will solicit bids under a new, but similar, landscape maintenance contract next Spring. The current schedule indicates award of that new contract at the June 2020 Council meeting, in time for the new contractor to start work, without any interruption, effective July 1st. Town and Country will be encouraged to bid on the new contract along with open market competition.

FISCAL IMPACT:

This action will increase the contract amount by \$105,468 plus a 5% contingency, \$5,273, for a total increase of \$110,741. Sufficient funds are available in the adopted Fiscal Year 2019/20 Public Works operating budget. The new total not-to-exceed contract amount over the entire 31-month term will not exceed \$359,186, for an average cost of \$11,587 per month.

PRIOR CITY COUNCIL ACTION:

In November 2017, Council awarded a Contract to Town & Country Gardening to provide landscape maintenance services at 31 locations throughout the City in the amount of \$110,930 plus a 10% contingency of \$11,100 with a one-year term, and with the option of extending the contract for up to three (3) additional one-year terms.

In September 2018, Council approved Amendment No. 1 to the Contract which included a one-year extension (through November 27, 2019), an additional fee of \$114,923, and a 10% contingency, \$11,492, for additional work.

ATTACHMENTS:

Attachment No. 1 - Resolution 2020-001 Town & Country Amendment No. 2

Attachment No. 2 - Amendment No. 2

Attachment No. 3 - Town and Country Gardening Contract, 2017

Attachment No. 4 - Town and Country Gardening Contract, Amendment No. 1

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

RESOLUTION NO. 2020-001

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
APPROVING AMENDMENT NO. 2 TO THE LANDSCAPE MAINTENANCE SERVICES
CONTRACT WITH TOWN & COUNTRY GARDENING FOR AN ADDITIONAL FEE OF \$110,741
AND EXTENDING THE CONTRACT TERM THROUGH JUNE 30, 2020**

WHEREAS, the City of Carmel-by-the-Sea owns various properties including parks, shoreline, landscaped medians, open spaces, gardens, building grounds, and pathways; and

WHEREAS, the City relies on qualified contractors to supplement staff's capabilities for landscape maintenance and care; and

WHEREAS, in 2017, the City conducted a formal bidding process for landscape maintenance services to be performed at 31 City locations; and

WHEREAS, in November 2017, the City Council awarded the landscape maintenance Contract to the lowest responsive and responsible bidder, Town & Country Gardening, in the amount of \$122,030 including a 10% contingency, and a one-year term; and

WHEREAS, the Contract allows for up to three (3) one-year renewals pending City Council authorization each year; and

WHEREAS, in September 2018, Council approved a one-year extension through November 26, 2019 for an additional \$126,415 including a 10% contingency; and

WHEREAS, Town & Country Gardening has provided quality, responsive, and prompt services for the past two (2) years; and

WHEREAS, Town & Country has agreed to extend the Contract through June 30, 2020 at the same monthly rate as per Amendment No. 1.

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

Approve Amendment No. 2 to the landscape maintenance services Contract with Town & Country Gardening for a fee increase, including a 5% contingency, of \$110,741 and extending the Contract term through June 30, 2020.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-
THE-SEA this 7th day of January 2020, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Britt Avrit, MMC
City Clerk

AMENDMENT NO. 2
AGREEMENT NUMBER PWD-TOWN-131-17-18
TOWN & COUNTRY GARDENING – LANDSCAPE MAINTENANCE SERVICES

This amendment (the "Amendment") is made by **City of Carmel-by-the-Sea** and **Town & Country Gardening**, parties to Agreement PWD-TOWN-131-17-18 (the "Agreement") executed on November 27, 2017 and amended by Amendment No. 1 on November 14, 2018.

1. The Agreement is amended as follows:

a. **Term** of the Agreement is modified as follows:

“The work under this Amendment shall commence on November 27, 2019 and shall terminate on June 30, 2020.”

b. **Compensation** of the Agreement is modified as follows:

“CITY shall pay CONTRACTOR in an amount not to exceed \$110,741 (\$105,468 contract amount plus up to 5%, \$5,273, for contingencies which require prior written authorization by the City) for the extended term stipulated in 1a.”

2. Except as set forth in this Amendment No. 2 and Amendment No. 1, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this Amendment No. 2 and the Agreement or any earlier amendment, the terms of this Amendment will prevail.

CONTRACTOR:

By: _____

Date: _____

CITY:

By: _____
 Chip Rerig, City Administrator

Date: _____

ATTEST:

By: _____
 Britt Avrit, MMC, City Clerk

Date: _____

**CITY OF CARMEL-BY-THE-SEA
AGREEMENT FOR CONTRACTOR SERVICES
Town & Country Gardening
Landscaping Maintenance Services Contract 2017
17-18-001**

THIS AGREEMENT FOR CONTRACTOR SERVICES is made and effective as of November 27, 2017, between the City of Carmel-by-the-Sea, a municipal corporation ("City") and Town & Country Gardening & Landscaping Inc., a Landscaping Contractor, ("Contractor") whose current and valid Contractor's License # 999657, as duly issued by the California Department of Consumer Affairs. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on November 27, 2017 and shall remain and continue in effect until tasks described herein are completed, but in no event later than November 26, 2018, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Contractor shall perform the tasks described and set forth in Exhibit "A," attached hereto and incorporated herein as though set forth in full. Contractor shall complete the tasks according to the schedule of performance which is also set forth in Exhibit "A." Exhibit "A" may include any Scope of Work, Plans, Specifications and other related documents specific to the services to be provided by Contractor.

3. PERFORMANCE

a) Contractor shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. Contractor shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Contractor hereunder in meeting its obligations under this Agreement.

b) Contractor shall conform to the rules and regulations pertaining to safety established by the California Division of Industrial Safety. Contractor further agrees to take all necessary precautions for the safety of employees and shall comply with all applicable provisions of federal, state and local regulations, ordinances and codes. The Contractor shall be responsible for erecting and properly maintaining at all times as required by the conditions and progress of the work, all necessary safeguards for the protection of workers and the public and shall post danger signs warning against known or reasonably foreseeable or unusual hazards.

c) Contractor acknowledges that it is familiar with City's policies for the protection of trees and agrees to take all reasonable precautions to protect trees not subject to trimming or removal from damage which might be caused during the work to be performed. (See Carmel-by-the-Sea Municipal Code Chapter 12.28).

d) At all times during the term of this Agreement, Contractor shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

e) The Contractor will obtain a valid City Business License and shall maintain said Business License for the term of this Agreement and any extensions thereof.

f) Contractor shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by Contractor or in any way affect the performance of its service pursuant to this Agreement. Contractor shall at all times observe and comply with all such laws and regulations. City, its officers and employees, shall not be liable at law or in equity occasioned by failure of Contractor to comply with this Section. Contractor further agrees to indemnify and hold City, its officers and employees harmless for any such violation of law or regulation, as further set out under paragraph 11 of this agreement.

g) Contractor agrees to comply with all of the applicable provisions of Sections 1777.5 and 1777.6 of the Labor Code, which Sections are hereby specifically referred to, incorporated herein by reference and made a part hereof as though set forth at length herein.

h) Contractor agrees that in the performance of this Agreement or any sub-agreement hereunder, neither Contractor nor any person acting on Contractor's behalf shall refuse to employ or refuse to continue in any employment any person on the basis of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, sexual preference, sex or age. Contractor acknowledges that harassment in the workplace is not permitted in any form, and will take all necessary actions to prevent such conduct. Contractor further agrees to comply with all laws with respect to employment when performing this Agreement.

i) Contractor shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C" attached to and part of this agreement. To insure performance, Contractor and any sub-contractor must provide Faithful Performance and Labor and Material Bonds in favor of City, each in the amount of one hundred percent (100%) of the value of the contract.

j) Contractor declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City of Carmel-by-the-Sea in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial agreement or financial inducement. No officer or employee of the City of Carmel-by-the-Sea will receive compensation, directly or indirectly, from Contractor, or from any officer, employee or agent of Contractor, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.

4. CONTENTS OF INVITATION FOR BIDS AND PROPOSAL

Contractor is bound by the contents of City's Invitation for Bids, Exhibit "C" hereto and incorporated herein by this reference, and the contents of the proposal submitted by the Contractor, Exhibit "D" hereto. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in the Contractor's proposals.

5. CITY MANAGEMENT

The Public Works Director or City Forester shall represent City in all matters pertaining to the administration of this Agreement, review and approve of all products submitted by Contractor. However, the Public Works Director nor the City Forester shall not have the authority to enlarge the Tasks to Be Performed or change the compensation due to Contractor. City's City Administrator or his designee, shall be authorized to act on City's behalf and to execute all necessary change order documents which enlarge the Tasks to Be Performed, or change Contractor's compensation subject to Section 6 hereof.

6. PAYMENT

(a) City agrees to pay Contractor monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit "B", attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed one hundred ten thousand, nine hundred thirty dollars (\$110,930.00) which sum shall include all costs, if any, for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) The City Administrator's contract authority is limited to a total threshold of \$24,999.00 which includes all costs. Contracts, including any contract amendments that exceed the total threshold, require City Council approval. Any contracts, including contract amendments that exceed the total threshold, which have not received prior City Council approval, shall be void.

(c) Contractor will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Contractor's fees it shall give written notice to Contractor within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

7. INSPECTION

City shall at all times have the right to inspect the work and materials supplied by Contractor. Contractor shall furnish all reasonable aid and assistance required by City for the proper examination of the work, materials and parts thereof. Such inspection shall not relieve Contractor from any obligation to perform said work strictly in accordance with the specifications of the contract or any modifications thereof and in compliance with the law.

8. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Contractor at least ten (10) days prior written notice of intention to terminate. Upon receipt of said notice, the Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Contractor the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Contractor will submit an invoice to the City pursuant to Section 6(c).

9. DEFAULT OF CONTRACTOR

(a) Contractor's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Contractor is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default and can terminate this Agreement immediately by written notice to Contractor. If such failure by Contractor to make progress in the performance of work hereunder arises out of causes beyond Contractor's control, and without fault or negligence of Contractor, it shall not be considered a default.

(b) In the event that the City Administrator or his/her delegate determines that Contractor is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon Contractor a written notice of the default. Contractor shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Contractor fails to cure its default within such period of time, City shall have the right, but not the obligation, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

10. OWNERSHIP OF DOCUMENTS

(a) Contractor shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Contractor shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Contractor shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records at _____; shall permit City to make copies and transcripts there from as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained at the City of Carmel-by-the-Sea City Hall for a minimum period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Contractor. With respect to computer files, Contractor shall make available to City, at City's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. INDEMNIFICATION

(a) Indemnification for Professional Liability. Contractor shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are actually caused in whole or in part by any negligent or wrongful act, error or omission of Contractor, its officers, agents, employees or sub-contractors (or any entity or individual that Contractor shall bear the legal liability thereof) in the performance of professional services under this Agreement. With respect to the design of public improvements, the Contractor shall not be liable for any injuries or property damage resulting from the reuse of the design at a location other than that specified in Exhibit "A" without the written consent of the Contractor.

(b) Indemnification for Other Than Professional Liability. Contractor shall indemnify defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Contractor or by any individual or entity for which Contractor is legally liable, including but not limited to officers, agents, employees or sub-contractors of Contractor.

(c) General Indemnification Provisions. Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every sub-contractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. In the event Contractor fails to obtain such indemnity obligations from others as required here, Contractor agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Contractor and shall survive the termination of this Agreement or this section.

(d) Indemnity Provisions for Contracts Related to Construction. Without affecting the rights of City under any provision of this Agreement, Contractor shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of Contractor will be for that entire portion or percentage of liability not attributable to the active negligence of City.

12. WARRANTIES

Contractor agrees that it will warrant all work performed and equipment supplied hereunder for a period of one year or, in the case of equipment, for the period of the manufacturer's warranty if such warranty be for a period longer than one year. Contractor shall immediately correct all defective workmanship discovered within one year after acceptance of final payment by it and shall indemnify and defend City against all loss and damage occasioned by any such defect, discovered within said year, even though the damage or loss may not be ascertained until after the expiration thereof. Nothing herein constitutes a waiver of City's rights or any statute of limitations.

13. INSURANCE

(a) Contractor shall submit and maintain prior to the beginning of and for the duration of this Agreement insurance coverage covering the Contractor and designating the City, its officers, officials, and employees as additional insureds under an ISO CG 20 10 07 04 and ISO 20 37 07 04 or their equivalent against any and all claims resulting in injury or damage to persons or property (both real and personal) caused by any aspect of the Contractor's work, in amounts no less than the following and with such deductibles as are ordinary and reasonable in keeping with industry standards. It shall be stated, in the Additional Insured Endorsement, that Contractor's insurance policies shall be primary as respects any claims related to or as the result of Contractor's work. Any insurance, pooled coverage, or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or consultants shall be non-contributory. The Additional Insured Endorsement shall not apply to the Professional Liability Insurance.

General Liability:

a. General Aggregate	\$2,000,000
b. Products Comp/Op Aggregate	\$2,000,000
c. Personal & Advertising Injury	\$1,000,000
d. Each Occurrence	\$1,000,000
e. Fire Damage (any one fire)	\$ 50,000
f. Medical Expense (any one person)	\$ 5,000

Workers' Compensation:

a. Workers' Compensation	Statutory Limits
b. EL Each Accident	\$1,000,000
c. EL Disease - Policy Limit	\$1,000,000

- d. EL Disease - Each Employee \$1,000,000
- Automobile Liability
 - a. Any vehicle, combined single limit \$1,000,000
 - (b) Other Insurance Requirements

(1) All insurance required under this Agreement must be written by an insurance company admitted to do business in California with a current A.M. Best rating of no less than A: VII. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

(2) Each insurance policy required by this Agreement shall be endorsed to state that CITY shall be given notice in writing at least thirty (30) days in advance of any cancellation thereof, except CITY shall be given TEN (10) days' notice for nonpayment of the premium.

(3) The general liability and auto policies shall:

(a) Provide an endorsement naming CITY, its officers, officials, and employees as additional insureds under an ISO CG 20 10 07 04 and ISO 20 37 07 04 or their equivalent.

(b) Provide that such insurance is primary and non-contributing insurance to any insurance or self-insurance maintained by CITY.

(c) Contain a "Separation of Insureds" provision substantially equivalent to that used in the ISO form CG 00 01 10 01 or their equivalent.

(d) Provide for a waiver of any subrogation rights against CITY via an ISO CG 24 01 10 93 or its equivalent.

(e) Prior to the start of work under this Agreement Contractor shall file certificates of insurance and endorsements evidencing the coverage required by this Agreement with the City Administrator. Contractor shall file a new or amended certificate of insurance promptly after any change is made in any insurance policy which would alter the information on the certificate then on file.

(f) The Contractor shall immediately advise the City of any litigation and/or open claims that may affect these insurance policies.

14. INDEPENDENT CONTRACTOR

(a) Contractor is and shall at all times remain as to City a wholly independent Contractor. The personnel performing the services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Contractor or any of Contractor's officers, employees, or agents, except as set forth in this Agreement. Contractor shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Contractor shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Contractor in connection with the performance of this Agreement. Except for the fees paid to Contractor as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Contractor for performing services hereunder for City. City shall not be liable for compensation or indemnification to Contractor for injury or sickness arising out of performing services hereunder.

(c) Any and all employees or sub-contractors of Contractor under this Agreement, while engaged in the performance of any work or services required by Contractor under this Agreement, shall be considered employees or sub-contractors of Contractor only and not of City. Any and all claims that may arise under the Workers' Compensation Act on behalf of said employees or sub-contractors, while so engaged and all claims made by a third party as a consequence of any negligent act or omission on the part of the Contractor's employees or sub-contractors, while so engaged in any of the work or services provided for or rendered herein shall not be City's obligation.

15. PREVAILING WAGE

It is further expressly agreed by and between the parties hereto that the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft,

classification, or type of worker needed to execute this Agreement is that ascertained by the Director of the Department of Industrial Relations of the State of California, copies of which are on file in the Office of the City Clerk and the Department of Public Works, which shall be made available to any interested party on request, which said rates are hereby made a part hereof, incorporated herein by reference as though set forth in full. The holidays upon which such rates shall be paid shall be all holidays recognized in the collective bargaining agreement applicable to the particular craft, classification or type of worker employed on the Project.

Pursuant to Senate Bill 222 City is required to withhold from any progress payments owed to a contractor any amount that has been forfeited as penalties, or as wages owed to employees who have not been paid the prevailing wage for work performed. This allows the intervention by the Division of Labor Standards Enforcement, which is headed by the State Labor Commission, in a contractor's lawsuit for recovery of amounts withheld by an awarding body. All withheld wages and penalties will be transferred to the Labor Commissioner for disbursement in those cases where a contractor fails to bring a lawsuit for amounts withheld within ninety (90) days after completion of the public works contract and formal acceptance of the job by the awarding body. The Labor Commissioner is then permitted to intervene in any lawsuit brought by the contractor against an awarding body for recovery of amounts withheld.

16. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

17. CONFLICT OF INTEREST

Contractor shall at all times avoid conflicts of interest, or the appearance of conflicts of interest, in the performance of this Contract.

Contractor covenants that neither he/she nor any officer or principal of their firm have any interest in, or shall acquire any interest, directly nor indirectly, which will conflict in any manner or degree with the performance of their services hereunder. Contractor further covenants that in the performance of this Agreement, no person having such interest shall be employed by them as an officer, employee, agent, or sub-contractor. Contractor further covenants that Contractor has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area and further covenants and agrees that Contractor and/or its sub-contractors shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area prior to the completion of the work under this Agreement.

If City determines Contractor comes within the definition of Contractor under the Political Reform Act (Government Code §87100 et seq.) Contractor shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with City disclosing Contractor's and/or such other person's financial interests.

18. NO WAIVER OF BREACH/TIME

The waiver by City of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement. Time is of the essence in carrying out the duties hereunder.

19. CONFIDENTIAL INFORMATION/RELEASE OF INFORMATION

(a) All information gained by Contractor in performance of this Agreement shall be considered confidential and shall not be released by Contractor without City's prior written authorization. Contractor, its officers, employees, agents, or sub-contractors, shall not without written authorization from the City Administrator or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(b) Contractor shall promptly notify City, through the City Attorney's office, should Contractor, its officers, employees, agents, or sub-contractors be served with any summons, complaint, subpoena, notice of

deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Contractor and/or be present at any deposition, hearing, or similar proceeding. Contractor agrees to cooperate fully with the City and City Attorney's office and to provide the opportunity to review any response to discovery requests provided by Contractor. However, City's right to review any such response does not imply or mean the right by City or the City Attorney's office to control, direct, or rewrite said response.

20. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Carmel-by-the-Sea
P.O. Box CC
Carmel-by-the-Sea, CA 93921

To Contractor: Town & Country Gardening & Landscaping Inc.
26485 Carmel Ranch Blvd., Ste. 2
Carmel, CA 93923

21. THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

22. ASSIGNMENT

Contractor shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Subject to the foregoing, all terms of the Agreement will be binding upon, enforceable by and inure to the benefit of the parties and their successors and assigns.

23. GOVERNING LAW

City and Contractor understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or the federal district court with jurisdiction over the City. Contractor agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the aforementioned courts and irrevocably consents to the exclusive persona and in rem jurisdiction and venue of the aforementioned courts.

24. ATTORNEY'S FEES AND COURT VENUE

Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the party prevailing in such action shall be entitled to a reasonable attorney's fee which shall be fixed by the judge, mediator or arbitrator hearing the case, and such fee shall be included in the judgment together with all costs.

25. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Contractor warrants and represents that he/she has the authority to execute this Agreement on behalf of the Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.

26. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

27. AGREEMENT CONTAINS ALL UNDERSTANDINGS: AMENDMENT

(a) This document represents the entire and integrated Agreement between City and Contractor, and supersedes all prior negotiations, representations and agreements, either written or oral.

(b) Any modification or amendment to this Agreement must be in writing.

(c) Neither City nor Contractor shall be deemed to have waived any obligation of the other, or to have agreed to any modification to this Agreement unless it is in writing, and signed by the party giving the waiver.

28. SEVERABILITY

If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF CARMEL-BY-THE-SEA:

By: _____

Chip Rerig, City Administrator

Date: _____

12.4.17

CONTRACTOR:

By: _____

Robert Luster, Owner

Date: _____

11/27/17

ATTEST:

By: _____

Ashlee Wright, City Clerk

Date: _____

12/04/2017

APPROVED AS TO FORM:

By: _____

Glen R. Mozingo, City Attorney

Date: _____

12/4/17

EXHIBIT "A"

Scope of Work: Bid Worksheet (page 1)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS

	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually	ANNUAL BID
1) Scenic Road Steps (8 th , 9 th , 10 th , 11 th , 12 th , 13 th , Santa Lucia Avenue, Martin Road)	X		Tu or We		X				
sweep or blow to remove sand, debris and litter									
keep stairs clear of vegetation									
2) Scenic Road Stone Pablos (8 th , 11 th , between 11 th & 12 th , 13 th , & Santa Lucia Ave.)	X		Tu or We		X				
sweep or blow to remove sand, debris and litter									
keep patios clear of vegetation									
clear beneath benches and garbage cans									
3) San Antonio Walkways (between San Antonio Ave. and Scenic Road at 9 th , 10 th , 11 th and 12 th Ave.)	X		Tu or We		X				
sweep or blow to remove sand, debris and litter									
keep walkways clear of excess vegetation and weeds									
4) Boardwalk and viewing platform located at Del Mar and Ocean Avenue	X		Tu or We		X				
sweep or blow to remove sand, debris and litter									
keep boardwalk and platform clear of vegetation									
5) Tennis Courts in Forest Hill Park - on Lorci Lane									
sweep or blow courts to remove sand, soil, debris and litter			X						
keep walkways and parking areas clear of vegetation, litter, debris, and weeds			X						
6) Vista Lobos - Torres Street and 3 rd Avenue									
sweep or blow walkways, stairs, deck, and parking lot edges to remove soil, debris and litter			X						
keep walkways clear of vegetation and weeds			X						
maintain the irrigation system for appropriate days, amount of water, and minor repairs				X					
prune landscape plantings to maintain proper form, health and appearance					X				
keep planter beds free of weeds, debris and litter					X				
spread mulch (city provided) over planter areas								X	
7) First Murphy Park and House Garden - Lincoln Street and 6 th Avenue									
sweep or blow walkways, patio, and parking areas to remove sand, soil, debris and litter			X						
keep walkways, deck, and benches clear of vegetation and weeds			X						
maintain the irrigation system for appropriate days, amount of water, and minor repairs			X						
prune landscape plantings to maintain building clearances, proper form, health and appearance					X				
keep planter beds free of weeds, debris and litter			X						
clear beneath benches and garbage cans			X						
spread mulch (city provided) over planter areas								X	
8) North lot at Sunset Center including perimeter areas and connecting pathways									
sweep or blow walkways, patio, and parking lot to remove sand, soil, debris and litter				X					
keep walkways clear of excess vegetation and weeds				X					
prune landscape plantings to maintain proper form, health and appearance					X				
keep planter beds free of weeds, debris and litter				X					
spread mulch (city provided) over planter areas								X	

SUBTOTAL - page 1

Scope of Work: Bid Worksheet (page 2)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS										
	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually	ANNUAL BID	
9) Forest Hill Park – lower section										
sweep or blow pathways and basketball area to remove sand, soil, debris and litter				X						
keep walkways, playground, and basketball area clear of debris, vegetation and weeds				X						
mow public use areas				X						
mow perimeter open spaces								X		
10) Lester Rowntree Native Plant Garden – 25800 Harton Road										
rake pathways to remove excess soil, debris and litter				X						
keep pathways clear of vegetation				X						
clear beneath benches and garbage cans				X						
remove dead plants				X						X
mulch pathways with City approved bark or similar material										
11) Flanders Mansion grounds— 25800-Harton Road (includes driveway circle)										
sweep or blow walkways, patios, and driveway circle to remove soil, sand, debris and litter				X						
keep walkways and patios clear of vegetation and weeds				X						
keep planter beds free of weeds and debris				X						
prune all lvy, shrubs, and hedges to maintain existing shape and density								X		
keep lower driveway and island free of undesirable vegetation, weeds and debris				X						
mow lawn area to maintain a well-kept appearance				X						
prune lvy to building walls and away from windows, window frames, doors, and roof								X		
remove dead plants				X						
12) Fourth Avenue between Monte Verde Street and San Antonio Ave.										
sweep or blow to remove sand, soil, debris and litter				X						
keep vegetation pruned for visibility of cars and pedestrians at intersections				X						
keep walkway and bridge areas clear of vegetation and weeds				X						
spread mulch (city provided) over planter areas									X	
13) Lower Ocean Ave. Pathways (north & south sides of Ocean Ave. bet. Monte Verde St. & Del Mar Ave.)										
sweep or blow to remove sand, soil, debris and litter				X						
keep walkways and parking areas clear of litter, debris, excess vegetation and weeds				X						
mow annual weeds in planter areas adjacent to the walkways								X		
spread mulch (city provided) over planter areas										X
keep planter beds free of debris and litter				X						
SUBTOTAL - page 2										

Scope of Work: Bid Worksheet (page 3)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS

14) Upper Ocean Avenue landscape and path (Junipero Avenue to City limits).	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually	ANNUAL BID
sweep or blow walkways to remove sand, soil, debris and litter				X					
keep walkways clear of vegetation and weeds				X					
maintain the irrigation system for appropriate days, amount of water, and minor repairs				X					
prune landscape plantings to maintain proper form, health and appearance					X				
keep planter beds free of weeds, excess debris and litter				X					
clear beneath benches and garbage cans				X					
spread mulch (city provided) over planter areas									
mow annual weeds in planter areas, and along the north side of Ocean Ave.									X
keep vegetation pruned back from road and maintain car line of sight at intersections - N & S							X		
15) Ocean Avenue medians between Junipero Avenue and Monte Verde Street (and lights)									
prune landscape plantings to maintain proper form, health and appearance			X						
keep planter beds free of weeds, debris and litter			X						
spread mulch (city provided) over planter areas									
adjust tree lighting to prevent girdling and restriction of trunks and limbs						(2x)			X
plant small color areas with appropriate seasonal/holiday plantings						(4x)			
maintain irrigation timers, valves, lines and emitters			X						
replace plants as needed			X						
16) Devendorf Park									
sweep or blow sidewalks, patios and walkways to remove debris and litter			X						
pick up litter in and around the park		X							
keep benches and walkways clear of vegetation and weeds			X						
prune landscape plantings to maintain proper form, health and appearance					X				
keep the drainage channel free of debris, and vegetation					X				
keep planter beds free of weeds, debris and litter		X							
clear beneath benches and garbage cans			X						
mow the turf area to an appropriate height (2.5 - 3.5 inches) and trim pathway edges			X						
aerate and resod the turf area			X						X
fertilize the turf with an organic turf appropriate fertilizer							X		
maintain the irrigation system for appropriate days, amount of water, and minor repairs			X						
clear pond of litter and other debris		X							
coordinate irrigation with city staff for special events								X	
feed pond fish			X						
keep ivy off of trees and shrubs					X				

SUBTOTAL - page 3

Scope of Work: Bid Worksheet (page 4)

Landscaping Maintenance Services Contract 2017
Invitation for Formal Bids 17-18-001
Scope of Work

BASE BID LOCATIONS										ANNUAL BID
17) Piccadilly Park	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually		
sweep or blow sidewalks, patios and walkways to remove debris and litter			X							
pick up litter in and around the park		X								
keep benches and walkways clear of vegetation and weeds			X							
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter			X							
clear beneath benches and garbage cans			X							
maintain the irrigation system for appropriate days, amount of water, and minor repairs					X					
check and fill fountain as needed		X								
coordinate maintenance with the Carmel-by-the-Sea Garden Club					X					
18) Harrison Memorial Library - Ocean Ave. and Lincoln St.										
sweep or blow sidewalks, patios and walkways to remove debris and litter			X							
keep benches and walkways clear of vegetation and weeds			X							
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter			X							
clear beneath benches and garbage cans			X							
maintain the irrigation system for appropriate days, amount of water, and minor repairs					X					
coordinate maintenance with the Carmel-by-the-Sea Garden Club					X					
19) Harrison Memorial Library Park Branch - 6th Ave. and Mission St.										
sweep or blow sidewalks, patios and walkways to remove debris and litter			X							
keep benches and walkways clear of vegetation and weeds			X							
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter			X							
clear beneath benches and garbage cans			X							
maintain the irrigation system for appropriate days, amount of water, and minor repairs				X						

SUBTOTAL - page 4

SUBTOTAL - page 1

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CORE BID TOTAL

Scope of Work: Bid Worksheet (page 5)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

ADDITIVE BID LOCATIONS										ANNUAL BID
	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually		
sweep or blow walkways, stairs, and bridges (2) to remove sand, soil, debris and litter				X						
keep walkways and bridge areas clear of vegetation and weeds				X						
clear beneath benches and garbage can				X						
sweep or blow walkways, patio, and parking lot edges to remove sand, soil, debris and litter			X							
keep walkways, parking area, and patio clear of vegetation and weeds					X					
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, excess debris and litter			X							
spread mulch (city provided) over planter areas									X	
sweep or blow to remove sand, soil, debris and litter			X							
keep walkways and bridge area clear of vegetation and weeds			X							
sweep or blow to remove sand, debris and litter				X						
keep walkways and bridge area clear of vegetation and weeds				X						
sweep or blow to remove sand, soil, debris and litter				X						
keep walkways clear of vegetation and weeds				X						
sweep or blow to remove sand, soil, debris and litter				X						
keep walkways and bridge area clear of vegetation and weeds				X						
sweep or blow to remove sand, debris and litter			X							
keep pathway, boardwalk, and stairs clear of vegetation					X					
clear beneath benches and garbage can			X							

SUBTOTAL - page 5

Scope of Work: Bid Worksheet (page 6)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

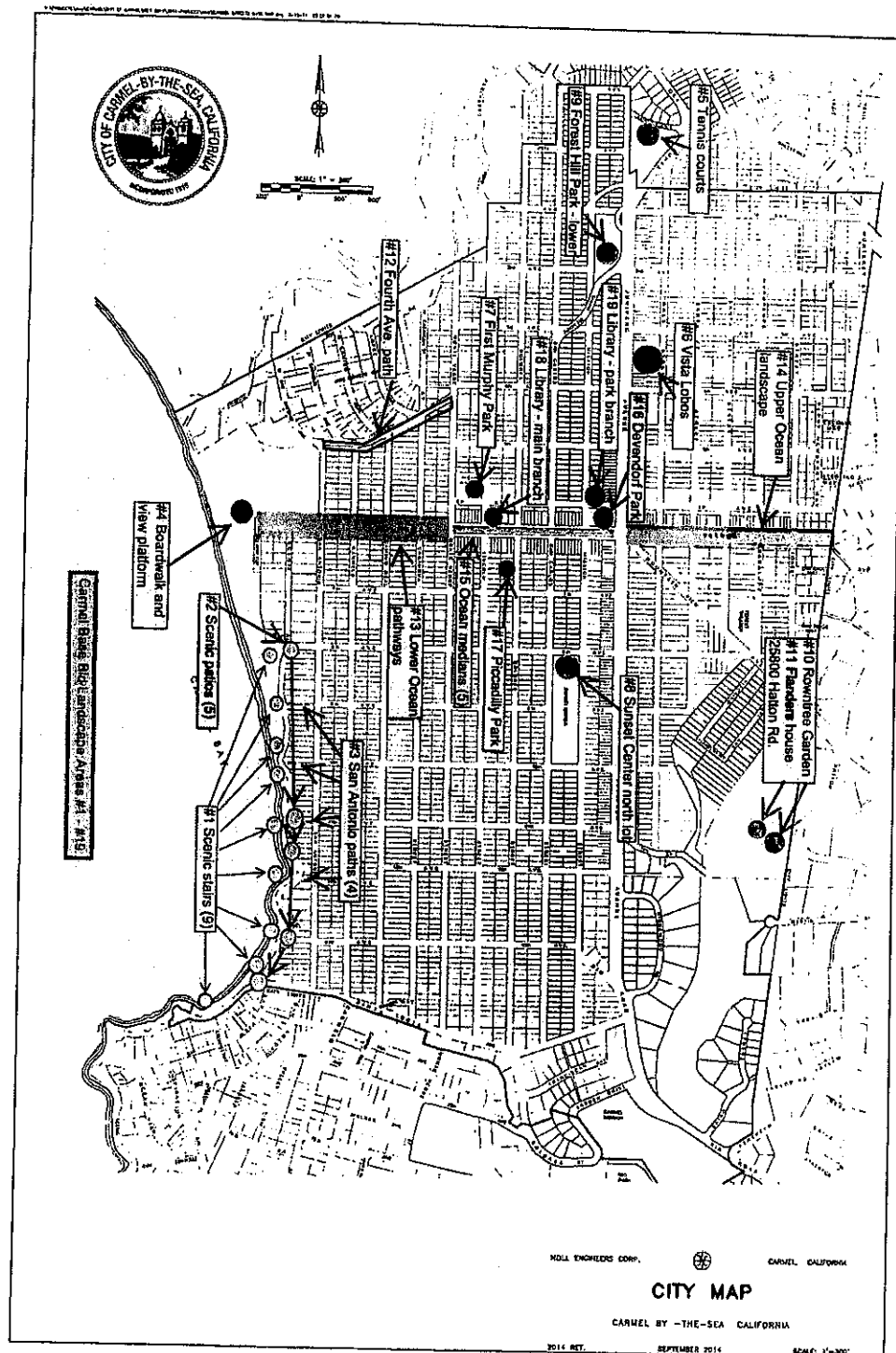
ADDITIVE BID LOCATIONS										ANNUAL BID
	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually		
sweep or blow stairways to remove debris and litter				X						
keep stairway area clear of vegetation and weeds				X						
pick up litter near the stairway				X						
sweep or blow to remove sand, soil, debris and litter				X						
keep walkways and medians clear of vegetation and weeds				X						
clear vegetation away from bench				X						
keep median vegetation pruned out of roadway and traffic sight lines					X					
sweep or blow walkways, patio, and parking lot to remove sand, soil, debris and litter					X					
keep walkways clear of vegetation and weeds					X					
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter					X					X
spread mulch (city provided) over planter areas										
sweep or blow walkways, patio, and parking lot to remove sand, soil, debris and litter					X					
keep walkways clear of vegetation and weeds					X					
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter					X					
spread mulch (city provided) over planter areas										X
sweep or blow sidewalks, patios and driveways, to remove debris and litter			X							
keep benches, patios, driveways and walkways clear of vegetation and weeds					X					
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter					X					
clear beneath benches and garbage cans			X							

SUBTOTAL - page 6

SUBTOTAL - page 5

BID ADDITIVE TOTAL

Base Bid Area Map



Additive Bid Area Map

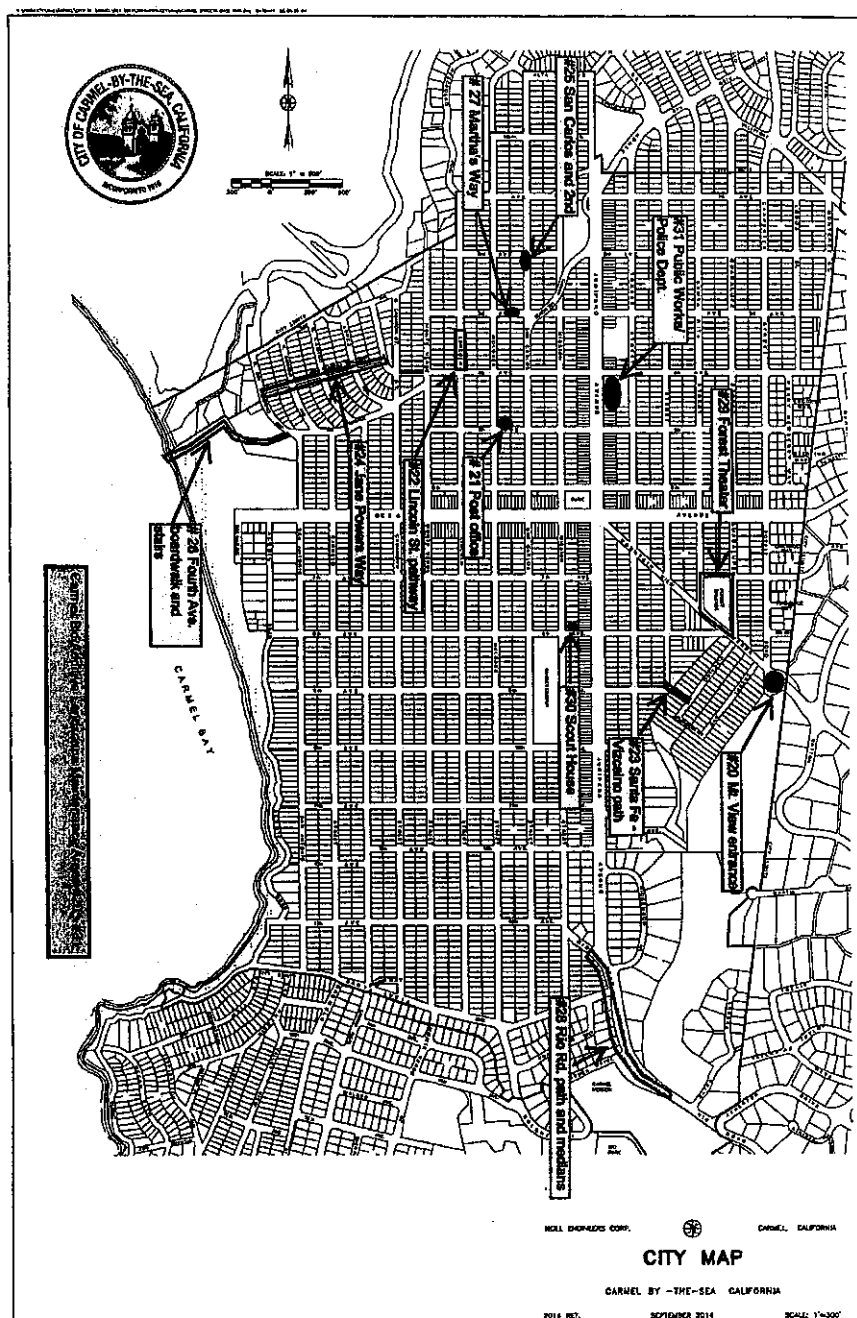


EXHIBIT "B"**Payment Rates, Terms and Schedule of Payment**

Contractor will submit detailed monthly invoices for work completed based on the Scope of Work in Exhibit "A" and corresponding to the proposal amounts submitted in Exhibit "D". This amount shall not exceed one hundred ten thousand, nine hundred thirty dollars (\$110,930.00) which sum shall include all costs for Base and Additive Bid Areas, for the total term of the Agreement unless additional payment is approved as provided in this Agreement. Any additional work outside of the Scope of Work defined in Exhibit "A" requires prior written authorization from the City (see Exhibit "C", Part IV-Special Provisions, page 14 under the section "Extra Work").

Contractor will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Contractor's fees it shall give written notice to Contractor within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.



CITY OF CARMEL-BY-THE-SEA
DEPARTMENT OF PUBLIC WORKS

SPECIFICATIONS
FOR

**Landscaping Maintenance Services Contract 2017
Invitation for Bids 17-18-001**

Bid Release Date:

Friday, September 1, 2017

Mandatory Site Tour with City Forester:

Wednesday, September 13, 2017 at 10:00 AM

Meet at Vista Lobos Parking Lot

Corner of Torres Street and 3rd Avenue

(Tour will leave promptly at 10:00 AM)

Questions Due by:

Tuesday, September 19, 2017 at 12:00 PM

Responses to Questions to be Posted on City Website by:

Monday, September 25, 2017 at 5:00 PM

Bid Submittal Due Date and Time:

Tuesday, October 3, 2017 at 10:00 AM

Bids to be Publicly Opened:

Tuesday, October 3, 2017 at 10:00 AM

Carmel City Hall Council Chambers

on the Eastside of Monte Verde Street between Ocean and 7th Avenues

Carmel-by-the-Sea

Prepared by
City of Carmel-by-the-Sea
Department of Public Works
Junipero Avenue between Fourth and Fifth Avenue
Carmel-by-the-Sea, CA 93921
Website: <http://ci.carmel.ca.us>



APPROVED:

Robert M. Harary 8/31/2017
Robert M. Harary, P.E.
Director of Public Works

**LANDSCAPING MAINTENANCE SERVICES CONTRACT 2017
INVITATION FOR BIDS 17-18-001**

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**CITY OF CARMEL-BY-THE-SEA
DEPARTMENT OF PUBLIC WORKS**

NOTICE TO CONTRACTORS

The City of Carmel-by-the-Sea (the "City") is soliciting bids from qualified companies to perform landscaping maintenance services for a one-year (1-year) contract with the option of three (3) one-year (1-year) renewals, to include a California Consumer Price Index Adjustment. The City reserves the right to adjust the annual funding limit based on the July 1, 2018 California Consumer Price Index.

The City is requesting bids from firms interested in providing routine landscape maintenance services to various locations throughout the City. Landscape maintenance services include but are not limited to: planting, weeding, edging, pruning; litter pickup, raking, and sweeping or blowing of walkways and patios to keep them free of litter and debris.

Submit bids in a sealed envelope to City Hall, attention City Clerk. Mail or deliver sealed bids to the following address by 10 AM on Tuesday, October 3, 2017:

US Mail	City of Carmel-by-the-Sea City Clerk P.O. Box CC Carmel-by-the-Sea, CA 93921
FedEx / UPS / Hand Delivery	City of Carmel-by-the-Sea City Clerk Eastside of Monte Verde Between Ocean and Seventh Avenues Carmel-by-the-Sea, CA 93921

Bids will be publicly opened and read in the City Council Chambers. At the time of the bid opening, the successful Bidder must be legally entitled to perform contracts requiring a California C-27 Landscaping Contractor's License. Any Bidder or contractor not so licensed shall be subject to all penalties imposed by law including, but not limited to, any appropriate disciplinary action by the Contractors' State License Board.

SPECIFICATIONS AND BID FORMS

Specifications, including instructions to Bidders and all necessary contract documents and forms, are available on-line from the City's website located at <http://ci.carmel.ca.us>. **Submit the original bid proposal unbound with wet signatures (see Appendix A for required Bid Forms for Submittal) in a sealed envelope clearly marked on the exterior "Landscaping Maintenance Services Bid 17-18-001".** When submitting a bid in a sealed envelope within another sealed envelope, such as an envelope provided by an overnight carrier, be sure to also mark the exterior of the outermost envelope or overnight carrier's envelope clearly with the project name, bid opening date and bid opening time.

PREVAILING WAGES

Local prevailing wage rates shall be paid in accordance with Sections 1770, 1773, and 1782, as amended, of the California Labor Code, on all public works construction contracts exceeding twenty-five thousand dollars (\$25,000) and all public works contracts for alteration, demolition, repair or maintenance work exceeding fifteen thousand dollars (\$15,000). Local wage rates may be obtained from the Department of Industrial Relations, State of California, 455 Golden Gate Avenue, San Francisco, California (415-703-4774). Any Contractor awarded a public works contract that uses a craft or classification not in the general prevailing wage determinations may be required to pay the wage rate most closely related in the general determinations, effective at the time of the call for bids.

In accordance with the provisions of Sections 1725.5, 1771.1, 1771.3, and 1771.4 of the Labor Code, this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. A contractor or subcontractor shall not be qualified to bid on, be listed in a bid (subject to the requirements of Section 4104 of the Public Contract Code), or engage in the performance of any contract for public work, as defined by that chapter of the Labor Code, unless currently registered and qualified to perform public work pursuant to Section 1725.5 of the Labor Code. See Part III of these Specifications for additional requirements.

In accordance with the provisions of Section 1773.3 of the Labor Code, the City of Carmel-by-the-Sea shall provide notice to the Department of Industrial Relations (DIR) of the award of any public works contract subject to the requirements of Chapter 1 of the Labor Code, within five days of the award. The notice shall be transmitted electronically in a format specified by the DIR (see <https://www.dlr.ca.gov/pwc100ext/>) and shall include the name of the contractor, any subcontractor listed on the successful bid, the bid and contract award dates, the contract amount, the estimated start and completion dates, job site location, and any additional information the DIR specifies that aids in the administration and enforcement of this chapter.

BID BOND

Cash, a certified check or cashier's check, payable to the order of the City of Carmel-by-the-Sea, or a satisfactory bid bond, in original form (no fax or photocopy shall be accepted), executed by the Bidder and an acceptable surety in an amount equal to ten percent (10%) of the bid amount shall be submitted with each bid.

BID VALIDITY

No Bidder may withdraw their bid for a period of ninety (90) days from the date of opening of the bids for the purpose of reviewing the bids and investigating the qualifications of Bidders, prior to awarding of the contract. Any bid withdrawal before the expiration of such time period shall result in the forfeiture of Bidder's Bid Bond. In the event of a bid mistake resulting from a clerical error made by the Bidder, withdrawal of such bid without forfeiture of the Bid Bond may only be allowed if the criteria set forth in California Public Contracts Code Sec. 5103 are met and the procedures set forth therein are followed; any such approval by City of Bidders request to withdraw bid shall be at the sole discretion of the City.

RESPONSIBLE BIDDER

Responsible Bidder as it pertains to this contract shall be as follows:

1. **Standards of Responsibility:** The City may reject bids on the basis of non-responsibility. A responsible Bidder is one that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance of the contract. Factors to be considered in determining whether the standard of responsibility has been met include whether a Bidder has:
 - a. The appropriate financial, material, equipment, facility, capacity (adequate workforce to complete the job in a timely fashion) and personnel resources, including all required certifications, licenses, and expertise necessary to indicate its capacity to meet all contractual requirements, including the following specific requirements:
 - i. Adequate workforce to meet multiple critical work schedules at once;
 - ii. Ability to start projects on the commencement dates set forth by the City and satisfactorily complete them within the City's stated time limits;
 - b. A satisfactory record of performance, including but not limited to any prior work performed by Bidder for the City or other agency;

- c. Evidence of Bidder's ability to provide the required bonding and insurance capacity. Apparent low Bidder with cash or cashier's check as bid bond is required to submit a pre-qualification letter from an acceptable surety or cashier's check as performance bond within fourteen (14) calendar days of the bid opening;
 - d. A satisfactory record of integrity, diligence, and professionalism in the specific contract work;
 - e. The legal qualifications to contract with the City; and
 - f. Supplied all information requested by the City in connection with the Inquiry concerning responsibility.
2. Information Pertaining to Responsibility. The prospective contractor shall supply any information requested by the City concerning the responsibility of such contractor, including the qualifications and performance records of contractor's employees and proposed subcontractors. If the prospective contractor fails to supply the requested information, the City shall base the determination of responsibility in award of the Contract upon any available information, or may find the prospective contractor non-responsible on the basis of its failure to provide the requested information to the City.
3. The City's Duty Concerning Responsibility. Before awarding a contract, the City must be satisfied that the prospective contractor is responsible. The City may use the information provided by prospective contractor as well as information obtained from other legitimate sources, including City staff's own experience with the prospective contractor and prospective contractor's employees.
4. Written Determination of Non-responsibility Requirements. If a Bidder or offeror who otherwise would have been awarded the Contract is found non-responsible, a written determination of non-responsibility setting forth the basis determination shall be prepared by the City and sent to the non-responsible Bidder or offeror. The Bidder or offeror shall have an opportunity to appeal the City's determination on non-responsibility.

BID REJECTION

The City reserves the right to reject any or all bids as the best interests of the City may dictate and, to the extent permitted by law, waive any irregularity in any bid. If there is any reason for believing that collusion exists among the Bidders, the City may reject any or all bids.

UNBALANCED BID

Bids which are obviously unbalanced may be rejected. For the purposes of this section, an unbalanced bid is one that (a) has unit prices based on nominal prices for some items of work and enhanced unit prices for other items of work, and (b) the amount and manner in which the unit prices are distributed is not reflective of the true cost to perform the work. Any unbalanced bid may be rejected by the City whether or not the result of the unbalanced bid increases the cost of the project to the City.

INTERPRETATION OF SPECIFICATIONS

Should a Bidder be in doubt as to the true meaning of any item in the Specifications or should Bidder discover items containing discrepancies or omissions, the City Forester and his or her representatives shall be immediately notified. All requests for interpretations must be submitted ninety-six (96) hours before bid opening by email to Mike Branson at mbranson@ci.carmel.ca.us. If found necessary, interpretation or correction will be made by written addendum, a copy of which will be posted on the City website at <http://ci.carmel.ca.us>. Such addenda are to be considered as part of the contract documents, and the Bidder shall acknowledge this condition by listing each addendum by number in his bid. The City

Forester and his or her representatives shall not be held responsible for any oral interpretations or instructions. No addenda can be issued less than seventy-two (72) hours before bid opening without an accompanying bid time extension. The City Forester and his or her representatives reserves the right to make decisions on extending the bid period.

DEFINITIONS

For the purposes of this document, the following definitions shall apply:

<u>ADA:</u>	Americans with Disabilities Act of 1990, Titles II and III, revised September 15, 2013
<u>BMP:</u>	Best Management Practice
<u>BIDDER:</u>	Party submitting a bid for consideration by the Carmel-by-the-Sea.
<u>CITY:</u>	The term <u>City</u> refers to and indicates the City of Carmel-by-the-Sea, Monterey County, State of California.
<u>CONTRACTOR:</u>	The term <u>Contractor</u> refers to and indicates the party or parties contracting to perform the work to be done in pursuance of this contract and specifications.
<u>COUNCIL OR CITY COUNCIL:</u>	The City Council of the Carmel-by-the-Sea.
<u>ENGINEER OR CITY ENGINEER</u>	The term <u>Engineer</u> or <u>City Engineer</u> refers to and indicates the Public Works Director of the City of Carmel-by-the-Sea or his duly authorized representative.
<u>SPECIAL PROVISIONS:</u>	Part IV of these Specifications.
<u>SPECIFICATIONS:</u>	This document, in its entirety.



**CITY OF CARMEL-BY-THE-SEA
DEPARTMENT OF PUBLIC WORKS**

**SPECIFICATIONS
FOR**

**Landscaping Maintenance Services Contract 2017
Invitation for Bids 17-18-001**

BID PROPOSAL

To the Honorable City Council
City of Carmel-by-the-Sea
City Clerk
Eastside of Monte Verde
Between Ocean and Seventh Avenues
Carmel-by-the-Sea, CA 93921

The undersigned declares to have carefully examined the location of the proposed work, that the Scope of Work and Specifications, as set forth herein have been examined, and hereby proposes to furnish all materials and equipment and do all the work required to complete the said work in accordance with said Scope of Work and Specifications for the lump sums and unit prices set forth in the following schedule.

BID APPROVAL:

PRINCIPAL/ OWNER

DATE: _____

Scope of Work: Bid Worksheet (page 2)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS										ANNUAL BID
9) Forest Hill Park—lower section:										
	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually		
sweep or blow pathways and basketball area to remove sand, soil, debris and litter				X						
keep walkways, playground, and basketball area clear of debris, vegetation and weeds				X						
mow public use areas				X						
mow perimeter open spaces								X		
10) Luster Rowntree Native Plant Garden—25800 Hutton Road										
rake pathways to remove excess soil, debris and litter				X						
keep pathways clear of vegetation				X						
clear beneath benches and garbage cans				X						
remove dead plants				X						
mulch pathways with City approved bark or similar material									X	
11) Flanders Mansion grounds—25800 Hutton Road (includes driveway circle)										
sweep or blow walkways, patios, and driveway circle to remove soil, sand, debris and litter				X						
keep walkways and patios clear of vegetation and weeds				X						
keep planter beds free of weeds and debris				X						
prune all ivy, shrubs, and hedges to maintain existing shape and density								X		
keep lower driveway and island free of undesirable vegetation, weeds and debris				X						
mow lawn area to maintain a well-kept appearance				X						
prune ivy to building walls and away from windows, window frames, doors, and roof								X		
remove dead plants				X						
12) Fourth Avenue between Monte Verde Street and San Antonio Ave.										
sweep or blow to remove sand, soil, debris and litter				X						
keep vegetation pruned for visibility of cars and pedestrians at intersections				X						
keep walkways and bridge areas clear of vegetation and weeds				X						
spread mulch (city provided) over planter areas									X	
13) Lower Ocean Ave: Pathways (north of south side of Ocean Ave. bet. Monte Verde St. & Del Mar Ave.)										
sweep or blow to remove sand, soil, debris and litter				X						
keep walkways and parking areas clear of litter, debris, excess vegetation and weeds				X						
mow annual weeds in planter areas adjacent to the walkways								X		
spread mulch (city provided) over planter areas									X	
keep planter beds free of debris and litter				X						
SUBTOTAL - page 2										

Scope of Work: Bid Worksheet (page 3)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS										ANNUAL BID
		Saturday	daily (A-F)	weekly	bi-weekly	monthly	seasonally	quarterly	annually	
14) Upper Ocean Avenue landscape and path (Junipero Avenue to City limits)	sweep or blow walkways to remove sand, soil, debris and litter				X					
	keep walkways clear of vegetation and weeds				X					
	maintain the irrigation system for appropriate days, amount of water, and minor repairs				X					
	prune landscape plantings to maintain proper form, health and appearance					X				
	keep planter beds free of weeds, excess debris and litter				X					
	clear beneath benches and garbage cans				X					
	spread mulch (city provided) over planter areas								X	
	mow annual weeds in planter areas, and along the north side of Ocean Ave.							X		
	keep vegetation pruned back from road and maintain car line of sight at intersections - N & S									
	15) Ocean Avenue medians between Junipero Avenue and Monte Verde Street (and lights)									
	prune landscape plantings to maintain proper form, health and appearance			X						
	keep planter beds free of weeds, debris and litter			X						
	spread mulch (city provided) over planter areas									X
	adjust tree lighting to prevent glinting and restriction of trunks and limbs						(2x)			
	plant small color areas with appropriate seasonal/holiday plantings						(4x)			
	maintain irrigation timers, valves, lines and emitters			X						
	replace plants as needed			X						
	16) Devereport Park									
	sweep or blow sidewalks, patios and walkways to remove debris and litter		X							
	pick up litter in and around the park									
	keep benches and walkways clear of vegetation and weeds			X						
	prune landscape plantings to maintain proper form, health and appearance					X				
	keep the drainage channel free of debris, and vegetation					X				
	keep planter beds free of weeds, debris and litter		X							
	clear beneath benches and garbage cans			X						
	mow the turf area to an appropriate height (2.5 - 3.5 inches) and trim pathway edges			X						
	aerate and reseed the turf area								X	
	fertilize the turf with an organic turf appropriate fertilizer							X		
	maintain the irrigation system for appropriate days, amount of water, and minor repairs			X						
	clear pond of litter and other debris		X							
	coordinate irrigation with city staff for special events							X		
	feed pond fish			X						
	keep ivy off of trees and shrubs					X				

SUBTOTAL - page 3

Scope of Work: Bld Worksheet (page 1)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS										ANNUAL BID
		Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually	
1) Scenic Road Steps (8 th , 9 th , 10 th , 12 th , 11 th , 12 th , 13 th , Santa Lucia Avenue, Martin Road)	sweep or blow to remove sand, debris and litter keep stairs clear of vegetation	X		Tu or We		X				
2) Scenic Road Stone Patios (8 th , 11 th , between 11 th & 12 th , 13 th & Santa Lucia Ave.)	sweep or blow to remove sand, debris and litter keep patios clear of vegetation clear beneath benches and garbage cans	X		Tu or We		X				
3) San Antonio Walkways (between San Antonio Ave. and Scenic Road at 9 th , 10 th , 11 th and 12 th Ave.)	sweep or blow to remove sand, debris and litter keep walkways clear of excess vegetation and weeds				X					
4) Boardwalk and viewing platform located at Del Mar and Ocean Avenue	sweep or blow to remove sand, debris and litter	X		Tu or We		X				
5) Tennis Courts in Forest Hill Park - on Lower Lane	sweep or blow courts to remove sand, soil, debris and litter			X						
6) Vista Lobos - Torres Street and 8 th Avenue	sweep or blow walkways, stairs, deck, and parking lot edges to remove soil, debris and litter keep walkways clear of vegetation and weeds maintain the irrigation system for appropriate days, amount of water, and minor repairs prune landscape plantings to maintain proper form, health and appearance keep planter beds free of weeds, debris and litter spread mulch (city provided) over planter areas			X						
7) First Murphy Park and House Garden - Lincoln Street and 5 th Avenue	sweep or blow walkways, patio, and parking areas to remove sand, soil, debris and litter keep walkways, deck, and benches clear of vegetation and weeds maintain the irrigation system for appropriate days, amount of water, and minor repairs prune landscape plantings to maintain building clearances, proper form, health and appearance keep planter beds free of weeds, debris and litter clear beneath benches and garbage cans spread mulch (city provided) over planter areas			X						
8) North lot at Sunset Center including perimeter areas and connecting pathways	sweep or blow walkways, patio, and parking lot to remove sand, soil, debris and litter keep walkways clear of excess vegetation and weeds prune landscape plantings to maintain proper form, health and appearance keep planter beds free of weeds, debris and litter spread mulch (city provided) over planter areas			X						

SUBTOTAL - page 1

Page 1 of 6

**Landscaping Maintenance Bid 17-18-001
For Carmel-by-the-Sea
Bid Schedule**

Item No.	Unit	Base Areas (Geographic Location)	Annual Amount
1	\$/year	Scenic Road Steps(8th, 9th, 10th (2), 11th, 12, 13th, Santa Lucia Avenue, Martin Road)	\$
2	\$/year	Scenic Road Stone Pallos (8th, 11th, between 11th & 12th, 13th, & Santa Lucia Ave.)	\$
3	\$/year	San Antonio Walkways (between San Antonio Ave. and Scenic Road at 9th, 10th, 11th and 12th Ave.)	\$
4	\$/year	Boardwalk and viewing platform located at Del Mar and Ocean Avenue	\$
5	\$/year	Tennis Courts in Forest Hill Park – on Lorca Lane	\$
6	\$/year	Vista Lobos – Torres Street and 3rd Avenue	\$
7	\$/year	First Murphy Park and House Garden – Lincoln Street and 6th Avenue	\$
8	\$/year	North lot at Sunset Center including perimeter areas and connecting pathways	\$
9	\$/year	Forest Hill Park – lower section	\$
10	\$/year	Lester Rowntree Native Plant Garden – 25800 Hatton Road	\$
11	\$/year	Flanders Mansion grounds– 25800 Hatton Road (Includes driveway circle)	\$
12	\$/year	Fourth Avenue between Monte Verde Street and San Antonio Ave.	\$
13	\$/year	Lower Ocean Ave. Pathways (north & south sides of Ocean Ave. bet. Monte Verde St. & Del Mar Ave.)	\$
14	\$/year	Upper Ocean Avenue landscape and path (Junipero Avenue to City limits).	\$
15	\$/year	Ocean Avenue medians between Junipero Avenue and Monte Verde Street (and lights)	\$
16	\$/year	Devendorf Park	\$
17	\$/year	Piccadilly Park	\$
18	\$/year	Harrison Memorial Library - Ocean Ave. and Lincoln St.	\$
19	\$/year	Harrison Memorial Library Park Branch - 6th Ave. and Mission St.	\$
BASE AREAS SUBTOTAL (SUBTOTAL A)			\$
BASIS OF AWARD		(SUBTOTAL A) (In Words)	(In Figures)
			\$
Item No.	Unit	Additive Areas (Geographic Location)	Annual Amount
20	\$/year	Mt. View entrance to Mission Trail Nature Preserve	\$
21	\$/year	Post Office Plaza and parking lot (ne Dolores St. & 5th Ave.)	\$
22	\$/year	Lincoln Street pathway between 3rd and 4th Avenues	\$
23	\$/year	Pathway from the dead-end of Santa Fe Street south of 8th Avenue to Vizcaino Avenue	\$
24	\$/year	Jane Power's Walkway from Palou to San Antonio (mid-block between 2nd and 4th Avenues)	\$
25	\$/year	Pathway at San Carlos Street and 2nd Avenue	\$
26	\$/year	4th Avenue pathway, boardwalk and stairway (San Antonio Ave. & 4th Ave. entrance to the beach)	\$
27	\$/year	Marthas Way stairway - 3rd Avenue between San Carlos & Dolores	\$
28	\$/year	W/ Rio Road bet. Junipero and Lasuen pathway and Rio Road medians	\$
29	\$/year	Forest Theater grounds and perimeter areas	\$
30	\$/year	Scout House	\$
31	\$/year	Public Works / Police Department - 4th and Junipero	\$
ADDITIVE AREAS SUBTOTAL-(SUBTOTAL B)			\$
GRAND TOTAL (SUBTOTAL A + SUBTOTAL B)			\$

Scope of Work: Bid Worksheet (page 4)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS										ANNUAL BID
17) Picadilly Park	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually		
sweep or blow sidewalks, patios and walkways to remove debris and litter		X	X							
pick up litter in and around the park			X							
keep benches and walkways clear of vegetation and weeds					X					
prune landscape plantings to maintain proper form, health and appearance										
keep planter beds free of weeds, debris and litter			X							
clear beneath benches and garbage cans			X							
maintain the irrigation system for appropriate days, amount of water, and minor repairs					X					
check and fill fountain as needed		X								
coordinate maintenance with the Carmel-by-the-Sea Garden Club					X					
18) Harrison Memorial Library: Ocean Ave. and Lincoln St.										
sweep or blow sidewalks, patios and walkways to remove debris and litter			X							
keep benches and walkways clear of vegetation and weeds			X							
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter			X							
clear beneath benches and garbage cans			X							
maintain the irrigation system for appropriate days, amount of water, and minor repairs					X					
coordinate maintenance with the Carmel-by-the-Sea Garden Club					X					
19) Harrison Memorial Library: Park Benches - 6th Ave. and Mission St.										
sweep or blow sidewalks, patios and walkways to remove debris and litter			X							
keep benches and walkways clear of vegetation and weeds			X							
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter			X							
clear beneath benches and garbage cans			X							
maintain the irrigation system for appropriate days, amount of water, and minor repairs					X					
coordinate maintenance with the Carmel-by-the-Sea Garden Club					X					
20) Harrison Memorial Library: Park Benches - 6th Ave. and Mission St.										
sweep or blow sidewalks, patios and walkways to remove debris and litter			X							
keep benches and walkways clear of vegetation and weeds			X							
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter			X							
clear beneath benches and garbage cans			X							
maintain the irrigation system for appropriate days, amount of water, and minor repairs					X					
coordinate maintenance with the Carmel-by-the-Sea Garden Club					X					
SUBTOTAL - page 4										
SUBTOTAL - page 1										
SUBTOTAL - page 2										
SUBTOTAL - page 3										
CORE BID TOTAL										

Scope of Work: Bid Worksheet (page 5)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

ADDITIVE BID LOCATIONS										ANNUAL BID
	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually		
sweep or blow walkways, stairs, and bridges (2) to remove sand, soil, debris and litter				X						
keep walkways and bridge areas clear of vegetation and weeds				X						
clear beneath benches and garbage can				X						
sweep or blow walkways, paths, and parking lot edges to remove sand, soil, debris and litter			X							
keep walkways, parking area, and paths clear of vegetation and weeds					X					
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, excess debris and litter			X							
spread mulch (city provided) over planter areas									X	
sweep or blow to remove sand, soil, debris and litter			X							
keep walkways and bridge area clear of vegetation and weeds			X							
sweep or blow to remove sand, debris and litter				X						
keep walkways and bridge area clear of vegetation and weeds				X						
sweep or blow to remove sand, soil, debris and litter				X						
keep walkways clear of vegetation and weeds				X						
sweep or blow to remove sand, soil, debris and litter				X						
keep walkways and bridge area clear of vegetation and weeds				X						
sweep or blow to remove sand, debris and litter			X							
keep pathways, boardwalk, and stairs clear of vegetation					X					
clear beneath benches and garbage can			X							

SUBTOTAL - page 5

BASIS OF AWARD

Award of contract, if any be made, shall be made to the Contractor with the lowest responsive, responsible bid based on the **Base Areas Subtotal (Subtotal A)**.

ANCILLARY ITEMS

Payment for any items that do not have instruction indicating where expenses for said items are to be accounted for are to be considered ancillary to the work and no additional compensation will be allowed therefor.

These items include, but are not limited to, Mobilization, Demobilization, Traffic Control, Storm Water/Environmental Pollution Prevention Compliance and related work, clean up, acquiring and complying with permits, estimating costs for potential Work Orders, staging areas, temporary site utilities, temporary sanitation facilities, attendance at meetings, coordinating with site users, bonds, insurance and similar items.

BID CLARIFICATION

Pursuant to the provisions of the California Public Contract Code Section 20103.8, City reserves the option to award any or all the additive bid items, in any order, in addition to the original contract after the lowest responsive responsible Bidder has been determined, should the City later obtain additional funding for additive alternatives not awarded with the original contract.

For responsible Bidder as it pertains to this contract, see Part I, Responsible Bidder.

The foregoing quantities are approximate only, being given as a basis for comparison of bids, and the City of Carmel-by-the-Sea does not, expressly or by implication, agree that the actual amount of work will correspond therewith, but reserves the right to increase or decrease the amount of work by twenty-five percent (25%) or to omit portions of the work as may be deemed necessary by the Contractor.

All costs associated with obtaining the bonds and insurance required by this contract shall be included in the unit prices for work items. In the event that no work is issued by the City during the course of the contract, the Contractor shall be responsible for any and all costs associated with meeting the contract requirements.

Bidders may withdraw or revise their bid personally, or upon a written request, or by at any time prior to the hour set for the opening of bids, but not thereafter. The City shall not accept faxed copies of bid bonds, affidavits or any other documents where an original document or signature is required by these Specifications. Bids may not be withdrawn for the time period specified in Bid Validity of Part I.

The Noncollusion Declaration included in this document shall be executed and submitted with each bid. The Local Hire Certification included in this document shall be executed and submitted with each bid, except in the following cases: 1) informal bids (i.e., under \$65,000); 2) whenever a state or federal law or regulation applicable to a particular contract prohibits the provision of a local hire requirement; or 3) whenever the City, in accordance with the requirements of the City Code or state law, determines that the contract is necessary to respond to an emergency which endangers the public health, safety, or welfare; or 4) whenever the City determines that a suitable pool of persons providing specialized skills does not exist locally for a specific public works project.

Scope of Work: Bid Worksheet (page 6)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

ADDITIVE BID LOCATIONS	ANNUAL BID						
	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly
sweep or blow stairway to remove debris and litter				X			
keep stairway area clear of vegetation and weeds				X			
pick up litter near the stairway				X			
sweep or blow to remove sand, soil, debris and litter				X			
keep walkways and medians clear of vegetation and weeds				X			
clear vegetation away from bench				X			
keep median vegetation pruned out of roadway and traffic sight lines					X		
sweep or blow walkways, patios, and parking lot to remove sand, soil, debris and litter					X		
keep walkways clear of vegetation and weeds					X		
prune landscape plantings to maintain proper form, health and appearance					X		
keep planter beds free of weeds, debris and litter					X		
spread mulch (city provided) over planter areas							X
sweep or blow walkways, patios, and parking lot to remove sand, soil, debris and litter					X		
keep walkways clear of vegetation and weeds					X		
prune landscape plantings to maintain proper form, health and appearance					X		
keep planter beds free of weeds, debris and litter					X		
spread mulch (city provided) over planter areas							X
sweep or blow sidewalks, patios and driveways, to remove debris and litter			X				
keep benches, patios, driveways and walkways clear of vegetation and weeds					X		
prune landscape plantings to maintain proper form, health and appearance					X		
keep planter beds free of weeds, debris and litter					X		
clear beneath benches and garbage cans			X				

SUBTOTAL - page 6

SUBTOTAL - page 5

BID ADDITIVE TOTAL

**NONCOLLUSION DECLARATION TO BE EXECUTED BY BIDDER AND
SUBMITTED WITH BID**

The undersigned declares:

I am the Owner of Tamara County Gardens Landscaping, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or a sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other Bidder. All statements contained in the bid are true. The Bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on this 12 day of November, 2012 in Glendale [city], Los Angeles County, California.

Signature

Printed Name and Title

Robert L. Str

DEBARMENT AND SUSPENSION CERTIFICATION

The Bidder, under penalty of perjury, certifies that, except as noted below, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

- Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any state, federal, or local agency;
- Has not been suspended, debarred, voluntarily excluded or determined ineligible by any state, federal, or local agency within the past 3 years;
- Does not have a proposed debarment pending; and
- Has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining Bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Notes: Providing false information may result in criminal prosecution or administrative sanctions.

I declare under penalty of perjury that the foregoing is true and correct and that this certification is signed this 27 day of November, 2017 in Carmel [city], Monterey County, California.

Signature

Printed Name and Title

**PART III: GENERAL PROVISIONS
FORMAL BID (\$25,000 and over)**

BIDDING

JOB SITE AND DOCUMENT EXAMINATION

The Bidder is required to thoroughly examine the job site, Specifications including Contract Form (See Part III, Page 2) for the work contemplated, and it will be assumed that the Bidder has investigated and is satisfied as to the requirements of the specifications, including the contract. It is mutually agreed that submission of a proposal shall be considered prima facie evidence that the Bidder has made such examination.

BID DOCUMENT COMPLETION

Proposals to receive consideration shall be made in accordance with the following instructions:

1. The proposal shall be made upon the form provided therefor with all items filled out (Appendix A of these specifications). The completed form must be without interlineations, alterations, or erasures. All submitted documents must be in original form (no photocopies or faxes).
2. Each bid shall be accompanied by cash, a cashier's check, a certified check, or a Bidder's bond executed by the Bidder and an acceptable surety in original form, or any negotiable instruments in original form that are not cancelable amounting to ten percent (10%) of the bid, payable to the City of Carmel-by-the-Sea. The amount so posted shall be forfeited to the municipality if the Bidder does not, within fifteen (15) calendar days after written notice that the contract has been awarded to said Bidder, enter into a contract with the municipality for the work.

The City shall have the right to hold all bid bonds until award of the contract. However, the Director of Contracts and Budgets may order the return of all bid bonds except that of the two (2) lowest Bidders prior to the award.

CONTRACT AWARD AND EXECUTION

CONTRACT AWARD

The contract shall be awarded, if an award is made, to the lowest responsive, responsible Bidder as defined in Part II, Bid Clarification, of these specifications, within ninety (90) calendar days from the date bids are publicly opened, examined and declared. If the award is not made within the specified period, then all of the bids submitted shall be deemed to have been rejected by the legislative body.

CONTRACT EXECUTION

A contract shall not be deemed to have been made between the Contractor and the City of Carmel-by-the-Sea until all of the following steps have been completed:

1. Award of the contract by the City Council,
2. Within fifteen (15) calendar days after written notice that a contract has been awarded to him (Notice of Award), the Contractor shall submit two (2) signed original contracts, required bonds or alternative security, evidence of insurance that conforms to the contract, and City of Carmel-by-the-Sea Business License or evidence of application for said license.
3. Upon approval of the foregoing documents, the City will execute the contract and return an original to the Contractor.

**Certification of Good-Faith Effort to Hire Monterey Area Residents
(Prime Contractor – To be Submitted with Bid)**

I, Robert G. Luster, a licensed contractor, or responsible managing officer, of the company known as Iron & Country Gardening and Landscaping do hereby certify, under penalty of perjury, that I have met, or made a good-faith effort to hire local personnel. Further, I certify that during the performance of the contract, I shall keep an accurate record on a standardized form showing the name, place or residence, trade classification, hours employed, proof of qualified individual status, per diem wages and benefits of each person employed by the company on the specific public works project, including full-time, part-time, permanent, and temporary employees, and provide such records to the City upon request, within five working days. I understand that I am responsible for insuring that any subcontractor working under my direction, complies with this request, including submitting a Certification of Good Faith Effort to Monterey Bay Residents, and to keeping accurate records as described above.

Signature

Robert G. Luster
Printed Name and Title

CEO / CFO

SCOPE OF WORK**INTENT**

The work to be done consists of furnishing all labor, materials, methods and processes, implements, tools, equipment, incidentals and machinery except as otherwise specified, which are necessary and required to complete the contract in a satisfactory and workmanlike manner.

The intent of the specifications is to prescribe the details for the completion of the work which the Contractor undertakes to perform in accordance with the terms of the contract. Where the specifications describe portions of the work in general terms, but not in complete detail, it is understood that only the best general practice is to prevail and that only materials and workmanship of the best quality are to be used.

CHANGES AND EXTRA WORK

The City Forester and his or her representatives reserve the right to make such alterations, deviations, additions to or omissions from the specifications, including the right to increase or decrease the quantity of any item or portion of the work or to omit any items or portion of the work, as may be deemed by the City Forester and his or her representatives to be necessary or advisable, and to require such extra work as may be determined by the City Forester and his or her representatives to be necessary for the proper completion or construction of the whole work contemplated.

When special conditions arise, such as mitigation of unforeseen conditions or additional work, the work shall be negotiated as "extra work". Approved Change Orders shall describe the changes or extra work, contract time adjustments and payment basis for such work as applicable. Change Orders are valid contract amendments when approved and signed by the City and Contractor. All changes and extra work must be negotiated and approved before the work is performed.

The City may require the Contractor to work outside approved construction hours noted in Part IV, Procedure. For work done during these times, when required by the City, payment to the Contractor may be adjusted per General Prevailing Wage Rate provisions.

CLEANUP

All work sites shall be kept as clear of equipment, material and waste material as is practicable at all times. The City of Carmel-by-the-Sea shall make the determination that this requirement is being complied with.

If the City is required to provide cleanup of the work sites due to failure of the Contractor to so provide, or in case of emergency, the City shall charge the Contractor the actual cost of labor and materials and may deduct said costs from any monies due and owing the Contractor.

Upon completion and before making application for acceptance of the work, the Contractor shall clean the areas of work, and all ground occupied by him in connection with the work, of all rubbish, excess materials, temporary structures, and equipment, and all parts of the work shall be left in a neat and presentable condition.

CONTROL OF WORK

CONTRACT COMPONENTS

These specifications and all supplementary documents are essential parts of the contract, and a requirement occurring in one is as binding as though occurring in all; they are intended to be cooperative, to describe, and to provide for a complete job.

All authorized alterations affecting the requirements and information given on the approved specifications shall be in writing. No changes shall be made on any plan, specification or drawing after the same has been approved by the Director of Public Works, except by direction of the City Forester and his or her representatives.

In the event of discrepancy, written dimensions shall take precedence over scaled dimensions.

CITY FORESTER AUTHORITY

The City Forester and his or her representatives shall respond to any and all inquiries as to the quality or acceptability of materials furnished and work performed, and as to the manner of performance and rate of progress of the work; all inquiries as to the interpretation of the specifications; all inquiries as to the acceptable fulfillment of the contract on the part of the Contractor; and all inquiries as to claims and compensation. The City Forester and his or her representatives's response shall be final and the City Forester and his or her representatives shall have executive authority to enforce and make effective such responses.

In the event of doubt or question relative to the true meaning of the specifications, reference shall be made to the Director of Public Works, or his designee, whose decision thereon shall be final.

ASSIGNMENT

The contract may be assigned only upon the written consent of the City Council.

SUBCONTRACTING

Any Proposed substitution of subcontractors must comply with the requirements of the Subletting and Subcontracting Fair Practices Act, California Public Contract Code §4100, et seq.

The Contractor shall give his personal attention to the fulfillment of the contract and shall keep the work under his control.

Subcontractors will not be recognized as such, and all persons engaged in the work of construction will be considered as employees of the Contractor, and their work shall be subject to the provisions of the contract and specifications.

Where a portion of the work sublet by the Contractor is not being prosecuted in a manner satisfactory to the City Forester, the subcontractor shall be removed immediately on the request of the City Forester and his or her representatives and shall not again be employed on the work.

REPRESENTATIVE

The Contractor shall assign a representative and submit contact information (name, telephone number) to the City of Carmel-by-the-Sea Department of Public Works. If the after-hours representative is different than the on-site representative, provide contact information for both.

The Contractor shall be constantly on the work during its progress or shall be represented by a foreman who is competent to receive and carry out instructions which may be given by the proper authorities, and the Contractor shall be held liable for the faithful observance of any lawful instructions of the City Forester and his or her representatives not in conflict with the contract, and which may be delivered to the Contractor, Contractor's superintendent, foreman, or other representatives on the work. If the Contractor believes the City Forester and his or her representatives's instructions are in conflict with the contract, the Contractor shall immediately bring it to the attention of the City Forester and his or her representatives in writing.

PROPERTY AND FACILITY PRESERVATION

Due care shall be exercised to avoid injury to existing street improvements or facilities, utility facilities, adjacent property, roadside trees and shrubbery that are not to be removed.

The Contractor shall be held responsible for any damages to existing streets, highways, roads, driveways, sidewalks, curbs, gutters, utilities, other public facilities or private property caused by Contractor's operations. Where the work calls for cutting into or disturbing existing materials, the Contractor shall patch or repair the existing area to a neat, finished product. This shall include touch up or repair of the existing which was disturbed, and repair to the same structural capacity as the existing facility or better.

Full compensation for furnishing all labor, materials, tools, equipment and incidentals, and for doing all the work involved in protecting or repairing property, shall be considered as included in the prices paid for the various contract items of work, and no additional compensation will be allowed therefor.

CONTRACTOR'S RESPONSIBILITY FOR WORK

All work which is defective or deficient in any of the requirements of the specifications shall be remedied or removed and replaced by the Contractor in an acceptable manner, and no compensation will be allowed for such correction.

The inspection of the work shall not relieve the Contractor of any of his obligations to fulfill the contract as prescribed. Defective work shall be made good, and unsuitable materials may be rejected, notwithstanding the fact that such defective work and unsuitable materials have been previously overlooked or approved by the City Forester and his or her representatives and accepted or estimated for payment.

All work done beyond the Scope of Work and Specifications established by the City Forester and his or her representatives, or any extra work done without written authority, will be considered as unauthorized and will not be paid for.

Upon failure on the part of the Contractor to comply forthwith with any order of the City Forester and his or her representatives made under the provisions of this article, the City Forester and his or her representatives shall have authority to cause defective work to be remedied, or removed and replaced, and unauthorized work to be removed. The cost of removing, replacing, or repairing said defective or unauthorized work may be deducted from any monies due and owing the Contractor but said right of set-off shall be an alternative and not the sole remedy of the City.

Until the formal acceptance of the work by the City (as constituted by the filing of the Notice of Completion), the Contractor shall have the charge and care thereof and shall bear the risk of injury or damage to any part thereof by the action of the elements or from any other cause whether arising from the execution or from the non-execution of the work.

EMPLOYEES

All workmanship shall be fully up to the highest standard and practice. The employment of labor shall comply with the prevailing local labor conditions and the Contractor shall employ only competent, careful, orderly persons upon the work. If at any time it shall appear to the Director of Public Works that any person employed upon the work is incompetent, careless, reckless, or disorderly, or disobeys or evades orders and instructions, such person shall be immediately discharged and not again employed upon the work.

CONTROL OF MATERIALS

GENERAL

The Contractor shall furnish without charge such samples of materials and tests of materials as are required by the specifications or the City Forester and his or her representatives. No material shall be used until it has been approved by the City Forester and his or her representatives.

All tests of materials ordered by the City Forester and his or her representatives and made by the Contractor shall be made in accordance with commonly recognized standards of national organizations, and such special methods of tests as are prescribed in the specifications.

All materials not conforming to the requirements of the specifications shall be considered defective, and all such materials, whether in place or not, shall be rejected and shall be removed immediately from the site of the work unless otherwise permitted by the City Forester. No rejected materials, the defects of which have been subsequently corrected, shall be used until approved in writing by the City Forester and his or her representatives.

Upon failure on the part of the Contractor to comply with any order of the City Forester and his or her representatives made under the provisions of this article, the City Forester and his or her representatives shall have authority to remove and replace defective material. The cost of removing, replacing or repairing said defective or unauthorized material may be deducted from any monies due and owing the Contractor but said right of set-off shall be an alternative and not the sole remedy of the City.

For convenience in designation, in the specifications, certain articles or materials to be incorporated in the work may be designated under a trade name or the name of a manufacturer and his catalog information. The use of an alternative article or material which is of equal quality and of the required characteristics for the purpose intended will be permitted, provided that the burden of proof as to the quality and suitability of alternatives shall be upon the Contractor who shall furnish, at the Contractor's expense, all information necessary as required by the City Forester and his or her representatives. The City Forester and his or her representatives shall be the sole judge as to the quality and suitability of alternative articles or materials and that decision shall be final.

MATERIAL SOURCE

At the option of the City Forester and his or her representatives, the source of supply of each of the materials shall be approved by the City Forester and his or her representatives before delivery is started and before such material is used in the work. Representative preliminary samples of the character and quality prescribed shall be submitted by the Contractor or producer of all materials to be used in the work, for testing or examination by the City Forester and his or her representatives.

GUARANTEE

All materials supplied and all work done under this contract shall be guaranteed by the Contractor for a

period of one (1) year from the date of formal acceptance by the City of Carmel-by-the-Sea. Upon receipt of notice from the City Forester and his or her representatives of failure of any part of the guaranteed materials during the guarantee period, the affected parts shall be replaced promptly and at the expense of the Contractor.

The Contractor shall maintain the performance bond (See Part IV, Contract Bonds) in full force and effect during the guarantee period for the purpose of insuring that said repairs or replacements will be made, or may, at the Contractor's option, replace said performance bond for a similar bond in the amount of one hundred (100) percent of the total contract amount.

LEGAL RELATIONS AND RESPONSIBILITY TO THE PUBLIC

LAWS

The Contractor shall keep fully informed of all existing and future state and federal laws and all municipal ordinances and regulations of the City of Carmel-by-the-Sea which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same.

All work shall comply in every respect with all the governing laws, regulations, and ordinances of the City of Carmel-by-the-Sea, which shall be considered for the purpose of contract to which the specifications refer, a part thereof. The Contractor shall give to the proper authorities all necessary notices relative to the work, and shall obtain and pay for all such permits, licenses, notices, inspections, or tests required as part of the contract price. All permits issued by the City for work done under this contract shall be issued at no charge.

All Bidders and contractors shall be licensed in accordance with the laws of this State, specifically the provisions the Business and Professions Code, Division 3, Chapter 9. Any Bidder or Contractor not so licensed is subject to the penalties imposed by such laws. In accordance with the requirements in Public Contract Code Section 10164, in all contracts where Federal funds are involved, the Contractor shall be properly licensed at the time the Contract is awarded.

NONDISCRIMINATION

The Contractor shall comply with Section 1735 of the Labor Code, which reads as follows:

"No discrimination shall be made in the employment of persons upon public works because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of such persons, except as provided in Section 12940 of the Government Code, and every Contractor for public works violating this section is subject to all the penalties imposed for a violation of this chapter."

The Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform Work under the contract.

LABOR CODE

In accordance with the provisions of Sections 1725.5, 1771.1, 1771.3, and 1771.4 of the Labor Code, this project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. A Contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal (subject to the requirements of Section 4104 of the Public Contract Code), or engage in the performance of any contract for public work, as defined by that chapter of the Labor Code, unless currently registered and

qualified to perform public work pursuant to Section 1725.5 of the Labor Code.

An inadvertent error in listing a subcontractor that is not registered shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive, provided that any one of Section 1771.(c)(1)-(3) applies. Failure of a listed subcontractor to be registered shall be grounds for the Contractor to substitute a registered subcontractor for the unregistered subcontractor. The City shall not accept any bid, nor shall the City or Bidder enter any contract or subcontract, without proof of the Contractor or subcontractor's current registration to perform public work pursuant to Section 1725.5 of the Labor Code. The prime Contractor shall post job site notices, as required by Section 1771.4(a) (2) of the Labor Code and regulations. The prime Contractor shall submit records to the Labor Commissioner, as required by Sections 1771.4(a) (3), 1771.4(c) (2), and 1776 of the Labor Code.

WAGES

Local prevailing wage rates shall be paid in accordance with Sections 1770, 1773, and 1782, as amended, of the California Labor Code, on all public works construction contracts exceeding twenty-five thousand dollars (\$25,000) and all public works contracts for alteration, demolition, repair or maintenance work exceeding fifteen thousand dollars (\$15,000).

The Contractor and any subcontractor under the Contractor shall comply with Labor Code Sections 1774 and 1775. Pursuant to Section 1775, the Contractor and any subcontractor under the Contractor shall forfeit to the State or political subdivision on whose behalf a contract is awarded a penalty of not more than two hundred dollars (\$200), or such other amount as may be amended from time to time by the Department of Industrial Relations, for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for the Work or craft in which the worker is employed for any public (City) Work done under the contract by the Contractor or by any subcontractor under the Contractor in violation of the requirements of the Labor Code and in particular, Labor Code Sections 1770 to 1780, inclusive. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of the mistake, inadvertence, or neglect of the Contractor or subcontractor in failing to pay the correct rate of prevailing wages, or the previous record of the Contractor or subcontractor in meeting their respective prevailing wage obligations, or the willful failure by the Contractor or subcontractor to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rate of prevailing wages is not excusable if the Contractor or subcontractor had knowledge of the obligations under the Labor Code. In addition to the penalty and pursuant to Labor Code Section 1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor or subcontractor. If a worker employed by a subcontractor on a public works (City) project is not paid the general prevailing per diem wages by the subcontractor, the prime Contractor of the project is not liable for the penalties described above unless the prime Contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime Contractor fails to comply with all of the following requirements:

1. The contract executed between the Contractor and the subcontractor for the performance of Work on the public works (City) project shall include a copy of the requirements in Sections 1771, 1775, 1776, 1777.5, 1813 and 1815 of the Labor Code.
2. The Contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the subcontractor to the employees, by periodic review of the certified payroll records of the subcontractor.
3. Upon becoming aware of the subcontractor's failure to pay the specified prevailing rate of wages to the subcontractor's workers, the Contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the

subcontractor for Work performed on the public works (City) project.

4. Prior to making final payment to the subcontractor for Work performed on the public works (City) project, the Contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of per diem wages to the subcontractor's employees on the public works (City) project and any amounts due pursuant to Section 1813 of the Labor Code.

Pursuant to Section 1775 of the Labor Code, the Division of Labor Standards Enforcement shall notify the Contractor on a public works (City) project within 15 days of the receipt by the Division of Labor Standards Enforcement of a complaint of the failure of a subcontractor on that public works (City) project to pay workers the general prevailing rate of per diem wages. If the Division of Labor Standards Enforcement determines that employees of a subcontractor were not paid the general prevailing rate of per diem wages and if the City did not retain sufficient money under the contract to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, the Contractor shall withhold an amount of moneys due the subcontractor sufficient to pay those employees the general prevailing rate of per diem wages if requested by the Division of Labor Standards Enforcement. The Contractor shall pay any money retained from and owed to a subcontractor upon receipt of notification by the Division of Labor Standards Enforcement that the wage complaint has been resolved. If notice of the resolution of the wage complaint has not been received by the Contractor within 180 days of the filing of a valid notice of completion or acceptance of the public works (City) project, whichever occurs later, the Contractor shall pay all moneys retained from the subcontractor to the City. These moneys shall be retained by the City pending the final decision of an enforcement action.

Pursuant to the requirements in Section 1773 of the Labor Code, the City has obtained the general prevailing rate of wages (which rate includes employer payments for health and welfare, pension, vacation, travel time and subsistence pay as provided for in Section 1773.8 of the Labor Code, apprenticeship or other training programs authorized by Section 3093 of the Labor Code, and similar purposes) applicable to the Work to be done, for straight time, overtime, Saturday, Sunday and holiday Work. The holiday wage rate listed shall be applicable to all holidays recognized in the collective bargaining agreement of the particular craft, classification or type of workmen concerned.

The general prevailing wage rates and any applicable changes to these wage rates are available from the California Department of Industrial Relations' Web Site at: <http://www.dir.ca.gov>.

The wage rates determined by the Director of Industrial Relations for the project refer to expiration dates. Prevailing wage determinations with a single asterisk after the expiration date are in effect on the date of advertisement for bids and are good for the life of the contract. Prevailing wage determinations with double asterisks after the expiration date indicate that the wage rate to be paid for Work performed after this date has been determined. If Work is to extend past this date, the new rate shall be paid and incorporated in the contract. The Contractor shall contact the Department of Industrial Relations as indicated in the wage rate determinations to obtain predetermined wage changes. Pursuant to Section 1773.2 of the Labor Code, general prevailing wage rates shall be posted by the Contractor at a prominent place at the site of the Work.

Changes in general prevailing wage determinations which conform to Labor Code Section 1773.6 and Title 8 California Code of Regulations Section 16204 shall apply to the project when issued by the Director of Industrial Relations at least ten (10) days prior to the date of the Notice Inviting Bids for the project.

The City will not recognize any claim for additional compensation because of the payment by the Contractor of any wage rate in excess of the prevailing wage rate set forth in the contract. The possibility of wage increases is one of the elements to be considered by the Contractor in determining the bid, and

will not under any circumstances be considered as the basis of a claim against the City on the contract. The Contractor shall make travel and subsistence payments to each workman, needed to execute the Work, in conformance with the requirements in Labor Code Section 1773.8.

CERTIFIED PAYROLL RECORDS

The Contractor shall conform to the requirements in Labor Code Section 1776 concerning payroll records. Regulations implementing Labor Code Section 1776 are located in Sections 16016 through 16019 and Sections 16207.10 through 16207.19 of Title 8, California Code of Regulations. The Contractor and each subcontractor shall preserve their payroll records for a period of 3 years from the date of completion of the contract.

APPRENTICES

The Contractor and subcontractors shall comply with the provisions in Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code and Title 8, California Code of Regulations Section 200 et seq. To ensure compliance and complete understanding of the law regarding apprentices, and specifically the required ratio thereunder, the Contractor and each subcontractor should, where some question exists, contact the Division of Apprenticeship Standards, 455 Golden Gate Avenue, San Francisco, CA 94102, or one of its branch offices prior to commencement of Work on the contract. Responsibility for compliance with this section lies with the Contractor. It is State and City policy to encourage the employment and training of apprentices on public works contracts as may be permitted under local apprenticeship standards.

WORKING HOURS

Eight hours labor constitutes a legal day's Work. The Contractor or any subcontractor under the Contractor shall forfeit, as a penalty to the State of California, twenty five dollars (\$25) or such other amount as may be amended by the Department of Industrial Relations from time to time for each worker employed in the execution of the contract by the respective Contractor or subcontractor for each calendar day during which that worker is required or permitted to Work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the requirements of the Labor Code, and in particular, Section 1810 to Section 1815, thereof, inclusive, except that Work performed by employees of Contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than one and one-half times the basic rate of pay, as provided in Section 1815 thereof.

OCCUPATIONAL SAFETY AND HEALTH STANDARDS

The Contractor shall conform to all local, state and federal rules and regulations pertaining to safety. Furnished equipment, material and services shall comply with all OSHA Standards and regulations and all applicable governmental laws and orders. The Contractor shall post an OSHA poster in a conspicuous location as required by law.

PUBLIC CONVENIENCE AND PUBLIC SAFETY

The Contractor shall conduct his operations as to cause the least possible inconvenience to public traffic. The Contractor shall provide traffic control devices or personnel where necessary in conformance with good traffic safety standards. The Contractor shall provide sufficient warning signs or devices to give adequate notice to the public of dangerous or changed conditions existing during work.

The City Forester and his or her representatives shall determine the adequacy of said devices and, in cases of dispute, his determination shall be final.

If the City is required to provide traffic direction, signs or devices, due either to failure of the Contractor to so provide or in case of emergency, the City shall charge Contractor the actual cost of labor and materials and may deduct said costs from any monies due and owing the Contractor.

WORKER'S COMPENSATION

Pursuant to the requirements in Section 1860 of the Labor Code, the Contractor will be required to secure the payment of workers' compensation to the Contractor's employees in conformance with the requirements in Section 3700 of the Labor Code.

RIGHT OF PROPERTY

Nothing in the contract shall be construed as vesting the Contractor with any right of property in the materials furnished and used in the work herein provided for after they have been attached to the work and have become an integral portion of the work herein provided. All such materials shall, upon their becoming an integral part of the work herein provided, be, and remain, the property of the City of Carmel-by-the-Sea.

LIABILITIES

Right of general supervision by the City shall not make the Contractor an agent of the City, and the liability of the Contractor for all damages to persons or to public or private property arising from the Contractor's execution of the work shall not be lessened because of such general supervision.

PROSECUTION AND PROGRESS

GENERAL

If at any time in the opinion of the City Forester and his or her representatives, the Contractor has failed to supply an adequate working force, or material of proper quality, or has failed in any other respect to prosecute the work with the diligence and force specified and intended in and by the terms of the contract, notice thereof in writing shall be served upon the Contractor. Should the Contractor neglect or refuse to provide means for a satisfactory compliance with the contract, as directed by the City Forester and his or her representatives, within the time specified in such notice, the City Forester and his or her representatives in any such case shall have the power to suspend the operation of the contract. Upon receiving notice of such suspension, the Contractor shall discontinue said work, or such parts of it as the City may designate.

Upon such suspension, the Contractor's control shall terminate, and thereupon the City Forester and his or her representatives or duly authorized representative may take possession of all or any part of the Contractor's materials, tools, equipment, and appliances upon the premises, and use the same for the purpose of completing said contract, and hire such force and buy or rent such additional machinery and appliances, tools, and equipment and buy or rent such additional materials and supplies at the Contractor's expense as may be necessary for the proper completion of the work; or may employ other parties to carry the contract to completion, employ the necessary workers, substitute other machinery or materials and purchase the materials contracted for in such manner as the City may deem proper; or the City may annul and cancel the contract and re-let the work or any part thereof.

Any excess of cost arising therefrom over and above the contract price will be charged against the Contractor and his sureties, who will be liable therefor. In the event of such suspension, all money due the Contractor or retained under the terms of this contract shall be forfeited to the City, but such forfeiture will not release the Contractor or his sureties from liability for failure to fulfill the contract. The Contractor and his sureties will be credited with the amount of money so forfeited toward any excess of cost over and above the contract price, arising from the suspension of the operations of the contract and the

completion of the work by the City as above provided, and the Contractor will be so credited with any surplus remaining after all just claims for such completion have been paid.

In the determination of the question whether there has been any such noncompliance with the contract as to warrant the suspension or annulment thereof, the decision of the Director of Public Works shall be binding on all parties to the contract.

SUSPENSIONS AND DELAYS

The City Forester and his or her representatives shall have the authority to suspend the work wholly or in part, for such period as the City Forester and his or her representatives may deem necessary due to unsuitable weather, or to such other conditions as are considered unfavorable for the suitable prosecution of the work, or for such time as the City Forester and his or her representatives may deem necessary due to the failure on the part of the Contractor to carry out City Forester and his or her representatives' orders given or to perform any provisions of the work. The Contractor shall immediately obey such order of the City Forester and his or her representatives and shall not resume work until ordered in writing by the City Forester and his or her representatives.

Any act of, or any omission of anything required to be done by the City, its officers, agents or employees which shall cause the Contractor delay in the completion of the work shall be a ground for extension of time on the part of the Contractor to complete the work but shall not grant the Contractor any monetary damages for such delay.

RIGHTS OF WAY

Rights-of-way or easements for work will be provided by the City. The Contractor shall make his own arrangements and pay all expenses for additional area required by him outside of the limits of rights-of-way or easements. In the event of delay on the part of the City, its officers, agents or employees in obtaining any such rights-of-way or easements for the work, then the Contractor shall have time for the completion of his contract for the period or periods caused by such delay or delays but shall have no damages against the local entity, its officers, agents or employees.

PAYMENT

GENERAL

The City pays for the Contractor furnishing the resources and activities to complete the work. The Contractor shall accept the City's payment as full compensation for furnishing the resources and activities, including, but not limited to all labor, materials, tools, equipment, taxes and incidentals necessary to complete the work and for performing all work contemplated, and embraced under the contract; also for loss or damage arising from the nature of the work or from the action of the elements, or from any unforeseen difficulties which may be encountered during the prosecution of the work until the formal acceptance by the City, and for all risks of every description connected with the prosecution of the work; also for all expenses incurred in consequence of the suspension or discontinuance of the work as herein specified, and for completing the work according to the specifications.

The City shall not be obligated to process any payment request until thirty (30) calendar days after receipt of a correct, complete and undisputed progress payment request or sixty (60) calendar days after receipt of a correct, complete and undisputed final payment request. Payments not made within the specified time periods are subject to an interest rate of two percent (2%) per month. A payment request shall not be deemed complete unless all related documentation has been supplied and verified, and all related contract requirements have been satisfactorily met.

PROGRESS PAYMENTS

The Contractor may, once each month, make an estimate in writing of the total amount of work done to the time of such estimate and the value thereof, and request payment for that work.

Upon approval of the progress payment request, the City Forester and his or her representatives shall cause to be paid to the Contractor the balance not retained as aforesaid, after deducting therefrom all previous payments and all sums to be withheld or retained under the provisions of the contract. No such estimate or payment shall be required to be made when, in the judgment of the City Forester and his or her representatives, the work is not proceeding in accordance with the provisions of the contract, or when in the judgment of the City Forester and his or her representatives, the total value of the work done since the last estimate amounts to less than one thousand dollars (\$1,000.00).

Except as set forth in the following paragraph, the City Forester and his or her representatives shall retain five percent (5%) of the value of all work so estimated to have been furnished and delivered and unused, or furnished and stored as aforesaid, as part security for the fulfillment of the contract by the Contractor.

The Contractor may elect to receive 100% of payments due under the contract from time to time, without retention of any portion of the payment by the City, by depositing approved securities of equivalent value with the City or in an escrow account with an approved bank in accordance with the provisions of Section 4590 of the Government Code. Such securities, if deposited by the Contractor, shall be valued by the City's Finance Director, whose decision on valuation of the securities shall be final.

No such estimate or payment shall be construed to be an acceptance of any defective work or improper materials.

PAYMENT AFTER CONTRACT ACCEPTANCE

Upon receipt of written notice that the work is ready for final inspection and acceptance, the City Forester and his or her representatives shall promptly make such inspection, and when the work is found to be acceptable under the contract and the contract fully performed, the City Forester and his or her representatives shall file a Notice of Completion.

Final payment, including all sums withheld or retained as herein before specified as partial security for the fulfillment of the contract, shall be paid promptly by the City after expiration of the lien period (see California Civil Code § 3179 et seq.), providing there are no disputes arising from the performance of the contract or the amount due.

**LANDSCAPING MAINTENANCE SERVICES CONTRACT 2017
FOR CITY PROJECTS**

SPECIAL PROVISIONS

GENERAL

The work, in general, consists of furnishing labor, material and equipment for the landscaping care and maintenance within the public right-of-way of the City of Carmel-by-the-Sea, as well as on various City properties as directed by the City Forester and his or her representatives. The routine Scope of Work is outlined in Appendix A. Landscape maintenance services include but are not limited to: planting, weeding, edging, pruning; litter pickup, raking, and sweeping or blowing of walkways and patios to keep them free of litter and debris.

CONTRACT BONDS

For Bid Bond requirements, see Part I, Bid Bond, of these Specifications.

The Contractor, at the time of signing and executing the contract, shall execute and file with the City a performance bond to the satisfaction and approval of said City, in the amount of one-hundred percent (100%) of the contracted amount conditional upon the faithful performance of the contract. For additional information, see Guarantees elsewhere in these specifications. Contractor must submit proof of the ability to bond the entire contracted amount plus California Consumer Price Index Adjustment at the time of bid opening.

The surety shall be an admitted carrier in California with a valid surety license and possess a minimum rating from A. M. Best Company of A-VII. The Surety and /or co-sureties must be listed as an acceptable surety on federal bonds by the United States Department of the Treasury, subject to the maximum amount shown in the listing. If co-sureties are used, their bonds shall be on a joint and several basis.

The Contractor, at the time of signing and executing the contract, shall execute and file with the City a payment bond (public works labor and materials bond) to the satisfaction and approval of said City, in the amount of one-hundred percent (100%) of the contracted amount. Contractor must submit proof of the ability to bond the entire contract amount plus California Consumer Price Index Adjustment at the time of bid opening. Said bond is to meet with the approval of the City Attorney of the City of Carmel-by-the-Sea.

The Contractor shall maintain the performance bond in full force and effect during the guarantee period for the purpose of insuring that said plantings and work will be made, or may, at the Contractor's option, replace said performance bond for a similar bond in the amount of twenty percent (20%) of the total contract amount, including adjustments, or the original performance bond, whichever is greater.

Notwithstanding the above, the Contractor may substitute adequate securities for any bond called for under the provisions of these Specifications as set forth in Public Contracts Code Section 22300. Alternate security substitutions shall be submitted to the City no later than ten (10) days after written notice that a contract has been awarded to the contractor to allow processing and escrow agreement for in lieu security.

The Contractor shall submit the contract with his signature affixed thereto, required bonds or alternate security and evidence of insurance that conforms to the contract within fifteen (15) calendar days after written notice that a contract has been awarded to him.

TIME LIMITS

The Contractor shall submit the contract with his signature affixed thereto, required bonds or alternative security and evidence of insurance that conforms to the contract within fifteen (15) calendar days after

written notice that a contract has been awarded to him.

A Notice to Proceed for this contract will be issued upon receipt of the foregoing documents. The Contractor shall be ready to commence work within fourteen (14) calendar days after the effective date of said Notice to Proceed.

The terms of this contract shall remain in effect for one year from the effective date of the Notice to Proceed with the option of three (3) one-year (1-year) renewals.

LICENSES AND PERMITS

Prior to the execution of any contractual agreements, the successful Bidder shall obtain a City of Carmel-by-the-Sea Business License, and a City Encroachment Permit. The Encroachment Permit will be provided at no fee to the Contractor.

SITE INSPECTION

It shall be the Contractor's responsibility to inspect the site and become thoroughly familiar with all aspects of the work to be done.

The submission of a bid shall be conclusive evidence that the Bidder has investigated the site and is thoroughly satisfied as to the conditions to be encountered, as to the character, quality, and scope of the work to be performed; the quantity of materials to be furnished; and as to all the requirements of these specifications.

It shall be the Contractor's responsibility to be aware of surface and subsurface drainage conditions that may exist at the site. The Contractor is further responsible for work necessary to rectify any resulting drainage problems; labor, materials, equipment, and incidentals necessary to achieve the solution shall be borne by the Contractor.

PROTECTION OF PRIVATE PROPERTY

Private property grounds and facilities, if damaged or removed because of the Contractor's operations, shall be restored or replaced to same or better than the original condition and located in the same position and alignment as is reasonably possible.

QUALITY CONTROL

Definitions

Quality Management (QM) - All control and assurance activities instituted to achieve the product quality established by the contract requirements.

Quality Control (QC) - The contractor's system to manage, control, and document contractor's, suppliers', and subcontractor's activities to comply with contract requirements.

Responsibility

General: The Contractor shall establish and maintain an effective quality control system in compliance with the Specifications. The quality control system shall consist of procedures, and organization necessary to provide materials, equipment, workmanship, and operations which comply with contract requirements.

QC Plan Implementation

1. **Preconstruction Conference.** During the pre-construction conference, a mutual understanding of the QC system details shall be developed, including the forms for recording the QC operations. There may also be occasions when subsequent conferences will be called to reconfirm mutual understandings.
2. **General.** After issuance of the Notice to Proceed, and prior to the start of construction, the Contractor shall furnish, for acceptance by the City Forester, the Quality Control (QC) Plan with which s/he proposes to implement the requirements of Contract. The plan shall identify personnel, procedures, instructions, records, and forms to be used. If the Contractor fails to submit an acceptable QC plan within the time herein prescribed, the City Forester may refuse to allow commencement of work.
3. **Monthly Reports at 30 day intervals.** The Contractor shall provide copies of monthly reports which describe the work performed, weather conditions, personnel and equipment on site, and quality control activities performed.

The Contractor will not be paid for work prior to City Forester and his or her representatives reviewing and accepting daily reports for the period of time payment is requested.

4. **Notification of Changes.** The Contractor shall notify the City Forester in writing of any proposed change. Proposed changes are subject to acceptance by the Director of Public Works.

GUARANTEE

Materials and labor guarantees shall be per Part III of these specifications. All warranty shall be to the satisfaction of the City. Final payment will not be released without submission of warranties.

REGULATIONS

The Contractor and all subcontractors shall give all notices and comply with all laws, ordinances, rules, and regulations applicable to the work, safety and hiring/employment practices. Nothing in the Specifications shall be construed to permit work not conforming to the regulations and codes set forth herein which include, but are not limited to the following:

1. Americans with Disabilities Act (ADA) accessibility and employment standards. In the event of conflicting federal and state standards, the standard that provides greater access will take precedence.
2. California Occupational Safety and Health Administrative Code, latest edition,
3. California Government Code Section 4216, Protection of Underground Infrastructure,
4. National Fire Protection Associations NFPA 1 Fire Code, latest edition,
5. The California Labor Code.

PUBLIC SAFETY AND PROTECTION OF THE WORK

The Contractor shall furnish, erect and maintain such fences, barricades, guards, lights and other devices as are necessary to prevent accidents and avoid damage to the work area or injury to the public. No separate payment shall be made for such work. If in the opinion of the City Forester, adequate barricades or warning devices are not maintained by the Contractor, the City may furnish and erect same and charge the Contractor therefor. Attention is directed to Sections 7-1.03 "Public Convenience" and 7-

I.04, "Public Safety", of the Standard Specifications published by the State of California Department of Transportation.

INDEMNIFICATION AND HOLD HARMLESS

To the fullest extent permitted by law, Contractor agrees to indemnify, investigate, defend (at Contractor's sole cost and expense and with legal counsel reasonably approved by City), protect and hold harmless, the City of Carmel-by-the-Sea, its officials, officers, employees, agents, and representatives from and against any and all claims [including, without limitation, claims for bodily injury or death (including but not limited to Contractor, persons employed by Contractor, persons acting on behalf of Contractor, and third parties) or damage to property], demands, obligations, losses, damages, actions, causes of action, suits, judgments, fines, penalties, liabilities, defense costs, and expenses (including, without limitation, reasonable attorneys' fees, disbursements, and court costs, and all other professional, expert, or Contractors' fees and costs) of every kind or nature arising out of or in connection with or relating to any work or activities of Contractor (or Contractor's contractors or subcontractors, if any) conducted under this Agreement or arising out of the failure on Contractor's part to perform their obligations under this agreement. Except as provided by law, the indemnification provisions stated above shall apply regardless of the existence or degree of fault of the City, except for those claims which arise out of the active negligence, sole negligence, or willful misconduct of the City of Carmel-by-the-Sea.

Notwithstanding the provisions of the above paragraph, Contractor agrees to assume all risk and to indemnify and hold harmless the City from and against any and all claims, demands, defense costs, liability, expense, or damages of any kind or nature arising out of or in connection with damage to or loss of any property belonging to Contractor or Contractor's employees, contractors, representatives, patrons, guests, or invitees.

Contractor further agrees to indemnify City for damage to or loss of City property arising out of or in connection with Contractor's work associated with this Agreement or arising out of any act or omission of Contractor or any of Contractor's employees, agents, contractors, representatives, patrons, guests, or invitees; excepting such damage or loss arising out of the negligence of the City.

INSURANCE

Contractor shall procure and maintain, at its own cost, in effect throughout the term of the Agreement, Insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by Contractor, his agents, representatives, employees, or subcontractors.

MINIMUM SCOPE AND LIMITS OF INSURANCE

1. Commercial General Liability ("CGL") Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability ISO Form Number CA 0001 covering Code 1 (any auto), with limits no less than \$2,000,000 per incident for bodily injury and property damage.
3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.

If Contractor maintains higher limits than the minimums shown above, the City of Carmel-by-the-Sea

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requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Carmel-by-the-Sea.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Carmel-by-the-Sea. At the option of the City, either: the Contractor shall cause the insurer to reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Carmel-by-the-Sea, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).
2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the City of Carmel-by-the-Sea, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Carmel-by-the-Sea, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City of Carmel-by-the-Sea.

If the project does not involve new or major reconstruction, at the option of the City of Carmel-by-the-Sea, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City of Carmel-by-the-Sea's site.

Claims Made Policies

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work.

4. A copy of the claims reporting requirements must be submitted to the City of Carmel-by-the-Sea for review.
5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's PLL policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractor's PLL policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City of Carmel-by-the-Sea. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

Waiver of Subrogation

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Carmel-by-the-Sea for all work performed by the Contractor, its employees, agents and subcontractors.

Subcontractors

Contractor shall either (1) insure the activities of its subcontractors in its policies; or (2) require and verify that each of its subcontractors procure and maintain insurance meeting all the requirements stated herein, with Contractor ensuring that City of Carmel-by-the-Sea is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

Special Risks or Circumstances

City of Carmel-by-the-Sea reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

Verification of Coverage

Contractor shall furnish the City of Carmel-by-the-Sea with certificates of insurance and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this contract. All certificates and endorsements are to be received and approved by the City of Carmel-by-the-Sea before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. City of Carmel-by-the-Sea reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

Neither the insurance requirements hereunder, nor acceptance or approval of Contractor's insurance, nor whether any claims are covered under any insurance, shall in any way modify or change Contractor's obligations under the indemnification clause in the Agreement, which shall continue in full force and effect. Notwithstanding the insurance requirements contained herein, Contractor is financially liable for its indemnification obligations under the Agreement.

CONFERENCE

Prior to the beginning of any work on this project, a conference shall be held at the City of Carmel-by-the-

Sea's Department of Public Works. The date and time of this conference shall be established by the Contractor contacting that office at 831-620-2073 not less than forty-eight (48) hours in advance of the meeting date and time.

An Itemized list of materials and equipment the Contractor proposes to use on specific project Work Orders shall be submitted to the City prior to or during the conference for that project.

LIQUIDATED DAMAGES

Unless stated otherwise in the Specifications, it is agreed by the parties to the contract that in case all the work called for under the contract is not completed before or upon the expiration or the time limit as set forth in these specifications, damage will be sustained by the City of Carmel-by-the-Sea and that it is and will be difficult or impossible to ascertain and determine the actual damage which the City will sustain in the event of and by reason of such delay; and it is therefore agreed that the Contractor will pay to the City of Carmel-by-the-Sea the sum of \$50.00 per site per day for each and every day's delay beyond the time prescribed to complete the work or the actual damages ascertained, whichever will be greater; and the Contractor agrees to pay such liquidated damages as herein provided; and in case the same are not paid, agrees that the City of Carmel-by-the-Sea may deduct the amount thereof from any money due or that may become due the Contractor under the contract.

It is further agreed that, in case the work called for under the contract is not finished and completed in all parts and requirements within the time specified, the City shall have the right to extend the time for completion of the contract or not, as may seem best to serve the interest of the City; and if it decides to extend the time limit for the completion of the contract, it shall further have the right to charge to the Contractor, his heirs, assigns or sureties, and to deduct from the final payment of the work, all or any part, as it may deem proper, of the actual cost of engineering, inspection, superintendence and other overhead expenses during the period of such extension, except that the cost of final measurements and preparation of final estimate shall not be included in such charges.

The contractor shall not be assessed with liquidated damages nor the cost of engineering and inspection during any delay in the completion of the work caused by Acts of God or of the public enemy, fire, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather or delays of subcontractors due to such causes; provided that the Contractor shall within ten (10) days from the beginning of any such delay notify the City Forester in writing of the causes of delay, who shall ascertain the facts and the extent of delay, and his findings of the facts thereon shall be final and conclusive.

PROCEDURE

An outline of the proposed procedure shall be submitted by the Contractor to the City Forester for review and shall obtain his approval before beginning work. The City Forester and his or her representatives will be especially interested in:

1. Minimizing any interruption to use of driveways (no more than 4 hour interruption). Any interruption more than 4 hours shall be prearranged with the City Forester. Residence occupant shall be notified with a written notice a minimum of three (3) business days in advance.
2. Minimizing any interruption to building operations and parking lots. Contractor shall notify the City Forester a minimum of one week in advance of any interruptions to building operations and parking lots.
3. Minimizing any hazard to the general public.
4. Proper handling of hazardous materials.
5. There shall be no work on weekends, City's recognized holidays, and between 7:00 P.M. and

8:00 A.M. on weekdays without written approval from the City. A list of City's recognized holidays is available upon request.

TRAFFIC CONTROL

Pursuant to the authority contained in Vehicle Code Section 591, the City has determined that within those areas that are within the limits of the project and are open to traffic, the Contractor shall comply with all the requirements set forth in Divisions 11, 12, 13, 14 and 15 of the Vehicle Code. In accordance with the statement in Vehicle Code Section 591, this section shall not relieve the Contractor or any person from the duty of exercising due care. The Contractor shall take all necessary precautions for safe operation of the Contractor's equipment and the protection of the public from injury and damage from the Contractor's equipment.

Traffic control shall conform to the provisions of Section 12, "Temporary Traffic Control" of the Standard Specifications and the 2014 California Manual on Uniform Traffic Control Devices (CA MUTCD) as adopted by Caltrans.

A Traffic Control Plan (TCP) shall be submitted to the City Forester for approval prior to commencement of work and must be applicable to existing site conditions. Contractor shall notify all emergency services, affected residences, affected businesses, and the Department of Public Works at 831-620-2070 a minimum of three (3) business days in advance as to proposed closures and alternate routes available.

The following shall be incorporated into the Traffic Control Plan:

1. Two (2) travel lanes shall be open during non-working hours.
2. At least one (1) travel lane shall remain open during working hours. Flag persons or other appropriate traffic control devices as approved by the City Forester and his or her representatives shall be used during periods of one-way travel.
3. Access to driveways shall be left open unless work is actually being performed in areas fronting the driveway. All driveways shall be accessible during non-working hours. See Procedure elsewhere in these specifications.
4. No trench shall be left open during non-working hours.
5. Parking restrictions will be acceptable when and where needed. (All require prior approval of the City Forester and his or her representatives).

The following requirements apply to Traffic Control Plans:

1. All Traffic Control Plans shall follow the CA MUTCD Chapter 6. Examples may be found at: <http://www.dot.ca.gov/hq/traffops/engineering/mutcd/pdf/camutcd2014/Part6.pdf>
2. The contractor shall submit a TCP using legible lettering. Show location and dimensions of the work zone, lanes, tapers, parking and any staging areas.
3. Label streets and proposed traffic control area. Show all nearby streets with street names to assure proper orientation.
4. Show all affected sidewalks, crosswalks, bike lanes, driveways and intersections in the construction work zone including areas affected by taper transition.
5. If a sidewalk or path is obstructed, contractor must then submit an ADA compliant pedestrian

detour plan in accordance with the CA MUTCD chapter 6D and the Public Rights-of-Way Accessibility Guidelines (PROWAG). Please refer to:

<http://dot.ca.gov/hq/traffops/engineering/control-devices/pdf/PedBrochure.pdf>

6. Label all taper lengths and widths, delineator spacing and sign spacing. Indicate location of construction signs, barricades and delineators.
7. Show all parking restriction zones and signs, as appropriate. Telephone the Parking Division Office (831-624-6403) if restricting parking in time-limit or metered zones. Temporary "NO PARKING" signs shall be posted seventy-two (72) hours prior to commencing work.
8. Indicate on the TCP the duration of the construction work, including dates and times.
9. Indicate on the TCP the Contractor's name, address and telephone number. Include the Contractor's during and after hours Representative's contact information (name, telephone number).
10. It is the Contractor's responsibility to assure that all Traffic Control Plans (TCP) and traffic control devices are in compliance with the 2014 CA MUTCD as adopted by Caltrans.

The Contractor is to notify residences and/or businesses a minimum of three (3) business days in advance of closing access to any driveways or providing any detours or changes in on-street parking. Notifications shall be in writing.

Contractor shall provide all labor and facilities required for safe and expeditious handling of traffic during the course of construction. Contractor shall provide all flaggers, signs, delineators, and barricades required for traffic control and shall modify or remove same at appropriate times. The City Forester and his or her representatives shall be the sole judge as to the adequacy of the Contractor's traffic control measures. If such measures are found to be inadequate by the City Forester, the City may furnish and install same and charge the Contractor therefor.

The Contractor shall, at his own expense, construct and maintain in good condition, such detours, detour bridges and temporary crossings for use by the public as deemed necessary or expedient by the Engineer for the proper execution of the work.

The Contractor shall designate a representative who can be reached immediately (24 hours per day) in the event of traffic control device failures.

REMOVAL OF OBSTRUCTIONS

The Contractor shall remove and dispose of all structures, debris or other obstructions of any character to the work area called for in the specifications, and as required by the City Forester and his or her representatives.

If archeological items or hazardous wastes are discovered during construction operations, the Contractor shall cease operations in those areas and the Contractor shall immediately notify the Engineer.

The Contractor shall remove and dispose of all trees designated for removal as shown on the plans, designated by the specifications and as required by the City Forester and his or her representatives for the proper completion of the work. See Tree Protection Requirements elsewhere in these specifications.

UNDERGROUND UTILITIES

Contractor shall locate all underground obstructions and utilities, (electric, gas, water lines, etc.). Prior to any trenching operation, Contractor shall pothole underground obstructions and utilities that appear to be

in conflict with the work area. However, the City shall fairly compensate the Contractor for costs of locating and repairing damage not due to failure of the Contractor to exercise reasonable care, and removing or relocating such facilities not indicated or in a location different from that indicated on the Specifications with reasonable accuracy, and for equipment on the project necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay in completion of the project when such delay was caused by the failure of the City or utility company to provide for removal or relocation of such utility facilities. Contractor shall notify all utility companies of trenching operations forty-eight (48) hours in advance to enable the utility companies to take any action they deem appropriate.

UTILITY COMPANY COORDINATION

Contractor shall coordinate construction activities with the utility companies as required and shall adjust the construction schedule to accommodate utility relocation as necessary.

DUST CONTROL

The Contractor shall minimize dust generation from the jobsite and shall spray the site with water or dust palliative as required, in accordance with Section 14-9, "Air Quality", of the Standard Specifications.

CONNECTION TO EXISTING UTILITIES

The City shall permit the Contractor to use available existing utilities at the City's expense, excluding telephone; however, if the Contractor chooses to make use of said utilities, Contractor shall assume full responsibility for any changes made by Contractor related thereto, and for any consequences caused thereby. Upon completion of the work, Contractor shall remove any modifications to existing utilities made by Contractor, and shall restore existing utilities to conditions existing at time of award.

SANITARY FACILITIES

Contractor may provide his/her own portable sanitary facilities on-site, for the duration of the work. Coordinate location(s) with the City Forester. Existing City-owned sanitary facilities may be used.

INSPECTION OF WORK

It is the responsibility of the contractor to call for all required inspections within the required time lines. The City of Carmel-by-the-Sea reserves the right to perform random inspections at any time.

The City Forester and his or her representatives shall at all times have access to the work during construction, and shall be furnished with every reasonable facility for ascertaining full knowledge respecting the progress, workmanship and character of materials used and employed in the work.

Whenever the work provided and contemplated by the contract shall have been satisfactorily completed and the final cleanup performed, the City Forester and his or her representatives will make the final inspection.

ENVIRONMENTAL/POLLUTION PREVENTION REQUIREMENTS

Contractor shall comply with all air pollution and environmental control rules, regulations, ordinances and statutes that apply to the project and any work performed pursuant to the contract. Prohibition of Illegal Discharges, states,

"No person or entity shall discharge or cause to be discharged into the municipal Storm Drain System or waters of the state any materials, including but not limited to Pollutants or waters containing any Pollutants that cause or contribute to a violation of applicable water quality standards, other than storm water..."

Regardless of project size, the Contractor shall effectively implement and properly maintain storm water best management practices (BMPs) during construction to prevent discharges of pollutants, and including trash, to local drainages and waterways. Contractor shall comply with all water quality Storm Water Management, for the prevention of work area site discharges of pollutants, illicit discharges, and enforcement of prohibited and illicit discharges. The contractor shall employ at all times storm water runoff controls and BMPs at the site, including but not limited to erosion prevention, sediment controls, site stabilization, good housekeeping practices, proper materials storage and handling, and waste management. Storm water management and control practices shall result in the following outcomes on all work area sites, regardless of size:

- Protection of storm drain inlets and adjacent waterways must be implemented at all times to prevent illicit discharges of sediment, construction debris and fluids, and waste of any kind;
- No release of hazardous substances, such as oils, paints, thinners, fuels, and other chemicals; if such a spill occurs that may threaten local water quality, contractor must call 911 immediately and notify City Public Works staff;
- Minimization of site disturbance shall be kept to that portion necessary for work area only.
- Soil stabilization of graded areas shall be in place where construction activities have temporarily and/or permanently ceased.
- No deposit of mud, soil, sediment, concrete washout, trash, dewatering, or other similar construction-related material or waste shall occur on or into public rights of way, private streets, or into the City's storm water system and related natural resources, either by direct deposit, dropping, discharge, erosion, or tracking by construction vehicles. Any such discharge shall be cleaned-up promptly if an immediate threat to water quality exists, or if not immediate, at the end of the current work shift or workday in which the deposit occurred, whichever comes first.
- No runoff from graded areas or stockpile areas shall contain sediments and/or pollutants. Stockpiles shall be adequately and securely covered to avoid contact with rainfall and wind to prevent soil and stockpile movement by water and/or wind.
- Runoff containing sediments shall be captured in secondary containment structures and either treated to remove sediments prior to discharge or infiltrated in the soil on-site.
- No exposure of graded areas and stockpile areas to storm water run-on shall occur. Run-on shall be controlled by diversion structures such as dikes, secondary containment, or stockpile covers.
- All hard-surfaced areas are to be swept regularly and free of dirt and construction debris such that the surface of the pavement is clearly visible at all locations.

Best management practices (BMPs) are required to be employed on all construction sites as applicable to the construction activity and shall provide for, and not be limited to: Inlet protections, perimeter protections, erosion prevention and soil control measures, soil stabilization measures, spill prevention and discharge control measures; solid waste containment; concrete waste management; proper vehicle and equipment cleaning, fueling, and maintenance; and proper materials management and storage.

Activities to be performed by Contractor include, but are not limited to:

- At all times, Contractor shall maintain the temporary and permanent vegetation (if any), erosion and sediment control measures, and other protective BMP measures in good and effective operating condition by performing routine inspections to determine condition and effectiveness of BMPs, restoration needs for destroyed vegetative cover, and by repair of erosion, sediment, and other protective measures.

- Contractor shall inspect the following areas at least once every seven (7) calendar days, unless otherwise necessary based on current conditions or as directed by City inspector, and always within 24 hours prior to and after any predicted storm:
 - Inlet protections and perimeter controls;
 - Vehicle entry and exist locations;
 - Vehicle parking and storage areas;
 - Disturbed areas of the construction site,
 - Areas that have not been finally stabilized,
 - Areas used for storage of materials that are exposed to wind or precipitation,
 - Equipment and staging areas that are exposed to wind or precipitation; and,
 - All waste storage and handling devices and areas.

Where sites have been finally stabilized, such inspection shall be conducted at least once every month.

- Areas noted above shall be inspected for proper BMP implementation and necessary BMP maintenance, as well as evidence of, or the potential for:
 - Erosion, or
 - Sediments entering waterways or the drainage system, or
 - Pollutants entering waterways or the drainage system.

Erosion and sediment control measures shall be observed and maintained to ensure that they are operating correctly. Discharge locations or points shall be inspected regularly to ascertain whether erosion control measures are effective in preventing sedimentation and subsequent degradation of receiving water quality in violation of receiving water quality standards. Vehicle entry and exist locations shall be inspected for evidence of offsite sediment and pollutant tracking and need for cleanup.

- Deficiencies observed during inspections shall be noted and rectified before the end of the workday.

Work area site storm water management and control measures shall be implemented year round regardless of "season". All construction site BMPs shall be implemented at the appropriate level for the work activity at hand and in a proactive manner during all seasons while construction is ongoing.

In addition to inspections performed by the City, the City's Environmental Compliance Division representative may perform periodic site monitoring visits to ensure the contractor complies with the requirements specified herein. The City shall provide copies of the completed site monitoring reports to the Contractor. In the event work is found non-compliant, a follow up site monitoring visit will be conducted to ensure non-compliant items have been corrected to the satisfaction of the City. If non-compliant items are not properly addressed prior to the follow up site monitoring visit, the costs associated with additional follow up site monitoring visits shall be deducted from the Contractor's final payment.

TREE PROTECTION REQUIREMENTS

Safeguarding Trees During Construction, Demolition or Tree Removal

For the purpose of safeguarding trees during construction, demolition or tree removal, the following conditions shall apply to all trees other than trees for which a removal permit has been issued:

- A. Prior to the commencement of construction, demolition or tree removal, all trees on the building site shall be inventoried by the owner or contractor as to size, species and location on the lot, and the

Inventory shall be submitted on a topographical map to the Building Official. This condition may be waived by the Building Official for tree removal and minor demolition.

B. Damage to any tree during construction, demolition or tree removal shall be immediately reported by a person causing the damage, the responsible contractor or the owner to the City Forester, and the contractor and/or owner shall treat the tree for damage in the manner specified by the Director of Forest, Parks and Beach.

C. Oil, gasoline, chemicals and other construction materials shall not be stored within the drip line of any tree.

D. Drains shall be installed according to City specifications so as to avoid harm to trees due to excess watering.

E. Wires, signs and other similar items shall not be attached to trees.

F. Cutting and filling around the base of trees shall be done only after consultation with the Director of Forest, Parks and Beach, and then only to the extent authorized by the Director of Forest, Parks and Beach.

G. No paint thinner, paint, plaster or other liquid or solid excess or waste construction materials or wastewater shall be dumped on the ground or into any grate between the dripline and the base of the tree, or uphill from any tree where such substance might reach the roots through a leaching process.

H. The property owner/contractor shall be required to erect protective barricades around all trees on a private building site. These barricades must be in place prior to the start of any construction or demolition activities. Barricades shall be upright two-inch by four-inch planks standing a minimum of eight feet vertically, conforming to the tree, tied with wire or rope forming a maximum of one space between the planks. If the tree's configuration or site conditions do not lend themselves to the installation of this type barricade, the Director of Forest, Parks and Beach will designate alternate tree protection methods. Under certain conditions where soil compaction is probable, fences may also be required around a tree or grouping of trees.

I. Wherever cuts are made in the ground near the roots of trees, appropriate measures shall be taken to prevent exposed soil from drying out and causing damage to tree roots.

J. Trimming cuts shall conform to arboricultural standards and shall be made along the branch bark ridge.

K. Earth surfaces within the drip line of any tree shall not be changed or compacted. All equipment, material, and soil storage shall be kept beyond the drip line of trees.

L. Prior to the start of any construction or demolition activities, the property owner/contractor is required to spray or have a certified applicator spray the lower six feet of all pine tree trunks with a pesticide approved by the California Department of Food and Agriculture for the treatment of bark beetles.

M. The property owner is responsible for care of all trees that are to remain on the site. This includes the treatment of bark beetles as designated by the Director of Forest, Parks and Beach. If the property owner wishes City staff to perform bark beetle treatment, he/she may request this service in writing and will be charged an amount equal to the cost of time, equipment, and materials utilized by the City in such treatment.

N. Failure to protect or maintain trees on construction/demolition sites is a violation of the municipal code and grounds for suspension of the building permit. (Ord. 91-4 §§ 1 - 7, 1991; Ord. 84-6 § 1, 1984; Ord. 83-25 § 1(G), 1983; Ord. 81-4 § 12, 1981; Code 1975 § 1237).

APPENDIX A
BID FORMS FOR SUBMITTAL



CITY OF CARMEL-BY-THE-SEA
DEPARTMENT OF PUBLIC WORKS

BID COVER SHEET
FOR

LANDSCAPING MAINTENANCE SERVICES CONTRACT 2017
Invitation for Formal Bids 17-18-001

Submit the following items unbound:

<u>ITEM</u>	<u>INCLUDED</u>
✓ 1. Bid Cover Sheet (this sheet)	_____
✓ 2. Signed Bid Submission	_____
✓ 3. Bid Schedule	_____
— 4. Scope of Work (Bid Worksheet)	_____
✓ 5. Declaration of Bidder <i>Laura</i> ✓	_____
<i>Mike</i> ✓ 6. References	_____
✓ 7. Non-collusion Declaration	_____
✓ 8. Debarment and Suspension Certification	_____
✓ 9. Certification of Good-Faith Effort to Hire	_____
✓ 10. Monterey Bay Area Residents	_____
✓ 10. Bid Bond	_____

Failure to include required items, included those identified above may result in your bid being deemed non-responsive resulting in rejection of your bid.

By:

Town & Country Gardening

Company Name

Signature



CITY OF CARMEL-BY-THE-SEA
DEPARTMENT OF PUBLIC WORKS

SPECIFICATIONS
FOR

**Landscaping Maintenance Services Contract 2017
Invitation for Bids 17-18-001**

BID PROPOSAL

To the Honorable City Council
City of Carmel-by-the-Sea
City Clerk
Eastside of Monte Verde
Between Ocean and Seventh Avenues
Carmel-by-the-Sea, CA 93921

The undersigned declares to have carefully examined the location of the proposed work, that the Scope of Work and Specifications, as set forth herein have been examined, and hereby proposes to furnish all materials and equipment and do all the work required to complete the said work in accordance with said Scope of Work and Specifications for the lump sums and unit prices set forth in the following schedule.

BID APPROVAL:

Robert Luster
PRINCIPAL/ OWNER

DATE: 10/3/17

**Landscaping Maintenance Bid 17-18-001
For Carmel-by-the-Sea
Bid Schedule**

Item No.	Unit	Base Areas (Geographic Location)	Annual Amount
1	\$/year	Scenic Road Steps(8th, 9th, 10th (2), 11th, 12, 13th, Santa Lucia Avenue, Marlin Road)	\$
2	\$/year	Scenic Road Stone Patios (8th, 11th, between 11th & 12th, 13th, & Santa Lucia Ave.)	\$
3	\$/year	San Antonio Walkways (between San Antonio Ave. and Scenic Road at 9th, 10th, 11th and 12th Ave.)	\$
4	\$/year	Boardwalk and viewing platform located at Del Mar and Ocean Avenue	\$
5	\$/year	Tennis Courts in Forest Hill Park – on Lorca Lane	\$
6	\$/year	Vista Lobos – Torres Street and 3rd Avenue	\$
7	\$/year	First Murphy Park and House Garden – Lincoln Street and 6th Avenue	\$
8	\$/year	North lot at Sunset Center including perimeter areas and connecting pathways	\$
9	\$/year	Forest Hill Park – lower section	\$
10	\$/year	Lester Rowntree Native Plant Garden – 25800 Hatton Road	\$
11	\$/year	Flanders Mansion grounds– 25800 Hatton Road (includes driveway circle)	\$
12	\$/year	Fourth Avenue between Monte Verde Street and San Antonio Ave.	\$
13	\$/year	Lower Ocean Ave. Pathways (north & south sides of Ocean Ave. bet. Monte Verde St. & Del Mar Ave.)	\$
14	\$/year	Upper Ocean Avenue landscape and path (Junipero Avenue to City limits).	\$
15	\$/year	Ocean Avenue medians between Junipero Avenue and Monte Verde Street (and lights)	\$
16	\$/year	Devendorf Park	\$
17	\$/year	Piccadilly Park	\$
18	\$/year	Harrison Memorial Library - Ocean Ave. and Lincoln St.	\$
19	\$/year	Harrison Memorial Library Park Branch - 6th Ave. and Mission St.	\$
BASE AREAS SUBTOTAL (SUBTOTAL A)			\$
BASIS OF AWARD (SUBTOTAL A) (In Words) (In Figures)			
			\$
Item No.	Unit	Additive Areas (Geographic Location)	Annual Amount
20	\$/year	Mt. View entrance to Mission Trail Nature Preserve	\$
21	\$/year	Post Office Plaza and parking lot (na Dolores St. & 5th Ave.)	\$
22	\$/year	Lincoln Street pathway between 3rd and 4th Avenues	\$
23	\$/year	Pathway from the dead-end of Santa Fe Street south of 8th Avenue to Vizcaino Avenue	\$
24	\$/year	Jane Power's Walkway from Palou to San Antonio (mid-block between 2nd and 4th Avenues)	\$
25	\$/year	Pathway at San Carlos Street and 2nd Avenue	\$
26	\$/year	4th Avenue pathway, boardwalk and stairway (San Antonio Ave. & 4th Ave. entrance to the beach)	\$
27	\$/year	Marthas Way stairway - 3rd Avenue between San Carlos & Dolores	\$
28	\$/year	W/ Rio Road bet. Junipero and Lasuen pathway and Rio Road medians	\$
29	\$/year	Forest Theater grounds and perimeter areas	\$
30	\$/year	Scout House	\$
31	\$/year	Public Works / Police Department - 4th and Junipero	\$
ADDITIVE AREAS SUBTOTAL-(SUBTOTAL B)			\$
GRAND TOTAL (SUBTOTAL A + SUBTOTAL B)			\$



**CITY OF CARMEL-BY-THE-SEA
DEPARTMENT OF PUBLIC WORKS**

**SPECIFICATIONS
FOR**

**Landscaping Maintenance Services Contract 2017
Invitation for Bids 17-18-001**

BID PROPOSAL

To the Honorable City Council
City of Carmel-by-the-Sea
City Clerk
Eastside of Monte Verde
Between Ocean and Seventh Avenues
Carmel-by-the-Sea, CA 93921

The undersigned declares to have carefully examined the location of the proposed work, that the Scope of Work and Specifications, as set forth herein have been examined, and hereby proposes to furnish all materials and equipment and do all the work required to complete the said work in accordance with said Scope of Work and Specifications for the lump sums and unit prices set forth in the following schedule.

BID APPROVAL:

PRINCIPAL/ OWNER

DATE: _____

Scope of Work: Bid Worksheet (page 1)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS										ANNUAL BID
	1	2	3	4	5	6	7	8		
	Saturday	Sunday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually	
1) Sonic Road Steps (8" 9" 10" 11" 12" 13" 14" 15" 16" 17" 18" 19" 20" 21" 22" 23" 24" 25" 26" 27" 28" 29" 30" 31" 32" 33" 34" 35" 36" 37" 38" 39" 40" 41" 42" 43" 44" 45" 46" 47" 48" 49" 50" 51" 52" 53" 54" 55" 56" 57" 58" 59" 60" 61" 62" 63" 64" 65" 66" 67" 68" 69" 70" 71" 72" 73" 74" 75" 76" 77" 78" 79" 80" 81" 82" 83" 84" 85" 86" 87" 88" 89" 90" 91" 92" 93" 94" 95" 96" 97" 98" 99" 100" 101" 102" 103" 104" 105" 106" 107" 108" 109" 110" 111" 112" 113" 114" 115" 116" 117" 118" 119" 120" 121" 122" 123" 124" 125" 126" 127" 128" 129" 130" 131" 132" 133" 134" 135" 136" 137" 138" 139" 140" 141" 142" 143" 144" 145" 146" 147" 148" 149" 150" 151" 152" 153" 154" 155" 156" 157" 158" 159" 160" 161" 162" 163" 164" 165" 166" 167" 168" 169" 170" 171" 172" 173" 174" 175" 176" 177" 178" 179" 180" 181" 182" 183" 184" 185" 186" 187" 188" 189" 190" 191" 192" 193" 194" 195" 196" 197" 198" 199" 200" 201" 202" 203" 204" 205" 206" 207" 208" 209" 210" 211" 212" 213" 214" 215" 216" 217" 218" 219" 220" 221" 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Scope of Work: Bid Worksheet (page 2)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS

	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually	ANNUAL BID
9) Forest Hill Park - lower section									
sweep or blow pathways and basketball area to remove sand, soil, debris and litter				X					
keep walkways, playground, and basketball area clear of debris, vegetation and weeds				X					
mow public use areas				X					
mow perimeter open spaces							X		
10) Lester Rowntree Native Plant Garden - 25800 Hattori Road									
rate pathways to remove excess soil, debris and litter				X					
keep pathways clear of vegetation				X					
clear beneath benches and garbage cans				X					
remove dead plants				X				X	
mulch pathways with City approved bark or similar material									
11) Flinders Mansion grounds- 25800 Hattori Road (includes driveway circle)									
sweep or blow walkways, patios, and driveway circle to remove soil, sand, debris and litter				X					
keep walkways and patios clear of vegetation and weeds				X					
keep planter beds free of weeds and debris				X					
prune all ivy, shrubs, and hedges to maintain existing shape and density							X		
keep lower driveway and island free of undesirable vegetation, weeds and debris				X					
mow lawn area to maintain a well-kept appearance				X					
prune ivy to building walls and away from windows, window frames, doors, and roof							X		
remove dead plants				X					
12) Fourth Avenue between Monte Verde Street and San Antonio Ave.									
sweep or blow to remove sand, soil, debris and litter				X					
keep vegetation pruned for visibility of cars and pedestrians at intersections				X					
keep walkway and bridge areas clear of vegetation and weeds				X					
spread mulch (city provided) over planter areas								X	
13) Lower Ocean Ave. Pathways (north & south sides of Ocean Ave. bet. Monte Verde St. & Belmar Ave.)									
sweep or blow to remove sand, soil, debris and litter				X					
keep walkways and parking areas clear of litter, debris, excess vegetation and weeds				X					
mow annual weeds in planter areas adjacent to the walkways							X		
spread mulch (city provided) over planter areas								X	
keep planter beds free of debris and litter				X					
SUBTOTAL - page 2									

Scope of Work: Bid Worksheet (page 3)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS										ANNUAL BID
	Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually		
14) Upper Ocean Avenue landscape and path (Junipero Avenue to City limits).										
sweep or blow walkways to remove sand, soil, debris and litter				X						
keep walkways clear of vegetation and weeds				X						
maintain the irrigation system for appropriate days, amount of water, and minor repairs				X						
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, excess debris and litter				X						
clear beneath benches and garbage cans				X						
spread mulch (city provided) over planter areas								X		
mow annual weeds in planter areas, and along the north side of Ocean Ave.										
keep vegetation pruned back from road and maintain car line of sight at intersections - N & S										
15) Ocean Avenue medians between Junipero Avenue and Morita Verde Street (and lights)										
prune landscape plantings to maintain proper form, health and appearance			X							
keep planter beds free of weeds, debris and litter			X							
spread mulch (city provided) over planter areas										
adjust tree lighting to prevent glazing and restriction of trunks and limbs						(2x)				X
plant small color areas with appropriate seasonal/holiday plantings						(4x)				
maintain irrigation timers, valves, lines and emitters			X							
replace plants as needed			X							
16) Devereaux Park										
sweep or blow sidewalks, patios and walkways to remove debris and litter			X							
pick up litter in and around the park		X								
keep benches and walkways clear of vegetation and weeds			X							
prune landscape plantings to maintain proper form, health and appearance					X					
keep the drainage channel free of debris, and vegetation					X					
keep planter beds free of weeds, debris and litter		X								
clear beneath benches and garbage cans			X							
mow the turf area to an appropriate height (2.5 - 3.5 inches) and trim pathway edges			X							
aerate and reseed the turf area								X		
fertilize the turf with an organic turf appropriate fertilizer										
maintain the irrigation system for appropriate days, amount of water, and minor repairs			X							
clear pond of litter and other debris		X								
coordinate irrigation with city staff for special events								X		
feed pond fish			X							
keep top off of trees and shrubs					X					

SUBTOTAL - page 3

Scope of Work: Bid Worksheet (page 4)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

BASE BID LOCATIONS

		Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually	ANNUAL BID
17) Piccadilly Park										
sweep or blow sidewalks, patios and walkways to remove debris and litter				X						
pick up litter in and around the park			X							
keep benches and walkways clear of vegetation and weeds				X						
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter				X						
clear beneath benches and garbage cans				X						
maintain the irrigation system for appropriate days, amount of water, and minor repairs						X				
check and fill fountain as needed			X							
coordinate maintenance with the Carmel-by-the-Sea Garden Club						X				
18) Harrison Memorial Library - Ocean Ave. and Lincoln St.										
sweep or blow sidewalks, patios and walkways to remove debris and litter				X						
keep benches and walkways clear of vegetation and weeds				X						
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter				X						
clear beneath benches and garbage cans				X						
maintain the irrigation system for appropriate days, amount of water, and minor repairs						X				
coordinate maintenance with the Carmel-by-the-Sea Garden Club						X				
19) Harrison Memorial Library Park Branch - 66th Ave. and Mission St.										
sweep or blow sidewalks, patios and walkways to remove debris and litter				X						
keep benches and walkways clear of vegetation and weeds				X						
prune landscape plantings to maintain proper form, health and appearance					X					
keep planter beds free of weeds, debris and litter				X						
clear beneath benches and garbage cans				X						
maintain the irrigation system for appropriate days, amount of water, and minor repairs					X					

SUBTOTAL - page 4

SUBTOTAL - page 1

SUBTOTAL - page 2

SUBTOTAL - page 3

CORE BID TOTAL

Scope of Work: Bid Worksheet (page 5)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

ADDITIVE BID LOCATIONS										ANNUAL BID
		Saturday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually	
sweep or blow walkways, stairs, and bridges (2) to remove sand, soil, debris and litter					X					
keep walkways and bridge areas clear of vegetation and weeds					X					
clear beneath benches and garbage can					X					
sweep or blow walkways, paths, and parking lot edges to remove sand, soil, debris and litter				X						
keep walkways, parking area, and patio clear of vegetation and weeds						X				
prune landscape plantings to maintain proper form, health and appearance						X				
keep planter beds free of weeds, excess debris and litter				X						
spread mulch (city provided) over planter areas									X	
sweep or blow to remove sand, soil, debris and litter				X						
keep walkways and bridge areas clear of vegetation and weeds				X						
sweep or blow to remove sand, debris and litter					X					
keep walkways and bridge areas clear of vegetation and weeds					X					
sweep or blow to remove sand, soil, debris and litter					X					
keep walkways clear of vegetation and weeds					X					
sweep or blow to remove sand, soil, debris and litter					X					
keep walkways and bridge areas clear of vegetation and weeds					X					
sweep or blow to remove sand, debris and litter				X						
keep pathway, boardwalk, and stairs clear of vegetation						X				
clear beneath benches and garbage can				X						
SUBTOTAL - page 5										

Scope of Work: Bid Worksheet (page 6)

Landscaping Maintenance Services Contract 2017
 Invitation for Formal Bids 17-18-001
 Scope of Work

ADDITIVE BID LOCATIONS										ANNUAL BID
	Saturday	Sunday	daily M-F	weekly	bi-weekly	monthly	seasonally	quarterly	annually	
sweep or blow stairway to remove debris and litter					X					
keep stairway area clear of vegetation and weeds					X					
pick up litter near the stairway					X					
sweep or blow to remove sand, soil, debris and litter					X					
keep walkways and medians clear of vegetation and weeds					X					
clear vegetation away from bench					X					
keep median vegetation pruned out of roadway and traffic sight lines						X				
sweep or blow walkways, patios, and parking lot to remove sand, soil, debris and litter						X				
keep walkways clear of vegetation and weeds						X				
prune landscape plantings to maintain proper form, health and appearance						X				
keep planter beds free of weeds, debris and litter						X				
spread mulch (city provided) over planter areas									X	
sweep or blow walkways, patios, and parking lot to remove sand, soil, debris and litter						X				
keep walkways clear of vegetation and weeds						X				
prune landscape plantings to maintain proper form, health and appearance						X				
keep planter beds free of weeds, debris and litter						X				
spread mulch (city provided) over planter areas									X	
sweep or blow sidewalks, patios and driveways, to remove debris and litter				X						
keep benches, patios, driveways and walkways clear of vegetation and weeds						X				
prune landscape plantings to maintain proper form, health and appearance						X				
keep planter beds free of weeds, debris and litter						X				
clear beneath benches and garbage cans				X						

SUBTOTAL - page 6

SUBTOTAL - page 5

BID ADDITIVE TOTAL

**NON-COLLUSION DECLARATION TO BE EXECUTED BY BIDDER AND
SUBMITTED WITH BID**

The undersigned declares:

I am the Owner of Town + Country Gardening and Landscaping, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other Bidder. All statements contained in the bid are true. The Bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on this 27 day of November, 2017 in Carmel [city], Monterey County, California.

Signature

Robert G. Luster, CEO/CFO
Printed Name and Title

DEBARMENT AND SUSPENSION CERTIFICATION

The Bidder, under penalty of perjury, certifies that, except as noted below, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

- Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any state, federal, or local agency;
- Has not been suspended, debarred, voluntarily excluded or determined ineligible by any state, federal, or local agency within the past 3 years;
- Does not have a proposed debarment pending; and
- Has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining Bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Notes: Providing false information may result in criminal prosecution or administrative sanctions.

I declare under penalty of perjury that the foregoing is true and correct and that this certification is signed this 27 day of November, 2017 in Carmel [city], Monterey County, California.

Signature

Printed Name and Title

**Certification of Good-Faith Effort to Hire Monterey Area Residents
(Prime Contractor – To be Submitted with Bid)**

I, Robert G. Luster, a licensed contractor, or responsible managing officer, of the company known as Town + Country Gardening and Landscaping, do hereby certify, under penalty of perjury, that I have met, or made a good-faith effort to hire local personnel. Further, I certify that during the performance of the contract, I shall keep an accurate record on a standardized form showing the name, place or residence, trade classification, hours employed, proof of qualified individual status, per diem wages and benefits of each person employed by the company on the specific public works project, including full-time, part-time, permanent, and temporary employees, and provide such records to the City upon request, within five working days. I understand that I am responsible for insuring that any subcontractor working under my direction, complies with this request, including submitting a Certification of Good Faith Effort to Monterey Bay Residents, and to keeping accurate records as described above.

Signature

Robert G. Luster

Printed Name and Title

CEO / CFO



APPENDIX B TECHNICAL SPECIFICATIONS AND MAPS

SPECIFICATIONS FOR LANDSCAPE MAINTENANCE SERVICES

A. OVERVIEW

The City of Carmel-by-the-Sea is requesting bids from firms interested in providing routine landscape maintenance services to various locations throughout the City. Landscape maintenance services shall include: planting, weeding, mowing, edging of pathways, pruning, litter pickup in and adjacent to the work areas, raking, sweeping and/or blowing of walkways, driveways, patios and courts to keep them free of sand, litter and debris.

B. SERVICES TO BE PERFORMED

The Contractor shall be responsible for overall landscape and plant care. The Contractor shall be knowledgeable of California native plants so as to maintain and improve the flora within the designated areas. Landscape maintenance services shall be performed as specified in the Scope of Work Appendix A and shall include the following:

- a. Sweep or blow (no gas blowers) pathways, driveways, parking areas, stairways and patios to remove debris and litter.
- b. Remove debris and litter beneath and around benches and garbage cans.
- c. Remove litter and undesirable debris (ex: fallen limbs or accumulations of pine needles) from all areas.
- d. Keep all garden areas and paths clear of weeds, vegetation, debris, and litter.
- e. Ensure all plants are receiving adequate water. Apply supplemental watering as required.
- f. Check irrigation spray heads, emitters, valves, and controllers to ensure they are in working order. Replace or repair broken drip lines and emitters with new emitters and drip lines when necessary and with prior approval by the City.
- g. Remove weeds from all areas by pulling, hoeing, or mowing. Consult with the City prior to any herbicide application.
- h. Prune as appropriate and necessary of vegetation as required for optimal growth and appearance, and to keep of areas of regular public travel free of obstructions.
- i. Remove and replace dead plants in consultation with the City and in accordance with City landscape and design standards.
- j. Monitor and treat as required insect, pest and disease problems and consult with City prior to any treatment.
- k. Fertilize landscape plants as required for healthy growth and appearance of the plant material.
- l. Mulch areas annually as specified in Appendix A. The City will provide mulch.

C. GENERAL

- a. Where the specifications describe portions of the service in general terms, but not in complete detail, it is understood that only the best general practice is to prevail and that only workmanship and materials of high quality are to be used.
- c. The City Forester shall decide any and all questions which may arise as to the quality or acceptability of materials and supplies furnished and service performed, and as to the manner of performance and rate of progress of the service. He/she shall also decide all questions which arise as to the interpretation of the specifications and all questions as to compensation.
- d. Any new plant material, fertilizers, pesticides and irrigation materials shall be included in the cost of services and must be approved in advance by the City.
- e. Plant materials used on public grounds shall be drought tolerant natives or native types in accordance with the Carmel Municipal Code Chapter 17.34 – Landscaping.
- f. Contractor shall abide by and follow the Best Management Practices and other requirements of the city storm water management program as identified in Carmel Municipal Code Chapter 17.34 —Storm Water BMPs for Municipal Operations.

D. EMPLOYEES

- a. All workmanship shall be to highest standard of modern landscape maintenance services and practices. Contractor shall employ only competent, careful, orderly persons for contract performance.
- b. If at any time the Manager determines that any person employed under the contract is incompetent, careless, reckless, or disorderly, or disobeys or evades proper orders and instruction, such person shall be excluded for work in the contract.
- c. The Contractor shall be held responsible for any damages to existing public areas or private property caused by Contractor's operations.

E. QUALITY CONTROL

- a. The Contractor is expected to conduct inspections on both a scheduled and unscheduled basis and identify the individuals who will perform the inspections. The Contractor is to provide the schedule of inspections to the Manager prior to work start.
- b. The City will regularly inspect for compliance with all contract specifications. City personnel will conduct unannounced inspections for compliance.
- c. Acceptance of completed work is the responsibility of the City Forester. When unsatisfactory service is found, the City Forester may, at his/her option, contact the Contractor and:
 - i. Advise the Contractor verbally of deficient service; and
 - ii. Advise the Contractor in writing.

Appendix B, Page 3

F. SAFETY PROGRAM

- a. The Contractor shall conform to all local, State and Federal rules and regulations pertaining to safety in both supplies and services.
- b. The Contractor shall establish, implement, and maintain a safety program for preventing accidents and preserving the life and health of his/her personnel and City personnel involved in performance of the Contract.

G. REMOVAL OF TRASH AND DEBRIS

- a. The Contractor shall remove from the job site all debris and waste materials that are produced by his/her operation and shall leave the work area in a clean and orderly condition at each area upon completion of each day's work.
- b. All non-hazardous waste and debris generated as a result of this contract shall be disposed of at an appropriate waste collection facility or in the appropriate waste bin at the Public Works Corporation Yard.
- c. All hazardous materials generated or caused by the Contractor in performance of this contract shall be handled, stored, transported, and disposed of in accordance with applicable State and Federal regulations.

H. LOST AND FOUND

- a. Articles found by the Contractor shall be turned into the Carmel Police Department.

I. FIRE PREVENTION

- a. All City and state fire regulations, policies and instructions will be followed.
- b. Combustible materials shall be properly stored.

BEST MANAGEMENT PRACTICES (BMPs) FOR PARKS AND OTHER LANDSCAPE AREAS

Erosion Control

- Maintain vegetative cover on medians and embankments to prevent soil erosion. Apply mulch or wood chips to serve as additional cover.
- Do not use disking as a means of vegetation management.

Vegetation Management

- When conducting vegetation pruning, mowing or leaf blowing/removal, do not discard vegetation, grass, or leaves in the street or near a storm drain inlet.
- When conducting mechanical or manual weed control, apply ground cover such as mulch or wood chips to loosened and bare soil.
- Plant native drought-tolerant species, wherever possible, to reduce the need for water and herbicides.

Irrigation

- Inspect irrigation systems periodically to ensure that the right amount of water is being applied and that excessive runoff is not occurring. Minimize excess watering, and repair leaks in the irrigation system as soon as they are observed.
- When bailing out muddy water, do not discharge or dump it in the storm drain. Instead, pour the water over landscaped areas.
- All supplemental irrigation systems require the use of an automated irrigation controller, which must include a water budget feature and may include products, which rely on soil or weather sensors to adjust irrigation schedules.
- Low volume irrigation is encouraged for landscape areas containing trees, shrubs and groundcover. Do not use fixed spray nozzles in landscape beds measuring 3 feet or less.
- Hoses used to hand water landscaped areas must be equipped with a positive shut off device.

Pesticide and Herbicide Use

- As a general rule, the City does not use pesticides or herbicides in municipal landscape areas. If pesticide or herbicide use is required for a specific issue that cannot be addressed by mechanical means, it must be approved by the City Forester prior to application. The following guidelines shall be followed for any pesticide or herbicide application:
 - Use the least toxic pesticide / herbicide for the job.
 - Do not use Toxicity Category I or Category II pesticides.
 - Follow federal, state, and local laws governing the use, storage, and disposal of pesticides and herbicides
 - Do not mix or prepare pesticides / herbicides for application near storm drains.
 - Do not use pesticides or herbicides if rain is expected.
 - Check inventory and use up pesticides and herbicides in stock prior to purchasing more. Rinse containers and use the rinse water as product. Dispose of unused

pesticide as hazardous waste.

Fertilizers

- Minimize use of chemical fertilizers. Use only as needed.
- Use compost instead of chemical fertilizers whenever possible.
- Check the nitrogen/phosphorus/potassium concentrations of fertilizers and calibrate the distributor to avoid excessive application.
- If fertilizer is spilled on either the pavement or sidewalk, clean up before applying irrigation water.

CITY OF CARMEL-BY-THE-SEA, CALIFORNIA

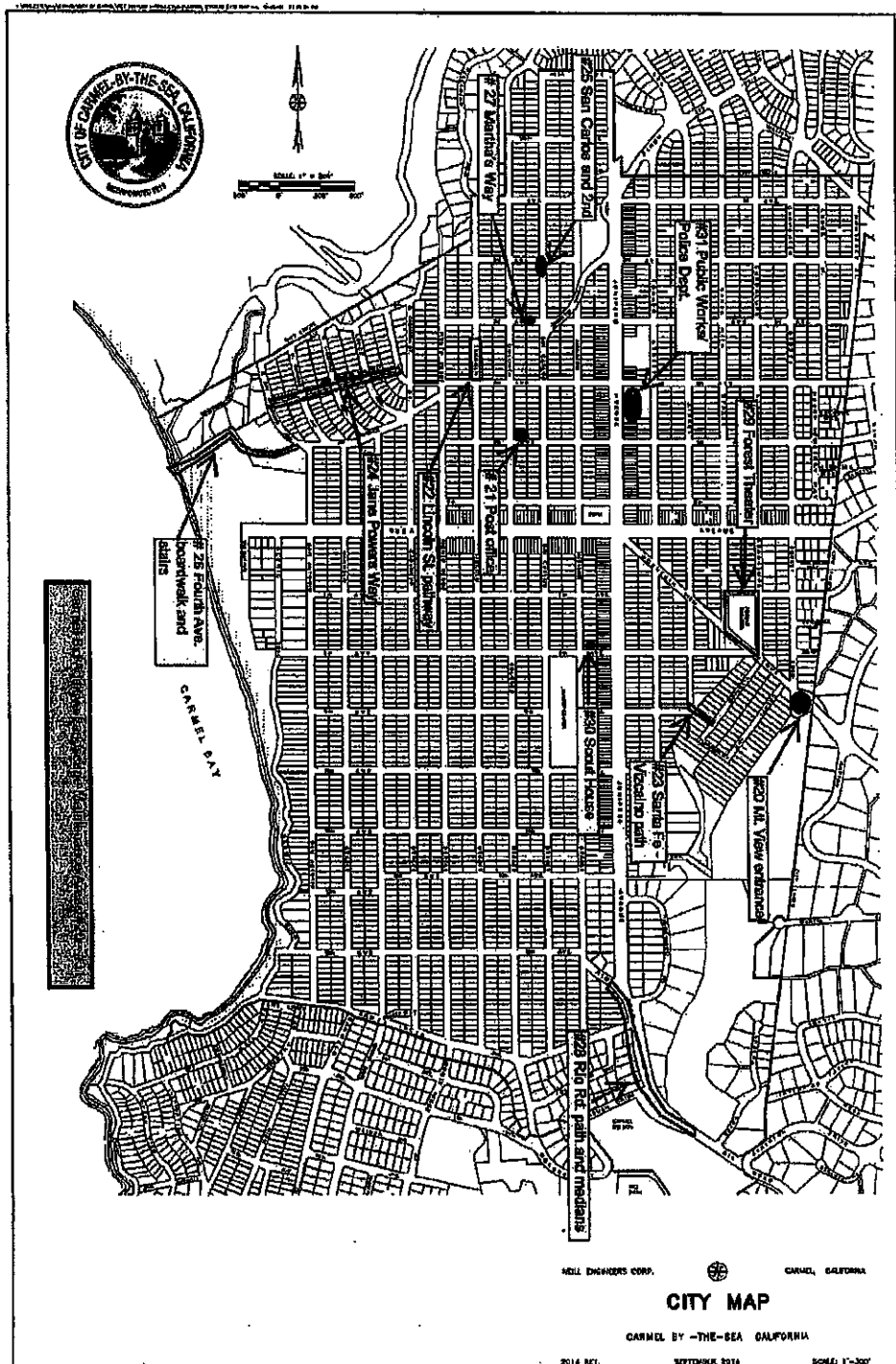
LEGEND

- 1. City Limits
- 2. City Center
- 3. City Hall
- 4. City Office
- 5. City Library
- 6. City Park
- 7. City Beach
- 8. City Pier
- 9. City Dock
- 10. City Wharf
- 11. City Quay
- 12. City Harbor
- 13. City Marina
- 14. City Pier
- 15. City Dock
- 16. City Wharf
- 17. City Quay
- 18. City Harbor
- 19. City Marina
- 20. City Pier
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- 23. City Quay
- 24. City Harbor
- 25. City Marina
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- 35. City Quay
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- 37. City Marina
- 38. City Pier
- 39. City Dock
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- 85. City Marina
- 86. City Pier
- 87. City Dock
- 88. City Wharf
- 89. City Quay
- 90. City Harbor
- 91. City Marina
- 92. City Pier
- 93. City Dock
- 94. City Wharf
- 95. City Quay
- 96. City Harbor
- 97. City Marina
- 98. City Pier
- 99. City Dock
- 100. City Wharf

CITY MAP

CARMEL BY THE SEA, CALIFORNIA

Additive Bid Area Map



APPENDIX C SAMPLE CONTRACT

CITY OF CARMEL-BY-THE-SEA AGREEMENT FOR CONTRACTOR SERVICES

Contractor name _____

Project Service _____

Contract # _____

THIS AGREEMENT FOR CONTRACTOR SERVICES is made and effective as of _____, 2017, between the City of Carmel-by-the-Sea, a municipal corporation ("City") and _____, a _____, ("Contractor") whose current and valid Contractor's License # _____, as duly issued by the California Department of Consumer Affairs. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on _____ and shall remain and continue in effect until tasks described herein are completed, but in no event later than _____, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Contractor shall perform the tasks described and set forth in Exhibit "A," attached hereto and incorporated herein as though set forth in full. Contractor shall complete the tasks according to the schedule of performance which is also set forth in Exhibit "A." Exhibit "A" may include any Scope of Work, Plans, Specifications and other related documents specific to the services to be provided by Contractor.

3. PERFORMANCE

a) Contractor shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. Contractor shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Contractor hereunder in meeting its obligations under this Agreement.

b) Contractor shall conform to the rules and regulations pertaining to safety established by the California Division of Industrial Safety. Contractor further agrees to take all necessary precautions for the safety of employees and shall comply with all applicable provisions of federal, state and local regulations, ordinances and codes. The Contractor shall be responsible for erecting and properly maintaining at all times as required by the conditions and progress of the work, all necessary safeguards for the protection of workers and the public and shall post danger signs warning against known or reasonably foreseeable or unusual hazards.

c) Contractor acknowledges that it is familiar with City's policies for the protection of trees and agrees to take all reasonable precautions to protect trees not subject to trimming or removal from damage which might be caused during the work to be performed. (See Carmel-by-the-Sea Municipal Code Chapter 12.28).

d) At all times during the term of this Agreement, Contractor shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

e) The Contractor will obtain a valid City Business License and shall maintain said Business License for the term of this Agreement and any extensions thereof.

f) Contractor shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by Contractor or in any way affect the performance of its service pursuant

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to this Agreement. Contractor shall at all times observe and comply with all such laws and regulations. City, its officers and employees, shall not be liable at law or in equity occasioned by failure of Contractor to comply with this Section. Contractor further agrees to indemnify and hold City, its officers and employees harmless for any such violation of law or regulation, as further set out under paragraph 11 of this agreement.

g) Contractor agrees to comply with all of the applicable provisions of Sections 1777.5 and 1777.6 of the Labor Code, which Sections are hereby specifically referred to, incorporated herein by reference and made a part hereof as though set forth at length herein.

h) Contractor agrees that in the performance of this Agreement or any sub-agreement hereunder, neither Contractor nor any person acting on Contractors behalf shall refuse to employ or refuse to continue in any employment any person on the basis of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, sexual preference, sex or age. Contractor acknowledges that harassment in the workplace is not permitted in any form, and will take all necessary actions to prevent such conduct. Contractor further agrees to comply with all laws with respect to employment when performing this Agreement.

i) Contractor shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "D" attached to and part of this agreement. To insure performance, Contractor and any sub-contractor must provide Faithful Performance and Labor and Material Bonds in favor of City, each in the amount of one hundred percent (100%) of the value of the contract.

j) Contractor declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City of Carmel-by-the-Sea in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial agreement or financial inducement. No officer or employee of the City of Carmel-by-the-Sea will receive compensation, directly or indirectly, from Contractor, or from any officer, employee or agent of Contractor, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.

4. CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

Contractor is bound by the contents of City's Request for Proposal, Exhibit "D" hereto and incorporated herein by this reference, and the contents of the proposal submitted by the Contractor, Exhibit "E" hereto. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in the Contractor's proposals.

5. CITY MANAGEMENT

The Public Works Director or City Forester shall represent City in all matters pertaining to the administration of this Agreement, review and approve of all products submitted by Contractor. However, the Public Works Director nor the City Forester shall not have the authority to enlarge the Tasks to Be Performed or change the compensation due to Contractor. City's City Administrator or his designee, shall be authorized to act on City's behalf and to execute all necessary change order documents which enlarge the Tasks to Be Performed, or change Contractor's compensation subject to Section 6 hereof.

6. PAYMENT

(a) City agrees to pay Contractor monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit "B", attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed _____ (\$_____) which sum shall include all costs, if any, for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) The City Administrator's contract authority is limited to a total threshold of \$24,999.00 which

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includes all costs. Contracts, including any contract amendments that exceed the total threshold, require City Council approval. Any contracts, including contract amendments that exceed the total threshold, which have not received prior City Council approval, shall be void.

(c) Contractor will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Contractor's fees it shall give written notice to Contractor within thirty (30) days of receipt of an Invoice of any disputed fees set forth on the Invoice.

7. INSPECTION

City shall at all times have the right to inspect the work and materials supplied by Contractor. Contractor shall furnish all reasonable aid and assistance required by City for the proper examination of the work, materials and parts thereof. Such inspection shall not relieve Contractor from any obligation to perform said work strictly in accordance with the specifications of the contract or any modifications thereof and in compliance with the law.

8. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Contractor at least ten (10) days prior written notice of intention to terminate. Upon receipt of said notice, the Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Contractor the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Contractor will submit an invoice to the City pursuant to Section 6(c).

9. DEFAULT OF CONTRACTOR

(a) Contractor's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Contractor is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default and can terminate this Agreement immediately by written notice to Contractor. If such failure by Contractor to make progress in the performance of work hereunder arises out of causes beyond Contractor's control, and without fault or negligence of Contractor, it shall not be considered a default.

(b) In the event that the City Administrator or his/her delegate determines that Contractor is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon Contractor a written notice of the default. Contractor shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Contractor fails to cure its default within such period of time, City shall have the right, but not the obligation, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

10. OWNERSHIP OF DOCUMENTS

(a) Contractor shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Contractor shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Contractor shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records at _____; shall permit City to make copies and transcripts there from as necessary; and shall allow inspection of all work,

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data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained at the City of Carmel-by-the-Sea City Hall for a minimum period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Contractor. With respect to computer files, Contractor shall make available to City, at City's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. INDEMNIFICATION

(a) Indemnification for Professional Liability. Contractor shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are actually caused in whole or in part by any negligent or wrongful act, error or omission of Contractor, its officers, agents, employees or sub-contractors (or any entity or individual that Contractor shall bear the legal liability thereof) in the performance of professional services under this Agreement. With respect to the design of public improvements, the Contractor shall not be liable for any injuries or property damage resulting from the reuse of the design at a location other than that specified in Exhibit "A" without the written consent of the Contractor.

(b) Indemnification for Other Than Professional Liability. Contractor shall indemnify defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Contractor or by any individual or entity for which Contractor is legally liable, including but not limited to officers, agents, employees or sub-contractors of Contractor.

(c) General Indemnification Provisions. Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every sub-contractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. In the event Contractor fails to obtain such indemnity obligations from others as required here, Contractor agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Contractor and shall survive the termination of this Agreement or this section.

(d) Indemnity Provisions for Contracts Related to Construction. Without affecting the rights of City under any provision of this Agreement, Contractor shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of Contractor will be for that entire portion or percentage of liability not attributable to the active negligence of City.

12. WARRANTIES

Contractor agrees that it will warrant all work performed and equipment supplied hereunder for a period of one year or, in the case of equipment, for the period of the manufacturer's warranty if such warranty be for a period longer than one year. Contractor shall immediately correct all defective workmanship discovered within one year after acceptance of final payment by it and shall indemnify and defend City against all loss and damage occasioned by any such defect, discovered within said year, even though the damage or loss may not be ascertained until after the expiration thereof. Nothing herein constitutes a waiver of City's rights or any statute of limitations.

13. INSURANCE

(a) Contractor shall submit and maintain prior to the beginning of and for the duration of this Agreement Insurance coverage covering the Contractor and designating the City, its officers, officials, and employees as additional insureds under an ISO CG 20 10 07 04 and ISO 20 37 07 04 or their equivalent against any and all claims resulting in injury or damage to persons or property (both real and personal) caused by any aspect of the Contractor's work, in amounts no less than the following and with such deductibles as are ordinary and reasonable in keeping with industry standards. It shall be stated, in the Additional Insured Endorsement, that Contractor's insurance policies shall be primary as respects any claims related to or as the result of Contractor's work. Any insurance, pooled coverage, or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or consultants shall be non-contributory. The Additional Insured Endorsement shall not apply to the Professional Liability Insurance.

General Liability:

a. General Aggregate	\$2,000,000
b. Products Comp/Op Aggregate	\$2,000,000
c. Personal & Advertising Injury	\$1,000,000
d. Each Occurrence	\$1,000,000
e. Fire Damage (any one fire)	\$ 50,000
f. Medical Expense (any one person)	\$ 5,000

Workers' Compensation:

a. Workers' Compensation	Statutory Limits
b. EL Each Accident	\$1,000,000
c. EL Disease - Policy Limit	\$1,000,000
d. EL Disease - Each Employee	\$1,000,000

Automobile Liability

a. Any vehicle, combined single limit	\$1,000,000
---------------------------------------	-------------

(b) Other Insurance Requirements

(1) All Insurance required under this Agreement must be written by an insurance company admitted to do business in California with a current A.M. Best rating of no less than A: VII. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

(2) Each insurance policy required by this Agreement shall be endorsed to state that CITY shall be given notice in writing at least thirty (30) days in advance of any cancellation thereof, except CITY shall be given TEN (10) days' notice for nonpayment of the premium.

(3) The general liability and auto policies shall:

(a) Provide an endorsement naming CITY, its officers, officials, and employees as additional insureds under an ISO CG 20 10 07 04 and ISO 20 37 07 04 or their equivalent.

(b) Provide that such insurance is primary and non-contributing insurance to any insurance or self-insurance maintained by CITY.

(c) Contain a "Separation of Insureds" provision substantially equivalent to that used in the ISO form CG 00 01 10 01 or their equivalent.

(d) Provide for a waiver of any subrogation rights against CITY via an ISO CG 24 01 10 93 or its equivalent.

(e) Prior to the start of work under this Agreement Contractor shall file certificates of insurance and endorsements evidencing the coverage required by this Agreement with the City Administrator. Contractor shall file a new or amended certificate of insurance promptly after any change is made in any insurance policy which would alter the information on the certificate then on file.

(f) The Contractor shall immediately advise the City of any litigation and/or open claims that may affect these insurance policies.

14. INDEPENDENT CONTRACTOR

(a) Contractor is and shall at all times remain as to City a wholly Independent Contractor. The personnel performing the services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Contractor or any of Contractor's officers, employees, or agents, except as set forth in this Agreement. Contractor shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Contractor shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Contractor in connection with the performance of this Agreement. Except for the fees paid to Contractor as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Contractor for performing services hereunder for City. City shall not be liable for compensation or indemnification to Contractor for injury or sickness arising out of performing services hereunder.

(c) Any and all employees or sub-contractors of Contractor under this Agreement, while engaged in the performance of any work or services required by Contractor under this Agreement, shall be considered employees or sub-contractors of Contractor only and not of City. Any and all claims that may arise under the Workers' Compensation Act on behalf of said employees or sub-contractors, while so engaged and all claims made by a third party as a consequence of any negligent act or omission on the part of the Contractor's employees or sub-contractors, while so engaged in any of the work or services provided for or rendered herein shall not be City's obligation.

15. PREVAILING WAGE

It is further expressly agreed by and between the parties hereto that the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification, or type of worker needed to execute this Agreement is that ascertained by the Director of the Department of Industrial Relations of the State of California, copies of which are on file in the Office of the City Clerk and the Department of Public Works, which shall be made available to any interested party on request, which said rates are hereby made a part hereof, incorporated herein by reference as though set forth in full. The holidays upon which such rates shall be paid shall be all holidays recognized in the collective bargaining agreement applicable to the particular craft, classification or type of worker employed on the Project.

Pursuant to Senate Bill 222, City is required to withhold from any progress payments owed to a contractor any amount that has been forfeited as penalties, or as wages owed to employees who have not been paid the prevailing wage for work performed. This allows the intervention by the Division of Labor Standards Enforcement, which is headed by the State Labor Commission, in a contractor's lawsuit for recovery of amounts withheld by an awarding body. All withheld wages and penalties will be transferred to the Labor Commissioner for disbursement in those cases where a contractor fails to bring a lawsuit for amounts withheld within ninety (90) days after completion of the public works contract and formal acceptance of the job by the awarding body. The Labor Commissioner is then permitted to intervene in any lawsuit brought by the contractor against an awarding body for recovery of amounts withheld.

16. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

17. CONFLICT OF INTEREST

Contractor shall at all times avoid conflicts of interest, or the appearance of conflicts of interest, in the performance of this Contract.

Contractor covenants that neither he/she nor any officer or principal of their firm have any interest in, or shall acquire any interest, directly nor indirectly, which will conflict in any manner or degree with the performance of their services hereunder. Contractor further covenants that in the performance of this Agreement, no person having such interest shall be employed by them as an officer, employee, agent, or sub-contractor. Contractor further covenants that Contractor has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area and further covenants and agrees that Contractor and/or its sub-contractors shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area prior to the completion of the work under this Agreement.

If City determines Contractor comes within the definition of Contractor under the Political Reform Act (Government Code §87100 et seq.) Contractor shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with City disclosing Contractor's and/or such other person's financial interests.

18. NO WAIVER OF BREACH/TIME

The waiver by City of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement. Time is of the essence in carrying out the duties hereunder.

19. CONFIDENTIAL INFORMATION/RELEASE OF INFORMATION

(a) All information gained by Contractor in performance of this Agreement shall be considered confidential and shall not be released by Contractor without City's prior written authorization. Contractor, its officers, employees, agents, or sub-contractors, shall not without written authorization from the City Administrator or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(b) Contractor shall promptly notify City, through the City Attorney's office, should Contractor, its officers, employees, agents, or sub-contractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Contractor and/or be present at any deposition, hearing, or similar proceeding. Contractor agrees to cooperate fully with the City and City Attorney's office and to provide the opportunity to review any response to discovery requests provided by Contractor. However, City's right to review any such response does not imply or mean the right by City or the City Attorney's office to control, direct, or rewrite said response.

20. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City:

To Contractor:

21. THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

22. ASSIGNMENT

Contractor shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Subject to the foregoing, all terms of the Agreement will be binding upon, enforceable by and inure to the benefit of the parties and their successors and assigns.

23. GOVERNING LAW

City and Contractor understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or the federal district court with jurisdiction over the City. Contractor agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the aforementioned courts and irrevocably consents to the exclusive persona and in rem jurisdiction and venue of the aforementioned courts.

24. ATTORNEY'S FEES AND COURT VENUE

Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the party prevailing in such action shall be entitled to a reasonable attorney's fee which shall be fixed by the judge, mediator or arbitrator hearing the case, and such fee shall be included in the judgment together with all costs.

25. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Contractor warrants and represents that he/she has the authority to execute this Agreement on behalf of the Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.

26. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

27. AGREEMENT CONTAINS ALL UNDERSTANDINGS: AMENDMENT

(a) This document represents the entire and integrated Agreement between City and Contractor, and supersedes all prior negotiations, representations and agreements, either written or oral.

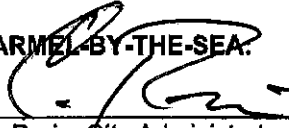
(b) Any modification or amendment to this Agreement must be in writing.

(c) Neither City nor Contractor shall be deemed to have waived any obligation of the other, or to have agreed to any modification to this Agreement unless it is in writing, and signed by the party giving the waiver.

28. SEVERABILITY

If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

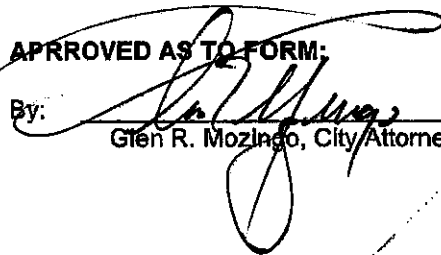
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF CARMEL BY THE SEA:By: 

Chip Rerig, City Administrator

Date: 12.9.17**CONTRACTOR:**By: Burn Country Gardening
and landscapingDate: 11/27/17**ATTEST:**By: Ashlee Wright

Ashlee Wright, City Clerk

Date: 12/04/2017**APPROVED AS TO FORM:**By: 

Glen R. Mozingo, City Attorney

Date: 12/4/17



TEMPORARY ENCROACHMENT PERMIT APPLICATION

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

TEMP EN _____
FEE PD _____
REC # Attachment 3
Copy Given to: _____
Date: _____

1. Property Owner: City of Carmel-by-the-Sea Date: 11/28/17

2. Project Location: _____

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

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

3. Contractor Contact Person (Circle One): Robert G. Luster

Mailing Address: P.O. Box 223798 City: Carmel State: CA Zip: 93922

Telephone # (831) 596-2709 E-Mail: contact@thegardenscarmel.com

Contractor State Lic #: 999057 Contractor City Lic #: 24419
Type: C27

4. Date Work Is Scheduled to Begin: _____ Projected Completion Date: _____

PLEASE ATTACH SITE PLAN AND PHOTOS DETAILING PROPOSED

FULLY DESCRIBE ALL WORK PROPOSED: _____

→PLEASE NOTIFY **USA DIG** (Call 811) **48 HOURS PRIOR** TO DIGGING

→PLEASE NOTIFY **PUBLIC WORKS DEPT.** (831-620-2074) **48 HOURS PRIOR** TO START OF WORK

→CONTROL OF DRAINAGE DURING **AND** AFTER CONSTRUCTION IS **REQUIRED.**

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): Robert Luster

Signature: _____ Date: 11/28/17

Revised: March 2016

CITY USE ONLY BELOW

Attachment 3

Public Works: Approve/Disapprove

By: _____ Date: _____

Forestry/Beach: Approve/Disapprove

By: _____ Date: _____

Planning Department: Approve/Disapprove

By: _____ Date: _____

Police Department: Approve/Disapprove

By: _____ Date: _____

Community Activities Department: Approve/Disapprove

By: _____ Date: _____

Comments/Conditions:

Please protect all trees during construction:

→HAND DIG WITHIN 10 FEET OF TREES.

→NOTIFY FORESTER OF ROOTS 2" OR MORE THAT NEED TO BE CUT.

FINAL INSPECTION FROM PUBLIC WORKS: _____

DATE: _____

Town and Country Gardening
Landscaping Maintenance Services

AMENDMENT NO. 1
AGREEMENT NUMBER PWD-TOWN-131-17-18

This Amendment (the "Amendment") is made by **City of Carmel-by-the-Sea** and **Town and Country Gardening**, parties to agreement PWD-TOWN-131-17-18 (the "Agreement") executed on November 27, 2017 and amended by Change Order #1 on June 25, 2018.

1. The Agreement is amended as follows:

a. **Term** of the Agreement is extended as follows:

"The, work under this Amendment shall commence November 27, 2018 and shall terminate on November 26, 2019, unless services are no longer needed prior to November 26, 2019".

b. The **Payment** of the Agreement is modified as follows:

"CITY shall pay CONTRACTOR in an amount not to exceed \$126,415.00 (\$114,923.00 contract amount plus \$11,492.00 contingency, which requires prior written authorization by the City) for the EXTENDED term of the extended term from November 27, 2018 to November 26, 2019."

2. Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this Amendment and the Agreement or any earlier amendment, the terms of this Amendment will prevail.

CONTRACTOR:

By: _____

Date: 10/31/18

CITY:

By: _____

Date: 11/14/18

Chip Rerig, City Administrator

ATTEST:

By: _____

Date: 11-14-18

Tom Graves, City Clerk

Agreement Routing**Are there two "wet" signatures by consultant?**☒

Yes

☐

No

Is the agreement signed by Legal (if required)?☐

Yes

☒

No

Is the agreement signed by the City Administrator?☐

Yes

☒

No

Is the agreement attested by the City Clerk?☐

Yes

☒

No



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

**January 7, 2020
CONSENT AGENDA**

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Robert Harary, P.E, Director of Public Works
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Adopt Resolution No. 2020-002, rejecting a Bid Protest and authorizing the City Administrator to execute a contract with Avila Construction Company for the Harrison Memorial Library Meeting Room Project for a not-to-exceed amount, including 10% contingency, of \$275,800.

RECOMMENDATION:

Adopt Resolution No. 2020-002, rejecting a Bid Protest and authorizing the City Administrator to execute a contract with Avila Construction Company for the Harrison Memorial Library Meeting Room Project for a not-to-exceed amount, including 10% contingency, of \$275,800.

BACKGROUND/SUMMARY:

In April 2019, the City Council awarded a Professional Services Agreement to Wald, Ruhnke & Dost Architects for design, preparation of plans and specifications, and construction support services for the Harrison Memorial Library Meeting Room Project for a not-to-exceed fee, including contingency, of \$53,240. This agreement is on budget at this time.

In October 2019, Council adopted Resolution 2019-072 rejecting the only bid received for construction of the Project and directed staff to promptly rebid the Project. The Base Bid amount was \$255,105, and combined with the three additive bid items (described below), the grand total would have been \$280,600. This amount was beyond the available funding at that time. The Base Bid was 15% above the Architect's cost estimate of \$221,000.

In late October 2019, the project was extensively re-advertised for bids. Legal announcements were placed in the Carmel Pine Cone and The Weekly, and the Project was posted on public bidding, construction industry, and the City's website. In addition, courtesy calls were made to local building contractors most likely to bid on the Project. This time, four (4) bids were received and announced at the public bid opening held on November 20, 2019 as follows:

Project Component:	San Patricio Construction	Avila Construction	Castlewood Construction	Pueblo Construction
Base Bid (Bases of Award)	\$208,000	\$209,804	\$238,500	\$260,472
Alternate No.1	\$21,300	\$11,832	\$14,300	\$12,570
Alternate No.2	\$12,500	\$12,667	\$29,700	\$8,865
Alternate No.3	\$26,250	\$16,426	\$29,400	\$10,279
GRAND TOTAL	\$268,050	\$250,729	\$311,900	\$292,186

A detailed tabulation of these bid results is included in Attachment #2.

Award of this Contract is based on the lowest responsive, responsible Base Bid. Three of the four bidders were deemed responsive; however, the apparent low bid, submitted by San Patricio Construction, was deemed non-responsive for omitting a C-16 licensed fire protection subcontractor in violation of Public Contract Code Section 4106. Therefore, the lowest responsive, responsible bid proposal was submitted by Avila Construction Company.

Two bid protests were filed following the Bid Opening. As detailed in the correspondence in Attachment #3, San Patricio Construction protested the City's finding of their bid to be non-responsive, suggested that they made good faith efforts to include a C-16 licensed contractor, and alleged that the C-16 subcontractors colluded during bidding. However, Public Contract Code Section 4106 is clear that failure to include a C-16 contractor renders a bid non-responsive. Staff notified this contractor that we have no evidence of subcontractor collusion, and the burden is on the accuser to provide tangible evidence of such collusion. No such evidence was provided.

As shown in Attachment #4, the second bid protest was submitted by Avila Construction claiming that the apparent low bid submitted by San Patricio Construction was non-responsive for omitting the C-16 licensed contractor. This bid protest is sustained.

The Project scope includes constructing a new meeting room in the northwest quadrant of the upper floor of the library. The room will be enclosed with a glass wall and glass doors, a recessed projection screen, clearstory interior windows for better natural lighting, and new cabinetry. Alternate No. 1 includes installing a new main service desk, Alternate No. 2 provides new bookcases, and Alternate No. 3 provides new storage cabinets in the meeting room. Additional improvements include removal of asbestos-containing ceiling tile, painting, and installation of a new rear entrance door off of Sixth Avenue.

Avila Construction is a well-qualified, Monterey-based building contractor, and they have completed numerous building renovation projects, including historic buildings and projects for other public agencies. Construction will be executed with the least amount of impact to normal Library operations as possible. Construction is scheduled to be substantially complete within four (4) months following issuance of the Notice to Proceed.

FISCAL IMPACT:

In June 2018, Council authorized a Capital Improvement Project for Fiscal Year 2018/19 entitled "Harrison Memorial Library Meeting Space" funded by Library donations.

PRIOR CITY COUNCIL ACTION:

In June 2018, Council authorized a Capital Improvement Project for Fiscal Year 2018/19 entitled "Harrison Memorial Library Meeting Space" funded by Library donations in the amount of \$250,000.

In April 2019, Council awarded a Professional Services Agreement to Wald, Ruhnke & Dost Architects for design of the Project for a not-to-exceed fee, including contingency, of \$53,240.

In October 2019, Council adopted Resolution 2019-072 rejecting the only bid received for construction of the Project and directed staff to promptly rebid the Project.

ATTACHMENTS:

Attachment # 1 - Resolution 2020-002 HML Meeting Room Award

Attachment #2 - Bid Tabulation

Attachment #3 - San Patricio Bid Protest

Attachment #4 - Avila Bid Protest

Attachment #5 - Form of Contract

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

RESOLUTION NO. 2020-002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA REJECTING A BID PROTEST AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH AVILA CONSTRUCTION COMPANY FOR THE HARRISON MEMORIAL LIBRARY MEETING ROOM PROJECT FOR A NOT-TO-EXCEED AMOUNT, INCLUDING 10% CONTINGENCY, OF \$275,800

WHEREAS, in June 2018, the City Council adopted the Fiscal Year 2018/2019 Capital Improvement Program which allocated funds for the Project that would be provided for through donations; and

WHEREAS, in April 2019, the City Council awarded a Professional Services Agreement to Wald Ruhnke & Dost Architects to design the Meeting Room Project for a not-to exceed fee of \$53,240; and

WHEREAS, in October 2019, Council adopted Resolution 2019-072 rejecting the only bid received for construction of the Project and directed staff to promptly rebid the Project; and

WHEREAS, the bid was 15% higher than the architect's cost estimate and combined with the three additives including a 10% construction contingency, would be \$87,660 higher than the available budget; and

WHEREAS, in late October 2019, the project was extensively re-advertised for bids, and four bids were received and read aloud at the public bid opening on November 20, 2019; and

WHEREAS, three of the four bid proposals were deemed responsive; and

WHEREAS, San Patricio Construction, was deemed non-responsive for omitting a C-16 licensed fire protection subcontractor; and

WHEREAS, San Patricio Construction filed a bid protest claiming they made a good faith effort to include a C-16 licensed contractor, and alleged that the C-16 subcontractors colluded during bidding; and

WHEREAS, Staff concluded that there was no evidence of subcontractor collusion nor was any such evidence provided by San Patricio Construction; and

WHEREAS, Avila Construction Company submitted the lowest responsive, responsible bid of \$209,804; and

WHEREAS, a 10% contingency for unforeseen extra work is included plus alternates one, two and three, thus, the total contract amount for the Base Bid including alternates and a 10% contingency, is \$275,800.

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

Reject the bid protest submitted by San Patricio Construction.

BE IT FURTHER RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:

Authorize the City Administrator to execute a construction contract with Avila Construction Company for a not-to-exceed amount, including 10% contingency of \$275,800.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 7th day of January 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Britt Avrit, MMC
City Clerk



TABULATION OF BIDS

Harrison Memorial Library Meeting Room Remodel Bid Opening: November 20, 2019 2:00 pm

BASE BID:				San Patricio		Avila Construction		Castlewood Construction		Pueblo Construction	
No.	Description	Quantity	Unit	Price	Amount	Price	Amount	Price	Amount	Price	Amount
1	Mobilization & Demobilization	1	LS	\$ 40,000	\$ 40,000	\$ 25,000	\$ 25,000	\$ 35,700	\$ 35,700	\$ 2,000	\$ 2,000
2	Interior Alterations	1	LS	\$ 168,000	\$ 168,000	\$ 184,804	\$ 184,804	\$ 202,800	\$ 202,800	\$ 258,472	\$ 258,472
Basis Of Award Total					\$ 208,000		\$ 209,804		\$ 238,500		\$ 260,472
QUALIFICATION:				Non-Responsive		Qualified		Qualified		Qualified	

*San Patricio Construction did not list a Fire Protection subcontractor in the sub-listing.

BID ALTERNATES:				San Patricio		Avila Construction		Castlewood Construction		Pueblo Construction	
Alt No.	Description	Quantity	Unit	Price	Amount	Price	Amount	Price	Amount	Price	Amount
1	Main Service Desk	1	LS	\$ 21,300	\$ 21,300	\$ 11,832	\$ 11,832	\$ 14,300	\$ 14,300	\$ 12,570	\$ 12,570
2	Bookcases	1	LS	\$ 12,500	\$ 12,500	\$ 12,667	\$ 12,667	\$ 29,700	\$ 29,700	\$ 8,865	\$ 8,865
3	Storage Cabinets	1	LS	\$ 26,250	\$ 26,250	\$ 16,426	\$ 16,426	\$ 29,400	\$ 29,400	\$ 10,279	\$ 10,279
Bid Alternate Totals					\$ 60,050		\$ 40,925		\$ 73,400		\$ 31,714
GRAND TOTAL					\$ 268,050		\$ 250,729		\$ 311,900		\$ 292,186



San Patricio Construction, Inc.

Contractor's license #1025193 / DIR #1000055319

Date: Monday, November 25, 2019

City of Carmel by the Sea
Office of the Clerk
P.O. Box CC
Carmel-by-the-Sea, CA 93921

Subject: Award protest; Harrison Memorial Library

San Patricio Construction, Inc protest the above project award based on Chapter 4. Subletting and Subcontracting; 4100 through 4114; and the possibility of collusion.

Protest #1: See 4101.

The Legislature finds that the practices of bid shopping and bid peddling in connection with the construction, alteration, and repair of public improvements often result in poor quality of material and workmanship to the detriment of the public, deprive the public of the full benefits of fair competition among prime contractors and subcontractors, and lead to insolvencies, loss of wages to employees, and other evils.

It is clear that the intent of this code is to stop any practice wherein the Prime contractor receives subcontract bids, uses that price on their bid and then if awarded the project, shops out that portion of work, looking for a discounted price.

As defined above - We did not "bid shop" or "bid peddle". Anytime a prime contractor has to use a "plug number", the risk is on the prime contractor, not the subcontractors.

It is clear that the code was not established to penalize prime contractor's who were unable, after a comprehensive effort, to get subcontract bids for a certain division of work.

We endeavored, in good faith, to find fire sprinkler subcontractors. In so doing, we contacted;

1. AC Fire Protection (as listed on Castlewood's proposal)
2. Carlons (as listed on Pueblo Construction's proposal)
3. California Fire Protection
4. California Fire Protection, Inc
5. Monterey Fire Extinguisher
6. Monterey County LAFCo
7. Central Coast Fire Protection
8. A&B Fire Protection and Safety
9. Servpro
10. Tri County Fire
11. True Fire Protection
12. IM Fire Pro

Protest #2: Collusion

If subcontractors are compelled to supply a subcontract proposal to one prime contractor only, the possibility of collusion should not be ignored. Had either AC Fire Protection or Carlons provided us with their quote, this would be a non-issue.

Sincerely,

Gloria Cullen

Gloria Cullen

President & CEO
San Patricio Construction, Inc

City of Carmel-by-the-Sea
DEPARTMENT OF PUBLIC WORKS

POST OFFICE BOX CC
CARMEL-BY-THE-SEA, CA 93921
(831) 620-2070

December 4, 2019

VIA EMAIL AND US MAIL

Gloria Cullen
gcullen@mtaonline.net
San Patricio Construction, Inc.
4820 South Escalon Bellota Road
Farmington, CA 95230

Re: City of Carmel-by-the-Sea - Harrison Memorial Library Meeting Room Remodel

Dear Ms. Cullen,

I am responding to your letter to the City of Carmel-by-the-Sea dated November 25, 2019 (copy attached for reference) which states it is to "protest the above project award."

The bid documents required that the bids either show that the bidder has a C-12 license (fire sprinklers) or list a subcontractor with a C-12 License. The bid submitted by San Patricio bid is not responsive because the bid does not show that San Patricio has a C-12 license and San Patricio did not list a subcontractor with a C-12 license as required by Public Contract Code Section 4104.

Although your letter of November 25, 2019 is not labelled as a "bid protest", we hereby notify you that you may appeal my decision to City Administrator Chip Rerig within five days from the date of this letter. Mr. Rerig will have five business days to make a decision on the appeal which shall be final.

If you have any questions, please contact me at (831) 620-2021 or by email at rharry@ci.carmel.ca.us

Sincerely


Robert M. Harary, P.E.
Director of Public Works

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

From: **Bernie Cullen** <bcullen@mtaonline.net>

Date: Wed, Dec 11, 2019 at 9:20 AM

Subject: RE: BID PROTEST

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

Cc: Gloria Cullen <gcullen@mtaonline.net>, Chris Donohoe <cdonohoe@sanpatricioconstruction.com>, Debra Slowikowski <spcdebs@gmail.com>, Dan O'Hara <dano@outback-inc.com>, Robert Harary <rharary@ci.carmel.ca.us>, Maxine Gullo <mgullo@ci.carmel.ca.us>, Pierik, Brian A. <BPierik@bwslaw.com>, Britt Avrit <bavrit@ci.carmel.ca.us>

Chip,
Much appreciated. Family is way more important than this.

We all hope your daughter's testing went well.

Regards,

Bernie Cullen

From: Chip Rerig [<mailto:crerig@ci.carmel.ca.us>]

Sent: Wednesday, December 11, 2019 7:52 AM

To: Bernie Cullen

Cc: Gloria Cullen; Chris Donohoe; Debra Slowikowski; Dan O'Hara; Robert Harary; Maxine Gullo; Pierik, Brian A.; Britt Avrit

Subject: Re: BID PROTEST

Good morning, Mr. Cullen. Apologies for my delayed response, my young daughter had some important medical testing at UCSF the past few days. I will take a look at your email, and attached correspondence, and get back to you.

Take good care.

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

On Sat, Dec 7, 2019 at 11:35 AM Bernie Cullen <bcullen@mtaonline.net> wrote:

Chip Rerig,

As of this point our protest has been denied in accordance with Public Contract Code 4106. But no reference to the collusion charge has been offered. It is clear that some of the C-16 subcontractor(s) deliberately withheld their bids from San Patricio Construction, Inc. Given the above PCC, it would be plausible that a Prime contractor and a subcontractor could negotiate a covenant wherein the subcontractor agrees not to supply his bid to any other Prime contractor, especially if the Prime and Sub were aware of the lack of interest from other C-16 subs. Effectively eliminating any other Prime that was unable to ferret out any other sub bids for that classification. An act of this character would clearly be collusion. Please confirm or deny if the City of Carmel by the Sea has investigated this possibility?

Regards,

Bernie Cullen
San Patricio Construction, Inc
Farmington, California Office
915-487-2324

City of Carmel-by-the-Sea

POST OFFICE BOX CC
CARMEL-BY-THE-SEA, CA 93921
(831) 620-2000

December 17, 2019

VIA EMAIL AND US MAIL

Bernie Cullen
San Patricio Construction, Inc.
4820 South Escalon Bellota Road
Farmington, CA 95230

Re: Harrison Memorial Library Meeting Room Remodel Project – Bid Protest Appeal

Mr. Cullen,

Thank you for your email dated Saturday, December 7, 2019, with the subject line, "Bid Protest" which was intended to appeal the decision by Robert Harary, my Director of Public Works per his letter of December 4, 2019. I am hereby affirming the decision of Mr. Harary in his letter to you of December 4, 2019 that the bid of San Patricio Construction, Inc. is not responsive. I am denying your appeal.

You correctly point out that your bid was rendered non-responsive, in accordance with Public Contract Code Section 4106, because of the omission of a fire sprinkler C-16 licensed subcontractor. As a result, the City cannot award San Patricio Construction the construction contract for this project because its bid is non-responsive.

We also understand that you believe that C-16 subcontractor(s) "deliberately withheld" sub bids from your firm prior to bidding. As you know, the City requires all general contractors to sign, under penalty of perjury, and submit a "Non-collusion Declaration" with their bid proposal. All four bidders for this project did properly submit this Declaration. The Bid Protest procedures in the bid documents require that the bidder submitting the protest must provide the facts including: "dates, timelines, involved parties and all supporting documents" in support of the bid protest. If you have any direct, tangible evidence of collusion by any contractors or subcontractors in regard to the submission of bids on this project, please submit that evidence to my attention and the City would consider such evidence if submitted prior to award of the construction contract, scheduled for January 7, 2020.

Per Part I, Notice to Contractors, Page 5, Bidder Protest in the bid documents, my decision is final. You do have the right to be heard by the City Council at their January 7, 2020 meeting which begins at 4:30 pm. At that time the Council would consider your testimony, and that of the City Attorney and City staff, in rendering a decision regarding award of this construction contract.

Sincerely,



Chip Rerig
City Administrator

cc: Brian Pierik, Esq, City Attorney
Robert Harary, P.E., Director of Public Works
Robert Estrella, Project Manager

**Carmel-
by-the-Sea****Robert Estrella <restrella@ci.carmel.ca.us>**

Fwd: Harrison Memorial Library Meeting Room Remodel Project-Bid Protest Appeal

Robert Harary <rharary@ci.carmel.ca.us>

Tue, Dec 17, 2019 at 4:06 PM

To: Ashlee Wright <awright@ci.carmel.ca.us>, Robert Estrella <restrella@ci.carmel.ca.us>

FYI

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

From: **Bernie Cullen** <bcullen@mtaonline.net>

Date: Tue, Dec 17, 2019 at 4:01 PM

Subject: RE: Harrison Memorial Library Meeting Room Remodel Project-Bid Protest Appeal

To: Britt Avrit <bavrit@ci.carmel.ca.us>

Cc: Robert Harary <rharary@ci.carmel.ca.us>, Brian Pierik <bpierik@ci.carmel.ca.us>, Chip Rerig <crerig@ci.carmel.ca.us>, Gloria Cullen <gcullen@mtaonline.net>, Dan O'Hara <dano@outback-inc.com>, Chris Donohoe <cdonohoe@sanpatricioconstruction.com>

Britt,

Thank you for the response. We will consider meeting w/ the council.

The decision to render our bid non-responsive was an easy one for the City of Carmel by the Sea as the ordinances define it clearly. As for the Non-collusion, this is a vague area. Say for instance the subcontractor(s) decided on their own to only quote to certain prime contractors. This wouldn't be interpreted as collusion. But as you can see from the emails attached, we did in-fact contact some of the fire sprinkler subs [that quoted other prime contractors] and were denied any sub-bid from same.

We all understand why this ordinance was issued. Unfortunately the lawmakers that conceived it, didn't take into consideration the real possibility that a prime contractor that endeavored with great effort to find subcontract quotes, and due to the positive economy created by the Trump administration, every subcontract trade you deal with is inundated with work and they hesitate to bid additional (as stated, we contacted no less than 12 fire subs). I suspect that this ordinance was dreamed up and written by liberal law makers that undoubtedly had no comprehension that the economy would be going boom. Had they had this epiphany, they would have drafted language that allowed for this possibility.

We have clearly shown that as it stands, this the ordinance is prejudicial by assumption.

Bernie Cullen

From: Britt Avrit [mailto:bavrit@ci.carmel.ca.us]**Sent:** Tuesday, December 17, 2019 2:10 PM

AVILA CONSTRUCTION COMPANY

City of Carmel-by-the-Sea

November 26, 2019

NOV 26 2019

Hand Delivery

Received by City Clerk

Attn: City Clerk
Office of the City Clerk
PO Box CC
Carmel- by- the Sea, CA 93921

**Re: Harrison Memorial Library Meeting Room Bid
Avila Brothers, Inc. dba Avila Construction Company
Bid Protest – San Patricio**

Dear Mr. Estrella

INTRODUCTION

In regards to the City of Carmel's invitation and opening of bids in connection with the Project referenced above, Avila Brothers, Inc. dba Avila Construction Company (Avila) was the second low bidder. Our bid package was complete, responsive and timely submitted. Avila is an indisputably responsible bidder.

The low bid was submitted by San Patricio Construction. SAN PATRICIO CONSTRUCTION's subcontractor listing includes a fatal error: omitting a sub contractor listing for the C-12 (fire sprinkler) trade. This omission is the Grounds for Protest, as it puts SAN PATRICIO's bid in violation of Law, and prompted Avila's submission of this protest letter.

I. FACTUAL BACKGROUND

The City issued a call for bids in connection with the **Harrison Memorial Library Meeting Room Remodel**. Four bids were submitted. SAN PATRICIO CONSTRUCTION, submitted the ostensibly low bid in an amount of \$208,000. Avila was the second low bid in an amount of \$209,804. Bid opening occurred on November 20, at 2 PM. Castlewood (\$238,500) and Pueblo Construction (\$260,472.13) submitted the fourth and third place bids, respectively.

SAN PATRICIO CONSTRUCTION's bid proposal contains a material omission of a trade listing, is not in conformance with the bid requirements, and places SAN PATRICIO CONSTRUCTION in patent violation of the Public Contract Code 4106.

SAN PATRICIO CONSTRUCTION's subcontractor listing is attached hereto as **Exhibit 1** and is incorporated herein by this reference. The above issues are patently obvious on the face of SAN PATRICIO CONSTRUCTION's bid documents. They are also material to SAN PATRICIO

12 Thomas Owens Way., Suite 200
Monterey, CA 93940
Ph 831 372-5580 Fax 831 372-5584
License 550380

CONSTRUCTION's bid and bid amount. This omission renders their bid non-responsive as detailed below.

II. LEGAL ARGUMENTS

1. SAN PATRICIO CONSTRUCTION Failed to a Subcontractor for the Work Requiring a C-12 License (fire sprinkler).

SAN PATRICIO CONSTRUCTION did not provide a fire sprinkler subcontractor listing; this is a violation of Public Contract code. PCC 4106 reads, in part,:

"If a prime contractor fails to specify a subcontract or if a prime contractor specified more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of 1 percent of the prime contractor's total bid, the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself."

It is estimated that this work is worth roughly 3% of the total job value. In alignment with PCC 4106, San Patricio must conduct the work itself, since it did not provide a subcontractor listing at bid time.

However, SAN PATRICIO CONSTRUCTION cannot attempt to perform this work itself, as performing the C-16 trade as a B license contractor is prohibited by the State License Board (see Exhibit 2, highlighted portion). Without this subcontractor/trade, SAN PATRICIO CONSTRUCTION's bid is substantially incomplete.

III. CONCLUSION

In light of the above, it is not reasonably subject to dispute that SAN PATRICIO CONSTRUCTION's bid proposal placed it squarely in violation of not only California's Public Contract Code 4106, but also the project bid documents. Such violations render SAN PATRICIO CONSTRUCTION a non-responsive bidder, and subjects its bid to rejection. The next lowest, responsive and responsible bidder should be awarded the Project as a form of relief. That bidder is Avila and my we respectfully requests confirm that this Project will be awarded to us.

Please provide the date and time of the relevant Board meeting where this project will be discussed.

Avila very much looks forward to working with the City on the Project. Thank you for your time and attention to the above matters. Please feel free to contact me directly to discuss this matter further.

Respectfully submitted,
Avila Construction Company


Michael J. Avila

Exhibit 1

Part II: Bid Proposal, Page 7

SUBCONTRACTOR'S LIST

The Bidder shall list below the name, the location of business, and the California Contractor license number of any subcontractors proposed to perform work or labor or render service on this project, or a subcontractor licensed by the State of California who will fabricate and install a portion of the work or improvement according to detailed drawings contained in the plans and specifications of this project, whose work is in excess of one-half of 1 percent of the Bidder's total bid or, in the case of bids or offers for the construction of streets or highways, including bridges, in excess of one-half of 1 percent of the Bidder's total bid or ten thousand dollars (\$10,000), whichever is greater.

Name of Subcontractor	California Contractor License Number	California DIR Registration Number	Location of Business	Trade or Portion of Work
Hangtown Electric	849839	1000000108	Rancho Cordova, CA	Electrical
Demco			Madison, WI	Book shelves supply only
California Valley Construction	833618	1000034076	Fresno, CA	Install Demco cabinets
Coast Counties Glass	170560	1000009238	Monterey, CA	Glass
DKI	458398	1000014770	Sand City, CA	Abatement

Exhibit 2



CONTRACTORS STATE LICENSE BOARD

Fast Facts

September 2018

The Contractors State License Board, which operates under the umbrella of the California Department of Consumer Affairs, licenses and regulates California's 285,000 contractors, and is regarded as one of the leading consumer protection agencies in the United States.

"B" General Building Contractor License

The "B" General Building Contractor license is the most common contractor license classification in California, with almost 104,000 active licenses.* As a result, the Contractors State License Board (CSLB) often receives questions about what jobs a B General Building licensee can legally perform.

The purpose of this Fast Facts sheet is to provide basic information regarding the permissible scope of work for contractors holding a B General Building Contractor license.

Business and Professions Code (BPC) section 7057 defines a General Building contractor as someone whose principal contracting business is in connection with "any structure built, being built, or to be built for the support, shelter, and enclosure of persons, animals, chattels or movable property of any kind, requiring in its construction the use of at least two unrelated building trades or crafts, or to do or superintend the whole or any part thereof." The BPC provides additional clarification as summarized below.

A "B" General Building Contractor Can...

- Enter a prime or sub-contract for a framing or carpentry project and self-perform the work.
- Enter a prime or sub-contract for two or more separate and unrelated trades and self-perform the work (framing and carpentry cannot count as one of the trades).
- Enter a prime or sub-contract for a single trade. However, unless the "B" holds the appropriate specialty classification, the performance of the work (other than carpentry or framing that can be self-performed) must be subcontracted to a contractor that holds the appropriate classification.

A "B" General Building Contractor Cannot...

- Enter a prime contract for any project involving trades other than framing or carpentry unless:
 - The prime contract requires at least two other, unrelated building trades or crafts; or
 - The "B" General Building contractor holds the appropriate license classification or subcontracts with an appropriately licensed specialty contractor to perform the work.
- Enter a sub-contract involving trades other than framing or carpentry unless:
 - The sub-contract requires at least two other, unrelated trades or crafts; or
 - The "B" General Building contractor holds the appropriate license classification.
- Include framing or carpentry in calculating the two unrelated trades necessary for the B General Building contractor to be able to take a prime or sub-contract for a project involving other trades.

9821 Business Park Drive
Sacramento
California
95827

P.O. Box 26000
Sacramento
California
95826-0026

800.321.CSLB (2752)

www.cslb.ca.gov

CheckTheLicenseFirst.com

* As of September 1, 2018

- Enter a contract for any project which includes the C-16 Fire Protection or C-57 Well Drilling specialty classifications unless:
 - The "B" General Building contractor holds the specialty license, or
 - The "B" General Building contractor sub-contracts with the appropriately licensed specialty contractor (pursuant to Sections 7026.12 and 7026.13 of the BPC and Section 13750.5 of the Water Code, respectively).

Additional Authorization and Limitations

A "B" General Building contractor that contracts for work that includes framing, carpentry or two unrelated trades may perform the following work as follows:

- **Hazardous Substances** – "B" General Building contractors can perform hazardous substance removal if they have a Hazardous Substances Removal Certification.
- **Underground Storage Tanks** – "B" General Building contractors can remove an underground storage if they have a Hazardous Substances Removal Certification.
- **Asbestos** – "B" General Building contractors cannot contract for jobs involving asbestos abatement unless they:
 - Hold a C-22 Asbestos Abatement specialty license, or
 - Hold an asbestos certification (pursuant to BPC section 7058.5) and are registered with the Department of Industrial Relation's Division of Occupational Safety and Health, or
 - Subcontract with an appropriately licensed contractor.
- **Solar Energy Systems** – A "B" General Building contractor may contract and self-perform installation of a solar energy system on a structure because installation of the solar energy system constitutes two or more unrelated trades pursuant to Title 16, California Code of Regulations Section 832.62(b)
- **Roofing** – A "B" General Building contractor may contract for projects that include roofing. However, they must subcontract to a C-39 roofing contractor if the roofing is a standalone contract – not included in a larger project that includes two unrelated trades such as home construction, room addition, or remodeling.

Additional Information

This information is simply a summary of the permissible scope of work for "B" General Building contractors. Additional information regarding license classifications is available on CSLB's website (www.cslb.ca.gov).

Specific questions about the permissible scope of work for "B" General Building contractors should be directed to CSLB's Classifications Deputy via email at classifications@cslb.ca.gov. Those writing on behalf of a government agency should include your agency name in the subject line to ensure priority handling.

Representatives of government agencies with questions can contact CSLB's Executive Office at (916) 255-4000.

APPENDIX B:
SAMPLE CONTRACT,
PERFORMANCE BOND,
AND PAYMENT BOND

SAMPLE CONTRACT

**CITY OF CARMEL-BY-THE-SEA
AGREEMENT FOR CONTRACTOR SERVICES**

**Contractor name
Project Service
Contract #**

THIS AGREEMENT FOR CONTRACTOR SERVICES is made and effective as of _____, 2018, between the City of Carmel-by-the-Sea, a municipal corporation ("City") and _____, a _____, ("Contractor") whose current and valid Contractor's License # _____, as duly issued by the California Department of Consumer Affairs. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on _____ and shall remain and continue in effect until tasks described herein are completed, but in no event later than _____, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Contractor shall perform the tasks described and set forth in Exhibit "A," attached hereto and incorporated herein as though set forth in full. Contractor shall complete the tasks according to the schedule of performance which is also set forth in Exhibit "A." Exhibit "A" may include any Scope of Work, Plans, Specifications and other related documents specific to the services to be provided by Contractor.

3. PERFORMANCE

a) Contractor shall at all times faithfully, competently and to the best of his/her ability, experience, and talent, perform all tasks described herein. Contractor shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Contractor hereunder in meeting its obligations under this Agreement.

b) Contractor shall conform to the rules and regulations pertaining to safety established by the California Division of Industrial Safety. Contractor further agrees to take all necessary precautions for the safety of employees and shall comply with all applicable provisions of federal, state and local regulations, ordinances and codes. The Contractor shall be responsible for erecting and properly maintaining at all times as required by the conditions and progress of the work, all necessary safeguards for the protection of workers and the public and shall post danger signs warning against known or reasonably foreseeable or unusual hazards.

c) Contractor acknowledges that it is familiar with City's policies for the protection of trees and agrees to take all reasonable precautions to protect trees not subject to trimming or removal from damage which might be cause during the work to be performed. (See Carmel-by-the-Sea Municipal Code Chapter 12.28).

d) At all times during the term of this Agreement, Contractor shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

e) The Contractor will obtain a valid City Business License and shall maintain said Business License for the term of this Agreement and any extensions thereof.

f) Contractor shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by Contractor or in any way affect the performance of its service pursuant to this Agreement. Contractor shall at all times observe and comply with all such laws and regulations. City, its officers and employees, shall not be liable at law or in equity occasioned by failure of Contractor to comply

with this Section. Contractor further agrees to indemnify and hold City, its officers and employees harmless for any such violation of law or regulation, as further set out under paragraph 11 of this agreement.

g) Contractor agrees to comply with all of the applicable provisions of Sections 1777.5 and 1777.6 of the Labor Code, which Sections are hereby specifically referred to, incorporated herein by reference and made a part hereof as though set forth at length herein.

h) Contractor agrees that in the performance of this Agreement or any sub-agreement hereunder, neither Contractor nor any person acting on Contractors behalf shall refuse to employ or refuse to continue in any employment any person on the basis of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, sexual preference, sex or age. Contractor acknowledges that harassment in the workplace is not permitted in any form, and will take all necessary actions to prevent such conduct. Contractor further agrees to comply with all laws with respect to employment when performing this Agreement.

i) Contractor shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "D" attached to and part of this agreement. To insure performance, Contractor and any subcontractor must provide Faithful Performance and Labor and Material Bonds in favor of City, each in the amount of one hundred percent (100%) of the value of the Contract.

j) Contractor declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial agreement or financial inducement. No officer or employee of the City will receive compensation, directly or indirectly, from Contractor, or from any officer, employee or agent of Contractor, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.

4. CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

Contractor is bound by the contents of City's Request for Proposal, Exhibit "D" hereto and incorporated herein by this reference, and the contents of the proposal submitted by the Contractor, Exhibit "E" hereto. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in the Contractor's proposals.

5. CITY MANAGEMENT

The Public Works Director or [Insert Title] shall represent City in all matters pertaining to the administration of this Agreement, review and approve of all products submitted by Contractor. However, the Public Works Director nor the [Insert Title] shall have the authority to enlarge the Tasks to Be Performed or change the compensation due to Contractor. City's City Administrator or his designee, shall be authorized to act on City's behalf and to execute all necessary change order documents which enlarge the Tasks to Be Performed, or change Contractor's compensation subject to Section 6 hereof.

6. PAYMENT

(a) City agrees to pay Contractor monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit "B", attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed _____ (\$ _____) which sum shall include all costs, if any, for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) The City Administrator's Contract authority is limited to a total threshold of \$24,999.00 which includes all costs. Contracts, including any Contract amendments that exceed the total threshold, require City Council approval. Any Contracts, including Contract amendments that exceed the total threshold, which have not received prior City Council approval, shall be void.

(c) Contractor will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Contractor's fees it shall give written notice to Contractor within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

7. INSPECTION

City shall at all times have the right to inspect the work and materials supplied by Contractor. Contractor shall furnish all reasonable aid and assistance required by City for the proper examination of the work, materials and parts thereof. Such inspection shall not relieve Contractor from any obligation to perform said work strictly in accordance with the specifications of the Contract or any modifications thereof and in compliance with the law.

8. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Contractor at least ten (10) days prior written notice of intention to terminate. Upon receipt of said notice, the Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Contractor the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Contractor will submit an invoice to the City pursuant to Section 6(c).

9. DEFAULT OF CONTRACTOR

(a) Contractor's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Contractor is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default and can terminate this Agreement immediately by written notice to Contractor. If such failure by Contractor to make progress in the performance of work hereunder arises out of causes beyond Contractor's control, and without fault or negligence of Contractor, it shall not be considered a default.

(b) In the event that the City Administrator or his/her delegate determines that Contractor is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon Contractor a written notice of the default. Contractor shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Contractor fails to cure its default within such period of time, City shall have the right, but not the obligation, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

10. OWNERSHIP OF DOCUMENTS

(a) Contractor shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Contractor shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Contractor shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records, shall permit City to make copies and transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained at the

City of Carmel-by-the-Sea City Hall for a minimum period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of Contractor. With respect to computer files, Contractor shall make available to City, at City's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. INDEMNIFICATION

(a) Indemnification for Professional Liability. Contractor shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are actually caused in whole or in part by any negligent or wrongful act, error or omission of Contractor, its officers, agents, employees or sub -contractors (or any entity or individual that Contractor shall bear the legal liability thereof) in the performance of professional services under this Agreement. With respect to the design of public improvements, the Contractor shall not be liable for any injuries or property damage resulting from the reuse of the design at a location other than that specified in Exhibit "A" without the written consent of the Contractor.

(b) Indemnification for Other Than Professional Liability. Contractor shall indemnify defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Contractor or by any individual or entity for which Contractor is legally liable, including but not limited to officers, agents, employees or subcontractors of Contractor.

(c) General Indemnification Provisions. Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. In the event Contractor fails to obtain such indemnity obligations from others as required here, Contractor agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Contractor and shall survive the termination of this Agreement or this section.

(d) Indemnity Provisions for Contracts Related to Construction. Without affecting the rights of City under any provision of this Agreement, Contractor shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of Contractor will be for that entire portion or percentage of liability not attributable to the active negligence of City.

12. WARRANTIES

Contractor agrees that it will warrant all work performed and equipment supplied hereunder for a period of one year or, in the case of equipment, for the period of the manufacturer's warranty if such warranty be for a period longer than one year. Contractor shall immediately correct all defective workmanship discovered within one year after acceptance of final payment by it and shall indemnify and defend City against all loss and damage occasioned by any such defect, discovered within said year, even though the

damage or loss may not be ascertained until after the expiration thereof. Nothing herein constitutes a waiver of City's rights or any statute of limitations.

13. INSURANCE

(a) Contractor shall submit and maintain prior to the beginning of and for the duration of this Agreement insurance coverage covering the Contractor and designating the City, its officers, officials, and employees as additional insureds under an ISO CG 20 10 07 04 and ISO 20 37 07 04 or their equivalent against any and all claims resulting in injury or damage to persons or property (both real and personal) caused by any aspect of the Contractor's work, in amounts no less than the following and with such deductibles as are ordinary and reasonable in keeping with industry standards. It shall be stated, in the Additional Insured Endorsement, that Contractor's insurance policies shall be primary as respects any claims related to or as the result of Contractor's work. Any insurance, pooled coverage, or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or consultants shall be non-contributory. The Additional Insured Endorsement shall not apply to the Professional Liability Insurance.

General Liability:

a. General Aggregate	\$2,000,000
b. Products Comp/Op Aggregate	\$2,000,000
c. Personal & Advertising Injury	\$1,000,000
d. Each Occurrence	\$1,000,000
e. Fire Damage (any one fire)	\$ 50,000
f. Medical Expense (any one person)	\$ 5,000

Workers' Compensation:

a. Workers' Compensation	Statutory Limits
b. EL Each Accident	\$1,000,000
c. EL Disease - Policy Limit	\$1,000,000
d. EL Disease - Each Employee	\$1,000,000

Automobile Liability

a. Any vehicle, combined single limit	\$1,000,000
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(b) Other Insurance Requirements

(1) All insurance required under this Agreement must be written by an insurance company admitted to do business in California with a current A.M. Best rating of no less than A: VII. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

(2) Each insurance policy required by this Agreement shall be endorsed to state that CITY shall be given notice in writing at least thirty (30) days in advance of any cancellation thereof, except CITY shall be given TEN (10) days' notice for nonpayment of the premium.

(3) The general liability and auto policies shall:

(a) Provide an endorsement naming CITY, its officers, officials, and employees as additional insureds under an ISO CG 20 10 07 04 and ISO 20 37 07 04 or their equivalent.

(b) Provide that such insurance is primary and non-contributing insurance to any insurance or self-insurance maintained by CITY.

(c) Contain a "Separation of Insureds" provision substantially equivalent to that used in the ISO form CG 00 01 10 01 or their equivalent.

(d) Provide for a waiver of any subrogation rights against CITY via an ISO CG 24 01 10 93 or its equivalent.

(e) Prior to the start of work under this Agreement Contractor shall file certificates of insurance and endorsements evidencing the coverage required by this Agreement with the City Administrator. Contractor shall file a new or amended certificate of insurance promptly after any change is made

in any insurance policy which would alter the information on the certificate then on file.

(f) The Contractor shall immediately advise the City of any litigation and/or open claims that may affect these insurance policies.

14. INDEPENDENT CONTRACTOR

(a) Contractor is and shall at all times remain as to City a wholly independent Contractor. The personnel performing the services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Contractor or any of Contractor's officers, employees, or agents, except as set forth in this Agreement. Contractor shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Contractor shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Contractor in connection with the performance of this Agreement. Except for the fees paid to Contractor as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Contractor for performing services hereunder for City. City shall not be liable for compensation or indemnification to Contractor for injury or sickness arising out of performing services hereunder.

(c) Any and all employees or subcontractors of Contractor under this Agreement, while engaged in the performance of any work or services required by Contractor under this Agreement, shall be considered employees or subcontractors of Contractor only and not of City. Any and all claims that may arise under the Workers' Compensation Act on behalf of said employees or subcontractors, while so engaged and all claims made by a third party as a consequence of any negligent act or omission on the part of the Contractor's employees or subcontractors, while so engaged in any of the work or services provided for or rendered herein shall not be City's obligation.

15. PREVAILING WAGE

It is further expressly agreed by and between the parties hereto that the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification, or type of worker needed to execute this Agreement is that ascertained by the Director of the Department of Industrial Relations of the State of California, copies of which are on file in the Office of the City Clerk and the Department of Public Works, which shall be made available to any interested party on request, which said rates are hereby made a part hereof, incorporated herein by reference as though set forth in full. The holidays upon which such rates shall be paid shall be all holidays recognized in the collective bargaining agreement applicable to the particular craft, classification or type of worker employed on the Project.

Pursuant to Senate Bill 222 City is required to withhold from any progress payments owed to a Contractor any amount that has been forfeited as penalties, or as wages owed to employees who have not been paid the prevailing wage for work performed. This allows the intervention by the Division of Labor Standards Enforcement, which is headed by the State Labor Commission, in a Contractor's lawsuit for recovery of amounts withheld by an awarding body. All withheld wages and penalties will be transferred to the Labor Commissioner for disbursement in those cases where a Contractor fails to bring a lawsuit for amounts withheld within ninety (90) days after completion of the public works Contract and formal acceptance of the job by the awarding body. The Labor Commissioner is then permitted to intervene in any lawsuit brought by the Contractor against an awarding body for recovery of amounts withheld.

16. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year

thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

17. CONFLICT OF INTEREST

Contractor shall at all times avoid conflicts of interest, or the appearance of conflicts of interest, in the performance of this Contract.

Contractor covenants that neither he/she nor any officer or principal of their firm have any interest in, or shall acquire any interest, directly nor indirectly, which will conflict in any manner or degree with the performance of their services hereunder. Contractor further covenants that in the performance of this Agreement, no person having such interest shall be employed by them as an officer, employee, agent, or subcontractor. Contractor further covenants that Contractor has not Contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area and further covenants and agrees that Contractor and/or its subcontractors shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area prior to the completion of the work under this Agreement.

If City determines Contractor comes within the definition of Contractor under the Political Reform Act (Government Code §87100 et seq.) Contractor shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with City disclosing Contractor's and/or such other person's financial interests.

18. NO WAIVER OF BREACH/TIME

The waiver by City of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement. Time is of the essence in carrying out the duties hereunder.

19. CONFIDENTIAL INFORMATION/RELEASE OF INFORMATION

(a) All information gained by Contractor in performance of this Agreement shall be considered confidential and shall not be released by Contractor without City's prior written authorization. Contractor, its officers, employees, agents, or subcontractors, shall not without written authorization from the City Administrator or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(b) Contractor shall promptly notify City, through the City Attorney's office, should Contractor, its officers, employees, agents, or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Contractor and/or be present at any deposition, hearing, or similar proceeding. Contractor agrees to cooperate fully with the City and City Attorney's office and to provide the opportunity to review any response to discovery requests provided by Contractor. However, City's right to review any such response does not imply or mean the right by City or the City Attorney's office to control, direct, or rewrite said response.

20. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: _____

To Contractor: _____

21. THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

22. ASSIGNMENT

Contractor shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Subject to the foregoing, all terms of the Agreement will be binding upon, enforceable by and inure to the benefit of the parties and their successors and assigns.

23. GOVERNING LAW

City and Contractor understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or the federal district court with jurisdiction over the City. Contractor agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the aforementioned courts and irrevocably consents to the exclusive persona and in rem jurisdiction and venue of the aforementioned courts.

24. ATTORNEY'S FEES AND COURT VENUE

Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the party prevailing in such action shall be entitled to a reasonable attorney's fee which shall be fixed by the judge, mediator or arbitrator hearing the case, and such fee shall be included in the judgment together with all costs.

25. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Contractor warrants and represents that he/she has the authority to execute this Agreement on behalf of the Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.

26. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

27. AGREEMENT CONTAINS ALL UNDERSTANDINGS: AMENDMENT

(a) This document represents the entire and integrated Agreement between City and Contractor, and supersedes all prior negotiations, representations and agreements, either written or oral.

(b) Any modification or amendment to this Agreement must be in writing.

(c) Neither City nor Contractor shall be deemed to have waived any obligation of the other, or to have agreed to any modification to this Agreement unless it is in writing, and signed by the party giving the waiver.

28. SEVERABILITY

If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF CARMEL-BY-THE-SEA:

By: _____
Chip Rerig, City Administrator

Date: _____

CONTRACTOR:

By: _____

(Printed Name)

Date: _____

ATTEST:

By: _____
Britt Avrit, MMC, City Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
Brian Pierik, ESQ, City Attorney

Date: _____

PERFORMANCE BOND

BOND NO. _____

PREMIUM: _____

WHEREAS, The City of Carmel-by-the-Sea, (hereinafter designated as "Obligee") and _____ (hereinafter designated as "Principal") have entered into an agreement whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, and identified as project

_____ is hereby referred to and made a part hereof; and

WHEREAS, Said principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement;

NOW, THEREFORE, We, the principal and _____ as surety, are held and firmly bound unto the hereinafter called "The Obligee," in the penal sum of Fifty Thousand Dollars (\$ 50,000) lawful money of the United States for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally firmly by these presents.

As part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees as determined by the Court, incurred by obligee in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the Plans or Specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named, on

By _____

PRINCIPAL

By: _____

PRINCIPAL

By: _____

ATTORNEY-IN-FACT
PAYMENT (LABOR AND MATERIALS) BOND

BOND NO.:

KNOW ALL MEN/WOMEN BY THESE PRESENCE that we, _____ as
Principal (also referred to herein as "Contractor"), and _____ as
Surety, are held and firmly bound unto City of Carmel-by-the-Sea, hereinafter called
"OWNER," in the sum of

Fifty Thousand Dollars (\$ 50,000) for the payment of which sum, well and truly to be made, we
bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and
severally, firmly by these present.

The condition of the above obligation is such that, whereas said Principal has been awarded
and is about to enter into the annexed Contract with the City of Carmel-by-the-Sea for the On-
Call Tree Maintenance Services, in accordance with OWNER's Call for Bids documents and
Principal's Bid Dated ___, and to which reference is hereby made for all particulars, and
is required by said City of Carmel-by-the-Sea to give this bond in connection with the execution
of said Contract;

NOW, THEREFORE, if said Contractor, its Subcontractors, its heirs, executors,
administrators, successors, or assigns, shall fail to pay (a) for any materials, provisions,
equipment, or other supplies used in, upon, for or about the performance of the WORK
contracted to be done under the Contract, or (b) for any work or labor thereon of any kind
contracted to be done under the Contract, or (c) for amounts due under the Unemployment
Insurance Code with respect to work or labor performed pursuant to the Contract, or (d) for any
amounts required to be deducted, withheld, and paid over to the Employment Development
Department from the wages of employees of the Contractor and its Subcontractors under
Section 13020 of the Unemployment Insurance Code with respect to such work and labor, in
each case, as required by the provisions of Sections 9550-9566 inclusive, of the Civil Code of
the State of California and acts amendatory thereof, and sections of other codes of the State of
California referred to therein and acts amendatory thereof, and provided that the persons,
companies, corporations or other entities so furnishing said materials, provisions, provender,
equipment, or other supplies, appliances, or power used in, upon, for, or about performance of
the Work contracted to be executed or performed, or any person, company, corporation or entity
renting or hiring implements or machinery or power for or contributing to said Work to be done,
or any person who performs work or labor upon the same, or any person, company, corporation
or entity who supplies both work and materials therefor, shall have complied with the provisions
of said laws, then said Surety will pay in full the same in an amount not exceeding the sum
hereinabove set forth and also will pay, in case suit is brought upon this bond, a reasonable
attorney's fee, as shall be fixed by the Court. This bond shall inure to the benefit of any and all

persons named in Section 9100 of the Civil Code of the State of California so as to give a right of action to them or their assigns in any suit brought upon this bond.

PROVIDED, that any alterations in the WORK to be done or the materials to be furnished, or changes in the time of completion, which may be made pursuant to the terms of said Contract Documents, shall not in any way release said Contractor or said Surety thereunder, nor shall any extensions of time granted under the provisions of said Contract Documents release either said Contractor or said Surety, and notice of such alterations or extensions of the Agreement is hereby waived by said Surety.

IN WITNESS WHEREOF, the Principal and the Surety have executed this instrument in duplicate this _____ day of _____, 20____.

_____ Surety	_____ Principal
By: _____	By: _____
_____ Print Name/Title	_____ Print Name/Title
_____ Address (_____) _____ Telephone Number	_____ Address (_____) _____ Telephone Number
_____ Email Address	_____ Email Address

NOTARIAL CERTIFICATE OF ATTORNEY IN FACT AND SEAL OF SURETY MUST BE ATTACHED



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

January 7, 2020
CONSENT AGENDA

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Chip Rerig, City Administrator
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Adopt Resolution No. 2020-003 approving a contract to operate the Carmel-by-the-Sea Farmers' Market with Good Roots Events, Inc. for an 18-Month Term

RECOMMENDATION:

Adopt Resolution No. 2020-003 approving a contract to operate the Carmel-by-the-Sea Farmers' Market with Good Roots Events, Inc. for an 18-Month Term.

BACKGROUND/SUMMARY:

In August 2019 Peter Cipponeri Farms, LLC communicated that they would be refocusing energy away from market management and would no longer be managing Carmel-by-the-Sea Farmers' Market. City staff has been managing the market in an interim capacity until a new market manager can be appointed.

The City issued a formal Request for Proposals ("RFP") for Farmers' Market Manager Services on July 12, 2019 with a due date for proposals of August 16, 2019. The City received only one proposal and re-issued the RFP with a new due date for proposals of September 20, 2019. Four proposals were received.

Staff and an ad hoc committee of the Community Activities Commission evaluated and ranked the proposals based on experience of respondent, feasibility of the proposal, and understanding of work to be completed.

Staff and the ad hoc committee invited three of the respondents to participate in an interview process. The interview panel was comprised of two City staff members, the two members of the ad hoc committee, and a member of the business community.

After completing the presentation and interview process, staff is recommending Good Roots Events, Inc. due to their understanding of the Carmel-by-the-Sea community, their vision for the Market, their experience and their proposals for enhancing and improving the Market.

FARMERS' MARKET FUTURE

Staff conducted in-person surveys and an online survey this spring, and survey participation was robust. Overall respondents were positive about the current Farmers' Market and over 81% of respondents think

that Carmel-by-the-Sea needs a Farmers' Market. The majority of respondents learned about the Farmers' Market by simply walking around and coming across the Farmers' Market. Half of respondents shop at the market weekly or twice a month and one third shops at the market every few months. Satisfaction with the selection at the Farmers' Market was mixed. Almost 90% of the respondents were satisfied with the location of the market.

Suggestions for improvement included:

- Better / increased advertisement of the Farmers' Market
- Extending the hours during spring/summer/fall
- Increasing the number of vendors to increase the selection - more prepared foods
- Expanding the Farmers' Market into Devendorf Park

Staff is looking forward to working with Good Roots Events, Inc. and making improvements to the Farmers' Market operation and guidelines. Staff is also looking forward to working with members of the community, the Community Activities Commission, and Council on any proposed changes or improvements to the Farmers' Market to ensure that Carmel-by-the-Sea has a vibrant market for the community to gather each week.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

PRIOR CITY COUNCIL ACTION:

In September 2015 Council entered into an agreement with Cippioneri Farms, LLC for the management of the Farmers' Market.

ATTACHMENTS:

Attachment #1 - Resolution 2020-003 Farmers Market Contract

Attachment #2 - License Agreement

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

RESOLUTION NO. 2020-003

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
APPROVING A CONTRACT TO OPERATE THE CARMEL-BY-THE-SEA FARMERS' MARKET
WITH GOOD ROOTS EVENTS, INC. FOR AN 18-MONTH TERM**

WHEREAS, the City of Carmel-by-the-Sea desires to operate a weekly Farmers' Market within the City; and

WHEREAS, the City of Carmel-by-the-Sea is the owner of the real property and public street upon which the Farmers' Market will operate; and

WHEREAS, the City wishes to enter into a contractual agreement to operate the City of Carmel-by-the-Sea Farmers' Market for an initial term of one year, which may be extended for additional periods of twelve months upon approval by the City Administrator of Carmel-by-the-Sea.

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

Award a contract to operate the Carmel-by-the-Sea Farmers' Market to Good Roots Events, Inc.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 7th day of January, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Britt Avrit, MMC
City Clerk

THIS LICENSE AGREEMENT, dated between THE CITY OF CARMEL-BY-THE-SEA, a municipal corporation (hereinafter "City") and (hereinafter "Operator") is made with and GOOD ROOTS EVENTS INC. reference to the following facts:

- A. City is the owner of certain real property and all public streets located within City.
- B. Operator desires to operate a farmers market (hereinafter "Market") within the City and the City is willing to grant a revocable license to Operator to use and occupy the License Area for the purposes authorized by this Agreement, subject to all of the terms and conditions hereinafter set forth. City reserves the right, in its sole discretion, to relocate the Market to any location within the City upon ninety (90) days written notice to Operator of its intention to relocate.

NOW, THEREFORE, it is agreed as follows:

1. **Grant of License.** City hereby grants to Operator a revocable license to use and occupy a portion of the City for the purpose of operating a Market wherein participating merchants will be engaged in the retail sale of agricultural products and other items customarily offered at a farmers market for sale to the general public. Operator agrees to work with City to establish guidelines regarding the composition of vendors, products, aesthetic requirements, and any proposed changes to the time and location of the Market. The license granted herein shall authorize use and occupancy of the Market location only by Operator and its authorized agents and participating merchants (hereinafter "Participating Merchants") who are engaged in operation of the Market pursuant to an agreement with Operator. The agreement between Operator and Participating Merchants, attached as EXHIBIT "A" and incorporated herein by this reference, shall require each Participating Merchant to comply with all of the applicable conditions and requirements set forth in EXHIBIT "A".
2. **License Area.** The area to be occupied by Operator (hereinafter "License Area") shall be on 6th Avenue between Mission and Junipero Streets, Carmel-by-the-Sea, California, and the area may be expanded to include the occupation of Devendorf Park, Carmel-by-the-Sea, California as defined in EXHIBIT "B" attached hereto and incorporated herein by this reference. Once established, the total number of booths shall not be increased without prior written approval of the City Administrator or his/her designee.
3. **Condition of License Area.** Use of the License Area is being granted to Operator in its present condition and City shall have no obligation to make any alterations or improvements to the License Area to accommodate Operator's use. Operator acknowledges that City has made no representations or warranties concerning the condition of the License Area or its suitability for Operator's intended use. It shall be the sole responsibility of Operator to conduct such inspections of the License Area as it deems necessary to satisfy itself that the License Area can be used for the purposes intended by Operator and its Participating Merchants. Operator further acknowledges that no water, electricity, or other utility service will be provided by City to the License

Area; however, depending on the License Area and at the request of Operator, City may provide electrical service through existing City electrical outlets available at License Area. All electrical installations and connections shall be subject to approval by the Director of Public Works or his/her designated representative.

4. **Time of Operation.** It is anticipated that the Market will be operated by Operator on Thursdays between the hours of 10A.M. and 2 P.M., with setup to begin at 8A.M. and teardown from 2P.M. to 4P.M. from January 7, 2020 to June 30, 2021, with the following exceptions during which the market will not be held: the second Thursday in August (Car Week), Thanksgiving, and any City holiday that falls on a Thursday during the calendar year. The Market will continue to operate during these established hours during any granted extension period unless modified by the direction of the City Administrator or his/her designated representative.
5. **Term of License.** The initial term of this license shall be for a period of six (6) months, commencing on January 7, 2020 and ending on June 30, 2021. Operator may request extensions of the term for additional periods of twelve (12) months each by submitting a written request for extension to the City Administrator prior to expiration of the current term. Nothing herein shall obligate City to grant an extension of the initial term or any renewal term, and the granting of one or more extensions shall not prevent City from refusing to grant any later extension.
6. **Termination of License Prior to Expiration of Current Term.** Operator may terminate the license at any time during the initial or any extended term by giving thirty (30) days prior written notice to the City Administrator stating the effective date of termination. City reserves the right to terminate the license prior to expiration of the initial term or any renewal term, with respect to all or any portion of the License Area, upon thirty (30) days prior written notice to Operator, in the event City requires use of the License Area for any public purpose and such use cannot reasonably be conducted at an alternative location, or if the Director of Public Works determines that the operation of the Market is causing damage to the Licensed Area or creates a traffic or health or safety hazard. City may also terminate the license in the event of any default by Operator in the performance of its obligations under this Agreement and such default is not cured within ten (10) days after written notice thereof delivered to Operator, or such other longer period of time as may be specified in the notice.
7. **Permitted Uses.** The License Area shall be used and occupied by Operator solely for the purpose of operating the Market and related activities, such as entertainment for shoppers, and for no other purpose without the prior written approval of City. Amplified sound may be utilized by the market manager or, within current City sound regulations, used for musical entertainment; however, no amplified sound of any kind shall be used by vendors. All Participating Merchants shall be instructed by Operator to park their vehicles in spaces designated by the City. City shall have no responsibility for providing security service for the License Area or operation of the Market therein, other than normal police patrols that are routinely conducted within City.
8. **Compliance with Legal Requirements.** Operator and its Participating Merchants shall strictly comply with all applicable federal, state and local laws and regulations

concerning transportation, handling, storage, and sale of food and other products offered for sale by the Participating Merchants at the Market. Operator shall strictly comply with all applicable laws, ordinances and regulations pertaining to the operation of a farmers market. Prior to commencement of the first market day, Operator shall obtain and require each vendor to obtain a City of Carmel-by-the-Sea Business License and Operator shall keep and maintain such licenses in full force and effect at all times during the term of this License Agreement.

9. **Clean-up on Market Days.** Upon the conclusion of each Market day, Operator and its Participating Merchants shall thoroughly clean the License Area, remove all trash, waste, and debris to the available trash receptacles provided by the City, and restore the License Area to substantially the same condition as existed before the conduct of the event, including the repair of any damage to City property resulting from the market activities. Should the trash, waste and debris exceed the capacity of the trash receptacles currently available, Operator will provide additional receptacles. No storage of materials will be allowed on site.
10. **Indemnity.** Operator agrees to indemnify, defend, and hold City, and its officers, officials, boards, commissions, employees, and agents, harmless from and against any and all claims, demands, causes of action, liabilities, costs or expenses, including attorney's fees, occasion by or in any way connected with the condition of the License Area created by Operator or its Participating Merchants, Operator's or its Participating Merchant's use or misuse of the License Area or the operation of a farmers market thereon, or occasioned by any negligent act or omission of Operator or its Participating Merchants, or arising from any breach of this License Agreement by Operator or any of its Participating Merchants. The indemnity obligations of Operator set forth herein shall survive and continue beyond the term of this License Agreement.
11. **Liability Insurance.** During the term of this License Agreement, Operator shall procure and maintain in full force and effect at Operator's expense: (i) comprehensive general liability insurance with an aggregate limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, (\$2,000,000.00 aggregate); automobile liability insurance with a minimum of \$1,000,000.00 limit per accident; and Workers' Compensation Insurance as required by the State of California; and employer's liability insurance with a minimum \$1,000,000.00 limit per accident insuring against all liability of Operator and City for bodily injury and property damage arising out of or in connection with Operator's, use and occupancy of the License Area and also insuring performance by Operator) of the indemnity provisions set for in Section 10 of this License Agreement. The City shall be named as an additional insured. Operator shall provide City with the necessary Certificates of Insurance evidencing City as extra insured to the City Clerk. The amount of such general liability insurance shall not limit Operator's liability nor relieve Operator of any obligations under this License Agreement. The general liability insurance policy shall name City, and its officers, officials, boards, commissions, employees, agents, and volunteers as insured parties there under, and shall be endorsed to provide that : (i) the insurance coverage there under shall be primary with respect to City; and (ii) no cancellation or reduction in coverage will be made without ten (10) days prior written notice to City by the carrier.

12. **Notices.** Any notice required or permitted to be given hereunder shall be in writing and shall be mailed or personally delivered to the other party at the following address:

City of Carmel-by-the-Sea
City Administrator PO Box CC
Carmel-by-the-Sea, CA 93921

Good Roots Events, Inc.
P.O. Box 701
San Carlos, CA 94070
Attn: Nile Estep, Executive Director

13. **Cost of Suit.** In the event legal action between City and Operator shall become necessary in order to enforce or interpret this License Agreement, or any provision contained herein, the prevailing party shall be entitled to recover all costs and expenses that may be incurred in connection therewith, including reasonable attorney's fees.
14. **No Assignment.** This License is personal to Operator and may not be assigned or transferred to any other party without the prior written consent of City.
15. **Successors and Assigns.** Subject to the restrictions against assignment by Operator, this License Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.
16. **Governing Law and Jurisdiction.** City and Operator understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or the federal district court with jurisdiction over the City. Operator agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the aforementioned courts and irrevocably consents to the exclusive personal jurisdiction and venue of the aforementioned courts.
17. **Authority to Execute This Agreement.** The person or persons executing this Agreement on behalf of Operator warrants and represents that he/she has the authority to execute this Agreement on behalf of the Operator and has the authority to bind Operator to the performance of its obligations hereunder.
18. **Agreement Contains All Understandings: Amendment.** This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. Any modifications or amendment to this Agreement must be in writing. Neither City nor Operator shall be deemed to have waived any obligation of the other, or to have agreed to any

modification to this Agreement unless it is in writing, and signed by the party giving the waiver.

19. **Conflict.** In the event of conflict or issue between the terms of this Agreement and Operator's Response to Request for Proposal, attached hereto as EXHIBIT "C" or other communication between the parties, the terms of this Agreement and relevant City guidelines shall control.

20. **Severability.** If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties have executed this License Agreement the day and year first above written.

CITY OF CARMEL-BY-THE-SEA

Mayor, City Administrator, or Designee Signature

Printed Name

Title

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

CONSULTANT

Operator Signature

Printed Name

Title

Operator Legal Company Name

Date: _____

Date: _____

EXHIBIT "A"

RULES & REGULATIONS

Good Roots Farmers Markets & Events
PO Box 701
San Carlos, CA 94070
831.402.3870
www.goodrootsfm.com



Rules and Regulations

NATURE OF THE MARKET: Certified Farmers' Markets (CFM) are diversified markets offering both certifiable and non-certifiable goods for sale. Good Roots Farmers' Market (GR) provides producers with the opportunity to sell their fresh, local products directly to consumers without the intervention of a middleman. GR also provides local food and craft artisans and entertainers these same opportunities.

Each CFM is operated in accordance with regulations established in the California Administrative Code (Title 3, Chapter 3, group 4, Article 6.5, Section 1392) pertaining to Direct Marketing. Each Market is certified by the County Agricultural Commissioner as a direct marketing outlet for producers of certified and noncertified agricultural products.

The non-certifiable goods add variety and enhance the festive ambiance of the Farmers' Market. Although the State Direct Marketing regulations require the producers of fresh fruit, nuts, vegetables, flowers, honey, eggs, nursery stock, and plants be required to be certified, the same producer-to-consumer philosophy applies for all items sold at the Market. The resale of products is prohibited.

MANAGEMENT: Each CFM is managed, operated and controlled by Good Roots Farmers' Market.

RULES AND REGULATIONS FOR ALL SELLERS AT THE CERTIFIED FARMERS' MARKETS.

In order to ensure the successful maintenance of the CFM as an efficient outlet for producers to sell their products directly to consumers, GR has established the following set of rules and regulations.

I. INTENT AND IMPLEMENTATION

The purpose of this set of rules is to govern the operation, administration and management of the Certified Farmers' Market under the control of GR.

II. STATE REGULATIONS

All sellers must meet the specific selling requirements for their products regarding

permitting, certificates, labeling and any other necessary regulations that vendors need to meet as pertaining to California Certified Farmer's Markets. The original County Ag or Health Department Permit is required to be posted at the market at all times.

You may only sell products of your own production. Farmers may only sell produce they have grown themselves that are listed on your certificate. Please refer to the California

Code below regarding the regulations and use of 2nd Certificates.

2nd Certificates: These vendors are prohibited from bringing any item to this Market which is grown locally by a participating, certified grower.

The regulations of the California Department of Food and Agriculture pertaining to Direct Marketing (Article 6.5, group 4, Subchapter 1, Chapter 3, Title 3 of the California Administrative Code) are hereby incorporated by reference to be part of these rules.

Specifically restated are the following provisions of such regulations:

- A. Producers of fresh fruits, nuts, vegetables, shell eggs, honey, flowers, and nursery stock must obtain a Certified Producers' Certificate prior to selling such commodities at a Certified Farmers' Market. The producer must have produced such commodities by the practice of the agricultural arts upon land, which the producer farms, owns, rents, leases or sharecrops.
- B. Fresh fruits, nuts and vegetables listed on a producer's certificate may be sold directly to consumers exempt from size, standard pack, container, and labeling requirements. All prepackaged, closed consumer containers of agricultural products shall be labeled with the name, address and zip code of the producer and a declaration of identity and net quantity of the commodity in the package. However, a package containing 6 or fewer items, which are fully visible, does not need a statement of count.
- C. All agricultural products sold at the market shall comply with the regulations of the California code governing maturity and quality.
- D. All agricultural products, other than exempt fresh fruits, nuts, vegetables, shell eggs, honey, flowers and nursery stock which are sold at the markets, must comply with all applicable laws pertaining to their grading and labeling.
- E. All agricultural products sold at the markets are subject to the provisions of federal marketing orders, state marketing orders, state laws and regulations enforced by any state agency, or any other local health and safety laws, regulations or ordinances.
- F. All agricultural products, including fresh fruits, nuts, vegetables, shell eggs, honey, flowers and nursery stock sold for the purpose of commercial resale must be in compliance with all applicable size, standard pack, containers and labeling requirements of state laws and regulations.
- G. Only the producer or the producers' parents, children, grandparents and grandchildren or a relative regularly residing in the producer's household or an employee of the producer may sell the producer's products at the market. An employee is any person employed by the producer at a regular salary or wage, on either a full or part time basis. It does not include a person who is reselling or show

compensation is primarily based on a commission of sales. Proof of status of an employee is an authorized agreement proving that the person selling is an employee of the Qualified Seller. An employee may not sell for more than one Qualified Seller at a time.

- H. The certified producer's embossed photocopy certificate must accompany the certified agricultural products during transportation and must be conspicuously posted.
- I. When any agricultural product is sold by weight, the type of scale used shall be approved, tested and sealed by the County Agricultural Commissioner, Sealer of Weights and Measures.
- J. When a producer has been granted by the market the privilege of selling for up to two other certified producers, it must be under the following conditions:
 - 1) The agricultural products shall be separated at the stand and clearly identifiable by the respective certificate.
 - 2) The producer selling for the other producers must also sell or offer for sale agricultural products, which the producer selling has produced. The producer selling must start the market day with at least 50% of the total produce from his own production.
 - 3) Prior to sale, the producer selling has furnished a written letter from the additional producer(s) which verifies the selling producer's authority to sell their product on their behalf and have his name cross-referenced on the additional producer(s)' certificate.
 - 4) A grower selling under a partnership; the partnership will be considered one certificate.
- K. A producer shall provide, upon request by the Market Manager, any certificate, documentation, information or identification that may be reasonably required to show that the conditions of the regulations are being met. If such conditions are not met and the market is assessed additional fees for follow-up inspections at the market, the grower(s) responsible for the follow-up inspections will be equally assessed the total cost of the follow-up inspection.
- L. When selling at the markets the producer and the producer's agricultural products shall comply with all applicable requirements of the California Retail Food Code and the California Sherman Food, Drug and Cosmetic Law, specifically:
 - 1) All produce and containers of produce must be kept at least 6 inches above the ground.
 - 2) Food preparation (except trimming and sampling) is prohibited.
 - 3) Processed foods must be processed in an approved facility, properly packaged and labeled under clean and sanitary conditions.
 - 4) Dried fruit and shelled nuts sold in an unpacked, bulk form must be displayed with a cover and conform to dispensing methods approved by the local health department.
 - 5) No live animals, birds or fowl may be kept or allowed within 20 feet of any area where food is stored or held safe. No dogs are allowed in the market.
 - 6) Vendors selling non-agricultural food products are required to have a valid health permit from the local jurisdiction and are not considered part of the Certified Farmers' Market.

- 7) All products sold as organic must be grown, produced, or processed in accordance with California Code of Regulation, Title 3, code 1392.4 (h), which states: "Any person selling organic products or representing products as organic at a certified farmers' market shall conspicuously post at the point of sale a photocopy of his or her current State of California organic registration and, if applicable, documentation of his or her organic certification. Prior to posting organic documents, it is permissible to conceal from public view acreage and dollar amounts pertaining to annual sales. A complete photocopy of the original, unaltered, current organic document(s) shall, upon the request of an enforcement officer, be made available for review at any time during participation in a certified farmers' market.

This documentation requirement does not apply to individuals who sell \$5,000.00 or less of organic produce in a given year.

- 8) Smoking is not permitted in produce display and immediate sales area.
- 9) If the local health authority approves, distribution of samples in a manner which will insure safe, unadulterated samples for the public, may be allowed. In such, each grower should regard the following as suggested guidelines:
 - (a) Keep samples in clean covered containers approved by the local health agency.
 - (b) Use toothpicks, tongs, rubber gloves or disposable utensils to distribute the samples.
 - (c) Dispose of pits, peels, food waste and rubbish in leak-proof garbage receptacles with close fitting lids.
 - (d) Use clean disposable plastic gloves when cutting produce for samples and provide temporary handwashing and utensil cleaning facilities.
 - (e) Produce intended for sampling must be washed and cleaned so as to be safe for consumption.
 - (f) Utensils and cutting surfaces must be washed and sanitized (use a chlorine solution of one teaspoon or capful of liquid bleach per gallon of water).
 - (g) Cutting surfaces must be smooth, non-absorbent and easily cleaned.
- (10) If a grower or food purveyor is not in compliance with California Retail Food Code (CalCode) or the California Sherman Food, Drug and Cosmetic Law and the market is cited for non-compliance, the grower(s)/food purveyor(s) responsible for the infraction(s) will be equally assessed the total amount of the fine imposed upon the market.
- (11) Taxable Goods: If you are selling taxable goods, you must have a valid resale certificate on hand at each market day.

III. ADMISSION OF A PRODUCER TO THE MARKET

Admission to sell at any market shall be at the reasoned discretion of the market manager. In making any determinations in this regard, a manager should consider the following:

- A. Producer's positive or negative history of compliance with state, local government and market rules and regulations.

- B. Producer's history of market participation. When practical, significant weight, priority and preference should be given to member growers returning from previous seasons.
- C. The competitive availability and number of sellers of producers' product present within the market. If practical, monopolies and surfeits (gluts) should be avoided.
- D. Whether the present number of sellers of producer's product are adequately supplying consumer demand.
- E. The number of unreserved spaces and other limitations of the market.

Period of attendance time and limitations of type and quantity of product allowed may condition admission of a producer.

Any producer aggrieved by the manager's decision may appeal for review by GR management as outlined in section VII. A decision by GR management shall be final.

IV. ADMISSION OF PRODUCTS TO THE MARKET

Unless otherwise specifically listed as an additional authorized agricultural, processed agricultural or non-agricultural product in this section, only fresh fruits, nuts, vegetables, shell eggs, honey, flowers and nursery stock listed on a producer's certificate may be sold at the markets.

Admission of any agricultural or processed agricultural product to the market or non-agricultural product to an area adjacent to the market shall be at the reasoned discretion of the Market Manager. In making any determination in this regard, the Market Manager shall consider the following:

- A. Producer's history of selling such product within or adjacent to the market. When practical, significant weight and preference should be given to products sold by producer in previous seasons.
- B. The present competitive availability (number of sellers) of producers product within or adjacent to the market. If practical, monopolies and surfeits (gluts) should be avoided.
- C. Whether the present sellers or producer's product are adequately supplying consumer demand.
- D. The type of relative quality of product intended to be offered for sale by the producer.

Admission of a product to be sold by a particular producer may be conditioned by period of sale, location of sale, variety, quality, quantity and other general or specific limitations as deemed necessary by the Market Manager.

Any producer aggrieved by the manager's decision may appeal for review by GR management as outlined in section VII. A decision by GR management shall be final.

Additional authorized non-processed agricultural products which may, under stated

conditions, be admitted by the Market Manager for sale within the Certified Farmers' Market are:

- 1) Fresh herbs and spices
- 2) Fish and shellfish

The producer must have produced all such products by the practice of the agricultural arts upon land, which the producer farms and owns, rents, leases or sharecrops.

Producers wishing to sell a non-processed agricultural product other than those listed immediately above must submit a written application for approval from GR.

Additional authorized processed agricultural products, which may, under stated conditions, be admitted by the Market Manager for sale within the Certified Farmers' Market, are:

- 1) Dried beans, grains, fruits, nuts and vegetables listed on producer's certificate.
- 2) Shelled nuts, including those, which have been roasted, salted or flavored.
- 3) Dried herbs and spices.
- 4) Fresh orange juice, fresh apple juice.
- 5) Flower arrangements and wreaths.

All such raw products must have been produced by the producer by the practice of the agricultural arts upon land which the producer farms and owns, rents, leases or sharecrops. All processed certifiable agricultural products must have and be accompanied by a verifiable listing of the fresh product on producer's certificate of the producer selling.

Seller must be able to show location and capability of processing or, if processing is done by a second party, the method used to insure that the processed product returned is the original source product submitted by the producer for processing. Receipts, volume data, and letters verifying methodology may be requested or required.

Seller must show that all processing was accomplished under safe and sanitary conditions and, if applicable, obtain, furnish and display any and all health permits necessary.

Producers wishing to sell a processed agricultural product other than those listed immediately above must submit a written application for approval.

Additional authorized processed non-agricultural products which may, under stated conditions, be sold in an area adjacent to the area designated as the Certified Farmers' Market but under the auspices of the market management are:

- 1) Ocean fish and shellfish
- 2) Bakery products
- 3) Meat products
- 4) Kettle corn, crepes and other GR approved on-site prepared foods. Individuals wishing to sell a non-agricultural product other than those listed immediately

above must submit a written application for approval to GR.

V. STALL RESERVATIONS AND ASSIGNMENT OF SELLING SPACE

Reservations are considered commitments by farmers and food purveyors to participate in the markets on either a weekly, biweekly or space availability basis. Below is a short description of each reservation category.

The producer's location, space size and other factors of assignment of selling space within a Market shall be at the reasoned discretion of the Market Manager. Sellers must accept the space assigned to them by the Market Manager. A seller's space in the market is not guaranteed to be in the same location every week. In making any determination of the assigned space, the Market Manager shall consider the following:

- A. The maintenance of positive, present and past consumer/producer relationships.
- B. The maintenance of good product mix and consumer traffic flow.
- C. The principles of good market and product promotion.
- D. In the event a producer/seller is removed or suspended from a market(s) due to either State, County or GR Rules and Regulations violation(s), the producer/seller will be placed at the bottom of the waiting list for their requested markets.

Any producer aggrieved by the Manager's decision may appeal for review with the management of GR as outlined in section VII. A decision by the GR management shall be final.

VI. STANDARDS OF CONDUCT

Producers and employees representing producers must be:

- A. Knowledgeable about product, how it is used, grown or produced and communicate that clearly to the customers.
- B. Courteous, professional and presentable at all times.
- C. Able to display products in a sanitary, presentable and attractive manner.
- D. Honest and to conduct themselves at all times in a courteous and business-like manner. Participants are expected to dress (shirt, pants and footwear) and behave in an appropriate manner. Drinking, yelling, swearing, name-calling, slanderous remarks and other rude behavior will not be tolerated.
- E. Able to refer matters to a market manager when experiencing difficulty with customers.
- F. Expected to treat each other, staff, customers and officials with respect.
- G. Able to refer complaints about other participants or the Market Rules and Regulations in writing to the Market manager or the Operations Director of GR.
- H. Aware that harmful remarks made about producers or the market are subject to legal liability for damages.

VII. SUSPENSION OR REMOVAL OF A PRODUCER FROM THE MARKET

A producer may be suspended or removed from any market or markets or have selling privileges in the market conditioned, modified or limited by a Market Manager for any of the following reasons:

- A. Failure to obey and conform to state, local government or market rules and regulations.
- B. Causing or maintaining an unsafe or unsanitary condition at the market.
- C. Unreasonable or outrageous conduct considered detrimental or prejudicial to the purposes and interest of the market or GR.
- E. Failure to attend at a previously reserved market space without adequate prior notification.
- F. The occurrence of any condition or limitation which was placed on the admission of the producer's product to any market.
- G. Behavior that obstructs any other vendor's commerce or ability to transact business at the market.

The severity of any penalty or discipline imposed by the Market Manager shall be directly related to the gravity or repetition of the violation.

A producer is responsible for the actions of the producer's representatives, employees or agents.

Whenever a Market Manager decides that a violation has occurred of such seriousness that it warrants the suspension or removal of a producer from one or more markets, the Market Manager will provide the producer with a written notice to the intention to suspend or remove the producer. The notice of intent to suspend or remove the producer will state the reasons for the proposed action and offer the producer an opportunity to be heard by GR management before the imposition of the suspension or removal from the market. The Market manager will deliver the notice of intention to the producer in person or mail it to the producer by first class or registered mail to the last known address of the producer in GR's records.

The notice of intention to suspend or remove a producer shall advise the producer that he or she may ask to be heard, either orally or in writing, by GR management prior to the imposition of the suspension or removal. The request for a hearing must be received by GR management no later than fifteen calendar days after the date of the issuance of the notice of intent to suspend or remove the producer.

If the producer does not request a hearing with GR management, or if the producer fails to request a hearing within fifteen calendar days of the date of issuance of the notice of intent to suspend or remove the producer, the Market Manager may take action to suspend or remove the producer from one or more markets.

If the producer does request a hearing with GR management and GR management does receive the request for a hearing within fifteen calendar days of the date of the notice of intent to suspend or remove the producer, GR management shall schedule a hearing with the producer. The purpose of the hearing will be for GR management to hear and consider the

producer's evidence and argument regarding the action proposed by the Market Manager. GR management will notify the producer of the date, time and place of the hearing. GR management may elect to have the hearing conducted by a third party or Board member of the California Farmers' Markets Association.

GR management will consider the evidence and arguments submitted by the producer, the Market Manager and any other interested parties in attendance prior to or during the hearing and shall weigh this evidence and argument in making his or her decision whether or not to suspend or remove the producer. GR management will notify the producer in writing of his or her decision. GR management's decision shall be delivered in person or mailed by first class or registered mail to the producer. GR management's decision is final and there is no further appeal of this decision available from the California Farmers' Markets Association.

VIII. OTHER MARKET RULES, POLICIES AND REQUIREMENTS

- A. Product Limitations.
 - a. Only California grown produce may be sold in the market.
 - b. Sales of out-of-season (California) produce are allowable only to the extent of their reasonable and normal storage life or proof that such produce was produced by producer in greenhouse facilities operated by such producer.
 - c. All second certificate produce and second certificate non-certifiable ag product sales must be authorized by GR prior to sales.
 - d. Any certifiable, non-certifiable agricultural processed or non-agricultural processed products sold in the market may be placed under limitations by the Market Manager at any time.
- B. Certificates. Producer certificates with two or more names listed as producer must provide acknowledged evidence of partnership or other legitimate business agreement unless the additional names are for second certificate purposes.
- C. Load Sheets. Return your signed, complete, accurate, and legible load sheet with your farm/business name printed clearly to your Market Manager no later than ½ hour after the closing of each market day. If you fail to turn in your signed, complete, accurate, and legible load sheet prior to this time you will receive a verbal warning. The second time (per year) you fail to turn in a load sheet you will be assessed a \$10 fine. The third time you fail to turn in a load sheet and each time thereafter you will be assessed a \$50 fine. Failure to turn in a load sheet more than three times in one year may result in expulsion from the market(s).
- D. Prices. All prices must be clearly marked or posted in 2" minimum height letters/numbers. Collusion and deceptive pricing practices are prohibited.
- E. Form of payment: vendors will accept cash and credit card payments.
- F. Market Hours: Arrival and Departure. The hours for any market shall be set by GR. Sellers shall arrive at least one hour prior to the published opening time of the market and leave or have their set-up packed up and cleaned up, to the side of the market

within one hour and 15 minutes after the published closing time of the market. Failure to leave your stall and common area in a clean manner and/or set off to the side of the site within this time frame will result in a \$100 fine for the first offense. Additional offenses within a 12 month period may result in expulsion from the market(s). Sellers may leave the market site prior to the published closing time for emergencies only and upon the approval of the Market Manager who will assess public safety and welfare at that time.

- G. No Stall Coverage by Market Managers. Market Managers are not allowed to sell for growers and vendors while they take personal breaks. Please make arrangements to visit the bathroom before the start of market or have a neighbor watch your stall when you are temporarily out.
- H. Set-ups, Safety and Sanitation: All display table frontage must be behind the set-up line designated by the Market Manager. No boxes or produce displays may extend into the common customer traffic aisles without the prior approval of the market manager. Producers who display produce on a side table must allow at least 24 inches of side aisle in producer's space for customer access. Tables and other display fixtures must be sturdy, stable and not overloaded. All shades and shelters must be tied down and completely secured at the beginning of the market or the producer will be subject to immediate removal from all GR markets. Seller's vehicle use must not endanger customers or other sellers.

Before transacting any sales, the grounds of the customer traffic aisle and selling area of the producer must be cleared and cleaned of any produce trimmings or droppings. Any trimming of produce must be done so trimming will fall in a box or container and not on the ground. Before leaving the market, all matter in producer's selling area, including an area extending half way into the common customer traffic area, must be completely removed and taken away with the producer. Failure to do so may result in revocation of the seller's stall space reservation and/or a \$20.00 fine. If a producer or vendor leaves any refuse identifiable to be his/hers in a venue or sponsors garbage container without the venue or sponsor's permission an initial fine of \$100.00 will be enforced. A second violation may result in expulsion from the market(s).

Noise, Disturbance and Intrusion: No loud noises will be allowed at any market during set-up hours prior to 7:30am. Radios are not allowed to be played during market sales hours. Although no loud hawking, barking or shouting to promote product is allowed, occasional product broadcasting into the market aisle in a conversation level voice is allowed and encouraged. All product promotion must occur within the space assigned or immediately adjacent to the producer and not in any common area. Disruptive action and the throwing of anything in the market are prohibited.

- I. Identification Signs: All producers must display a sign identifying their name or the name of their establishment and the city or town where their production occurs.
- J. Bags and Litter: Every stall will have a trash box for public use. Sellers using bags for the convenience of their customers shall ensure that such bags do not litter the market under windy conditions. Plastic bags are prohibited. Compostable or reusable bags are required.

Sellers of dry garlic and dry onions shall insure that the skins of such produce do not litter the market.

K. Selling Assessments

All selling space assessments shall be set by GR. Elimination or downward adjustments of stall space allotments may be made by management at its discretion.

- L. Qualified Sellers shall observe all fire lanes while loading and unloading.
- M. Qualified Sellers shall sell/market their goods in a manner satisfactory to the Market.
- N. Qualified Sellers shall sell/market their goods in a manner satisfactory to the Market Manager and in an honest, conscientious and businesslike way.
- O. Qualified Sellers must wear shirts and shoes while on the market premises.

IX. APPLICATION AND RESERVATION PROCESS

- A. To become a QUALIFIED SELLER at GR, a prospective seller must initiate and complete an Application packet. The completed Application packet includes:
 - 1) The completed Application
 - 2) Copies of the grower's most recent Certified Producer Certificate(s).
 - 3) Any appropriate copies of health permits as required.
 - 4) Hold Harmless Agreement
- B. All sellers must pay event fees according to the current fee schedule set by GR. The fees will be collected on the day of the market.

X. CANCELLATIONS

- A. Sellers are required to cancel 3 days prior to each market day to help avoid stall fee charges for late cancellations.
 - 1) Certified producers and food purveyors who cancel less than 3 days before market day are responsible for the stall fee unless the stall can be filled. (Generally, a 3 day notice is sufficient to allow for filling the space. A one to two day notice is not sufficient.)

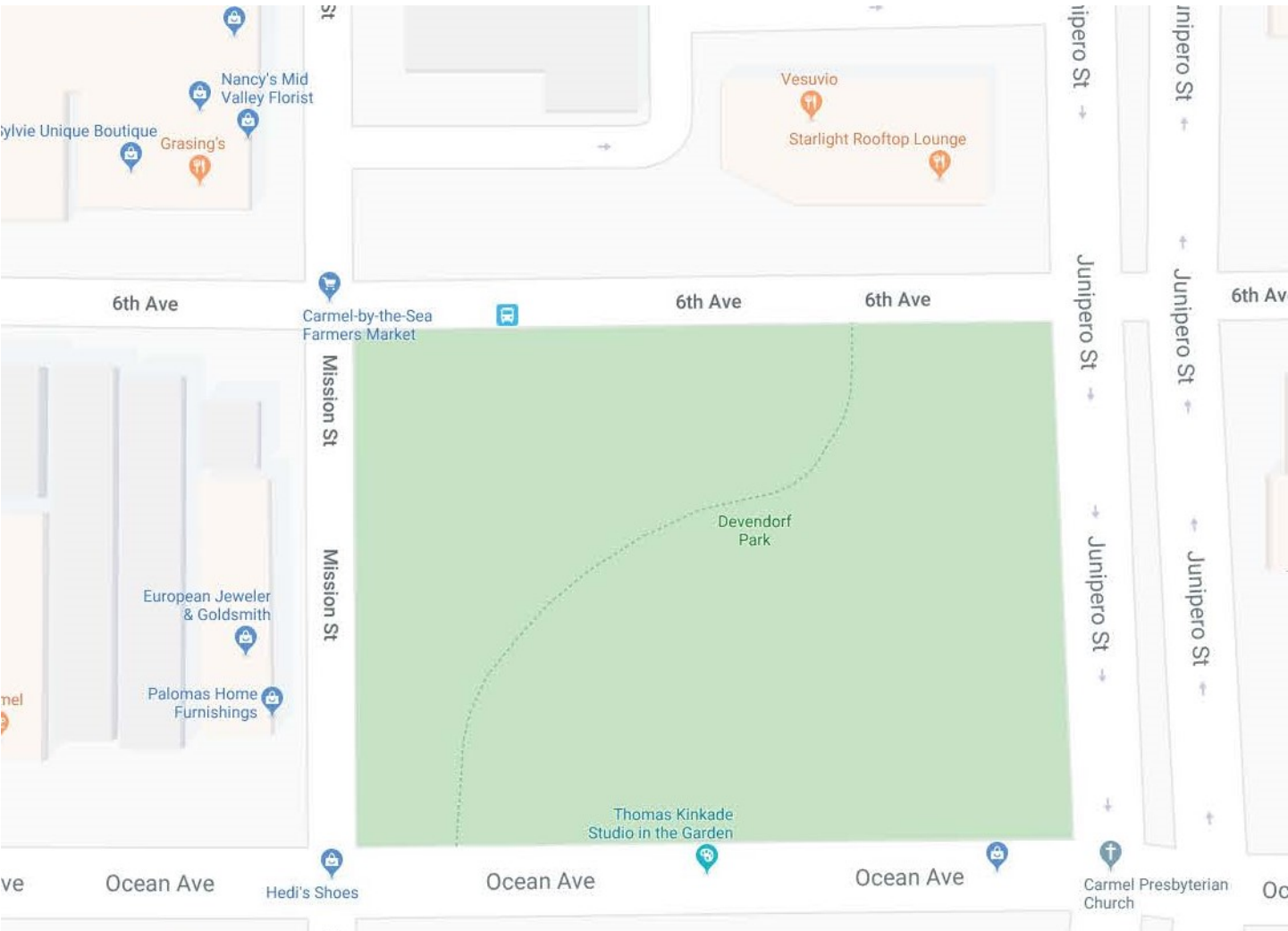
The Association does not accept stall cancellations due to rain or other inclement weather, grower/food purveyor personnel conflicts or vehicle breakdowns.

- B. Cancellations due to holidays or holiday weekends are not sufficient to avoid stall fee charges regardless of the amount of lead time offered. It is very difficult to fill in behind grower/food purveyor stall cancellations with similar crop/product during holidays and holiday weekends. Under these conditions a one or two week cancellation notice may not result in a stall fee credit the following month.

- C. Sellers who fail to notify the Market Manager of more than two cancellations may lose their stall spaces in GR markets.

Signature _____ Date _____

Print Name _____ Business Name _____





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

January 7, 2020
CONSENT AGENDA

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Evan Kort, Ass't. Planner

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Adopt Resolution No. 2020-004, authorizing a refund of a Use Permit Fee in the amount of \$2,800 to Cihat Dalmis

RECOMMENDATION:

Adopt Resolution No. 2020-004, authorizing a refund of a Use Permit Fee in the amount of \$2,800 to Cihat Dalmis.

BACKGROUND/SUMMARY:

The applicant, Cihat Dalmis, submitted a Use Permit application (UP 19-459) fee of \$2,800 for the establishment of a specialty food store and specialty restaurant. Upon receipt of the application, staff directed the applicant to obtain verification from the Monterey Peninsula Water Management District (MPWMD) that the site has adequate water for the use. After learning the site does not have enough water available to facilitate the use, the applicant submitted a request to withdraw their application.

This item is on the Council's agenda to authorize a refund of the permit fee costs, \$2,800, in accordance with CMC Section 17.02.120 (Fees). The code establishes that a partial refund of fees in the amount of 75% for applications that are withdrawn before a determination has been made as to whether the application is complete. However, minimal staff time was used in reviewing the application and the applicant was not informed of MPWMD requirements prior to application submittal; therefore, staff recommends that the council issue a full refund of the use permit application fee. The applicant submitted an application on November 5, 2019 and withdrew the application on December 10, 2019 prior to staff making a determination as to the completeness of the application.

CMC Section 3.06.060 (Return of Funds) requires refunds of \$1,000 or more to be approved by Council. Specifically, Section 3.06.060 states that "from time to time it becomes necessary to refund certain permit fees, taxes, licenses, etc., in the normal course of City business. Upon recommendation from the Assistant City Administrator, the City Administrator or his/her duly authorized representative is authorized to approve such refunds in an amount not to exceed \$1,000. All refunds over \$1,000 shall require approval by the City Council."

FISCAL IMPACT:

Other than the cost of processing the refund, there is no fiscal impact to the City for issuing the application fee refund.

PRIOR CITY COUNCIL ACTION:

None.

ATTACHMENTS:

Attachment 1 - Resolution 2020-004

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

RESOLUTION NO. 2020-004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA AUTHORIZING A REFUND OF A USE PERMIT FEE IN THE AMOUNT OF \$2,800.00 TO CIHAT DALMIS.

WHEREAS, the applicant, Cihat Dalmis, submitted a Use Permit application on November 6, 2019 to establish a specialty food store and restaurant; and

WHEREAS, the applicant was assessed a permit fee of \$2,800 for the review of the application; and

WHEREAS, on December 10, 2019 the applicant submitted a request to withdraw the application after discovering the property does not have enough water credits to serve a specialty food store and restaurant; and

WHEREAS, the applicant's request to withdraw the application was made prior to staff making a determination as to the completeness of the application; and

WHEREAS, minimal staff time was utilized in processing and reviewing the application prior to the withdrawal request; and

WHEREAS, the applicant is entitled to a full refund of the permit fee which amounts to \$2,800.00; and

WHEREAS, CMC Section 3.06.060 (Return of Funds) requires refunds of \$1,000 or more to be approved by the City Council.

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

Authorize a refund of \$2,800.00 which is 100% of the permit fee for a Use Permit application to Cihat Dalmis.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA this 7th day of January, 2019, 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

**January 7, 2020
CONSENT AGENDA**

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Sharon Friedrichsen - Director, Contracts and Budgets
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Adopt Resolution 2020-005 authorizing the City Administrator to execute Amendment No. 1 to the Mail Delivery Service Contract with Peninsula Messenger Service for a total not to exceed fee increase of \$72,000

RECOMMENDATION:

Adopt Resolution 2020-005 authorizing the City Administrator to execute Amendment No. 1 to the Mail Delivery Service Contract with Peninsula Messenger Service for a total not to exceed fee increase of \$72,000.

BACKGROUND/SUMMARY:

Because no house numbers exist in the City of Carmel-by-the-Sea, the United States Postal Service provides mail delivery service to residents through post office boxes at the post office located on 5th Avenue between San Carlos Street and Dolores Street. The City has historically contracted with a courier service to provide residential home mail delivery services "as an essential community service for those residents that are physically unable to visit the post office or who, for some other reason, cannot obtain mail on a regular basis" (Resolution 2003-091).

The City currently contracts with Peninsula Messenger Service for the home mail delivery service. However, the current agreement expired on December 31, 2019. Staff recommends that the agreement be extended for one calendar year to allow for the continuity of services while staff explores potential changes to the home mail delivery service program. In addition to extending the term of the agreement, the amendment also increases the not to exceed amount by \$72,000. Alternatively, Council may approve an extension for a shorter duration, which would also decrease the dollar amount of the contract amendment.

Historically, the average number of addresses subscribed to mail delivery services has been around 125, although it has averaged closer to 140 in 2018 and 145 in 2019. The program currently does not have a limit on the number of residents that may participate. Nor does the program have any criteria to evaluate if residents are physically unable to visit the post office or include any requirements that help define "other reasons for not being able to obtain mail on a regular basis" that necessitates the City paying for the service on behalf of the residents. In addition to the number of residents using the service, the cost charged by the courier for providing the service has also increased over the years. Therefore, as a potential cost-saving

mechanism, Council previously provided direction to staff to explore a process for applying standards, terms and conditions for the use of the program. Staff will be working with the City Attorney to determine what criteria, if any, may be applied to a program of this type and how staff would implement any proposed changes to the program. It is anticipated that potential program changes would be brought forth for Council consideration in the next few months so that any changes may be incorporated into the start of the new fiscal year on July 1.

FISCAL IMPACT:

The average number of addresses enrolled in the mail service program for calendar year 2019 was 145; with a low of 140 in January to a high of 152 in July and August. This includes three post office boxes for the City (City Hall, Police Department and Ambulance). The City has paid Peninsula Messenger Service \$67,899 for services rendered in calendar year 2019. The cost for services for Fiscal Year 2019-2020 has been included within the adopted budget.

The proposed amendment is for one calendar year with a projected cost of \$72,000. This dollar amount represents the cost of service based on 150 addresses per month and reflects a monthly price increase from \$39 per address to \$41 per address starting on July 1, 2020.

PRIOR CITY COUNCIL ACTION:

Council approved the current agreement with Peninsula Messenger Service on January 8, 2019.

ATTACHMENTS:

Attachment #1 - Resolution 2020-005

Attachment #2- Amendment No 1_Peninsula Messenger Service

CITY OF CARMEL-BY-THE-SEA CITY COUNCIL

Attachment 1

RESOLUTION NO. 2020-005

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AMENDMENT NO. 1 TO THE MAIL DELIVERY SERVICES CONTRACT WITH PENINSULA MESSENGER SERVICE FOR A TOTAL NOT TO EXCEED FEE INCREASE OF \$72,000

WHEREAS, the United States Postal Service (USPS) typically delivers residential mail to homes in areas in which house numbers have been assigned, and, in areas in which no house numbers have been assigned, the USPS will deliver residential mail to a centralized location; and

WHEREAS, as the City of Carmel-by-the-Sea does not have house numbering, the USPS provides mail delivery service to residents through post office boxes at the post office located on 5th Avenue between San Carlos Street and Dolores Street; and

WHEREAS, the City made a decision in 2001 to contract for mail courier services for residents as an alternative for collecting mail at the post office; and

WHEREAS, Council approved the current agreement with Peninsula Messenger Services by adopting resolution 2019-003 on January 8, 2019; and

WHEREAS, the current agreement expires on December 31, 2019 and the amendment extends the contract for one calendar year and increases the cost of the contract by \$72,000; and

WHEREAS, the contract extension allows service to remain in place as City staff research options regarding the mail delivery service and potential policy changes.

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

Authorize the City Administrator to execute Amendment No.1 to the Mail Service Contract (ADM-PMS-68-18-19) with Peninsula Messenger Services to extend the term of the contract through December 31, 2020 and to increase the contract by \$72,000.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-
THE-SEA this 7th day of January, 2020, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Britt Avrit, MMC
City Clerk

FIRST AMENDMENT TO AGREEMENT

Attachment 2

Agreement #: ADM-PMS-68-18-19

THIS FIRST AMENDMENT TO AGREEMENT ("Amendment") made and entered into as of this 7th day of January, 2020, amends the Agreement heretofore entered into between the CITY CARMEL-BY-THE-SEA, a municipal corporation, hereinafter referred to as "CITY", and Peninsula Messenger Services hereinafter called "CONSULTANT".

RECITALS

CITY and CONSULTANT entered into an Agreement ADM-PMS-68-18-19 for a not-to-exceed amount of \$70,200 on January 18, 2019 for mail delivery services; and CITY and CONSULTANT now desire to extend the term through December 31, 2020, unless services are no longer needed prior to December 31, 2020.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual premises herein contained, and for other good and valuable consideration hereby acknowledge, the parties agree that the aforesaid Agreement be amended as follows:

1. CONSULTANT shall provide on-site mail delivery services for the term of January 1, 2020 through December 31, 2020. The rate shall be \$39 per home mail delivery address per month from January 1, 2020 through June 30, 2020 and shall increase to \$41 per home mail delivery address per month from July 1, 2020 through December 31, 2020.

2. CONSULTANT'S sole compensation for satisfactory performance of all services required or rendered pursuant to this Amendment shall be a not to exceed total fee of \$72,000. The total not to exceed amount for the Agreement and this Amendment shall be \$142,200.

3. Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this amendment and the Agreement or any earlier amendment, the terms of this amendment will prevail.

CITY OF CARMEL-BY-THE-SEA

Chip Rerig, City Administrator

Date

CONSULTANT

Stephanie Morse
Peninsula Messenger Service

Date

ATTEST:

Britt Avrit, City Clerk

Date



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

**January 7, 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:	Adopt Resolution 2020-006, receiving the Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019

RECOMMENDATION:

Adopt Resolution 2020-006, receiving the Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019.

BACKGROUND/SUMMARY:

This item is on the Council's agenda to receive the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2019. The CAFR includes the City's audited basic financial statements and the independent auditor's report. State law requires that the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified public accountant.

The City of Carmel-by-the-Sea retained an independent auditor, Chavan and Associates, LLP, to audit the City's financial statements. Financial audits allow for a qualified outside entity to review the City's financial statements to help provide assurance to the Council and the public that the City's statements are presently fairly; are prepared in accordance with generally accepted accounting principles; and are prepared in compliance with laws and regulations regarding financial transactions that may have a material, or significant, impact on the financial statements. Chavan and Associates, LLP, has issued an unmodified opinion that the financial statements for the year ended June 30, 2019, are fairly presented in conformity with generally accepted accounting principles (GAAP).

In addition to the basic financial statements, the CAFR also includes a narrative on the City's financial activities known as the Management Discussion and Analysis and a statistical section pertaining to financial trends, revenue capacity, debt capacity, demographic and economic information and operating information. It was produced following guidelines issued by the Government Finance Officers Association of the United States and Canada (GFOA) as part of its Certificate of Achievement for Excellence in Financial Reporting Program. The intent of this program is to encourage state and local governments to prepare reports that exceed the minimum requirements of generally accepted accounting principles in order to increase transparency, promote full disclosure and provide information so that the user is able to assess the financial health of a respective government.

The CAFR for the fiscal year ending 2018 was the City's first CAFR and it received the GFOA Certificate of Achievement. City staff intend to submit the current CAFR to the GFOA for consideration of a new Certificate of Achievement.

Sheldon Chavan of Chavan and Associates LLP will give a presentation on the Fiscal Year 2018-2019 audit as part of the Council's January 7, 2020 meeting.

FISCAL IMPACT:

There is no fiscal impact associated with receiving the CAFR. The cost for the audit for fiscal year 2018-2019 is included within the adopted budget for a not to exceed amount of \$32,000.

PRIOR CITY COUNCIL ACTION:

Not applicable.

ATTACHMENTS:

Attachment #1 - Resolution 2020-006

Attachment #2 - CAFR

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

RESOLUTION NO. 2020-006

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
RECEIVING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR
ENDING JUNE 30, 2019**

WHEREAS, in accordance with State law, which requires that the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified public accountant, the City of Carmel-by-the-Sea retained an independent auditor, Chavan and Associates, LLP, to audit the City's financial statements; and

WHEREAS, the audit was performed in accordance with auditing standards generally accepted in the United States, including financial auditing standards issued by the Comptroller General of the United States, in order to determine if the City's financial statements were misstated, or misrepresented, either due to fraud or error; and

WHEREAS, Chavan and Associates, LLP, has issued an unmodified opinion that the financial statements for the year ended June 30, 2019, are fairly presented in conformity with generally accepted accounting principles; and

WHEREAS, the audited financial statements are a component of the Comprehensive Annual Financial Report, which is a report that goes beyond minimum requirements of generally accepted accounting principles in order to produce a readable and efficiently organized document intended to allow greater public transparency and full disclosure of the City's financial health.

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

Receive the Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2019.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-
THE-SEA this 7th day of January 2020, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Britt Avrit, MMC
City Clerk

Comprehensive Annual Financial Report



*City of Carmel-by-the-Sea
California*

Fiscal Year Ended June 30, 2019

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City of Carmel-by-the-Sea California

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019



*Prepared by the Finance Department
Robin Scattini, Finance Manager*

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CITY OF CARMEL-BY-THE-SEA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Attachment 2

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CITY OF CARMEL-BY-THE-SEA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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TRANSMITTAL LETTER

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CITY OF CARMEL-BY-THE-SEA
P.O. BOX CC
CARMEL-BY-THE-SEA, CA 93921

Attachment 2

December 20, 2019

Honorable Mayor,
Members of the City Council, and
Citizens of Carmel-by-the-Sea

SUBJECT: Comprehensive Annual Financial Report – June 30, 2019

The Comprehensive Annual Financial Report (CAFR) for the City of Carmel-by-the-Sea for the fiscal year ended June 30, 2019 is hereby submitted.

REPORT PURPOSE AND ORGANIZATION

In accordance with State law, which requires that the accounts and fiscal affairs of all municipal entities be examined annually by an independent certified public accountant, the City of Carmel-by-the-Sea retained an independent auditor, Chavan and Associates, LLP, to audit the City's financial statements. Chavan and Associates, LLP, has issued an unmodified opinion that the financial statements for the year ended June 30, 2019, are fairly presented in conformity with generally accepted accounting principles (GAAP). This opinion, along with the basic financial statements, are submitted as the Comprehensive Annual Financial Report (CAFR) for the City for the fiscal year ended June 30, 2019. The information included in the financial section of this report fulfills the above requirement.

This report consists of City management's representations regarding the finances of the City of Carmel-by-the-Sea. Management assumes full responsibility for the completeness, data accuracy, and fairness of the information presented, including all footnotes and disclosures. Management believes the data presented are accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the City.

To provide a reasonable basis for making these representations, City management has established a comprehensive framework of internal controls that is designed to both protect the City's assets from loss, theft or misuse and to compile sufficiently reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles.

Because the cost of internal controls should not exceed their benefits, the City's internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. The audit is intended to provide users with reasonable assurance that the information presented is free from material misstatements. As management, we assert, that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis that accompanies the basic financial statements in a format known as the Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to augment the MD&A and is meant to be read in conjunction with the MD&A. The City's MD&A can be found in the Financial Section of this document, immediately following the report of the independent auditor.

CITY OF CARMEL-BY-THE-SEA PROFILE

Located 120 miles south of San Francisco on the Monterey Peninsula, the City of Carmel-by-the-Sea is a coastal village with a population of 3,987 that is renowned for its natural beauty, including a white sand beach, urban forest of over 9,000 public trees comprised of Monterey pines, live oaks, and Monterey cypress and natural parklands all within a one-square-mile, built-out community. In addition to recreational opportunities afforded by such scenery, the City is also known for its architecture and dining and shopping opportunities, which may be found in the walkable downtown area. In addition to many City sponsored events like the City Parade, Sandcastle Contest and Pumpkin Roll, other special events also occur throughout the year and cultural activities abound, including at such venues as the Sunset Center performing arts center and the Forest Theater, an outdoor amphitheater.

The median age of the City's residents is 55.8 years. Nearly 65 percent of the population age 25 or older have a bachelor's degree. The City's per capita income is \$57,307. The Carmel area offers outstanding educational opportunities through the Carmel Unified School District as well as institutions of higher learning on the Monterey Peninsula including the Monterey Peninsula College, the Monterey Institute for International Studies, California State University Monterey Bay, and the Hopkins Marine Station operated by Stanford University.

Form of Government

The City of Carmel-by-the-Sea was incorporated on October 31, 1916. As a General Law City, Carmel-by-the-Sea operates under a Council-City Manager (City Administrator) style of government and derives its power from the California Constitution and laws enacted by the State legislature.

All legislative power is held by the publicly elected, five-member City Council which consists of the Mayor and four Councilmembers. The Mayor serves a two-year term while Council members serve a four-year term, with overlapping terms with municipal elections occurring in November of each even numbered year. The City Council is the policy making legislative body of the City and it adopts the annual budget, enacts ordinances, and approves major contracts, acquisitions and leases. The Council appoints the City Administrator to serve as the City's chief administrative officer.

The City Administrator is responsible for the enforcement of City laws and ordinances; ensuring that the orders of the City Council are executed; for supporting Council, which includes the preparation of agendas and the maintenance of records; and overseeing the City's day-to-day operations. Specifically, the City Administrator oversees the departments of Community Planning and Building, Library, Community Activities, Public Safety and Public Works and serves as the director of the centralized administrative functions of the City Clerk, Finance, Human Resources and Information Technology.

City Services

The City provides a variety of services to the residents, businesses and visitors to the village of Carmel-by-the-Sea. Administration provides oversight of daily City functions and financial activity. Community Planning and Building provides building safety services, code compliance and planning functions while Community Activities and Library manage new and ongoing special events and provide library services at two branch locations. Public safety services related to ambulance, law enforcement, crime prevention and fire protection are provided by the Ambulance and Police Department respectively while fire services are provided through a contract with the City of Monterey. Public Works is responsible for facility and vehicle maintenance, development and management of capital projects; construction, improvement and repair of streets, sidewalks, pathways and storm drain systems and maintaining the Village forest, parks and shoreline areas.

The CAFR includes all financial activities of the City. Financial data for all funds through which services are provided by the City have been included in this report using criteria adopted by the Governmental Accounting Standards Board (GASB), which is the authoritative body establishing U.S. Generally Accepted Accounting Principles (GAAP) for local governments.

Budgetary Policy and Control

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

The goal of the City Administrator is to present a balanced budget to the City Council for review and adoption. A balanced budget is a budget in which sources meet or exceed uses. Available funding sources shall be at least equal to recommended appropriations. As a general rule, the year-end undesignated General Fund balance should not be used to fund ongoing operations.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

This brief narrative on the local economy, City financial policies and major initiatives outlined within the annual budget are intended to provide context to the MD&A and financial statements.

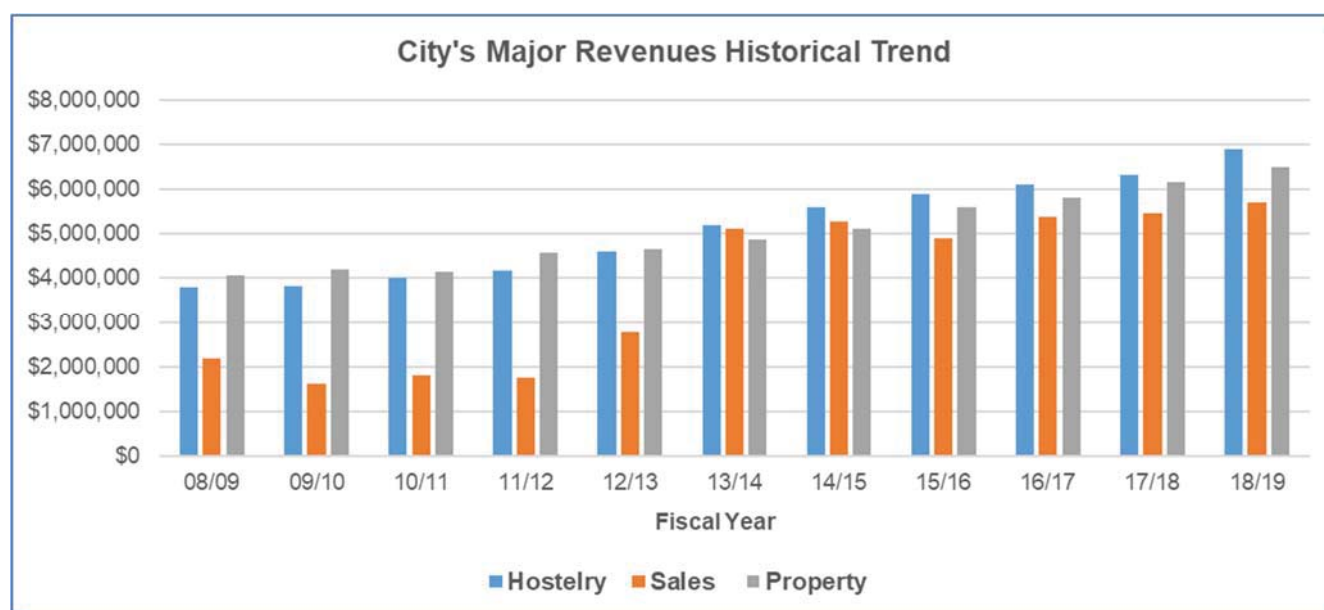
Local Economy

The City's three major sources of General Fund revenue include Property Tax, Sales and Use Tax and Transient Occupancy Tax, which make up about 80% of the City's revenues. As shown on the chart on the next page entitled "City's Major Revenues Historical Trend", property taxes have been a strong component to the City's financial health. Sales taxes have become increasingly important to the City, especially after the passage of a local sales tax measure by Carmel voters in 2012. Transient occupancy taxes also have significantly contributed to the City's revenues and started to outpace property taxes as the leading source of revenue beginning in fiscal year 2013-2014.

Historically, these revenues each represent about 1/3 of the City's total General Fund revenues. These revenues also illustrate the unique opportunities attributed to the City of Carmel-by-the-Sea, which refers to itself as a Village. Located within one square mile, the City is considered to be built out, which limits the availability of new housing stock. This limited supply, coupled with a high demand for housing driven by the City's desirability as a place to live, contributes to the City's strong property tax revenues.

Many of the features that contribute to residential quality of life, such as a temperate climate, natural beauty, architecture and unique design standards and cultural, dining and shopping opportunities also attract visitors. The variety of restaurants and other dining options located within the City's boundary as well as art galleries, jewelry and clothing retailers contributes to shopping opportunities for residents and visitors alike. Similarly, visitors have a multitude of lodging options within the Village and these lodging establishments charge a 10% transient occupancy tax for stays of 30 days or less.

Accordingly, both sales and use tax and transient occupancy tax are also significant sources of the City's revenue stream. On November 6, 2012, the Carmel electorate approved a temporary one percent transaction and use tax for ten years to raise revenue for general purposes, known as Measure D. The City received its first tranche of Measure D in the spring of 2013, and, as shown in the chart below "City's Major Revenues Historical Trend", the advent of Measure D has increased the viability of sales tax as one of the City's three major revenue source.

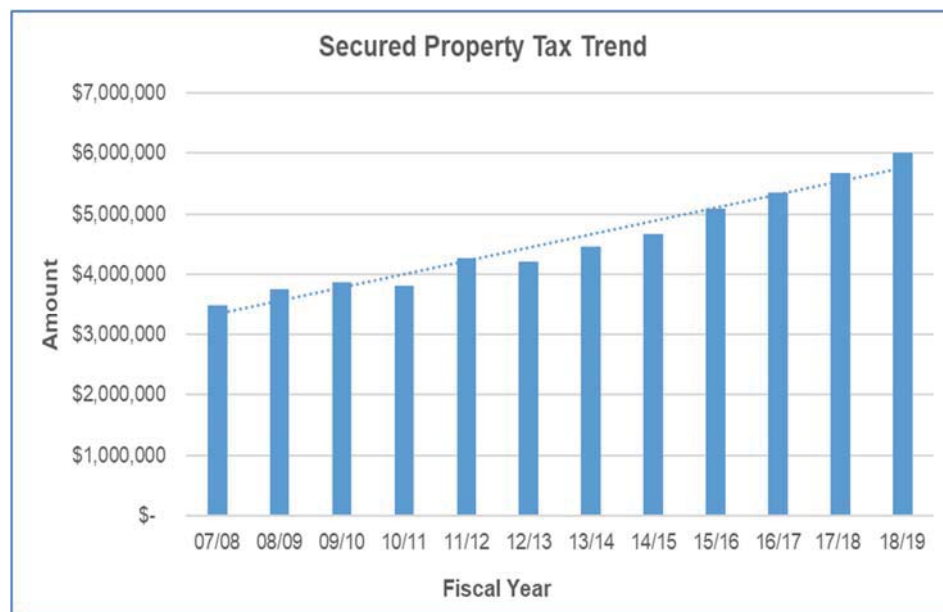


These three revenue sources continue to remain stable and sound. The economic health of these revenues reflect strong property values and high consumer confidence and associated spending due to continued economic growth and low unemployment rates. Transient occupancy taxes are particularly sensitive to changes in consumer spending, travel preferences and the international economy and policies to some extent. However, the City remains a desirable location to visit and expects transient occupancy taxes to remain strong. The City's economic viability relies on all three of these revenues.

Property Taxes

The desirability of Carmel-by-the-Sea as a place to reside, coupled with its limited housing stock, contributed to a strong local real estate market. In addition, the City's close proximity to the Bay Area, where six of the nine Bay area counties reported annual sales increases, also bolstered housing prices. According to the California Association of Realtors, the median selling price for Monterey County for

April 2018 was \$607,750 compared to \$569,000 in April 2017, reflecting an increase of 7%. According to the US Census and the 2013-2017 American Community Survey 5-Year Estimate data, there are 3,630 housing units within the City. The median home price is \$1,290,070.



The City has historically averaged a 5% growth in property taxes each fiscal year, largely due to the increase in secured property taxes. As illustrated in the chart to the left entitled "Secured Property Tax Trend", secured property taxes rose from \$3.5 million in fiscal year 2007-2008 to nearly \$6.0 million in fiscal year 2018-2019.

In fiscal year 2018-2019, the total amount of revenue received from property taxes, which includes

secured property tax, unsecured property tax, unitary property taxes and property transfer taxes, was \$6.5 million. Property taxes represented 31% of the total citywide revenues received in fiscal year 2018-2019.

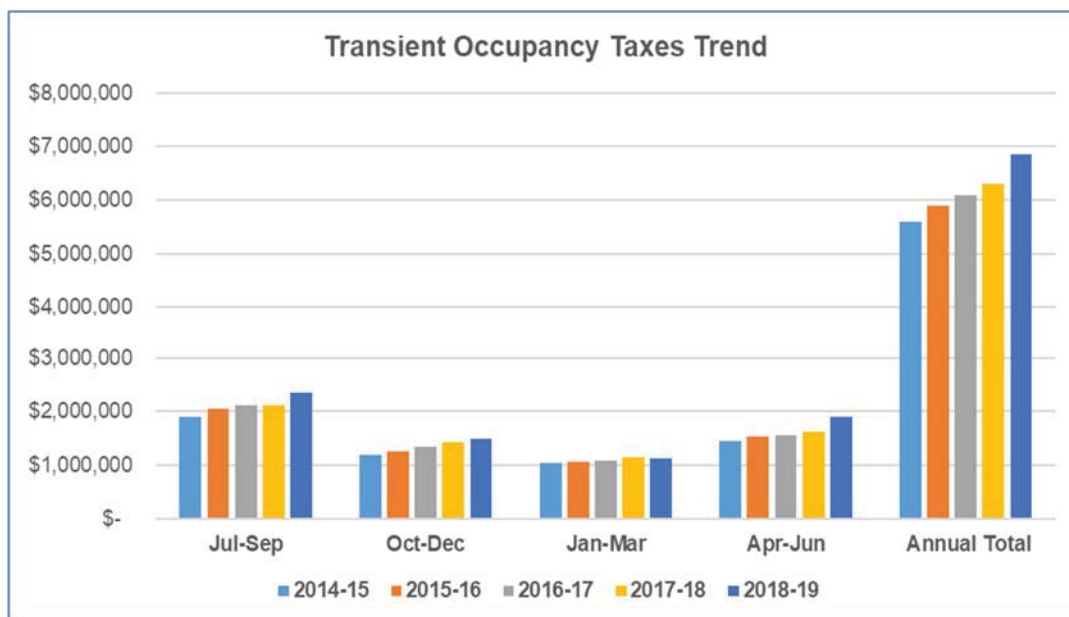
Sales and Use Taxes

Sales and use taxes includes the City's share of the statewide sales tax (Bradley Burns) as well as the City's 1% local sales tax known as Measure D. Together sales tax revenue totaled \$5.7 million in fiscal year 2018-2019, which represented 27% of total citywide revenues. The majority of sales are attributed to General Consumer Goods (47%) and Restaurants and Hotels (36%). Sales tax revenue slightly exceeded the City's budgeted expectations, finishing the fiscal year at 4% over the fiscal year 2018-2019 adopted budget target.

Transient Occupancy Taxes

In addition to being a desirable place to live, Carmel-by-the-Sea also has a reputation for being a visitor destination and the City imposes a transient occupancy tax, or "hotel tax" of 10% of the rent charged by a lodging provider for stay of 30 days or less. There are currently 46 lodging establishments (hotels/inns/motels) that are subject to this tax. As shown on the chart "Transient Occupancy Taxes Trend" on the next page, transient occupancy taxes have been on the rise over the last five fiscal years.

Carmel-by-the-Sea continued to remain a popular travel destination, due in part to the popularity of golf and automobile-themed special events. The summer season of July through September is a popular time for guests to visit, although the autumn months have recently shown an uptick. Calendar year



2018 was plagued by a series of devastating wildfires, particularly to the northern part of the State, which also contributed to an increase in visitors. Moreover, the actual room rates imposed by lodging providers remained strong, which also contributed to the healthy performance of this revenue.

Transient occupancy tax generated \$6.9 million in fiscal year 2018-2019, making it the City's leading revenue source, and representing 34% of total revenues. This revenue ended the fiscal year nearly \$500,000 over the budget projection of \$6.4 million. The fiscal year 2018-2019 actual was 8% over the fiscal year 2018-2019 adopted budget and well above the 3% anticipated growth.

Relevant Financial Policies

Financial and Budget Policies

The City Council adopted Council Policy C94-01: Financial and Budget Policies to provide direction to help ensure sound fiscal planning and the management of fiscal integrity. The Policies pertain to the capital and operating budgets, fund balance, debt management and investments.

Several capital policy guidelines were met, or exceeding, including:

- Capital improvement expenditures, less road maintenance expenditures, were budgeted at 18% of total revenues, well above the policy guideline of budgeting capital at 3.5% of total revenues.
- Funding for road maintenance has improved the Pavement Condition Index (PCI). The PCI has increased from 62 in 2017 to 78 in 2018.
- Public participation remained a priority. The development of the capital improvement program included several workshops and public meetings to solicit public comment.
- All projects were consistent with the City's General Plan.
- Capital projects that were not encumbered or completed during the fiscal year were re-budgeted.

The City was not financially able to set aside 20% of the estimated total five-year capital improvement plan project expenditures in a reserve nor was it able to set aside 10% of unrestricted capital project funds for unanticipated capital project expenditures.

Adherence to these guidelines would require additional revenues or a re-direction of funding for other planned expenditures, including foregoing funding for necessary capital projects pertaining to public safety, the protection of natural resources and critical infrastructure in order to place funds into a reserve for future capital projects.

Policy guidelines pertaining to the operating management were adhered to as feasible; although the increase in expenditure costs such as personnel and retirement, constrained the City from being able to implement guidelines to include a “revenue buffer” of at least 5% of projected expenditures and a City Discretionary Account of .5% of total General Fund expenditures within the adopted budget. However, the budget was balanced and ongoing expenses were not funded with one-time revenues. The fiscal year 2018-2019 adopted budget included the use of \$1.9 million in General Fund balance; however, this was to support a one-time capital project, the Police Department Renovation, and no reserves were used. This project was modified throughout the course of the fiscal year and the project budget reduced to \$900,000 with \$1 million of the project’s budget being returned to the General Fund.

In accordance with the City’s Municipal Code, the General Fund Reserve is to be maintained at no less than 10% of annual revenues. This threshold was exceeded as the committed General Fund balance of \$2.8 million is about \$800,000 over the statutory required reserve limit.

Major Initiatives

Continued Investment in Protecting Natural Resources and Critical Infrastructure

The fiscal year 2018-2019 adopted budget allocated \$4.1 million for capital improvement projects (CIP) intended to rehabilitate City facilities; address sidewalks and street improvements; enhance public safety, and protect and preserve the natural environment. These capital expenditures, contained within the Capital Projects Fund and the Vehicle and Equipment Fund, continue efforts to address deferred infrastructure and natural asset maintenance and improvement and deferred structural facilities maintenance and improvements.

In September 2018, the City Council adopted the City’s Strategic Plan, which includes the goal of financial sustainability. Under this goal, two objectives have been established: (1) develop and implement a balanced, long-term sustainable plan to maintain fiscal stability and (2) develop additional funding strategies, which will be incorporated into the annual budget process moving forward. Two major initiatives were launched during fiscal year 2018-2019 as a two-pronged approach to fiscal stability: (1) to control citywide expenditures and mitigate the increased cost of pension liabilities and (2) to augment citywide revenues available for general purposes.

Addressing Pension and other Post Employment Benefit Liabilities

With a workforce staff of 90 full-time equivalent positions, salaries and benefits make up \$11.2 million, or 44% of citywide budgeted expenditures. Part of the cost of benefits includes retirement, and the City, similar to other governmental entities, is challenged by the increasing cost of CalPERS pensions, which is the State retirement and health systems for state, school and various public agency members. In 2012, the City issued a pension obligation bond to mitigate these costs. However, largely due to changes in actuarial assumptions, including discount rate, mortality rates, and amortization policies, the City’s normal and unfunded actuarial liability has increased, and these amounts are anticipated to continue to rise in future years.

In order to help mitigate these costs, the City Council examined a variety of options including: developing and implementing a plan to pay down the City’s Unfunded Actuarial Liability (UAL); considering a local ballot measure to enhance revenues through the renewal of Measure D; creating a Pension Rate Stabilization Program (PRSP); reviewing service delivery methods and levels of certain public services; using procedures and transparent bargaining to increase employee pension

contributions, and reviewing opportunities to issue pension obligation bonds. In January 2019, Council endorsed the City's participation in a Pension Rate Stabilization Program to pre-fund pension obligations and authorized staff to issue a request for proposals for a Section 115 Trust Administrator.

Sales Tax Renewal Measure

The City's current 1% sales tax measure sunsets in 2023. Recognizing the importance of this revenue to the City's financial health, the City Council began discussions regarding the renewal of Measure D in March 2019. Since then, the City Council has taken action to place an alternative sales tax measure that would increase the sales tax to 1.5% for 20 years on the ballot as part of the March 3, 2020 election.

AWARDS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Carmel-by-the-Sea for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

As a result of the professionalism and dedication of the Finance Division staff, the City continues to make strides in updating and enhancing its financial policies, procedures and systems and its financial reporting capabilities, as evidenced by the production of this comprehensive annual financial report. The preparation of this report also required the involvement of many City departments in gathering statistics, as well as the guidance and support of the City's independent auditor, and we extend our appreciation to these individuals for the assistance provided.

The comprehensive annual financial report is a document that strives to achieve transparency and full disclosure in financial reporting. As such, the preparation of this document would not be possible without the support of the City Council. We wish to acknowledge the City Council's leadership and commitment to organizational excellence, public transparency and sound fiscal management.


Sharon Friedrichsen
Director of Budget and Contracts


Chip Rerig
City Administrator

CITY OF CARMEL-BY-THE-SEA PRINCIPAL OFFICERS

Fiscal Year 2018-19

City Council

Dave Potter, Mayor

Bobby Richards, Mayor Pro Tempore

Jeff Baron, Councilmember

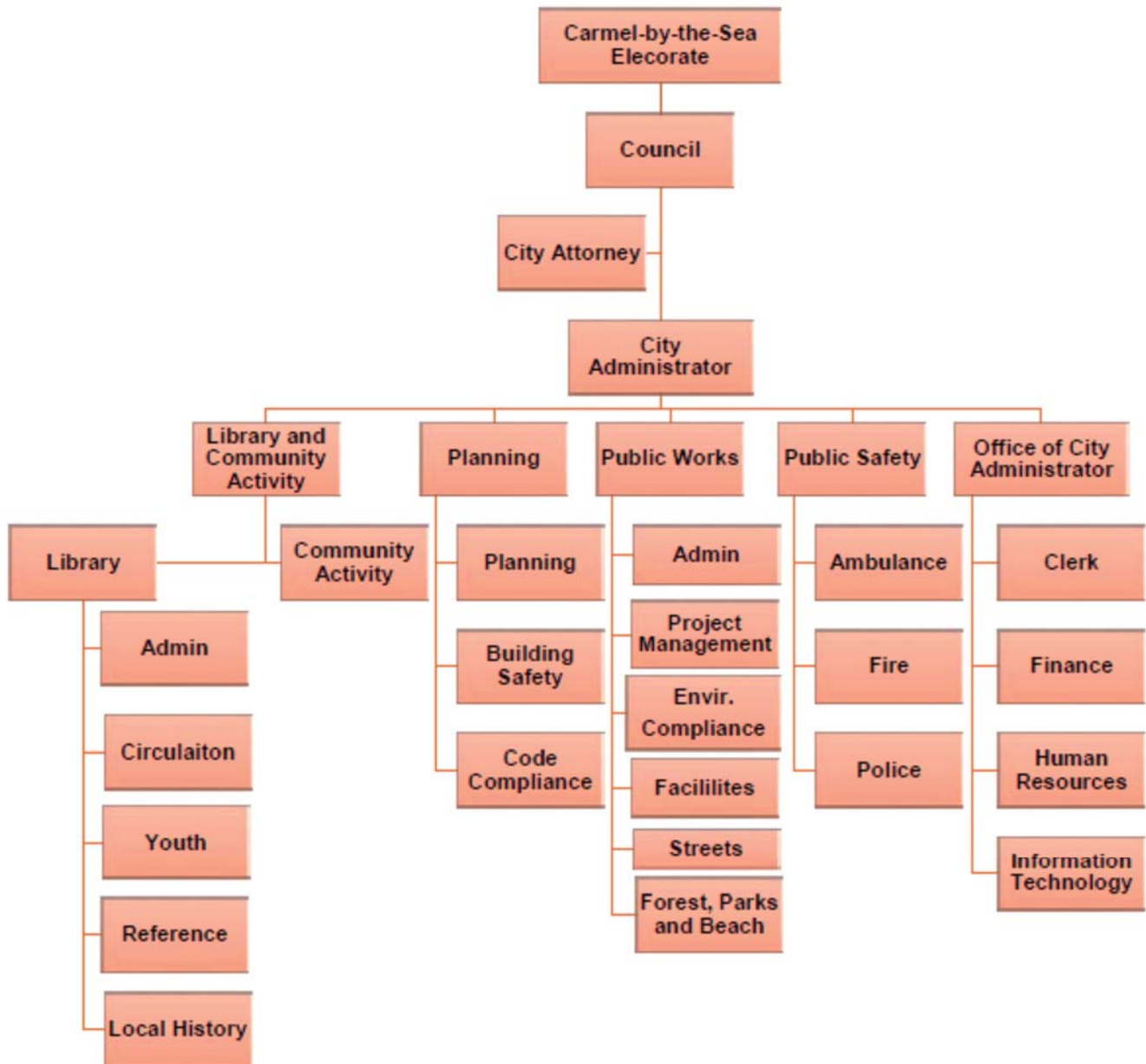
Jan Reimers, Councilmember

Carrie Theis, Councilmember

City Administrator

Chip Rerig

CITY OF CARMEL-BY-THE-SEA ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Carmel-by-the-Sea
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

**CHAVAN & ASSOCIATES, LLP**
CERTIFIED PUBLIC ACCOUNTANTS**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members of the
City Council of the City of Carmel-By-The-Sea
Carmel-by-the-Sea, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carmel-By-The-Sea (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**CHAVAN & ASSOCIATES, LLP**
CERTIFIED PUBLIC ACCOUNTANTS**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Carmel-By-The-Sea, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Change in Accounting Principle*

As discussed in Note 1 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The City's financial statements were not significantly impacted by the implementation of this standard as of June 30, 2019. Our opinion has not been modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining individual non-major fund schedules, statistical data, and other information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and

**CHAVAN & ASSOCIATES, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, budgetary and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

C & A LLP

December 20, 2019
San Jose, California

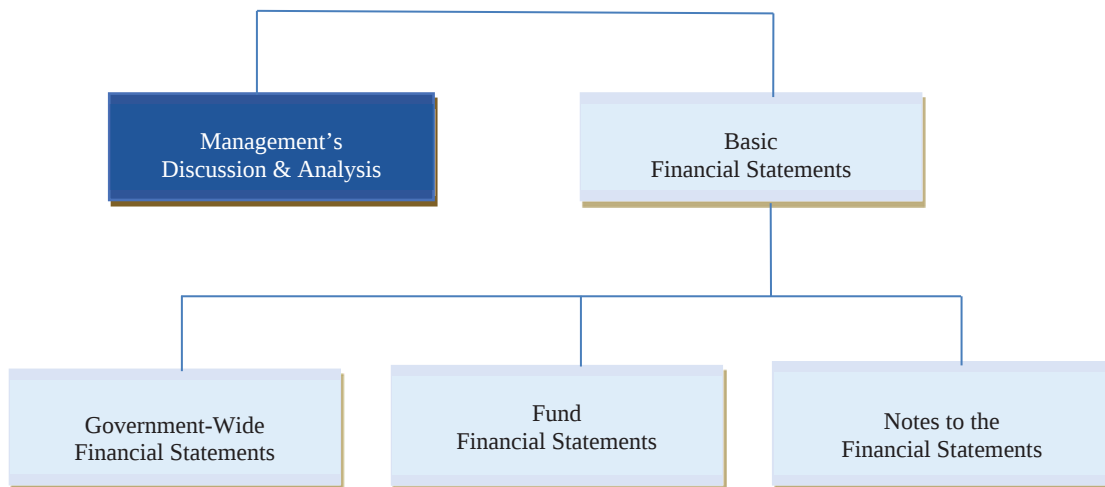


MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of the City of Carmel-By-The-Sea, we offer readers of the City's financial statements this narrative overview and analysis of financial activities of the City of Carmel-By-The-Sea for the fiscal year that ended on June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the other sections of the attached audited financial statements, required supplemental information and other supplemental information. The required components of the report are listed below.

Required Components of the Annual Financial Report



FISCAL YEAR 2018/19 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The assets and deferred outflows of resources of the City of Carmel-by-the-Sea exceeded the liabilities at the close of the most recent fiscal year by \$27.3 million (net position). Of this amount, net position included \$37.1 million classified as net investment in capital assets; \$2.8 million as restricted; and \$12.6 million as a deficit unrestricted net position (negative net position). The negative unrestricted net position is largely due to the implementation of *GASB 68 – Accounting and Financial Reporting for Pensions*. This pronouncement requires local governments to record pension liabilities on the government-wide financial statements. The City's pension liability in accordance with GASB 68 as of June 30, 2019 was \$19.9 million.
- The City of Carmel-by-the-Sea's total net position increased by \$1.6 million from last fiscal year mostly due to an increase in taxes and intergovernmental revenue of \$718 thousand and \$545 thousand, respectively.

Fund Highlights

- At the close of Fiscal Year 18/19 the City of Carmel-by-the-Sea's governmental funds reported combined fund balances of \$12.4 million, an increase of \$169 thousand in comparison with the prior year. Approximately 36% or \$4.5 million is classified as unassigned fund balance and is available for spending at the government's discretion, which is up from \$3.3 million in the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$9.3 million, or 49% of total general fund expenditures, prior to transfers, versus \$8 million and 45% in the prior year.
- The City's long-term liabilities decreased by \$316 thousand primarily as the result of a scheduled debt service payments totaling \$951 thousand which were offset by increases to employee benefit liabilities totaling \$635 thousand.
- The City's net capital assets increased by 4% or \$1.6 million primarily as a result of infrastructure improvements net of depreciation during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Carmel-by-the-Sea's financial statements. The City of Carmel-by-the-Sea's basic financial statements are comprised of (1) Government-wide Financial Statements (2) Fund Financial Statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Carmel-by-the-Sea's finances, in a manner similar to a private-sector business. Government-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole. Government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents financial information on all of the City of Carmel-by-the-Sea's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Carmel-by-the-Sea is improving or deteriorating.

The *Statement of Activities* presents information showing how the City of Carmel-by-the-Sea's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is consistent with a full accrual concept, which may result in the reporting of revenues and expenses in the current fiscal year, with cash flows occurring in future fiscal periods (e.g. uncollected revenues and earned but not used vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Carmel-by-the-Sea that are principally support by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). An overview of the City's functions associated with each classification is listed below.

Governmental Activities – All of the City's basic services are considered to be governmental activities. This

includes general government, public safety, public works, library, and community planning and building. These services are supported by general City revenues such as taxes, and by specific program revenues such as development and general government program fees. The City also operates three internal service funds, which are combined with the governmental funds and reported as governmental activities. The government-wide financial statements can be found on pages 23-24 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Major funds are presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the City for the fiscal year and may change from year to year as a result of changes in the pattern of the City's activities. The City's funds are segregated into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This represents a modified accrual basis of accounting, with capital assets, long-lived assets, and long-term liabilities excluded from the financial statements. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The City maintains eleven governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Measure D Sales Tax Fund and the Capital Projects Fund. These funds are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Carmel-by-the-Sea adopts an annual budget for its governmental funds. A budgetary comparison statements have been provided to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 25-27 of this report.

Proprietary Funds

Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the City of Carmel-by-the-Sea's various functions. The City uses internal service funds to account for the management of its retained risks associated with liability self-insurance, workers compensation and other post-employment benefits (OPEB). The City also uses an internal service fund, the Vehicle & Equipment Replacement Fund, to manage the costs of various equipment purchased, maintained and utilized to operate City services for various departments. Because these internal services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the Government-Wide Financial Statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report. The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reported in the Government-Wide financial statements because the resources of these funds are not available to support the City of Carmel-by-the-Sea's own programs. The accounting for fiduciary funds is much like that used for business type activities. See pages 32 and 92 for fiduciary fund financial activity during the year and statements at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City of Carmel-by-the-Sea's budgetary information for the General Fund and Major Special Revenue Funds, and the City's funding progress for its employee pension and OPEB benefit obligations. The required supplementary information can be found on pages 67-71 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the *required supplementary information*. Combining and individual fund statements and schedules can be found on pages 75-92 of this report.

An un-audited statistical section provides historical and current data on financial trends, revenue and debt capacity, demographic and economic information, and operating information. This information can be found on pages 126-153 of this document.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position may serve as an indicator of a government's financial position. In the case of the City of Carmel-by-the-Sea, assets and deferred outflows of resources exceeded liabilities by \$27.3 million at the close of the Fiscal Year. This represents an increase of \$1.6 million over the prior year.

The following table summarizes the City's ending net position:

Table 1 - Net Position				
	Governmental Activities		Increase	
	2019	2018	(Decrease)	
Assets				
Current and other assets	\$ 17,980,918	\$ 16,486,095	\$ 1,494,823	
Capital assets	42,533,614	40,953,831	1,579,783	
Total Assets	<u>\$ 60,514,532</u>	<u>\$ 57,439,926</u>	<u>\$ 3,074,606</u>	
Deferred Outflows of Resources	<u>\$ 4,959,711</u>	<u>\$ 5,606,418</u>	<u>\$ (646,707)</u>	
Liabilities				
Current and other liabilities	\$ 2,811,982	\$ 1,344,148	\$ 1,467,834	
Noncurrent liabilities	33,355,596	33,671,349	(315,753)	
Total Liabilities	<u>\$ 36,167,578</u>	<u>\$ 35,015,497</u>	<u>\$ 1,152,081</u>	
Deferred Inflows of Resources	<u>\$ 2,002,392</u>	<u>\$ 2,327,444</u>	<u>\$ (325,052)</u>	
Net Position				
Net investment in capital assets	\$ 37,132,103	\$ 35,216,550	\$ 1,915,553	
Restricted	2,817,741	2,628,238	189,503	
Unrestricted	(12,645,571)	(12,141,385)	(504,186)	
Total Net Position	<u>\$ 27,304,273</u>	<u>\$ 25,703,403</u>	<u>\$ 1,600,870</u>	

A significant portion or \$37.1 million of the City's net position reflects its investment in capital assets, (e.g., land, buildings, general government infrastructure, equipment, etc.), less accumulated depreciation and any outstanding debt that was used to acquire or construct those assets. Capital assets represent infrastructure which provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

An additional \$2.8 million of the City of Carmel-by-the-Sea's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$12.6 million is classified as unrestricted. This negative unrestricted balance is largely due to *GASB 68 – Accounting and Financial Reporting for Pensions*. The City participates in the CalPERS Miscellaneous and Safety pension plans. GASB 68 impacted local governments by requiring them to report a proportional share of their pension plan's net pension liabilities on financial statements. As of June 30, 2019, the City's proportionate share of the CalPERS pension liability was \$19.9 million. See note 8 for detailed information related to the Plans, along with the required supplementary information section of this report.

At the end of the current fiscal year, the City of Carmel-by-the-Sea is able to report a positive balance for the government as a whole, with financial strength increasing. The reasons for the overall financial changes are discussed in the following sections for governmental activities.

Governmental Activities

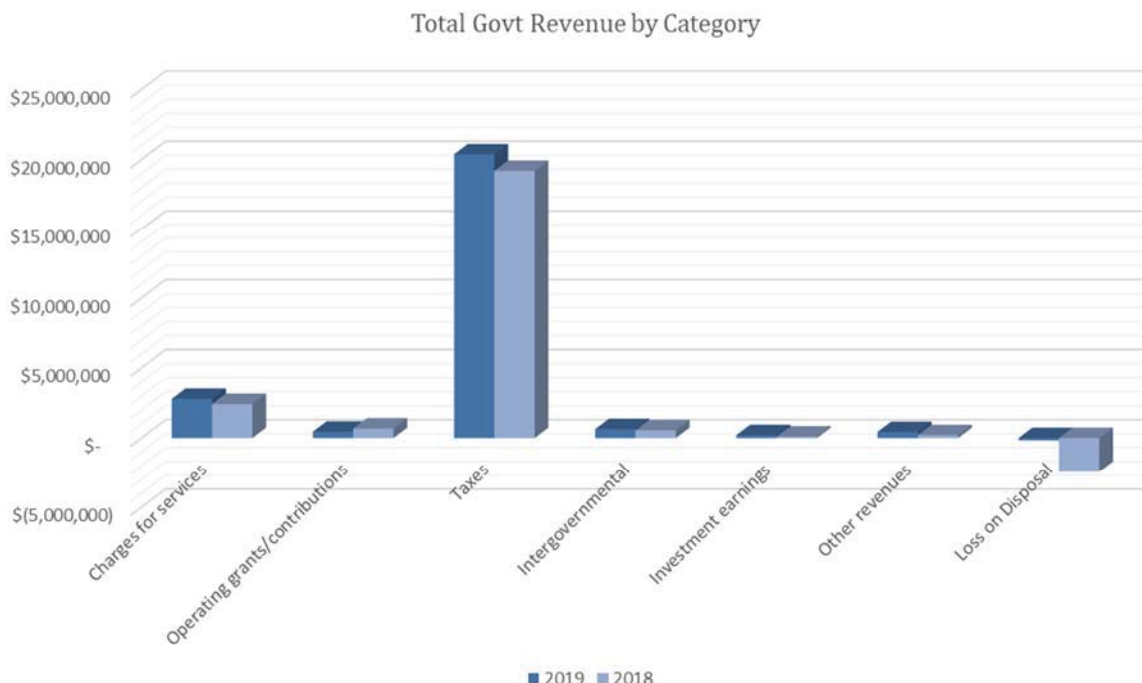
As shown in the *Statement of Changes in Net Position* schedule below, the change in net position for governmental activities increased from a deficit balance of \$784 thousand in the prior year to a surplus balance of \$1.48 million in the current fiscal year. This increase is largely due to a one-time loss to write-off construction in-progress in the prior year that was not recurring, that was reported as a special item called "loss on the disposal of capital assets" in 2017/18. The loss on disposal totaled \$2.4 million but was not a cash item or outflow of resources, but simply an accounting entry to adjust for ongoing construction that has not been completed and placed in service. Total governmental revenues increased by \$2 million from the prior year, which included a \$136 thousand increase in program revenues and a \$1.6 million increase in general revenues. The net change in expenses from the prior year was an increase of \$1.7 million.

With total revenues for the fiscal year at \$24.7 million and total expenses at \$23.3 million, the change in net position for current activity yielded an increase of \$1.48 million. An analysis of the changes in revenues and expenses is as follows:

Table 2 - Statement of Changes in Net Position			
Functions/Programs	Governmental Activities		Increase (Decrease)
	2019	2018	
Program Revenues			
Charges for services	\$ 2,795,041	\$ 2,427,843	\$ 367,198
Operating grants and contributions	450,920	681,240	(230,320)
Total Program Revenues	3,245,961	3,109,083	136,878
General Revenues			
Taxes	20,370,569	19,189,177	1,181,392
Intergovernmental	637,124	555,144	81,980
Investment earnings	205,791	101,743	104,048
Other revenues	437,475	212,820	224,655
Special item - loss on disposal of capital assets	(160,794)	(2,439,255)	2,278,461
Total General Revenues	21,490,165	17,619,629	3,870,536
Expenses			
General government	5,906,304	5,015,389	890,915
Community Planning and Building	1,191,826	1,207,555	(15,729)
Public Safety	8,390,616	7,919,720	470,896
Public Works	4,162,376	3,901,197	261,179
Library	1,894,410	1,790,210	104,200
Community Activities	283,512	233,794	49,718
Economic Revitalization	1,144,022	1,125,261	18,761
Interest on fiscal charges	283,606	319,974	(36,368)
Total Expenses	23,256,672	21,513,100	1,743,572
Increase / (Decrease) in Net Position	1,479,454	(784,388)	2,263,842
Prior Period Adjustments	121,416	38,904	82,512
Prior Period Adjustment - Pensions	-	99,832	(99,832)
Prior Period Adjustment - GASB 75 OPEB	-	(1,442,248)	1,442,248
Net Position, Beginning of Year	25,703,403	27,791,303	(2,087,900)
Net Position, End of Year	\$ 27,304,273	\$ 25,703,403	\$ 1,600,870

Governmental Revenues

The following chart summarizes the changes in revenues by category during the fiscal year:

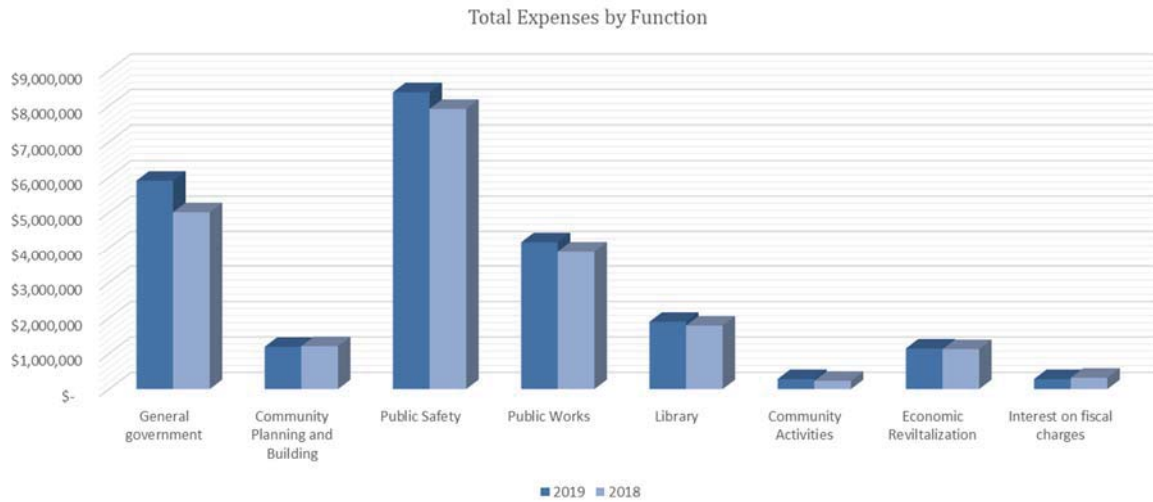


Significant changes in governmental revenues consisted of the following:

- Charge for Services, which included building permits, building plan check fees, planning permits, ambulance service fees, parking related service fees, in addition to other various City fees for services, increased by approximately by \$367,198, or 15%, primarily due to an adjustment in citywide fees for services, increases in city services and popular annual special events.
- Taxes increased by \$1.18 million, or 6%, primarily due to the following:
 - Property tax revenue increased \$332,205 over the prior year as a result of a strong real estate market.
 - Transient occupancy taxes increased by \$552,941 as a result of higher than expected hotel occupancy rates and tourism, including special events such as the US Open.
 - Sales tax revenues increased by \$246,436 largely due to a strong economy and an increase in sales tax statewide.
- The loss on disposal in the prior year was a one-time loss to write-off construction in-progress totaling \$2.4 million. The loss on disposal was not a cash item or outflow of resources in the current year, but simply an accounting entry to adjust for ongoing construction that has not been completed and placed in service.
- Investment earnings increased by \$104,048 primarily due to fair market value adjustments associated with GASB Statement 72 – Fair Value and Measurement Application.

Governmental Expenses

The following chart summarizes the changes in expenses by category during the fiscal year:



Significant changes in governmental expenses include increased contract costs for fire services, public safety salary increases, additional building and vehicle maintenance expenditures, and one time increased claims liability totaling approximately \$1.3 million.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

As noted earlier, the City of Carmel-by-the-Sea uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City of Carmel-by-the-Sea's Council.

The following is a summary of the changes in fund balance of the major and other (nonmajor) governmental funds:

Table 3 - Summary of Changes in Fund Balance - Governmental Funds

	Major Funds				Total
	General Fund	Measure D Sales Tax Fund	Capital Projects Fund	Other Governmental Funds	
Total Revenues	\$ 20,881,206	\$ 3,079,914	\$ 25,253	\$ 872,300	\$ 24,858,673
Total Expenditures	19,403,120	-	3,778,271	1,530,041	24,711,432
Revenues Over (Under) Expenditures	1,478,086	3,079,914	(3,753,018)	(657,741)	147,241
Transfers in	855,660	-	2,487,954	1,237,980	4,581,594
Transfers out	(1,111,477)	(3,104,753)	-	(465,364)	(4,681,594)
Net change in fund balances	1,222,269	(24,839)	(1,265,064)	114,875	47,241
Beginning of year	8,006,394	205,626	1,627,098	2,422,129	12,261,247
Prior Period Adjustment	21,466	-	-	99,950	121,416
End of year	\$ 9,250,129	\$ 180,787	\$ 362,034	\$ 2,636,954	\$ 12,429,904

The fund balance of the City's General Fund increased by \$1.2 million mostly due to higher than expected tax and service revenues. The fund balance in the Capital Projects fund decreased by \$1.3 million mostly due to significant investment in streets and storm drain improvements and replacements totaling \$2.6 million.

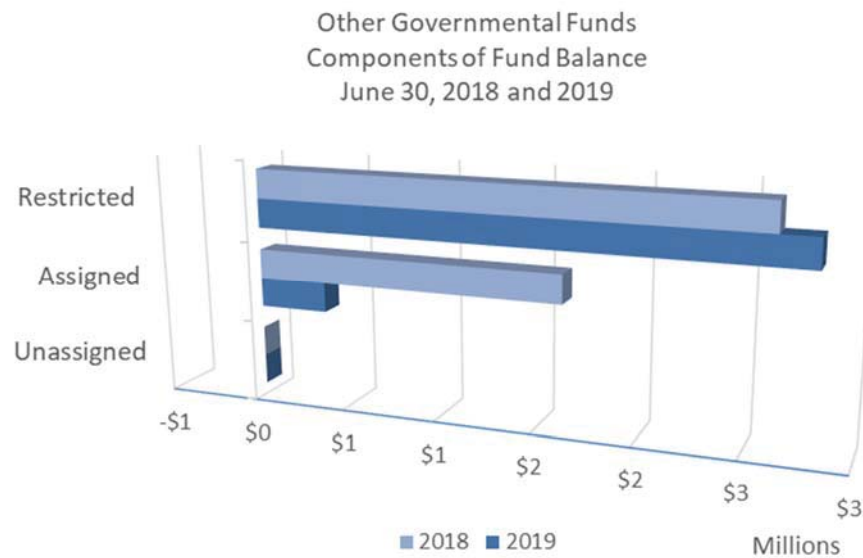
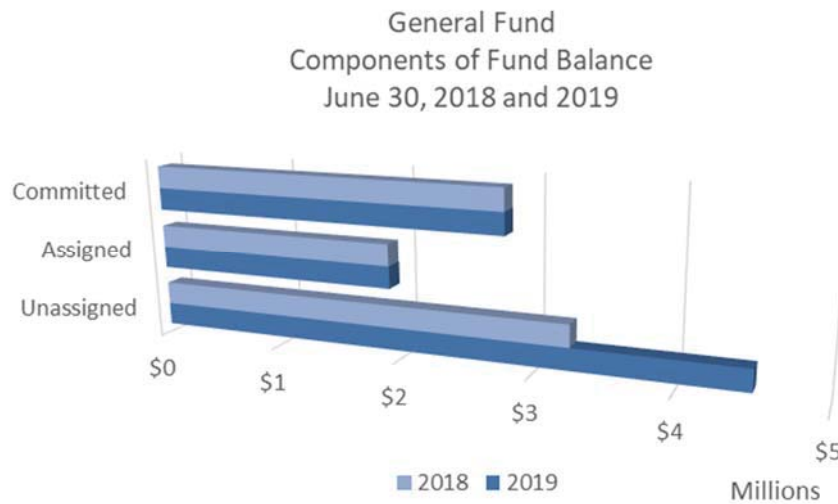
Combined Funds – Components of Fund Balance

As of June 30, 2019, the City of Carmel-by-the-Sea's reported combined fund balances of \$12.4 million, which represents a \$168,657 increase over the prior year. Approximately 36%, or \$4.5 million, is classified as unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either committed, restricted, or assigned. The committed balance of \$2.8 million represents funds that are set-aside for specific purposes via resolution of the City Council. The restricted balance of \$2.8 million reflects fund that are legally required to remain intact, while the remainder of \$2.3 million represents funds that are assigned to a particular purpose by the City Council or management given legal authority by the Council.

General Fund – Components of Fund Balance

The general fund is the chief operating fund of the City of Carmel-by-the-Sea. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$4.5 million, and the total fund balance increased to \$9.25 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. The total general fund expenditures, prior to transfers was \$19.4 million. Unassigned fund balance represents approximately 23% of the total general fund expenditures, while total fund balance represents approximately 48% of total general fund expenditures.

The following charts provide an annual comparison of the fund balance components included in the general fund and the other governmental funds.



The assigned fund balance in other governmental funds was from the Capital Projects Fund which had \$362,034 in fund balance assigned for capital projects; a decrease from last year's assigned fund balance of \$1.6 million.

FINANCIAL ANALYSIS OF CITY'S INTERNAL SERVICE FUNDS

The following is a summary of the changes in fund balance of the City's internal service funds:

Table 4 - Summary of Changes in Fund Balances - Internal Service Funds

	Workers Compensation Fund	OPEB Reserve Fund	Vehicle & Equipment Replacement Fund	Total
Total Revenues	\$ -	\$ -	\$ -	\$ -
Total Expenditures	27,570	-	244,575	272,145
Revenues Over (Under) Expenditures	(27,570)	-	(244,575)	(272,145)
Nonoperating Revenue (Expense)	9,628	28,619	17,823	56,070
Transfers in	-	-	100,000	100,000
Transfers out	-	-	-	-
Net change in fund balances	(17,942)	28,619	(126,752)	(116,075)
Beginning of year	49,275	1,788,432	1,275,549	3,113,256
End of year	<u>\$ 31,333</u>	<u>\$ 1,817,051</u>	<u>\$ 1,148,797</u>	<u>\$ 2,997,181</u>

CAPITAL ASSETS

The City of Carmel-by-the-Sea's investment in capital assets includes land, buildings, systems, improvements, machinery, equipment, facilities, roads, and other similar assets and infrastructure. The following table summarizes the City's capital assets at the end of the year:

Table 5 - Capital Assets at Year End - Net

	Governmental Activities		Increase
	2019	2018	(Decrease)
Land	\$ 5,101,641	\$ 5,101,641	\$ -
Construction in Progress	621,085	1,799,679	(1,178,594)
Buildings and improvements	15,711,182	16,246,372	(535,190)
Infrastructure	20,187,281	17,102,239	3,085,042
Vehicles	193,180	164,091	29,089
Technology/Hardware and Software	347,859	419,675	(71,816)
Machinery and equipment	371,386	120,134	251,252
Total Capital Assets, Net	<u>\$ 42,533,614</u>	<u>\$ 40,953,831</u>	<u>\$ 1,579,783</u>

The City reported additions to construction-in-progress totaling \$3.8 million during the year and depreciation expense of \$2 million.

See Note 5 in the notes to financial statements section for additional information.

DEBT ADMINISTRATION (LONG-TERM LIABILITIES)

During the year, Long-Term Liabilities from governmental activities decreased by \$315,753 million primarily due to schedule debt service payments, net of slight increases in pension and OPEB obligations as shown below and described in the financial highlights section.

The following table summarizes the City's debt at the end of the year:

Table 6 - Outstanding Long-Term Liabilities

	Governmental Activities		Increase
	2019	2018	(Decrease)
Sunset Center COP	\$ 5,215,000	5,530,000	\$ (315,000)
Countywide Radio Project	186,511	207,281	(20,770)
Pension Obligation Bonds	2,605,000	3,220,000	(615,000)
Compensated Absences	831,579	580,146	251,433
Net Pension Liability	19,920,568	19,908,483	12,085
Claims Liability	575,000	575,000	-
Net OPEB Liability	4,021,938	3,650,439	371,499
Total Long-Term Liabilities	<u>\$ 33,355,596</u>	<u>\$ 33,671,349</u>	<u>\$ (315,753)</u>

See Note 6 in the notes to financial statements section for additional information.

GENERAL FUND BUDGETARY HIGHLIGHTS

Changes from the City's General Fund original budget to the final budget are detailed in the *Required Supplementary Information* section along with a comparison to actual activity for the year ended. In Fiscal Year 18/19, the City originally estimated that a \$1.9 million drawdown from fund balance was needed to fund operating activities; however due to increased performance in revenues and decreased annual spending, the City ended the year with an excess of revenues over expenditures of \$1.2 million.

Revenues

The General Fund adopted and final revenue budgets were \$19.3 and \$19.6 million, with actual revenues recorded at \$20.9 million. This \$1.3 million difference primarily related to greater than anticipated performance in most tax categories and charges for services.

Expenditures

The General Fund adopted expenditure budget was \$20.1 million and the final budget was \$20.3 million. The actual expenditures totaled \$19.4 million, which resulted in a net difference of \$940,163. Most of the savings can be attributed to salary and benefit savings due to vacant positions.

ECONOMIC OUTLOOK

The City's foundation of revenue is based primarily on three pillars: (1) property taxes; (2) sales and use taxes and (3) transient occupancy taxes. In fiscal year 2019-2020, these revenues are collectively projected to generate \$19 million, or 79% of total citywide budgeted revenues.

Located within one square mile, the City is considered to be built out, which limits the availability of housing stock. This limited supply, coupled with a high demand for housing driven by the City's desirability as a place to live, contributes to the City's strong property tax revenues. Staff anticipates property tax growth will remain strong in the upcoming fiscal year. The fiscal year 2019-2020 Recommended Budget of \$6.6 million in property taxes reflects a 4% increase over the fiscal year 2018-2019 Estimated Actual. This assumption is based on the City's historical and recent performance and other indications of a continued strong housing market.

Low unemployment rates and increased personal income coupled with attractive mortgage rates indicate sustained growth in the real estate market. The California Department of Finance April 2019 *Finance Bulletin* notes that California personal income increased by 4.7% in 2018 while U.S. personal income rose by 4.5% since last year. The State's unemployment rate of 4.2% remained unchanged. The Governor's Proposed Budget forecasts a 6.8% increase in property taxes statewide. Beacon Economic predicts an increase of 4% for 2019-20 in median home prices. Recent data from the California Department of Finance (DOF) and the California Association of Realtors (C.A.R.) show improvements within the real estate market in the recent months. The DOF reports real estate sales statewide increased in February and the statewide median home price rose 2.2% from February 2018 to February 2019. C.A.R. also reports that statewide median home prices in March 2019 were up 5.9% from February and up .2% from March 2018. While sales were down 6.3% compared to March 2018, median prices were at their highest point since October 2018. In addition, mortgage rates are up one percentage point compared to a couple of year ago, rates are below 4.5%, with the 30-year fixed mortgage rate averaging 4.37% in February 2019, the lowest in a year. Low interest rates are expected to stimulate the housing market.

Many of the features that contribute to residential quality of life, such as a temperate climate, natural beauty, architecture and unique design standards and cultural, dining and shopping opportunities also attract visitors. Accordingly, both sales and use tax and transient occupancy tax are also significant sources of the City's revenue, including the local sales tax known as Measure D. The variety of restaurants and other dining options located within the City's boundary as well as art galleries, jewelry and clothing retailers contribute to shopping opportunities for residents and visitors alike.

While sales tax has been on the rise over the last several fiscal years, this trend is not expected to continue into fiscal year 2019-2020. HdI and Beacon Economic predict no growth in 2019-2020 for the category known as general consumer goods. This is largely due to consumer preferences for online shopping. Sales tax from online retailers largely benefits State and county pools rather than a specific locality like the City. Modest growth of 2% is forecasted for the category of restaurants/hotels, down from prior years due to competition among restaurants and rising industry costs. Together, the categories of general consumer goods and restaurants make up 83% of sales tax generated within the City. As a result, the fiscal year 2019-2020 Recommended Budget assumes a 0.1% decrease in statewide sales tax over the fiscal year 2018-2019 Estimated Actual and a 1% decrease in Measure D in the upcoming fiscal year.

Visitors have a multitude of lodging options within the Village and these lodging establishments charge a 10% transient occupancy tax for stays of 30 days or less. Transient occupancy taxes are more challenging to predict as the taxes are based upon personal choices regarding travel destinations. In addition to facing competition from other popular US destinations that neighbor the Monterey Peninsula to the north and south, the City also competes with other international destinations and is sensitive to changes in consumer

spending, economic conditions, and to some extent, international policies. While the popularity of special events has helped to attract and retain visitors, overall occupancy rates have not rebounded from 2009. However, lodging providers have been able to offset this decline by increasing room rates. The fiscal year 2019-2020 adopted budget assumes a 3% growth over the fiscal year 2018-2019 estimated actual.

The City provides a variety of services that benefit specific customers, such as the administration of business licenses, ambulance transport, police response to false alarms and the issuance of planning and building, encroachment and tree removal and special event permits. Some of the larger types of charges for services are planning and building fees and these also sensitive to economic conditions. Charges for building service is the largest type of fee with a budget of \$1.2 million. In terms of building fees, while staff have assumed the same volume of activity in fiscal year 2019-2020 as in the current fiscal year, building charges are reduced by \$50,000 to reflect the continuation of a Council directed fee waiver program. Adopted by Council in November 2018, this pilot program is intended to promote hotel and commercial property improvements by waiving all planning and building fees. The program expires in December 2019.

The majority of services provided by government are people-driven, which is why salaries and benefits is the City's largest expenditure at \$11.5 million, or 48% of the fiscal year 2019-2020 adopted budget. Salaries and benefits are projected to increase 3% compared to the fiscal year 2018-2019 adopted budget. In addition, the City anticipates its pension-related cost known as the unfunded actuarial liability to increase by \$400,000 in fiscal year 2019-2020.

The City anticipates a 4% increase in the upcoming fiscal year for contract services and other operational items such as office supplies, postage and shipping, telecommunications, fuel, vehicle maintenance, and materials and supplies.

REQUEST FOR FINANCIAL INFORMATION

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Carmel-by-the-Sea Finance Department, P O Box CC, Carmel-by-the-Sea, CA 93921, or visit the City's web page at <http://ci.carmel.ca.us/carmel>.



BASIC FINANCIAL STATEMENTS

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City of Carmel-By-The-Sea
Statement of Net Position
June 30, 2019

Attachment 2

	Governmental Activities
ASSETS	
Current Assets:	
Cash and investments	\$ 15,057,500
Receivables:	
Accounts	2,367,659
Due from other governments	555,355
Total Current Assets	<u>17,980,918</u>
Noncurrent Assets:	
Capital Assets:	
Nondepreciable	5,722,726
Depreciable, net of accumulated depreciation	36,810,888
Total Capital Assets - Net	<u>42,533,614</u>
Total Assets	<u><u>\$ 60,514,532</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB Adjustments	\$ 156,220
Pension Adjustments	4,803,491
Total Deferred outflows of Resources	<u><u>\$ 4,959,711</u></u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 1,596,023
Payroll related liabilities	1,161,459
Deposits and other liabilities	1,500
Interest payable	53,000
Claims payable - current portion	57,500
Compensated absences - current portion	551,190
Long-term debt - due within one year	971,460
Total Current Liabilities	<u>4,392,132</u>
Noncurrent Liabilities:	
Long-term debt - due in more than one year	7,035,051
Claims payable	517,500
Compensated absences	280,389
Net pension obligation	19,920,568
Net OPEB liability	4,021,938
Total Noncurrent Liabilities	<u>31,775,446</u>
Total Liabilities	<u><u>\$ 36,167,578</u></u>
DEFERRED INFLOWS OF RESOURCES	
OPEB Adjustments	\$ 89,147
Pension Adjustments	1,913,245
Total Deferred Inflows of Resources	<u><u>\$ 2,002,392</u></u>
NET POSITION	
Net investment in capital assets	\$ 37,132,103
Restricted for:	
Transportation	30,999
Public safety	144,387
Debt service	324,599
Library	1,410,220
Public parking	725,828
Measure D	180,787
Asset seizure	921
Total Restricted	<u>2,817,741</u>
Unrestricted	<u>(12,645,571)</u>
Total Net Position	<u><u>\$ 27,304,273</u></u>

The accompanying notes are an integral part of these financial statements.

City of Carmel-By-The-Sea
Statement of Activities
For the Year Ended June 30, 2019

Attachment 2

Program Revenues					Net (Expense) Revenue and Change in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Total	Governmental Activities
Primary Government:					
Governmental Activities:					
General government	\$ 5,906,304	\$ 256,645	\$ 450,920	\$ 707,565	\$ (5,198,739)
Community Planning and Building	1,191,826	1,454,523	-	1,454,523	262,697
Public Safety	8,390,616	790,428	-	790,428	(7,600,188)
Public Works	4,162,376	44,636	-	44,636	(4,117,740)
Library	1,894,410	-	-	-	(1,894,410)
Community Activities	283,512	146,443	-	146,443	(137,069)
Economic Revitalization	1,144,022	102,366	-	102,366	(1,041,656)
Interest and fiscal charges	283,606	-	-	-	(283,606)
Total Governmental Activities	\$ 23,256,672	\$ 2,795,041	\$ 450,920	\$ 3,245,961	(20,010,711)
General Revenues and Special Items:					
Taxes:					
Property taxes					6,524,331
Sales and use taxes					5,732,885
Transient occupancy taxes					6,882,015
Franchise fees					636,397
Business license tax					594,941
Total taxes					20,370,569
Intergovernmental					637,124
Investment earnings					205,791
Other revenues					437,475
Special item - loss on disposal of capital assets					(160,794)
Total General Revenues and Special Item					21,490,165
Change in Net Position					1,479,454
Net Position - Beginning of Year					25,703,403
Prior Period Adjustment					121,416
Net Position - Beginning of Year, As Adjusted					25,824,819
Net Position - End of Year					\$ 27,304,273

The accompanying notes are an integral part of these financial statements.

MAJOR GOVERNMENTAL FUNDS

Fund Title	Fund Description
General Fund	This fund is used to account for all of the general operations and other financial transactions of the City, which are not accounted for by another fund.
Measure D Sales Tax	This fund is used to account for the transaction and use tax increase to be used to maintain essential services, including fire, ambulance and police response times; fund capital needs, including streets, beach, parks, forest and trails; increase code compliance; maintain libraries, Sunset Center and other public facilities; address CalPERS pension liabilities and other debt; and provide other general City services.
Capital Projects	This fund accounts for resources utilized, committed, assigned or restricted for capital projects.

City of Carmel-By-The-Sea
Balance Sheet
Governmental Funds
June 30, 2019

Attachment 2

	Major Funds				
	General Fund	Measure D Sales Tax Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 8,456,322	\$ -	\$ 1,047,492	\$ 2,697,097	\$ 12,200,911
Receivables:					
Accounts	2,367,659	-	-	-	2,367,659
Due from other governments	-	526,415	-	28,940	555,355
Due from other funds	434,711	-	-	-	434,711
Other assets	404	-	-	-	404
Total assets	\$ 11,259,096	\$ 526,415	\$ 1,047,492	\$ 2,726,037	\$ 15,559,040
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 895,637	\$ -	\$ 635,829	\$ -	\$ 1,531,466
Accrued liabilities	1,111,830	-	49,629	-	1,161,459
Deposits	1,500	-	-	-	1,500
Due to other funds	-	345,628	-	89,083	434,711
Total liabilities	2,008,967	345,628	685,458	89,083	3,129,136
Fund Balances:					
Restricted:					
Transportation	-	-	-	30,999	30,999
Public safety	-	-	-	144,387	144,387
Debt service	-	-	-	324,599	324,599
Library	-	-	-	1,410,220	1,410,220
Asset seizure	-	-	-	921	921
Public parking	-	-	-	725,828	725,828
Measure D	-	180,787	-	-	180,787
Committed:					
Holstery tax	635,000	-	-	-	635,000
Budget stabilization	2,173,138	-	-	-	2,173,138
Assigned:					
Operational reserves	1,926,008	-	-	-	1,926,008
Capital projects	-	-	362,034	-	362,034
Unassigned	4,515,983	-	-	-	4,515,983
Total fund balances	9,250,129	180,787	362,034	2,636,954	12,429,904
Total liabilities and fund balances	\$ 11,259,096	\$ 526,415	\$ 1,047,492	\$ 2,726,037	\$ 15,559,040

The accompanying notes are an integral part of these financial statements.

City of Carmel-By-The-Sea
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2019

Total Fund Balances - Total Governmental Funds \$ 12,429,904

Amounts reported for governmental activities in the statement of net position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:

Capital assets	62,263,004
Less: accumulated depreciation	(20,509,539)
Total Capital Assets	<u>41,753,465</u>

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (53,000)

Internal service funds are used by management to charge the costs of stores, vehicle maintenance and various insurance costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. 2,997,181

The differences from benefit plan assumptions and estimates versus actuals are not included in the plan's actuarial study until the next fiscal year and are reported as deferred inflows or deferred outflows of resources in the statement of net position. 2,957,319

Long-term obligations were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:

Long-term debt	(8,006,511)
Compensated absences	(831,579)
Net pension obligation	(19,920,568)
Net OPEB liability	(4,021,938)
Total Long-Term Obligations	<u>(32,780,596)</u>

Net Position of Governmental Activities \$ 27,304,273

The accompanying notes are an integral part of these financial statements.

City of Carmel-By-The-Sea
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

Attachment 2

	Major Funds				
	General Fund	Measure D Sales Tax Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property taxes	\$ 6,524,331	\$ -	\$ -	\$ -	\$ 6,524,331
Sales and use taxes	2,652,971	3,079,914	-	-	5,732,885
Transient occupancy taxes	6,882,015	-	-	-	6,882,015
Franchise fees	636,397	-	-	-	636,397
Business license tax	594,941	-	-	-	594,941
Intergovernmental revenues	583,573	-	-	504,471	1,088,044
License and permits	1,192,242	-	-	-	1,192,242
Contributions	-	-	-	314,450	314,450
Fines and forfeitures	121,470	-	-	-	121,470
Charges for services	1,251,072	-	-	10,097	1,261,169
Interest	124,262	-	-	43,282	167,544
Rents and concessions	185,156	-	-	-	185,156
Other revenues	132,776	-	25,253	-	158,029
Total Revenues	20,881,206	3,079,914	25,253	872,300	24,858,673
EXPENDITURES					
Current:					
General government	5,517,516	-	-	-	5,517,516
Community Planning and Building	1,116,689	-	-	-	1,116,689
Public Safety	7,617,310	-	-	-	7,617,310
Public Works	2,902,461	-	-	-	2,902,461
Library	965,725	-	-	292,665	1,258,390
Community Activities	179,426	-	-	-	179,426
Economic Revitalization	1,103,993	-	-	-	1,103,993
Capital outlay	-	-	3,778,271	-	3,778,271
Debt service					
Principal	-	-	-	950,770	950,770
Interest and fiscal charges	-	-	-	286,606	286,606
Total Expenditures	19,403,120	-	3,778,271	1,530,041	24,711,432
Excess (Deficiency) of					
Revenues over Expenditures	1,478,086	3,079,914	(3,753,018)	(657,741)	147,241
OTHER FINANCING SOURCES (USES)					
Transfers in	855,660	-	2,487,954	1,237,980	4,581,594
Transfers out	(1,111,477)	(3,104,753)	-	(465,364)	(4,681,594)
Total Other Financing Sources (Uses)	(255,817)	(3,104,753)	2,487,954	772,616	(100,000)
Net Change in Fund Balances	1,222,269	(24,839)	(1,265,064)	114,875	47,241
Fund Balances Beginning	8,006,394	205,626	1,627,098	2,422,129	12,261,247
Prior Period Adjustment	21,466	-	-	99,950	121,416
Fund Balances Beginning, Adjusted	8,027,860	205,626	1,627,098	2,522,079	12,382,663
Fund Balances Ending	\$ 9,250,129	\$ 180,787	\$ 362,034	\$ 2,636,954	\$ 12,429,904

The accompanying notes are an integral part of these financial statements.

City of Carmel-By-The-Sea
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Government-Wide
Statement of Activities
For the Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 47,241
Amounts reported for governmental activities in the Statement of Activities and Changes in net position were different because:	
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in net position, the cost of those assets was allocated over their estimated useful lives as depreciation expense.	
Capital outlay	3,533,858
Depreciation expense	(1,818,185)
Gains and losses from the disposal of capital assets are recorded in the government-wide statement of activities as a special item, but only the proceeds from disposals are reported in the fund statements.	(164,483)
Internal service funds are used by management to charge the costs of stores, vehicle maintenance, and various insurance costs to individual funds.	
Net revenue (excess expenses) reported with governmental activities	(116,075)
Long-term compensated absences and claims payables were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources and were not reported as expenditures in governmental funds.	
Compensated absences	(251,433)
In governmental funds, actual contributions to benefit plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year benefit expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	(514,526)
Repayment of long-term debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of net position.	950,770
Certain expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the fund statements as follows:	
Other postemployment benefits	(190,713)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in net position, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the net change in accrued interest from and accreted interest from prior year.	3,000
Change in Net Position of Governmental Activities	\$ 1,479,454

The accompanying notes are an integral part of these financial statements.

City of Carmel-By-The-Sea
Statement of Net Position
Proprietary Funds
June 30, 2019

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets:	
Cash and investments	\$ 2,856,589
Noncurrent Assets:	
Capital assets - net	780,149
Total assets	\$ 3,636,738
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 64,557
Claims payable - current	57,500
Total current liabilities	122,057
Non-current liabilities:	
Claims payable	517,500
Total liabilities	\$ 639,557
NET POSITION	
Net Investment in capital assets	\$ 780,149
Unrestricted	2,217,032
Total net position	\$ 2,997,181

The accompanying notes are an integral part of these financial statements.

City of Carmel-By-The-Sea
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Other	\$ -
Total operating revenues	<u>-</u>
OPERATING EXPENSES	
Claims	27,570
Depreciation	244,575
Total operating expenses	<u>272,145</u>
Operating income (loss)	(272,145)
NONOPERATING REVENUES(EXPENSES)	
Gain (loss) on disposal of capital assets	17,823
Investment earnings	<u>38,247</u>
Income (loss) before operating transfers	(216,075)
Transfers in	100,000
Transfers out	<u>-</u>
Change in net position	(116,075)
Total net position - beginning	<u>3,113,256</u>
Total net position - ending	<u><u>\$ 2,997,181</u></u>

The accompanying notes are an integral part of these financial statements.

City of Carmel-By-The-Sea
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Payments for claims	\$ (487,570)
Payments for supplies and materials	48,592
Net cash provided (used) by operating activities	<u>(438,978)</u>
Cash flows from noncapital financing activities:	
Interfund transactions	560,000
Net cash provided (used) by noncapital financing activities	<u>560,000</u>
Cash flows from capital financing activities:	
Purchases of property and equipment	(255,345)
Net cash provided (used) by capital financing activities	<u>(255,345)</u>
Cash flows from investing activities:	
Investment income received	38,247
Net cash provided (used) by investing activities	<u>38,247</u>
Net increase (decrease) in cash and cash equivalents	(96,076)
Cash and cash equivalents - beginning	2,952,665
Cash and cash equivalents - ending	<u><u>\$ 2,856,589</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (272,145)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	244,575
Change in operating assets and liabilities:	
Accounts payable	48,592
Claims payable	(460,000)
Net cash provided (used) by operating activities	<u><u>\$ (438,978)</u></u>

The accompanying notes are an integral part of these financial statements.

City of Carmel-By-The-Sea
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Agency Funds
ASSETS	
Current assets:	
Cash and investments	\$ 286,807
Accounts receivable	3,086
Total assets	\$ 289,893
LIABILITIES	
Current liabilities:	
Interest payable	\$ 11,501
Deposits	278,392
Total liabilities	\$ 289,893

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Carmel-by-the-Sea, California, (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City of Carmel-by-the-Sea, California was incorporated on October 31, 1916, under the laws and regulations of the State of California (State). The City operates under a City Council/Manager form of government and provides the following services: general government, community planning and building, public safety (fire, police and ambulance), public works, library, economic revitalization and other community activities.

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include sales taxes, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance. All property taxes are paid to Monterey County (County) as part of the revenue neutrality payment obligation. The financial statements do not reflect the amounts received on behalf of the City and retained by the County.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by US GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. These component units are reported on a blended basis. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The financial statements of the individual component units, if applicable as indicated below, may be obtained by writing to the City of Carmel-by-the-Sea, Finance Department, Post Office Box CC, Carmel-by-the-Sea, CA 93921.

The City's reporting entity includes the following blended component units:

- Carmel Public Improvement Authority
- Harrison Memorial Library

The above component units are included in the City's basic financial statements using the blended method. There are no component units of the City that meet the criteria for discrete presentation.

The City applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The sources of authoritative GAAP are categorized in descending order of authority as follows:

- a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)
- b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a *Statement of Net Position* and a *Statement of Activities and Changes in Net Position*. These statements present summaries of governmental and business-type activities for the City. Fiduciary activities of the City are not included in these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City did not report any business-type activities for the year.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources (including capital assets, as well as infrastructure assets, and long-term liabilities), are included in the accompanying *Statement of Net Position*. The *Statement of Activities* presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those clearly identifiable with a specific function or segment. In conformity with the City's indirect cost allocation plan, certain indirect costs are included in the program expense reported for individual functions and activities. Certain types of

transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in-regards-to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated. Interfund services provided and used are not eliminated in the process of consolidation. The following interfund activities have been eliminated:

- Transfers in/Transfers out
- Internal Service Fund charges

Governmental Fund Financial Statements

Governmental fund financial statements include a *Balance Sheet* and a *Statement of Revenues, Expenditures and Changes in Fund Balances* for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the balance sheets. The *Statement of Revenues, Expenditures and Changes in Fund Balances* present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally up to 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales taxes, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services. Fines, forfeitures, licenses and permits and parking meter revenues are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unearned revenue is removed from the combined balance sheet and revenue is recognized.

The following funds are major funds:

General Fund

The General Fund is used to account for all of the general operations and other financial transactions of the City, which are not accounted for by another fund.

The Measure D Sales Tax Fund

The Measure D Sales Tax Fund used to account for the transaction and use tax increase to be used to maintain essential services, including fire, ambulance and police response times; fund capital needs, including streets, beach, parks, forest and trails; increase code compliance; maintain libraries, Sunset Center and other public facilities; address CalPERS pension liabilities and other debt; and provide other general City services.

Capital Projects Fund

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

Additionally, the City reports the following nonmajor fund types of governmental funds:

Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to specific purposes other than debt service or capital projects.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and payment on, long-term obligation debt principal and interest.

Proprietary Funds

In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the “economic resources measurement focus”. This means all assets, deferred outflows of resources, liabilities (whether current or noncurrent) and deferred inflows of resources associated with their activities are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the internal service funds financial statements.

The City’s internal service funds are proprietary funds. Internal service funds account for charges to City departments for services provided, on a cost reimbursement basis. The City has the following internal service funds:

Worker's Compensation Fund

This fund accounts for workers compensation insurance provided to departments on a cost reimbursement basis.

OPEB Reserve Fund

This fund accounts for other postemployment benefits provided to departments on a cost reimbursement basis.

Vehicle & Equipment Replacement Fund

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

Fiduciary Funds

Agency Funds

Agency Funds account for assets held by the City in a purely custodial capacity. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not presented in the government-wide financial statements.

C. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

Deposit and Investment Risk Disclosures - In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures* (Amendment of GASB Statement No. 3), certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas: Interest Rate Risk, Overall Credit Risk, Custodial Credit Risk, Concentrations of Credit Risk, and Foreign Currency Risk. Other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

D. Interfund Receivables and Payables

Items classified as interfund receivables/payables are referred to as “advances to/advances from other funds” or as “due to/from other funds”. Due to/from other funds include short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund. Advances to/advances from other funds represents non-current portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and therefore, is not available for appropriation.

E. Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The City’s experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

The County of Monterey is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

F. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement that are reported at acquisition value rather than fair value. Policy has set the capitalization threshold for reporting at \$5,000 for non-infrastructure capital assets and \$25,000 for infrastructure capital assets.

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to July 1, 2003, governmental funds’ infrastructure assets were not capitalized, since then these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. No depreciation is recorded in the year of acquisition or in the year of disposition. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings and improvements	20-50 Years
Improvements other than buildings	35 Years
Vehicles, machinery and equipment	5-20 Years
Infrastructure	20-50 Years
Technology/Hardware and Software	5-20 Years

G. Deferred Outflows/Deferred Inflows

Deferred outflows of resources are a consumption of net assets by the City that is applicable to a future reporting period; for example, prepaid items and deferred charges.

Deferred inflows of resources are an acquisition of net assets by the City that is applicable to a future reporting period; for example, unavailable revenue and advance collections.

H. Interest Payable

In the government-wide financial statements, interest payable of long-term debt is recognized as an incurred liability for governmental fund types. The City has not allocated the interest on long-term debt to departments.

In the fund financial statements, governmental fund types do not recognize the interest payable when the liability is incurred. Interest on long-term debt is recorded in the fund statements when payment is made.

I. Claims Payable

The City records a liability for claims, judgments, and litigation when it is probable that an asset has been impaired or a liability has been incurred prior to fiscal year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

J. Compensated Absences

Employees accrue vacation, sick, holiday, and compensatory time off benefits. City employees have vested interests in the amount of accrued time off, with the exception of sick time, and are paid on termination. Also, annually an employee may elect to be compensated for up to 40 hours of unused annual leave. However, this is contingent upon the employee using at least 40 hours during the previous year and, the employee having a minimum balance of 80 annual leave hours after the payment. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements and is currently payable. The City had no employee resignations or retirements for which compensated absences should be accrued in governmental funds at year-end. The general fund is typically used to liquidate compensated absences.

K. Long-Term Liabilities

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Benefit Plans

Pension Expense

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit (OPEB) Expense

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the City's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

M. Fund Balances

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Nonspendable

Nonspendable fund balance includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted

Restricted fund balance includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed

Committed fund balance includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the City Council, the City's highest level of decision-making authority, for specific purposes pursuant to constraints imposed by formal action taken such as resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting periods; however the amount can be determined subsequently.

Assigned

Assigned fund balance includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balances may be assigned by the City Council and the City Manager.

Unassigned

The Unassigned Fund Balance category represents fund balance which may be held for specific types of uses or stabilization purposes, but is not yet directed to be used for a specific purpose. The detail of amounts reported for each of the above defined fund balance categories is reported in the governmental funds balance sheet and in the combining nonmajor fund balance sheets.

Flow Assumption / Spending Order Policy

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to be spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to be spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has directed otherwise.

N. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that are attributed to the acquisition, construction, or improvement of the assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition,

construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position

Restricted Net Position

This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position

This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The detail of amounts reported for each of the above defined net position categories is reported in the government-wide Statement of Net Position.

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

Interfund Transactions

Interfund services provided and used are accounted for as revenue, expenditures or expenses, as appropriate. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursed fund. All other interfund transactions, except for interfund services provided and used and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as transfers.

O. Property Taxes

County tax assessments include secured and unsecured property taxes and special assessments. "Unsecured" refers to taxes on personal property. These tax assessments are secured by liens on the property being taxed.

Secured property taxes are levied on or before the first day of July of each year. They become a lien on real property on January 1 proceeding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and is delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on January 1 each year and are delinquent, if unpaid, on August 31.

The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan", as described by Section 4717 of the California Revenue and Taxation

code. Therefore, the City receives 100 percent of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

P. Budgetary Information

In accordance with applicable sections of the California Government Code and the Carmel-by-the-Sea Municipal Code, the City prepares and legally adopts an annual balanced budget on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, Special Revenue Funds, Capital Projects Funds and the Debt Service Fund.

Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Administrator. The City Administrator prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Administrator is authorized to transfer budgeted amounts within a fund without formal council action or approval. The City Administrator is authorized to increase expenditures in relation to revenues in funds receiving assigned revenues without approval by the City Council.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year.

Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2019, based on calculations by City management, proceeds of taxes did not exceed appropriations.

Q. Encumbrances

Under encumbrance accounting, purchase orders, contract and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. All appropriations, except open project appropriations, and unexpended grant appropriations and encumbrances, lapse at year end. Valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

R. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue. In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows from unavailable revenue.

S. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

T. Implemented New GASB Pronouncements

GASB Statement No. 83, Certain Asset Retirement Obligations

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. As of June 30, 2019, this Statement did not have an impact on the City's financial statements.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements

This Statement addresses additional information to be disclosed in the notes to the financial statements regarding debt, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. As of June 30, 2019, this Statement did not have a significant impact on the City's financial statements.

U. Upcoming New Accounting Pronouncements

GASB Statement No. 84, Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. Earlier application is encouraged. The City is in the process of determining the impact this Statement will have on the financial statements.

GASB issued Statement No. 87, *Leases*

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. Earlier application is encouraged. The City is in the process of determining the impact this Statement will have on the financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*

This Statement addresses interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. Earlier application is encouraged. The City doesn't believe this statement will have a significant impact on the City's financial statements.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61*

The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement also requires that a component unit in which a government has 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The City doesn't believe this statement will have a significant impact on the City's financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitment and voluntary commitments extended by issuers and arrangements associated

with the debt obligations; and improving required note disclosures. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2020. Earlier application is encouraged. The City is in the process of determining the impact this Statement will have on the financial statements.

NOTE 2 - CASH AND INVESTMENTS

As of June 30, 2019, cash and investments were reported in the financial statements as follows:

Pooled cash and investments	\$ 14,655,165
Cash with fiscal agent	<u>402,335</u>
Total cash and investments - fund statements	15,057,500
Cash and investments - agency funds	<u>286,807</u>
Total cash and investments	<u>\$ 15,344,307</u>

The following summarized cash and investments by type:

Cash on hand	\$ 1,545
Demand Deposits	7,991,028
Investments	<u>7,351,734</u>
Total cash and investments	<u>\$ 15,344,307</u>

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on monthly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

A. Cash Deposits

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest, and places the City ahead of general creditors of the institution.

The market value of pledged securities must equal at least 110 percent of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes that have a value of 150 percent of the City's total cash deposits. The City has waived the collateral requirements for cash deposits which are fully insured to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

The bank balances before reconciling items totaled \$8,147,203 at June 30, 2019 and were different from carrying amounts due to deposits in transit and outstanding checks. The amount uninsured was \$7,897,203 which was collateralized by securities held by pledging financial institutions.

B. Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

C. Investment Policies

City Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of bond indentures of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States (U.S.) Treasury Issues	5 years	None	None
U.S. Government Agency Securities	5 years	50%	50%
California State and Local Bonds, Notes, & Warrants	None	None	None
Bankers Acceptance	180 days	40%	30%
Commercial Paper	270 days	15%	10%
Medium Term Corporate Notes	5 years	30%	30%
Negotiable Certificates of Deposit	5 years	30%	30%
Repurchase Agreements	92 days	None	None
Passbook Savings/Money Market	None	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Federal Instrumentalities	None	None	None

Authorized Investments - Debt Agreements

Investments held by bond fiscal agents (trustees) are governed by the provisions of the underlying indenture agreements rather than the general provisions of the City's investment policy or California Government Code. The indenture agreements identify the following permitted investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States (U.S.) Treasury Issues	None	None	None
U.S. Government Agency Securities	None	None	None
Banker's Acceptance	360 days	None	None
Commercial Paper	270 days	None	None
Money Market Funds	None	None	None
Investment Agreements	None	None	None
Local Agency Bonds	None	None	None
Medium Term Notes	None	None	None
Negotiable Certificate of Deposits	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

D. External Investment Pool

The City's investments with LAIF at June 30, 2019, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes

These are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities

The bulk of asset-backed securities are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The approved investments policy is listed on the LAIF website, located at <http://www.treasurer.ca.gov/pmia-laif/>.

D. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the term of an investment's maturity, the greater the sensitivity to changes in market interest rates. It is the City's practice to manage its exposure to interest rate risk by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for City's operations.

City of Carmel-by-the-Sea
Notes to the Basic Financial Statements
June 30, 2019

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, Standards and Poor. As of June 30, 2019, the City's investments were in compliance with the ratings required by the City's investment policy, indenture agreements and Government Code.

Concentrations of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2019, the City had no investments in any one issuer (other than external investment pools which are exempt) that represented 5% or more of the total City investments.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2019, the City's investments had the following maturities and ratings:

Investment Type	12 Months or Less	13 to 24 Months	25 to 36 Months	More than 60 Months	Total	Rating	Fair Value Input Levels
LAIF (state pool)	\$ -	\$ 4,755,275	\$ -	\$ -	\$ 4,755,275	not rated	n/a
Money market funds	1,171,956	-	-	-	1,171,956	AAA	2
Bonds	-	-	-	249,551	249,551	AAA	2
Certificate of deposits	-	-	749,698	-	749,698	not rated	2
Total Investments	<u>\$ 1,171,956</u>	<u>\$ 4,755,275</u>	<u>\$ 749,698</u>	<u>\$ 249,551</u>	<u>\$ 6,926,480</u>		

NOTE 3 - ACCOUNTS RECEIVABLE

The following summarizes accounts receivable as of June 30, 2019:

Ambulance	\$ 354,615
Holstery Tax	1,412,274
Measure D	526,415
Sales and Use Tax	436,864
Accruals	192,846
Total Accounts Receivable	<u>\$ 2,923,014</u>

NOTE 4 - INTERFUND TRANSACTIONS

A. Inter-fund Receivables and Payables

Amounts due to or due from other funds reflect inter-fund balances for services rendered or short-term loans expected to be repaid in the next fiscal year. Advances to or from other funds are long-term loans between funds that are to be repaid in their entirety over several years. As of June 30, 2019, inter-fund receivables and payables consisted of the following:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 434,711	\$ -
Measure D Sales Tax Fund	-	345,628
Nonmajor Funds	-	89,083
Total Due from/to	<u>\$ 434,711</u>	<u>\$ 434,711</u>

Transfers In/Out

With Council approval, resources may be transferred from one fund to another. Transfers may be made to pay for capital projects or capital outlays, lease or debt service payments, operating expenses, and to finance various programs accounted for in other funds in accordance with budgetary authorizations. The following summarizes transfers between funds during the fiscal year ended June 30, 2019:

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ 855,660	\$ 1,111,477
Measure D Sales Tax Fund	-	3,104,753
Capital Projects Fund	2,487,954	-
Internal Service Funds	100,000	-
Nonmajor Funds	1,237,980	465,364
Total Transfers	<u>\$ 4,681,594</u>	<u>\$ 4,681,594</u>

During the year, the City opened and closed various funds. In the process, residual equity transfers were made which is a transfer of fund balance. Governmental accounting standards require that residual equity transfers be treated as operating transfers. The following residual equity transfers were included in the transfers-in and transfers-out noted above.

City of Carmel-by-the-Sea
Notes to the Basic Financial Statements
June 30, 2019

Attachment 2

NOTE 5 - CAPITAL ASSETS

Capital assets for governmental activities consisted of the following as of June 30, 2019:

<i>Governmental Activities</i>	Balance July 01, 2018	Additions	Adjustments/ Deletions	Balance June 30, 2019
Non-depreciable:				
Land	\$ 5,101,641	\$ -	\$ -	\$ 5,101,641
Construction in Progress	1,799,679	3,357,471	(4,536,065)	621,085
Total Non-Depreciable	6,901,320	3,357,471	(4,536,065)	5,722,726
Depreciable:				
Buildings and improvements	25,508,680	162,692	115,138	25,786,510
Infrastructure	21,595,601	4,371,671	(31,251)	25,936,021
Vehicles	2,743,943	80,884	612	2,825,439
Technology/Hardware and Software	559,838	42,787	-	602,625
Machinery and equipment	2,710,894	168,960	(141,482)	2,738,372
Total Depreciable	53,118,956	4,826,994	(56,983)	57,888,967
Less Accumulated Depreciation for:				
Buildings and improvements	(9,262,308)	(601,921)	(211,099)	(10,075,328)
Infrastructure	(4,493,362)	(1,058,511)	(196,867)	(5,748,740)
Vehicles	(2,579,852)	(150,347)	97,940	(2,632,259)
Technology/Hardware and Software	(140,163)	(116,246)	1,643	(254,766)
Machinery and equipment	(2,590,760)	(121,601)	345,375	(2,366,986)
Total Accumulated Depreciation	(19,066,445)	(2,048,626)	36,992	(21,078,079)
Total Depreciable Capital Assets - Net	34,052,511	2,778,368	(19,991)	36,810,888
Total Governmental Capital Assets	\$ 40,953,831	\$ 6,135,839	\$ (4,556,056)	\$ 42,533,614
Internal Service Funds (Included with Governmental Activities)				
Buildings and improvements	\$ -	\$ 12,750	\$ -	\$ 12,750
Technology/Hardware and Software	559,838	28,335	-	588,173
Vehicle, Machinery and Equipment	566,809	237,851	(56,894)	747,766
Accumulated Depreciation	(375,091)	(244,575)	51,126	(568,540)
Total Internal Service Funds - Net	\$ 751,556	\$ 34,361	\$ (5,768)	\$ 780,149

Depreciation expense was allocated to the following governmental activities:

General Government	\$ 136,015
Community Planning and Building	1,445
Public Safety	170,468
Public Works	1,090,570
Library	557,712
Community Activities	92,416
Total depreciation expense	<u>\$ 2,048,626</u>

NOTE 6 - NONCURRENT LIABILITIES

The City's noncurrent liabilities consisted of the following as of June 30, 2019:

Noncurrent Liabilities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Sunset Center COP	\$ 5,530,000	\$ -	\$ 315,000	\$ 5,215,000	\$ 325,000
Countywide Radio Project (Direct)	207,281	-	20,770	186,511	21,460
Pension Obligation Bonds	3,220,000	-	615,000	2,605,000	625,000
Compensated Absences	580,146	868,861	617,428	831,579	551,190
Net Pension Liability	19,908,483	10,226,628	10,214,543	19,920,568	-
Claims Liability	575,000	65,021	65,021	575,000	57,500
Net OPEB Liability	3,650,439	534,281	162,782	4,021,938	-
Total Noncurrent Liabilities	<u>\$ 33,671,349</u>	<u>\$ 11,694,791</u>	<u>\$ 12,010,544</u>	<u>\$ 33,355,596</u>	<u>\$ 1,580,150</u>

Certificates of Participation - Sunset Center COP

In 2010, the Carmel Public Improvement Authority, a component unit of the City, refunded previously issued Certificates of Participation in the amount of \$7,485,000, bearing an average interest rate of 4.73%, secured by general revenues of the City, and matures in October 2031. The original proceeds were used to remodel the Sunset Cultural Center property. Interest is payable semi-annually on October 1st and April 1st with principal payments due each October 1st.

The annual debt service requirements were as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2020	\$ 325,000	\$ 181,563	\$ 506,563
2021	335,000	171,663	506,663
2022	345,000	161,463	506,463
2023	355,000	150,963	505,963
2024	370,000	139,857	509,857
2025-2029	2,060,000	463,800	2,523,800
2030-2033	1,425,000	115,000	1,540,000
Total	<u>\$ 5,215,000</u>	<u>\$ 1,384,309</u>	<u>\$ 6,599,309</u>

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Countywide Radio Project

In 2009, the City entered into a participation agreement with Monterey County to provide funding related to the "Next Generation Radio Project," a Federal Communications Commission mandated alteration of public safety and local government radio systems. Estimated payments will change should individual local jurisdictions elect out of the project.

The annual debt service requirements were as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 21,460	\$ 8,204	\$ 29,664
2021	22,308	7,356	29,664
2022	23,189	6,475	29,664
2023	24,105	5,559	29,664
2024	25,057	4,607	29,664
2025-2029	70,392	7,724	78,116
Total	<u>\$ 186,511</u>	<u>\$ 39,925</u>	<u>\$ 226,436</u>

Pension Obligation Bond

On November 29, 2012, the City issued \$6,280,000 in 2012 Taxable Pension Obligation Bonds, the purpose of which was to fund certain PERS side fund obligations. The bonds bear an interest rate of 0.55% to 3.1% and mature on June 1, 2023.

The annual debt service requirements were as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 625,000	\$ 73,010	\$ 698,010
2021	640,000	57,698	697,698
2022	660,000	40,428	700,428
2023	680,000	21,080	701,080
Total	<u>\$ 2,605,000</u>	<u>\$ 192,216</u>	<u>\$ 2,797,216</u>

Compensated Absences

The City records employee absences, such as vacation, illness, and holidays, for which it is expected that employees will be paid as compensated absences.

Net Pension Liability

In accordance with GASB Statement No. 68, the City has recorded its net pension liability of CalPERS benefits for retirees. See Note 8 for further discussion on the net pension liability.

Claims Liability

The City has recorded a liability for potential claims in excess of amounts covered by the insurance pool. See Note 7 for further discussion on the City's risk management activities.

Net OPEB Liability

A net OPEB obligation is the cumulative differences between annual OPEB cost and an employer's contributions to a plan. See Note 9 for further discussion on OPEB.

NOTE 7 - RISK MANAGEMENT

The City of Carmel-by-the-Sea (City) is a member of CSAC-EIA (California State Association of Counties Excess Insurance Authority) which is a shared risk pool. CSAC-EIA covers claims for City for both Workers Compensation and General Liability. The City's Liability SIR is pre-funded through CSAC-EIA for 8 quarters of payments made on behalf of City. Currently, the SIR fund for the City with CSAC-EIA is maintained at \$8,183. If the pre-funded SIR balance drops below this amount, the City is billed by CSAC-EIA to replenish the fund to the \$8,183 level. The City does not make claim payments, they are all issued by the city's third-party administrator from a CSA-EIA account.

The City has two layers of Liability coverage through CSAC-EIA and under the first layer, the Primary General Liability layer, there is an SIR (Self Insured Retention) of \$10,000 per claim. Thereafter, the next layer of coverage kicks in (General Liability 1 program) which carries an SIR of \$100,000 which is satisfied by exhausting the coverage limit of \$100,000 under the Primary Liability program. The maximum limit of coverage under the primary General Liability 1 program is \$25 million. The City retains the risk of loss above \$25 million.

For Workers Compensation, the City is a member of both the CSAC-EI Primary Workers Compensation program and then, the CSAC-EIA Excess Workers Compensation program. The Primary Workers compensation program provides dollar 1 coverage to the City for Workers Compensation claims. In other words, City has no deductible or SIR. This layer of Workers Compensation coverage carries a maximum limit o \$125,000 per occurrence. Thereafter, CSAC EIA's excess coverage steps in and the SIR (Self Insured Retention) is \$125,000 which again, is satisfied by exhausting the limits of coverage under the Primary Workers Compensation program. The upper limit of coverage under the Excess Workers Compensation program is "statutory". What this means is that regardless of the total cost of the claim, it is covered under the CSAC-EIA Excess Workers Compensation program. There is absolutely no monetary exposure to the City under these two Workers Compensation programs except for the premium costs to purchase this coverage. The City has had no settlements which exceeded insurance coverage in the last three fiscal years and no significant changes or reductions in insurance coverage during the current year.

The following summarizes the change in the estimated liability over the last two fiscal years:

	Year Ended June 30, 2019	Year Ended June 30, 2018
Beginning of year	\$ 575,000	\$ 460,000
Increase (decrease) in current year claims	65,021	147,052
Changes in estimates	(42,789)	-
Claims paid	(22,232)	(32,052)
Ending balance	575,000	575,000
Current portion	(57,500)	(57,500)
Non-current portion	\$ 517,500	\$ 517,500

NOTE 8 - RETIREMENT PLANS

General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous and Safety Employee Pension Plans (the Plans); cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. The cost of living adjustments for the Plans are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
Hire date	< 4/15/2012	>= 4/15/2012	>= 1/1/2013
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	60	62
Monthly benefits as a % of eligible compensation	2.0% to 2.5%	2.00%	2.00%
Required employee contribution rates	6.902%	6.912%	6.250%
Required employer contribution rates	9.409%	7.634%	6.842%
Contractual employee contribution rates	9.902%	9.912%	9.250%
Contractual employer contribution rates	6.409%	4.634%	3.842%

	Safety		
	Tier 1	Tier 2	PEPRA
Hire date	< 4/15/2012	>= 4/15/2012	>= 1/1/2013
Benefit formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 Years	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	50	50	57
Monthly benefits as a % of eligible compensation	2.00%	2.00%	2.00%
Required employee contribution rates	8.989%	8.936%	12.000%
Required employer contribution rates	20.556%	15.719%	12.141%
Contractual employee contribution rates	11.989%	11.936%	15.000%
Contractual employer contribution rates	17.556%	12.719%	9.141%

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Employees Covered

At June 30, 2019, the following employees were covered by the benefit terms for the Plans:

	Miscellaneous	Safety
Active	53	19
Transferred	17	19
Separated	33	11
Retired	104	51
Total	207	100

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the following contributions were made:

Miscellaneous	\$ 741,167
Safety	825,152
Total	\$ 1,566,319

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	\$ 10,060,596
Safety	9,859,972
Total	\$ 19,920,568

The City's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2018, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

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The City's proportionate share of the net pension liability for the Plans as of June 30, 2018 and 2019 was as follows:

	Combined Plans	Safety	Miscellaneous
Proportion - June 30, 2018	0.20075%	0.16263%	0.25853%
Proportion - June 30, 2019	0.20672%	0.16804%	0.26695%
Change - Increase/(Decrease)	0.00598%	0.00542%	0.00842%

For the year ended June 30, 2019, the City recognized pension expense of \$2,089,536. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 1,146,938	\$ 281,092
Differences between Expected and Actual Experience	386,007	131,356
Differences between Projected and Actual Investment Earnings	49,737	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	798,738
Change in Employer's Proportion	194,356	76,053
Pension Contributions Made Subsequent to Measurement Date	741,167	-
Total	\$ 2,518,205	\$ 1,287,239

Safety Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 967,435	\$ 130,524
Differences between Expected and Actual Experience	211,858	804
Differences between Projected and Actual Investment Earnings	66,757	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	389,039
Change in Employer's Proportion	214,084	105,638
Pension Contributions Made Subsequent to Measurement Date	825,152	-
Total	\$ 2,285,285	\$ 626,005

Miscellaneous and Safety Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 2,114,373	\$ 411,617
Differences between Expected and Actual Experience	597,865	132,160
Differences between Projected and Actual Investment Earnings	116,494	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	1,187,777
Change in Employer's Proportion	408,440	181,691
Pension Contributions Made Subsequent to Measurement Date	1,566,319	-
Total	\$ 4,803,491	\$ 1,913,245

City of Carmel-by-the-Sea
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The City reported \$1,566,319 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources		Total
	Miscellaneous	Safety	
2020	\$ 671,263	\$ 773,312	\$ 1,444,575
2021	302,386	417,323	719,710
2022	(393,361)	(288,212)	(681,573)
2023	(90,489)	(68,295)	(158,784)
2024	-	-	-
Thereafter	-	-	-
Total	\$ 489,799	\$ 834,128	\$ 1,323,928

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)

- (1) Varies by age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2018 based on June 30, 2017 Valuations, that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

In the December 2016 and April 2017 meetings, the Board voted to lower the funding discount rates used for the PERF. In making its decision, the Board reviewed recommendations from CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class (a)	Assumed	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
	Asset Allocation		
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period.
- (c) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability \$	15,699,467	14,750,813
Current	7.15%	7.15%
Net Pension Liability \$	10,060,596	9,859,972
1% Increase	8.15%	8.15%
Net Pension Liability \$	5,405,801	5,852,804

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description and Benefits

The City of Carmel-by-the-Sea Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The Plan provides access to lifetime healthcare benefits to eligible retirees and their dependents. The City provides retiree medical benefits through the California Public Employees' Retirement System healthcare program (PEMHCA). For eligible retirees, the City contributes not less than 5% of the active contribution times years in PEMHCA (max \$100/month increase). For purposes of its contract with PEMHCA, the City uses a statutory schedule to determine its monthly contribution on behalf of each active employee. The statutory amount is \$133.00 for 2018 and will be indexed by the Medical CPI each year thereafter.

The City offers the same medical plans to its retirees and surviving spouses as to its active employees, with the exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer. Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of service (age 52 for Miscellaneous PEPRAs employees). The City contribution towards retiree health benefits is determined under the "equal contribution method" under PEMHCA, whereby the contribution is 100% of the City's statutory minimum contribution for active employees (\$133/month for 2018 and scheduled to be indexed by medical inflation for years after 2018). No stand-alone financial are issued for this plan as it is not a trusted plan.

Employees Covered by Benefit Terms

At June 30, 2019, the benefit terms covered the following employees:

Active employees	68
Inactive employees	38
Total employees	<u>106</u>

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Contributions

The City makes contributions based on a pay-as-you go basis as approved by the authority of the City's Board. Total benefit payments included in the measurement period were \$159,107. The actuarially determined contribution for the measurement period was \$476,574. The City's contributions and benefit payments were 2.49% of payroll during the measurement period June 30, 2019 (reporting period June 30, 2019). Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan.

Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	July 1, 2017
Measurement Date:	June 30, 2019
Actuarial Cost Method:	Entry-Age Normal Cost Method
Amortization Period:	20 years
Actuarial Assumptions:	
Discount Rate	3.50%
Inflation	2.25%
Payroll Increases	3.00%
Trend Rate	8% to 5%
Municipal Bond Rate	3.50%
Mortality	RP-2014 Employee and Healthy Annuitant Mortality Tables

Discount Rate

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2019 (measurement date) and was determined by an actuarial valuation as of July 1, 2017 (valuation date) for the fiscal year ended June 30, 2019 (reporting date).

Changes in the Total OPEB Liability

The following summarizes the changes in the Total OPEB liability during the year:

Fiscal Year Ended June 30, 2019	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2018	\$ 3,650,439	\$ -	\$ 3,650,439
Service cost	193,586	-	193,586
Interest in Total OPEB Liability	146,765	-	146,765
Actual and exp experience	(2,524)	-	(2,524)
Changes in assumptions	192,779	-	192,779
Benefit payments	(159,107)	-	(159,107)
Net changes	371,499	-	371,499
Balance at June 30, 2019	<u>\$ 4,021,938</u>	<u>\$ -</u>	<u>\$ 4,021,938</u>
Covered Employee Payroll	\$ 6,394,187		
Total OPEB Liability as a % of Covered Employee Payroll	62.90%		
Service Cost as a % of Covered Employee Payroll	3.03%		
Net OPEB Liability as a % of Covered Employee Payroll	62.90%		

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The City's plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

Deferred Inflows and Outflows of Resources

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ -	\$ 3,675
Change in assumptions	156,220	85,472
Totals	\$ 156,220	\$ 89,147

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2020	\$ 9,469
2021	9,469
2022	9,469
2023	28,812
2024	9,854
Thereafter	-
Total	\$ 67,073

OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2019:

Service cost	\$ 193,586
Interest in TOL	146,765
Difference between actual and expected experience	(975)
Change in assumptions	10,444
OPEB Expense	\$ 349,820

The following summarizes changes in the net OPEB liability as reconciled to OPEB expense during the year ended June 30, 2019:

Total OPEB liability ending	\$ 4,021,938
Total OPEB liability beginning	<u>(3,650,439)</u>
Change in total OPEB liability	371,499
Changes in deferred outflows	(156,220)
Changes in deferred inflows	(24,566)
Employer contributions and implicit subsidy	<u>159,107</u>
OPEB Expense	\$ 349,820

Sensitivity to Changes in the Discount Rate

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	Municipal Bond Rate		
	1% Decrease	3.50%	1% Increase
Total OPEB Liability	\$ 4,576,301	\$ 4,021,938	\$ 3,566,230

Sensitivity to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	Trend Rate		
	1% Decrease	8% to 5%	1% Increase
Total OPEB Liability	\$ 3,830,996	\$ 4,021,938	\$ 4,246,035

NOTE 10 - COMMITMENTS AND CONTINGENCIES

A. Lawsuits

The City may be involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that any cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

B. Federal and State Grant Programs

The City participates in Federal, State and County grant programs. These programs are audited by the City's independent accountants, if required, in accordance with the provisions of the Federal Single Audit Act Amendments of 1996 and applicable State requirements. For Federal programs, the City did not reach the level of qualifying expenditures during the current fiscal year that would require a single audit. Expenditures which may be disallowed, if any, by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.



REQUIRED SUPPLEMENTARY INFORMATION

City of Carmel-By-The-Sea
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property taxes	\$ 6,382,985	\$ 6,382,985	\$ 6,524,331	\$ 141,346
Sales and use taxes	2,559,835	2,559,835	2,652,971	93,136
Transient occupancy taxes	6,350,000	6,350,000	6,882,015	532,015
Franchise fees	667,175	667,175	636,397	(30,778)
Business license tax	548,000	588,000	594,941	6,941
Intergovernmental revenues	559,345	559,345	583,573	24,228
License and permits	1,092,625	1,134,785	1,192,242	57,457
Fines and forfeitures	97,000	97,000	121,470	24,470
Charges for services	881,495	970,860	1,251,072	280,212
Interest	50,000	50,000	124,262	74,262
Rents and concessions	115,240	124,905	185,156	60,251
Other revenues	38,200	88,200	132,776	44,576
Total Revenues	19,341,900	19,573,090	20,881,206	1,308,116
EXPENDITURES				
Current:				
General government	5,083,905	5,183,270	5,517,516	(334,246)
Community Planning and Building	1,200,350	1,200,350	1,116,689	83,661
Public Safety	7,936,540	8,072,365	7,617,310	455,055
Public Works	3,367,667	3,371,895	2,902,461	469,434
Library	1,146,145	1,146,145	965,725	180,420
Community Activities	265,260	265,260	179,426	85,834
Economic Revitalization	1,103,995	1,103,995	1,103,993	2
Total Expenditures	20,103,862	20,343,280	19,403,120	940,160
Excess (Deficiency) of Revenues over Expenditures	(761,962)	(770,190)	1,478,086	2,248,276
OTHER FINANCING SOURCES (USES)				
Transfers in	855,660	855,660	855,660	-
Transfers out	(2,011,478)	(2,011,478)	(1,111,477)	900,001
Total Other Financing Sources (Uses)	(1,155,818)	(1,155,818)	(255,817)	900,001
Net Change in Fund Balance	(1,917,780)	(1,926,008)	1,222,269	3,148,277
Prior Period Adjustment	-	-	21,466	21,466
Fund Balance Beginning	8,006,394	8,006,394	8,006,394	-
Fund Balance Ending	\$ 6,088,614	\$ 6,080,386	\$ 9,250,129	\$ 3,169,743

City of Carmel-By-The-Sea
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Measure D Sales Tax Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Sales and use taxes	\$ 2,964,870	\$ 2,964,870	\$ 3,079,914	\$ 115,044
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	2,964,870	2,964,870	3,079,914	115,044
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,964,870)	(3,165,659)	(3,104,753)	60,906
Total Other Financing Sources (Uses)	(2,964,870)	(3,165,659)	(3,104,753)	60,906
Net Change in Fund Balance	-	(200,789)	(24,839)	175,950
Fund Balance Beginning	205,626	205,626	205,626	-
Fund Balance Ending	<u>\$ 205,626</u>	<u>\$ 4,837</u>	<u>\$ 180,787</u>	<u>\$ 175,950</u>

City of Carmel-by-the-Sea
Schedule of Pension Contributions
June 30, 2019

Attachment 2

Miscellaneous and Safety Plan

Fiscal Year Ended	2015	2016	2017	2018	2019
Contractually Required Contributions	\$ 725,205	\$ 1,124,776	\$ 1,279,565	\$ 1,317,381	\$ 1,566,319
Contributions in Relation to					
Contractually Required Contributions	725,205	1,124,776	1,279,565	1,317,381	1,566,319
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,894,966	\$ 5,193,071	\$ 5,725,559	\$ 5,897,326	\$ 6,074,246
Contributions as a % of					
Covered Payroll	14.82%	21.66%	22.35%	22.34%	25.79%

Notes to Schedule:

Valuation Date: June 30, 2017
Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
3.8 Years Remaining Amortization Period
Inflation Assumed at 2.5%
Investment Rate of Returns set at 7.15%
CalPERS mortality table based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016 and then decreased from 7.65% to 7.15% in fiscal year 2018.

The CalPERS mortality assumptions was adjusted in fiscal year 2019.

City of Carmel-by-the-Sea
Schedule of Proportionate Share of Net Pension Liability
June 30, 2019

Attachment 2

Miscellaneous and Safety Plan

Fiscal Year Ended	2015	2016	2017	2018	2019
Proportion of Net Pension Liability	0.18745%	0.19035%	0.19840%	0.20075%	0.20672%
Proportionate Share of Net Pension Liability	\$11,664,146	\$13,065,617	\$17,167,636	\$19,908,483	\$19,920,568
Covered Payroll	\$ 4,748,117	\$ 4,894,966	\$ 5,193,071	\$ 5,725,559	\$ 5,897,326

Proportionate Share of NPL as a % of Covered Payroll

245.66%	266.92%	330.59%	347.71%	337.79%
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Plan's Fiduciary Net Position as a % pf the TPL

80.11%	77.73%	74.70%	73.44%	74.18%
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Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016 and then decreased from 7.65% to 7.15% in fiscal year 2018.

The CalPERS mortality assumptions was adjusted in fiscal year 2019.

City of Carmel-by-the-Sea
Retiree Health Care Plan
Schedule of Total OPEB Liability
June 30, 2019

Attachment 2

Fiscal Year Ended	2018	2019
Total OPEB liability		
Service cost	\$ 199,013	\$ 193,586
Interest	134,202	146,765
Differences between expected and actual experience	(2,625)	(2,524)
Changes of assumptions	(137,699)	192,779
Benefit payments	(145,196)	(159,107)
Net change in Total OPEB Liability	47,695	371,499
Total OPEB Liability - beginning	3,602,744	3,650,439
Total OPEB Liability - ending	<u>\$ 3,650,439</u>	<u>\$ 4,021,938</u>
 Plan fiduciary net position		
Net change in plan fiduciary net position	\$ -	\$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>
 Net OPEB liability (asset)	\$ 3,650,439	4,021,938
 Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
 Covered Employee Payroll	\$ 6,021,711	\$ 6,207,949
 Net OPEB liability as a percentage of covered employee payroll	60.62%	64.79%
 Total OPEB liability as a percentage of covered employee payroll	60.62%	64.79%

Other Notes

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

No change in benefit terms; discount rates increased from 3.9% to 3.5%.

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.



SUPPLEMENTARY INFORMATION

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COMBINING NONMAJOR GOVERNMENTAL FUNDS

Fund Title	Fund Description
Gast Tax	This fund is used to account for revenues collected in accordance with the Streets and Highway Code.
Transportation Safety	This fund accounts for the expenditures related to resources provided for transportation safety as required by Measure X.
COPS Grant	This fund accounts for the expenditures related to the COP's grant for public safety.
Parking in Lieu	This fund is used to account for activities associate with parking in-lieu fees.
Asset Seizure	This fund accounts for the expenditures related to asset seizures.
Harrison Memorial Library	This fund is used to account for activities associated with the Harrison Memorial Library.
Debt Service	This fund is used to account for activities related to the repayment of the Certificate of Participation, Pension Obligation Bond, and capital lease obligations.

City of Carmel-By-The-Sea

Attachment 2

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2019

	Special Revenue Funds			
	Gas Tax Fund	Transportation Safety Fund	COPS Grant Fund	Parking In-Lieu Fund
ASSETS				
Cash and investments	\$ -	\$ 30,073	\$ 127,720	\$ 725,828
Receivables:				
Due from other governments	12,273	-	16,667	-
Total assets	<u>12,273</u>	<u>30,073</u>	<u>144,387</u>	<u>725,828</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ 11,347	\$ -	\$ -	\$ -
Total liabilities	<u>11,347</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Transportation	926	30,073	-	-
Public safety	-	-	144,387	-
Debt service	-	-	-	-
Library	-	-	-	-
Asset seizure	-	-	-	-
Public parking	-	-	-	725,828
Total fund balances	<u>926</u>	<u>30,073</u>	<u>144,387</u>	<u>725,828</u>
Total liabilities and fund balances	<u>\$ 12,273</u>	<u>\$ 30,073</u>	<u>\$ 144,387</u>	<u>\$ 725,828</u>

Cont'd

City of Carmel-By-The-Sea

Attachment 2

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2019

	Special Revenue Funds		Debt Service	
	Asset Seizure Fund	Harrison Memorial Library Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 921	\$ 1,410,220	\$ 402,335	\$ 2,697,097
Receivables:				
Due from other governments	-	-	-	28,940
Total assets	<u>921</u>	<u>1,410,220</u>	<u>402,335</u>	<u>2,726,037</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ 77,736	\$ 89,083
Total liabilities	<u>-</u>	<u>-</u>	<u>77,736</u>	<u>89,083</u>
Fund Balances:				
Restricted:				
Transportation	-	-	-	30,999
Public safety	-	-	-	144,387
Debt service	-	-	324,599	324,599
Library	-	1,410,220	-	1,410,220
Asset seizure	921	-	-	921
Public parking	-	-	-	725,828
Total fund balances	<u>921</u>	<u>1,410,220</u>	<u>324,599</u>	<u>2,636,954</u>
Total liabilities and fund balances	<u>\$ 921</u>	<u>\$ 1,410,220</u>	<u>\$ 402,335</u>	<u>\$ 2,726,037</u>

Concluded

City of Carmel-By-The-Sea

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019**

	Special Revenue Funds			
	Gas Tax Fund	Transportation Safety Fund	COPS Grant Fund	Parking In-Lieu Fund
REVENUES				
Intergovernmental revenues	\$ 150,679	\$ 205,045	\$ 148,747	\$ -
Contributions	-	-	-	-
Charges for services	-	-	-	-
Interest	-	508	1,877	11,432
Total Revenues	<u>150,679</u>	<u>205,553</u>	<u>150,624</u>	<u>11,432</u>
EXPENDITURES				
Current:				
Library	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>150,679</u>	<u>205,553</u>	<u>150,624</u>	<u>11,432</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(149,270)	(216,094)	(100,000)	-
Total Other Financing Sources (Uses)	<u>(149,270)</u>	<u>(216,094)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balances	1,409	(10,541)	50,624	11,432
Prior Period Adjustment	-	-	-	-
Fund Balances Beginning	(483)	40,614	93,763	714,396
Fund Balances Ending	<u>\$ 926</u>	<u>\$ 30,073</u>	<u>\$ 144,387</u>	<u>\$ 725,828</u>

Cont'd

City of Carmel-By-The-Sea

Attachment 2

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2019

	Special Revenue Funds		Debt Service	
	Asset Seizure Fund	Harrison Memorial Library Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 504,471
Contributions	-	314,450	-	314,450
Charges for services	-	10,097	-	10,097
Interest	15	25,300	4,150	43,282
Total Revenues	<u>15</u>	<u>349,847</u>	<u>4,150</u>	<u>872,300</u>
EXPENDITURES				
Current:				
Library	-	292,665	-	292,665
Debt service				
Principal	-	-	950,770	950,770
Interest and fiscal charges	-	-	286,606	286,606
Total Expenditures	<u>-</u>	<u>292,665</u>	<u>1,237,376</u>	<u>1,530,041</u>
Excess (Deficiency) of Revenues over Expenditures	<u>15</u>	<u>57,182</u>	<u>(1,233,226)</u>	<u>(657,741)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,237,980	1,237,980
Transfers out	-	-	-	(465,364)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,237,980</u>	<u>772,616</u>
Net Change in Fund Balances	15	57,182	4,754	114,875
Prior Period Adjustment	-	99,950	-	99,950
Fund Balances Beginning	<u>906</u>	<u>1,253,088</u>	<u>319,845</u>	<u>2,422,129</u>
Fund Balances Ending	<u>\$ 921</u>	<u>\$ 1,410,220</u>	<u>\$ 324,599</u>	<u>\$ 2,636,954</u>
				Concluded

City of Carmel-By-The-Sea
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Gas Tax Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 162,252	\$ 162,252	\$ 150,679	\$ (11,573)
Contributions	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Total Revenues	162,252	162,252	150,679	(11,573)
EXPENDITURES				
Current:				
Library	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	162,252	162,252	150,679	(11,573)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(162,250)	(162,250)	(149,270)	12,980
Total Other Financing Sources (Uses)	(162,250)	(162,250)	(149,270)	12,980
Net Change in Fund Balances	2	2	1,409	1,407
Prior Period Adjustment	-	-	-	-
Fund Balances Beginning	(483)	(483)	(483)	-
Fund Balances Ending	\$ (481)	\$ (481)	\$ 926	\$ 1,407

Cont'd

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

City of Carmel-By-The-Sea
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

Transportation Safety Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 175,480	\$ 175,480	\$ 205,045	\$ 29,565
Contributions	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	508	508
Total Revenues	175,480	175,480	205,553	30,073
EXPENDITURES				
Current:				
Library	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	175,480	175,480	205,553	30,073
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(175,480)	(216,094)	(216,094)	-
Total Other Financing Sources (Uses)	(175,480)	(216,094)	(216,094)	-
Net Change in Fund Balances	-	(40,614)	(10,541)	30,073
Prior Period Adjustment	-	-	-	-
Fund Balances Beginning	40,614	40,614	40,614	-
Fund Balances Ending	\$ 40,614	\$ -	\$ 30,073	\$ 30,073

Cont'd

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

City of Carmel-By-The-Sea
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	COPS Grant Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ 100,000	\$ 100,000	\$ 148,747	\$ 48,747
Contributions	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	1,877	1,877
Total Revenues	100,000	100,000	150,624	50,624
EXPENDITURES				
Current:				
Library	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	100,000	100,000	150,624	50,624
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	-
Net Change in Fund Balances	-	-	50,624	50,624
Prior Period Adjustment	-	-	-	-
Fund Balances Beginning	93,763	93,763	93,763	-
Fund Balances Ending	\$ 93,763	\$ 93,763	\$ 144,387	\$ 50,624

Cont'd

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

City of Carmel-By-The-Sea
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Parking In-Lieu Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	11,432	11,432
Total Revenues	-	-	11,432	11,432
EXPENDITURES				
Current:				
Library	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	11,432	11,432
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	11,432	11,432
Prior Period Adjustment	-	-	-	-
Fund Balances Beginning	714,396	714,396	714,396	-
Fund Balances Ending	\$ 714,396	\$ 714,396	\$ 725,828	\$ 11,432

Cont'd

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

City of Carmel-By-The-Sea
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Asset Seizure Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	15	15
Total Revenues	-	-	15	15
EXPENDITURES				
Current:				
Library	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	15	15
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	15	15
Prior Period Adjustment	-	-	-	-
Fund Balances Beginning	906	906	906	-
Fund Balances Ending	\$ 906	\$ 906	\$ 921	\$ 15

Cont'd

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

City of Carmel-By-The-Sea
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Harrison Memorial Library Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Contributions	313,000	313,000	314,450	1,450
Charges for services	13,000	13,000	10,097	(2,903)
Interest	3,000	3,000	25,300	22,300
Total Revenues	329,000	329,000	349,847	20,847
EXPENDITURES				
Current:				
Library	329,495	329,495	292,665	36,830
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	329,495	329,495	292,665	36,830
Excess (Deficiency) of Revenues over Expenditures	(495)	(495)	57,182	57,677
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(495)	(495)	57,182	57,677
Prior Period Adjustment	-	-	99,950	99,950
Fund Balances Beginning	1,253,088	1,253,088	1,253,088	-
Fund Balances Ending	\$ 1,252,593	\$ 1,252,593	\$ 1,410,220	\$ 157,627

Cont'd

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

City of Carmel-By-The-Sea
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Debt Service Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	4,150	4,150
Total Revenues	-	-	4,150	4,150
EXPENDITURES				
Current:				
Library	-	-	-	-
Debt service				
Principal	950,770	950,770	950,770	-
Interest and fiscal charges	287,210	287,210	286,606	604
Total Expenditures	1,237,980	1,237,980	1,237,376	604
Excess (Deficiency) of Revenues over Expenditures	(1,237,980)	(1,237,980)	(1,233,226)	4,754
OTHER FINANCING SOURCES (USES)				
Transfers in	1,237,980	1,237,980	1,237,980	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,237,980	1,237,980	1,237,980	-
Net Change in Fund Balances	-	-	4,754	4,754
Prior Period Adjustment	-	-	-	-
Fund Balances Beginning	319,845	319,845	319,845	-
Fund Balances Ending	\$ 319,845	\$ 319,845	\$ 324,599	\$ 4,754

Concluded

Expenditures in excess of appropriations were covered by budgets in other objects/functions or beginning fund balance.

INTERNAL SERVICE FUNDS

Fund Title	Fund Description
Worker's Compensation	This fund accounts for workers compensation insurance provided to departments on a cost reimbursement basis.
OPEB Reserve Fund	This fund accounts for other postemployment benefits provided to departments on a cost reimbursement basis.
Vehicle & Equipment Replacement	This fund is to set aside financial resources for future purchases of replacement equipment essential to the operations of the City.

City of Carmel-By-The-Sea
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

Attachment 2

	Workers Compensation Fund	OPEB Reserve Fund	Vehicle & Equipment Replacement Fund	Total Governmental Activities - Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 606,333	\$ 1,817,051	\$ 433,205	\$ 2,856,589
Noncurrent assets:				
Capital assets - net	-	-	780,149	780,149
Total assets	\$ 606,333	\$ 1,817,051	\$ 1,213,354	\$ 3,636,738
LIABILITIES				
Current liabilities:				
Accounts payable	\$ -	\$ -	64,557	\$ 64,557
Claims payable - current	57,500	-	-	57,500
Total current liabilities	57,500	-	64,557	122,057
Noncurrent liabilities:				
Claims payable	517,500	-	-	517,500
Total liabilities	\$ 575,000	\$ -	\$ 64,557	\$ 639,557
NET POSITION				
Net investment in capital assets	\$ -	\$ -	\$ 780,149	\$ 780,149
Unrestricted	31,333	1,817,051	368,648	2,217,032
Total net position	\$ 31,333	\$ 1,817,051	\$ 1,148,797	\$ 2,997,181

City of Carmel-By-The-Sea

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended June 30, 2019

	Workers Compensation Fund	OPEB Reserve Fund	Vehicle & Equipment Replacement Fund	Total Governmental Activities - Internal Service Funds
OPERATING REVENUES				
Other	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
OPERATING EXPENSES				
Claims	27,570	-	-	27,570
Depreciation	-	-	244,575	244,575
Total operating expenses	27,570	-	244,575	272,145
Operating income (loss)	(27,570)	-	(244,575)	(272,145)
NONOPERATING REVENUES(EXPENSES)				
Gain (loss) on disposal of capital assets	-	-	17,823	17,823
Investment income	9,628	28,619	-	38,247
Total nonoperating revenues(expenses)	9,628	28,619	17,823	56,070
Income (loss)	(17,942)	28,619	(226,752)	(216,075)
Transfers in	-	-	100,000	100,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	100,000	100,000
Change in net position	(17,942)	28,619	(126,752)	(116,075)
Total net position - beginning	49,275	1,788,432	1,275,549	3,113,256
Total net position - ending	\$ 31,333	\$ 1,817,051	\$ 1,148,797	\$ 2,997,181

City of Carmel-By-The-Sea
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Workers Compensation Fund	OPEB Reserve Fund	Vehicle & Equipment Replacement Fund	Total Governmental Activities - Internal Service Funds
Cash flows from operating activities:				
Payments for claims	\$ (487,570)	\$ -	\$ -	\$ (487,570)
Payments for supplies and materials	-	-	48,592	48,592
Net cash provided (used) by operating activities	(487,570)	-	48,592	(438,978)
Cash flows from noncapital financing activities:				
Interfund transactions	460,000	-	100,000	560,000
Net cash provided (used) by noncapital financing activities	460,000	-	100,000	560,000
Cash flows from capital financing activities:				
Purchases of property and equipment	-	-	(255,345)	(255,345)
Net cash provided (used) by noncapital financing activities	-	-	(255,345)	(255,345)
Cash flows from investing activities:				
Investment income received	9,628	28,619	-	38,247
Net cash provided (used) by investing activities	9,628	28,619	-	38,247
Net increase (decrease) in cash and cash equivalents	(17,942)	28,619	(106,753)	(96,076)
Cash and cash equivalents - beginning	624,275	1,788,432	539,958	2,952,665
Cash and cash equivalents - ending	<u>\$ 606,333</u>	<u>\$ 1,817,051</u>	<u>\$ 433,205</u>	<u>\$ 2,856,589</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (27,570)	\$ -	\$ (244,575)	\$ (272,145)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	244,575	244,575
Change in operating assets and liabilities:				
Accounts payable	-	-	48,592	48,592
Claims payable	(460,000)	-	-	(460,000)
Net cash provided (used) by operating activities	<u>\$ (487,570)</u>	<u>\$ -</u>	<u>\$ 48,592</u>	<u>\$ (438,978)</u>

AGENCY FUNDS

Fund Title	Fund Description
Refundable Deposits	This fund accounts for monies received that are unearned and required to be returned by the City.

City of Carmel-By-The-Sea
Combining Schedule of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

REFUNDABLE DEPOSITS	Balance July 01, 2018	Additions	Deductions	Balance June 30, 2019
ASSETS				
Cash and investments	\$ 357,801	\$ 93,512	\$ 164,506	\$ 286,807
Receivables	495	3,086	495	3,086
Total assets	\$ 358,296	\$ 96,598	\$ 165,001	\$ 289,893
LIABILITIES				
Accounts payable	\$ 3,557	\$ 71,013	\$ 74,570	\$ -
Interest payable	6,551	4,950	-	11,501
Deposits	348,188	93,584	163,380	278,392
Total liabilities	\$ 358,296	\$ 169,547	\$ 237,950	\$ 289,893



STATISTICAL SECTION

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STATISTICAL SECTION

(Unaudited)

This part of the City of Carmel-by-the-Sea's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Financial Trends

These tables contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

These tables contain information to help the reader assess the city's most significant local revenue source, the property tax.

Debt Capacity

These tables present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

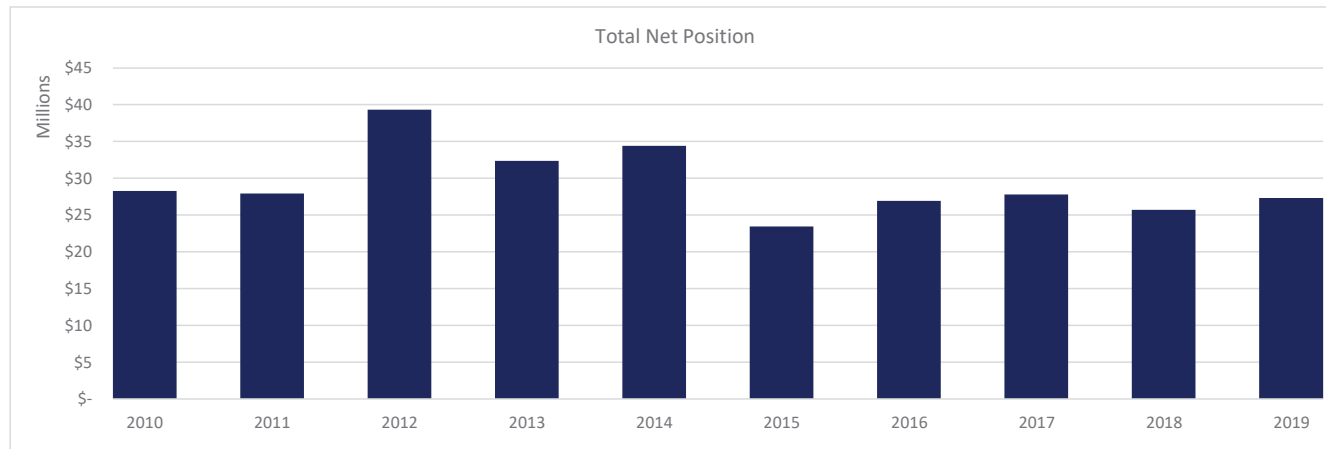
Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

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City of Carmel-by-the-Sea
Net Position By Component
Last Ten Fiscal Years

TABLE 1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 18,483,000	\$ 18,594,000	\$ 31,374,354	\$ 29,605,438	\$ 25,522,348	\$ 32,547,268	\$ 36,006,046	\$ 36,931,575	\$ 35,216,550	\$ 37,132,103
Restricted	593,000	441,000	555,524	566,992	2,616,731	3,862,473	3,584,687	5,027,082	2,628,238	2,817,741
Unrestricted	9,183,000	8,884,000	7,408,523	2,205,463	6,266,725	(12,992,711)	(12,666,545)	(14,167,354)	(12,141,385)	(12,645,571)
Total governmental activities net position	\$ 28,259,000	\$ 27,919,000	\$ 39,338,401	\$ 32,377,893	\$ 34,405,804	\$ 23,417,030	\$ 26,924,188	\$ 27,791,303	\$ 25,703,403	\$ 27,304,273



Source: City of Carmel-by-the-Sea Finance Department

City of Carmel-by-the-Sea
Changes in Net Position
Last Ten Fiscal Years

TABLE 2

	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
General government	\$ 3,838,650	\$ 3,448,824	\$ 2,904,382	\$ 9,481,135	\$ 4,067,934
Community planning and building	-	-	-	-	-
Public safety	5,185,540	5,142,244	4,694,672	4,193,157	4,299,954
Public works	1,239,275	1,271,318	1,790,684	1,896,305	2,227,067
Library	-	-	-	-	-
Community activities	-	-	-	-	-
Economic revitalization	-	-	361,458	304,587	363,342
Building maintenance	-	-	2,718,581	3,763,094	2,924,447
Forest, parks and beach	-	-	1,578,381	472,123	484,119
Culture and recreation	2,617,067	2,619,273	1,314,073	2,405,481	2,453,842
Interest and fiscal charges on long-term debt	271,808	50,576	194,153	376,787	346,674
Depreciation (Unallocated)	-	638,255	-	-	-
Total governmental activities expenses	13,152,340	13,170,490	15,556,384	22,892,669	17,167,379
Program Revenues					
Governmental activities:					
Charges for services:					
General government	376,591	329,666	4,735	19,821	15,644
Community planning and building	-	-	-	-	-
Public safety	50,417	49,725	39,878	167,723	184,338
Public works	-	-	412,605	433,928	467,392
Library	-	-	-	-	-
Community activities	-	-	-	-	-
Economic revitalization	-	-	-	-	-
Building maintenance	-	-	-	-	-
Forest, parks and beach	-	-	-	-	165,406
Culture and recreation	19,845	30,286	36,030	80,909	91,804
Operating grants and contributions	117,841	435,046	871,230	1,474,331	1,282,214
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	564,694	844,723	1,364,478	2,176,712	2,206,798
Net (expense)/revenue:					
Governmental activities	(12,587,646)	(12,325,767)	(14,191,906)	(20,715,957)	(14,960,581)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	4,189,288	4,157,789	4,571,481	4,652,176	4,881,534
Sales and use taxes	1,619,968	1,805,510	1,743,748	2,760,414	5,115,880
Transient occupancy taxes	3,830,432	4,002,509	4,179,900	4,615,598	5,185,880
Franchise taxes	452,935	476,597	491,674	981,831	994,468
Business license tax	625,600	591,248	532,019	577,364	549,190
Inte Other taxes	264,150	233,716	-	-	-
Unrestricted grants and contributions	383,827	465,881	-	-	-
Unrestricted investment earnings	269,276	109,602	55,995	69,735	76,880
Gain (loss) on sale of assets	-	-	-	-	-
Special item - infrastructure capitalization	-	-	13,760,000	-	-
Miscellaneous or other revenues	211,612	142,923	276,751	98,331	184,660
Total governmental activities	11,847,088	11,985,775	25,611,568	13,755,449	16,988,492
Change in Net Position	\$ (740,558)	\$ (339,992)	\$ 11,419,662	\$ (6,960,508)	\$ 2,027,911

Note: In 2012 and 2018, the City changed the classification of its program expenses and revenues based on operations at the time.

Cont'd

Source: City of Carmel-by-the-Sea Finance Department

City of Carmel-by-the-Sea
Changes in Net Position
Last Ten Fiscal Years

TABLE 2

	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 3,724,546	\$ 5,162,323	\$ 4,981,304	\$ 4,896,809	\$ 5,906,304
Community planning and building	-	-	1,146,860	1,206,295	1,191,826
Public safety	6,685,310	6,445,695	7,281,137	7,771,104	8,390,616
Public works	2,003,332	1,454,895	2,605,036	2,950,423	4,162,376
Library	-	-	1,144,883	1,303,989	1,894,410
Community activities	-	-	446,445	153,224	283,512
Economic revitalization	326,956	306,505	1,110,857	1,125,261	1,144,022
Building maintenance	1,832,618	1,542,170	-	-	-
Forest, parks and beach	581,319	558,592	-	-	-
Culture and recreation	2,605,877	2,082,591	-	-	-
Interest and fiscal charges on long-term debt	365,043	336,551	322,181	319,974	283,606
Depreciation (Unallocated)	-	1,528,260	1,747,960	1,786,021	-
Total governmental activities expenses	18,125,001	19,417,582	20,786,663	21,513,100	23,256,672
Program Revenues					
Governmental activities:					
Charges for services:					
General government	66,190	34,040	38,795	318,414	256,645
Community planning and building	-	-	-	1,167,308	1,454,523
Public safety	918,644	684,612	373,716	692,187	790,428
Public works	525,310	534,224	751,844	58,931	44,636
Library	-	-	-	14,794	-
Community activities	-	-	-	79,067	146,443
Economic revitalization	-	-	-	97,142	102,366
Building maintenance	-	-	-	-	-
Forest, parks and beach	-	-	-	-	-
Culture and recreation	18,953	20,326	31,817	-	-
Operating grants and contributions	1,444,296	668,239	675,765	681,240	450,920
Capital grants and contributions	331,719	327,029	166,726	-	-
Total governmental activities program revenues	3,305,112	2,268,470	2,038,663	3,109,083	3,245,961
Net (expense)/revenue:					
Governmental activities	(14,819,889)	(17,149,112)	(18,748,000)	(18,404,017)	(20,010,711)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	5,127,974	5,598,743	5,825,889	6,192,126	6,524,331
Sales and use taxes	5,280,418	4,897,325	5,373,800	5,486,449	5,732,885
Transient occupancy taxes	5,593,689	5,890,538	6,112,347	6,329,074	6,882,015
Franchise taxes	430,430	587,514	672,554	637,136	636,397
Business license tax	606,128	626,625	649,525	544,392	594,941
Inte Other taxes	382,145	413,334	436,073	462,989	-
Unrestricted grants and contributions	-	-	-	92,155	637,124
Unrestricted investment earnings	163,648	160,172	182,366	101,743	205,791
Gain (loss) on sale of assets	-	-	-	(2,439,255)	(160,794)
Special item - infrastructure capitalization	-	-	-	-	-
Miscellaneous or other revenues	249,537	1,963,750	362,561	212,820	437,475
Total governmental activities	17,833,969	20,138,001	19,615,115	17,619,629	21,490,165
Change in Net Position	\$ 3,014,080	\$ 2,988,889	\$ 867,115	\$ (784,388)	\$ 1,479,454

Note: In 2012 and 2018, the City changed the classification of its program expenses and revenues based on operations at the time.

Concluded

Source: City of Carmel-by-the-Sea Finance Department

City of Carmel-by-the-Sea
Fund Balances of Governmental Funds
Last Ten Fiscal Years

TABLE 3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 73,038	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	400,000	-	-	-	-	-	-	-	-
Committed	-	7,358,390	4,258,441	2,898,615	2,888,306	4,561,070	2,166,165	2,173,138	2,806,045	2,808,138
Assigned	-	-	-	-	-	1,747,589	3,308,636	2,448,461	1,922,008	1,926,008
Unassigned	-	1,573,080	3,001,120	5,253,298	4,172,077	1,541,150	1,738,067	4,693,897	3,278,341	4,515,984
Reserved	593,207	-	-	-	-	-	-	-	-	-
Designated	8,097,783	-	-	-	-	-	-	-	-	-
Unreserved	1,243,449	-	-	-	-	-	-	-	-	-
Total Fund Balance	9,934,439	9,331,470	7,259,561	8,151,913	7,133,421	7,849,809	7,212,868	9,315,496	8,006,394	9,250,130
Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 46,747	\$ 46,747	\$ 46,747	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	40,523	555,524	566,992	2,543,658	3,903,533	3,624,383	5,065,310	2,628,238	2,817,741
Committed	-	1,045,909	-	-	-	1,783,310	-	-	-	-
Assigned	-	68,199	1,506,992	1,793,249	1,477,680	90,158	1,146,832	-	1,627,098	362,034
Unassigned	-	-	-	-	(479,166)	(684,400)	(706,427)	(1,264,197)	(483)	-
Reserved	20,203	-	-	-	-	-	-	-	-	-
Designated	1,031,025	-	-	-	-	-	-	-	-	-
Unreserved	45,767	-	-	-	-	-	-	-	-	-
Total Fund Balance	1,096,995	1,154,631	2,109,263	2,406,988	3,588,919	5,092,601	4,064,788	3,801,113	4,254,853	3,179,775
Total Fund Balance	\$ 11,031,434	\$ 10,486,101	\$ 9,368,824	\$ 10,558,901	\$ 10,722,340	\$ 12,942,410	\$ 11,277,656	\$ 13,116,609	\$ 12,261,247	\$ 12,429,905

Note: The City implemented GASB 54 in 2011 and prior fund balances were not restated or reclassified.

Source: City of Carmel-by-the-Sea Finance Department

City of Carmel-by-the-Sea
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

TABLE 4

	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 10,159,244	\$ 10,442,405	\$ 11,497,256	\$ 12,505,034	\$ 12,727,944
Intergovernmental revenues	430,867	456,821	635,386	609,304	3,864,416
License and permits	1,061,757	916,989	612,356	1,195,092	1,114,927
Contributions	10,900	326,185	329,160	354,785	313,895
Fines and forfeitures	197,528	19,314	127,354	133,168	138,713
Charges for services	47,584	49,725	597,302	738,366	508,563
Interest	-	-	-	-	-
Use of money and property	284,754	247,683	231,975	284,674	314,248
Other revenues	219,232	149,634	93,944	109,392	193,336
Total revenues	12,411,866	12,608,756	14,124,733	15,929,815	19,176,042
Expenditures					
General government	3,422,352	3,109,461	3,122,302	3,029,816	4,305,440
Community Planning and Building	-	-	-	-	-
Public Safety	4,993,039	4,955,512	3,363,428	4,026,884	4,245,184
Public Works	1,162,274	1,122,225	1,166,299	1,341,604	1,609,402
Library	-	-	-	-	-
Community Activities	-	-	-	-	-
Economic Revitalization	300,796	317,983	361,458	304,587	363,342
Building maintenance	-	-	2,633,987	2,263,763	2,798,314
Forest, parks and beach	-	-	1,122,795	466,021	468,247
Culture and recreation	2,220,171	2,240,365	1,298,938	1,918,196	1,963,003
Capital Outlay	266,413	1,085,637	1,599,462	651,785	1,993,305
Debt Service					
Principal	220,000	318,070	315,570	410,434	927,774
Interest and fiscal charges	359,349	201,964	257,771	328,994	357,840
Total expenditures	12,944,394	13,351,217	15,242,010	14,742,084	19,031,851
Excess of revenues					
over (under) expenditures	(532,528)	(742,461)	(1,117,277)	1,187,731	144,191
Other financing sources (uses)					
Proceeds from asset dispositions	-	-	-	2,346	19,248
Proceeds from long-term debt issued	-	7,657,787	-	6,280,000	-
Retirement of PERS side fund	-	-	-	(6,280,000)	-
Payment to refunded bond escrow agent	-	(7,850,977)	-	-	-
Interagency transfers in (out)	-	-	-	-	-
Transfers in	336,778	4,973,143	7,749,165	6,301,989	9,724,198
Transfers out	(336,778)	(4,640,460)	(7,749,165)	(6,301,989)	(9,724,198)
Total other financing sources (uses)	-	139,493	-	2,346	19,248
Net change in fund balances	\$ (532,528)	\$ (602,968)	\$ (1,117,277)	\$ 1,190,077	\$ 163,439
Total Expenditures	\$ 12,944,394	\$ 13,351,217	\$ 15,242,010	\$ 14,742,084	\$ 19,031,851
Capitalized Portion of Capital Outlay	305,503	748,979	1,066,867	651,397	1,993,170
Total Non-Capitalized Expenditures	\$ 12,638,891	\$ 12,602,238	\$ 14,175,143	\$ 14,090,687	\$ 17,038,681
Debt Service: Principal & Interest	\$ 579,349	\$ 520,034	\$ 573,341	\$ 739,428	\$ 1,285,614
Debt service as a percentage of noncapital expenditures	4.6%	4.1%	4.0%	5.2%	7.5%

Note: In 2012 and 2018, the City changed the classification of its program expenditures and revenues based on operations at the time.

Source: City of Carmel-by-the-Sea Finance Department

Cont'd

City of Carmel-by-the-Sea
Changes in Fund Balances of Governmental Fund
Last Ten Fiscal Years

TABLE 4

	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Revenues					
Taxes	\$ 17,420,784	\$ 18,014,079	\$ 19,041,911	\$ 19,652,166	\$ 20,370,569
Intergovernmental revenues	874,152	294,952	365,304	454,997	1,088,044
License and permits	720,257	788,578	850,547	1,087,953	1,192,242
Contributions	686,025	314,600	323,495	318,398	314,450
Fines and forfeitures	119,152	111,930	87,154	91,813	121,470
Charges for services	905,526	712,321	440,439	1,070,999	1,261,169
Interest	-	-	-	58,055	167,544
Use of money and property	163,648	163,875	182,367	100,899	185,156
Other revenues	249,537	389,136	1,979,561	211,153	158,029
Total revenues	21,139,081	20,789,471	23,270,778	23,046,433	24,858,673
Expenditures					
General government	3,593,094	5,045,332	5,681,103	4,696,923	5,517,516
Community Planning and Building	-	-	-	1,128,977	1,116,689
Public Safety	6,398,876	6,264,950	7,033,862	7,024,092	7,617,310
Public Works	1,284,030	1,301,160	2,554,752	2,769,129	2,902,461
Library	-	-	-	1,217,687	1,258,390
Community Activities	-	-	-	141,378	179,426
Economic Revitalization	315,780	306,505	351,425	1,095,636	1,103,993
Building maintenance	1,637,602	1,525,038	1,138,983	-	-
Forest, parks and beach	544,902	547,211	108,764	-	-
Culture and recreation	1,999,728	2,054,872	1,448,129	-	-
Capital Outlay	2,396,667	4,439,279	1,877,053	1,833,014	3,778,271
Debt Service					
Principal	1,046,128	898,379	914,105	934,860	950,770
Interest and fiscal charges	360,610	337,915	323,649	302,202	286,606
Total expenditures	19,577,417	22,720,641	21,431,825	21,143,898	24,711,432
Excess of revenues over (under) expenditures	1,561,664	(1,931,170)	1,838,953	1,902,535	147,241
Other financing sources (uses)					
Proceeds from asset dispositions	-	-	-	-	-
Proceeds from long-term debt issued	-	-	-	-	-
Retirement of PERS side fund	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Interagency transfers in (out)	-	-	-	31,000	-
Transfers in	4,927,935	6,483,069	3,405,710	13,924,490	4,581,594
Transfers out	(4,927,935)	(6,483,069)	(3,405,710)	(16,713,387)	(4,681,594)
Total other financing sources (uses)	-	-	-	(2,757,897)	(100,000)
Net change in fund balances	\$ 1,561,664	\$ (1,931,170)	\$ 1,838,953	\$ (855,362)	\$ 47,241
Total Expenditures	\$ 19,577,417	\$ 22,720,641	\$ 21,431,825	\$ 21,143,898	\$ 24,711,432
Capitalized Portion of Capital Outlay	2,396,667	4,311,179	1,870,844	1,900,132	3,778,271
Total Non-Capitalized Expenditures	\$ 17,180,750	\$ 18,409,462	\$ 19,560,981	\$ 19,243,766	\$ 20,933,161
Debt Service: Principal & Interest	\$ 1,406,738	\$ 1,236,294	\$ 1,237,754	\$ 1,237,062	\$ 1,237,376
Debt service as a percentage of noncapital expenditures	8.2%	6.7%	6.3%	6.4%	5.9%

Note: In 2012 and 2018, the City changed the classification of its program expenditures and revenues based on operations at the time.

Source: City of Carmel-by-the-Sea Finance Department

Concluded

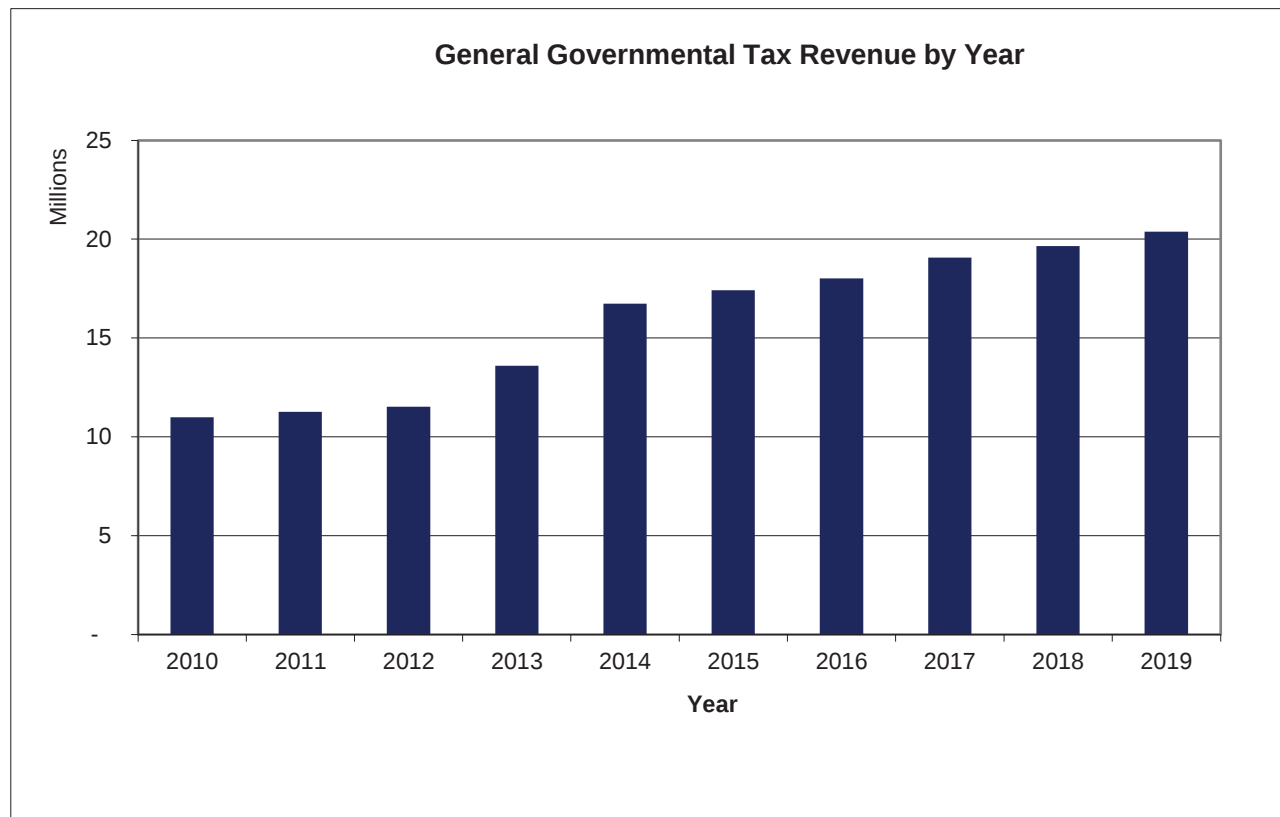
City of Carmel-by-the-Sea

TABLE 5

General Governmental Tax Revenues by Source

Last Ten Fiscal Years

Fiscal Year Ended June 30	Property	Sales and Use	Franchise	Transient Occupancy	Business License	Other Tax	Total
2010	4,189,288	1,619,968	452,935	3,830,432	625,600	264,150	10,982,373
2011	4,157,789	1,805,510	476,597	4,002,509	591,248	233,716	11,267,369
2012	4,571,481	1,743,748	491,674	4,179,900	532,019	-	11,518,822
2013	4,652,176	2,760,414	981,831	4,615,598	577,364	-	13,587,383
2014	4,881,534	5,115,880	994,468	5,185,880	549,190	-	16,726,952
2015	5,127,974	5,280,418	430,430	5,593,689	606,128	382,145	17,420,784
2016	5,598,743	4,897,325	587,514	5,890,538	626,625	413,334	18,014,079
2017	5,825,889	5,373,800	672,554	6,112,347	649,525	436,073	19,070,188
2018	6,192,126	5,486,449	637,136	6,329,074	544,392	462,989	19,652,166
2019	6,524,331	5,732,885	636,397	6,882,015	594,941	-	20,370,569

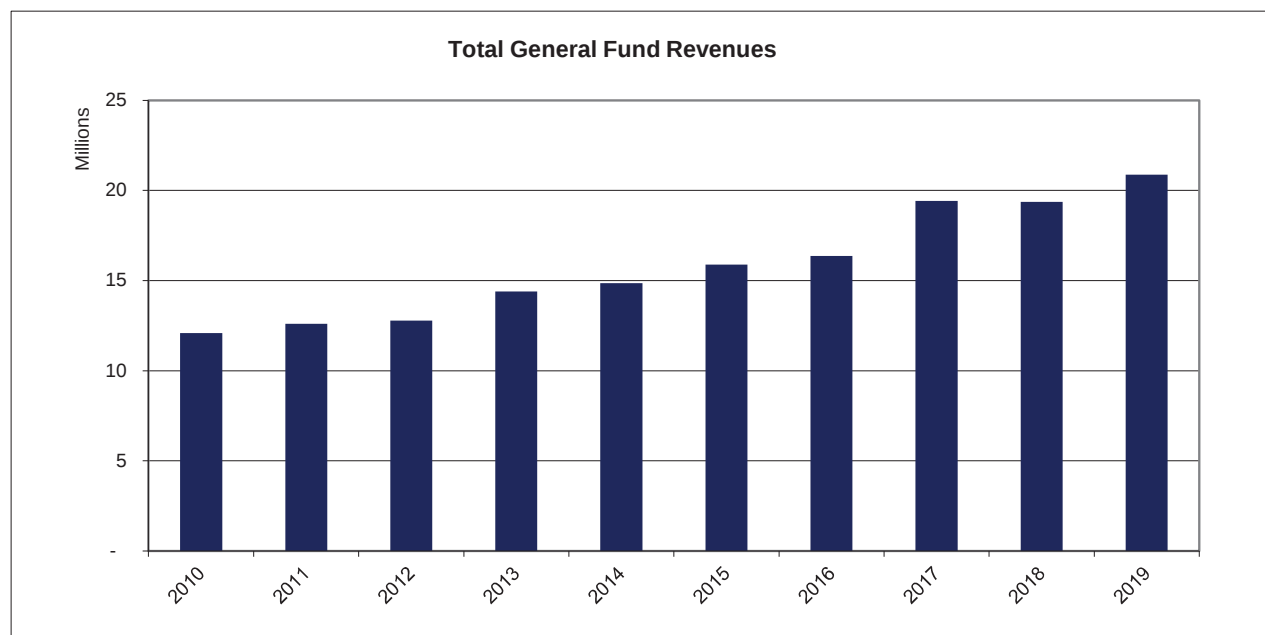


Source: City of Carmel-by-the-Sea Finance Department

City of Carmel-by-the-Sea
General Fund Revenues by Source
Last Ten Fiscal Years

TABLE 6

Fiscal Year Ended June 30	Taxes	Inter- Governmental	Licenses and Permits	Contributions	Fines and Forfeitures	Charges for Services	Interest, Rents and Concessions	Other Revenues	Total
2010	10,092,623	430,867	999,023	10,900	17,006	47,584	265,618	218,490	12,082,111
2011	10,442,405	456,821	916,989	326,185	19,314	49,725	247,683	149,634	12,608,756
2012	11,497,256	419,326	430,250	26,830	27,385	60,228	226,616	93,944	12,781,835
2013	12,505,034	378,410	1,011,292	3,884	16,647	88,200	283,233	109,392	14,396,092
2014	12,727,944	481,310	997,334	-	30,489	106,065	313,076	193,336	14,849,554
2015	14,702,528	-	504,419	-	9,246	256,097	161,620	249,537	15,883,447
2016	15,124,699	74,014	553,602	-	7,245	57,818	159,632	389,136	16,366,146
2017	16,296,757	136,367	762,257	-	8,422	66,957	170,631	1,979,561	19,420,952
2018	16,753,721	42,846	1,087,953	-	91,813	1,056,205	123,382	211,133	19,367,053
2019	17,290,655	583,573	1,192,242	-	121,470	1,251,072	309,418	132,776	20,881,206

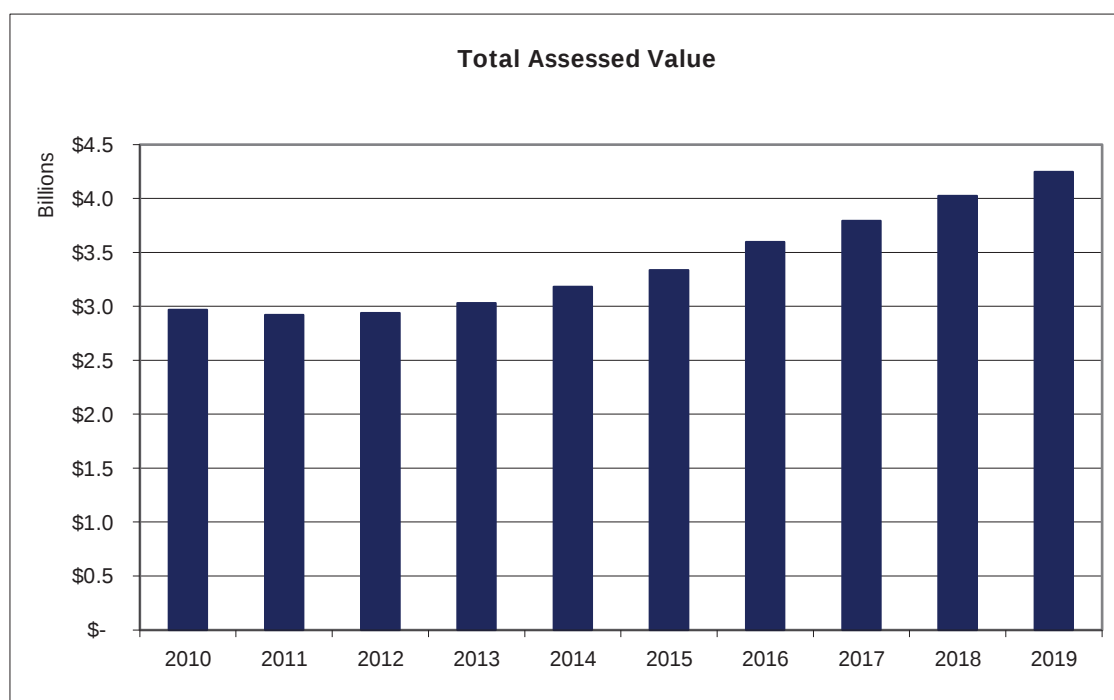


Source: City of Carmel-by-the-Sea Finance Department

City of Carmel-by-the-Sea
Net Assessed Value of Taxable Property
Last Ten Fiscal Years

TABLE 7

Fiscal Year Ended June 30	Secured	Unsecured	Total Assessed Value	Total Direct Tax Rate
2010	2,931,738,234	37,881,331	2,969,619,565	1.000%
2011	2,885,547,810	34,821,845	2,920,369,656	1.000%
2012	2,908,891,597	30,254,516	2,939,146,113	1.000%
2013	3,001,630,584	28,759,821	3,030,390,405	1.000%
2014	3,153,416,179	27,307,767	3,180,723,946	1.000%
2015	3,309,856,089	26,813,656	3,336,669,745	1.000%
2016	3,569,065,524	26,719,717	3,595,785,241	1.000%
2017	3,766,258,441	26,280,598	3,792,539,039	1.000%
2018	3,999,182,757	25,708,168	4,024,890,925	1.000%
2019	4,220,683,852	26,668,954	4,247,352,806	1.000%



Notes:

Total Direct Tax Rate is from Table 8. Rates are based on a \$100 of taxable value.

Exempt values are not included in Total.

With the passage of a constitutional amendment (Proposition 13) and subsequently enacted State legislation, property is assessed according to a base year rather than on a percentage of market value. Accordingly, a reliable estimate of actual value of taxable property within the City is not possible.

Source: County of Monterey Assessors Office

TABLE 8

City of Carmel-by-the-Sea
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of Taxable Value)

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Direct Rates:	(1)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Overlapping Rates:	(2)										
Carmel Unified		0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.014	0.016
Monterey Peninsula Community College		0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.022	0.021
Total Direct and Overlapping Rate		1.036	1.036	1.036	1.036	1.036	1.036	1.036	1.036	1.036	1.037
City Share of 1% Levy per Prop. 13	(3)	0.802	0.823	0.827	0.903	0.913	0.904	0.918	0.925	0.929	0.919

Notes:

- 1 The passage of a constitutional amendment (Proposition 13) in June 1978 limits the property tax rate to a base of \$1.00 per \$100.00. The \$1.00 rate is levied by the County and apportioned to local agencies according to a formula prescribed by the California legislature.
- 2 Overlapping rates are those of entities that apply to property owners within the City of Pacific Grove. Not all overlapping rates apply to all property owners (e.g., the rates for school districts apply only to the proportion of the city's property owners whose property is located within the geographic boundaries of the school district).
- 3 This is the percentage of \$1 countywide tax levy

Source: County of Monterey Assessors Office

Source: County of Monterey CAFR

City of Carmel-by-the-Sea
Principal Property Tax Owners
Current Year and Nine Years Ago

TABLE 9

Tax Owner	2019			2010		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
OWRF CARMEL LLC	\$ 58,438,612	1	1.38%	na		na
PAUL ANDREW M	27,429,105	2	0.65%	na		na
LA PLAYA CARMEL HOTEL LLC	17,821,718	3	0.42%	na		na
HINES JEFFREY C	14,866,846	4	0.35%	na		na
HINES JEFFREY C	14,102,144	5	0.33%	na		na
DEBRUCE PAUL TR	13,736,738	6	0.32%	na		na
CVI INVESTORS LLC	13,076,279	7	0.31%	na		na
MOORE FAMILY TR	12,583,122	8	0.30%	na		na
GUNNER RICHARD V & MARGARET S GUNNER TRS	12,385,220	9	0.29%	na		na
CATS MEOW LLC	11,354,925	10	0.27%	na		na
Totals	\$ 195,794,709		4.61%	\$ -		0.00%
Total assessed value	\$ 4,247,352,806			\$ -		

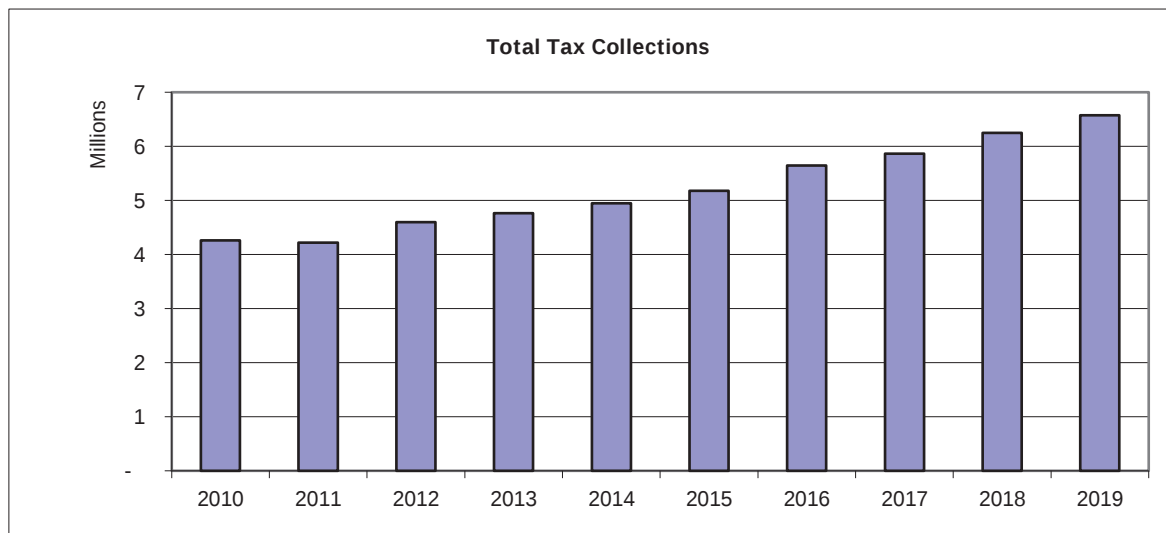
Source: County of Monterey Assessors Office

na= not available

City of Carmel-by-the-Sea
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

Fiscal Year Ended June 30	Total Tax Levy	Current Tax Collections ¹	Percent of Levy Collected	Supplemental Tax Collections	Delinquent Tax Collections	Total Collections
2010	4,189,288	4,004,959	95.6%	45,834	209,176	4,259,969
2011	4,157,789	3,970,688	95.5%	57,222	192,080	4,219,991
2012	4,571,481	4,402,336	96.3%	58,518	138,384	4,599,238
2013	4,652,176	4,601,002	98.9%	68,734	93,605	4,763,341
2014	4,881,534	4,764,377	97.6%	93,380	90,301	4,948,057
2015	5,127,974	5,010,031	97.7%	95,355	73,000	5,178,385
2016	5,598,743	5,453,176	97.4%	117,309	74,547	5,645,032
2017	5,825,889	5,674,416	97.4%	106,567	80,397	5,861,380
2018	6,192,126	6,049,707	97.7%	124,505	76,128	6,250,341
2019	6,524,331	6,374,271	97.7%	124,505	76,128	6,574,905



Source: County of Monterey Auditor-Controller's Office
City of Carmel-by-the-Sea Finance Department

City of Carmel-by-the-Sea

Table 11

Ratios of Outstanding Debt By Type

Last Ten Fiscal Years

Fiscal Year Ending June 30	Governmental Activities								Debt per Capita
	Pension Obligation Bonds	Lease Revenue Bonds	NGEN Public Safety Joint Agree	Fire Capital Lease	Total Outstanding Debt	Median Household Income	Percentage of Household Income	Population	
2010	\$ -	\$ 7,680,000	\$ 370,747	\$ 436,329	\$ 8,487,076	\$ 74,489	0.88%	3,731	\$ 2,275
2011	-	7,575,000	360,054	465,566	8,400,620	76,463	0.91%	3,766	2,231
2012	6,280,000	7,295,000	336,050	344,131	14,255,181	72,582	0.51%	3,807	3,744
2013	6,165,000	7,010,000	320,375	349,372	13,844,747	71,719	0.52%	3,840	3,605
2014	3,585,000	6,725,000	303,366	137,387	10,750,753	62,460	0.58%	3,867	2,780
2015	5,005,000	6,435,000	264,625	-	11,704,625	74,758	0.64%	3,886	3,012
2016	4,420,000	6,140,000	246,246	-	10,806,246	81,607	0.76%	3,903	2,769
2017	3,825,000	5,840,000	227,141	-	9,892,141	87,532	0.88%	3,897	2,538
2018	3,220,000	5,530,000	207,281	-	8,957,281	87,532	0.98%	3,897	2,299
2019	2,605,000	5,215,000	186,511	-	8,006,511	87,532	1.09%	3,987	2,008

Source: City of Carmel-by-the-Sea Finance Department
Demographics from Table 16

City of Carmel-by-the-Sea

TABLE 13

Computation of Direct and Overlapping Debt

June 30, 2019

2018-2019 Assessed Value

\$ 4,247,352,806

	Total Debt Outstanding	Percentage Applicable to City ⁽¹⁾	Amount Applicable to City
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Monterey Peninsula Community College District	\$ 124,803,522	11.648%	\$ 14,537,114
Carmel Unified School District	23,738,445	23.890%	5,671,115
Total Direct and Overlapping Tax and Assessment Debt	<u>\$ 148,541,967</u>		<u>\$ 20,208,229</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Monterey County General Fund Obligations	161,193,744	6.365%	10,259,982
Monterey County Judgment Obligations	1,415,000	6.365%	90,065
City of Carmel-by-the-Sea General Fund Obligations	5,215,000	100.000%	5,215,000
City of Carmel-by-the-Sea Pension Obligation Bonds	<u>2,605,000</u>	100.000%	<u>2,605,000</u>
Total Gross Direct and Overlapping General Fund Debt			18,170,047
Less: Monterey County supported obligations			2,552,353
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 15,617,694</u>
TOTAL DIRECT DEBT			\$ 72,820,000
TOTAL GROSS OVERLAPPING DEBT			\$ 30,558,276
TOTAL NET OVERLAPPING DEBT			\$ 28,005,923
GROSS COMBINED TOTAL DEBT ²			\$ 38,378,276
NET COMBINED TOTAL DEBT			\$ 35,825,923

Notes:

- (1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2018-19 Assessed Valuation:

Direct Debt

Total Direct and Overlapping Tax and Assessment Debt	0.48%
Total Direct Debt (\$8,750,000)	0.18%
Gross Combined Total Debt	0.90%
Net Combined Total Debt	0.84%

Source: MuniServices, LLC

City of Carmel-by-the-Sea
Legal Debt Margin Information
Last Ten Fiscal Years

TABLE 14

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 111,360,734	\$ 109,513,862	\$ 110,217,979	\$ 113,639,640	\$ 119,277,148	\$ 125,125,115	\$ 134,841,947	\$ 142,220,214	\$ 150,933,410	\$ 159,275,730
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 111,360,734	\$ 109,513,862	\$ 110,217,979	\$ 113,639,640	\$ 119,277,148	\$ 125,125,115	\$ 134,841,947	\$ 142,220,214	\$ 150,933,410	\$ 159,275,730
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

California Government Code, Section 43605, sets the debt limit at 15% of the total assessed valuation of all real personal property within the city, when assessed values were at 25% of full market value. This has changed to 100% of full market value, with the rate adjusting to 1/4 of 15%.

Source: City of Carmel by the Sea Finance Department

Legal Debt Margin Calculation For Fiscal Year 2018-19:

Total assessed value	\$ 4,247,352,806
Debt limit (3.75% of total assessed value)	159,275,730
Debt applicable to limit:	
General obligation bonds	-
Less: Amount available in debt service fund for repayment of bonds	-
Total net debt applicable to limit	-
Legal debt margin	\$ 159,275,730

City of Carmel-by-the-Sea

Pledged-Revenue Coverage

Last Ten Fiscal Years

TABLE 15

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sunset Center Certificates of Participation										
General City Revenues	\$ 12,411,782	\$ 12,830,497	\$ 13,216,046	\$ 15,932,161	\$ 19,195,290	\$ 21,139,081	\$ 22,406,471	\$ 21,653,778	\$ 23,167,967	\$ 24,061,114
Less: operating expenses	(12,170,116)	(12,481,658)	(14,648,160)	(21,259,578)	(15,512,429)	(16,332,293)	(17,552,771)	(18,716,522)	(19,407,105)	(20,069,662)
Net available revenue	241,666	348,839	(1,432,114)	(5,327,417)	3,682,861	4,806,788	4,853,700	2,937,256	3,760,862	3,991,452
Debt service:										
Principal	205,000	210,000	280,000	285,000	285,000	290,000	295,000	300,000	310,000	315,000
Interest	362,515	354,837	231,163	225,463	219,763	213,963	208,063	202,063	198,188	190,375
Total	567,515	564,837	511,163	510,463	504,763	503,963	503,063	502,063	508,188	505,375
Coverage	0.43	0.62	(2.80)	(10.44)	7.30	9.54	9.65	5.85	7.40	7.90
Pension Obligation Bonds										
General City Revenues	NA	NA	NA	\$ 15,932,161	\$ 19,195,290	\$ 21,139,081	\$ 22,406,471	\$ 21,653,778	\$ 23,167,967	\$ 24,061,114
Less: operating expenses				(21,259,578)	(15,512,429)	(16,332,293)	-17,552,771	(18,716,522)	(19,407,105)	(20,069,662)
Net available revenue				(5,327,417)	3,682,861	4,806,788	4,853,700	2,937,256	3,760,862	3,991,452
Debt service:										
Principal	NA	NA	NA	115,000	580,000	580,000	585,000	595,000	605,000	615,000
Interest				57,848	122,593	118,243	112,443	105,131	96,206	85,120
Total				172,848	702,593	698,243	697,443	700,131	701,206	700,120
Coverage				(30.82)	5.24	6.88	6.96	4.20	4.91	5.70
Combined coverage	NA	0.62	(4.20)	(7.80)	3.05	4.00	4.04	2.44	2.85	3.31

Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation.

Source: City of Carmel-by-the-Sea Finance Department

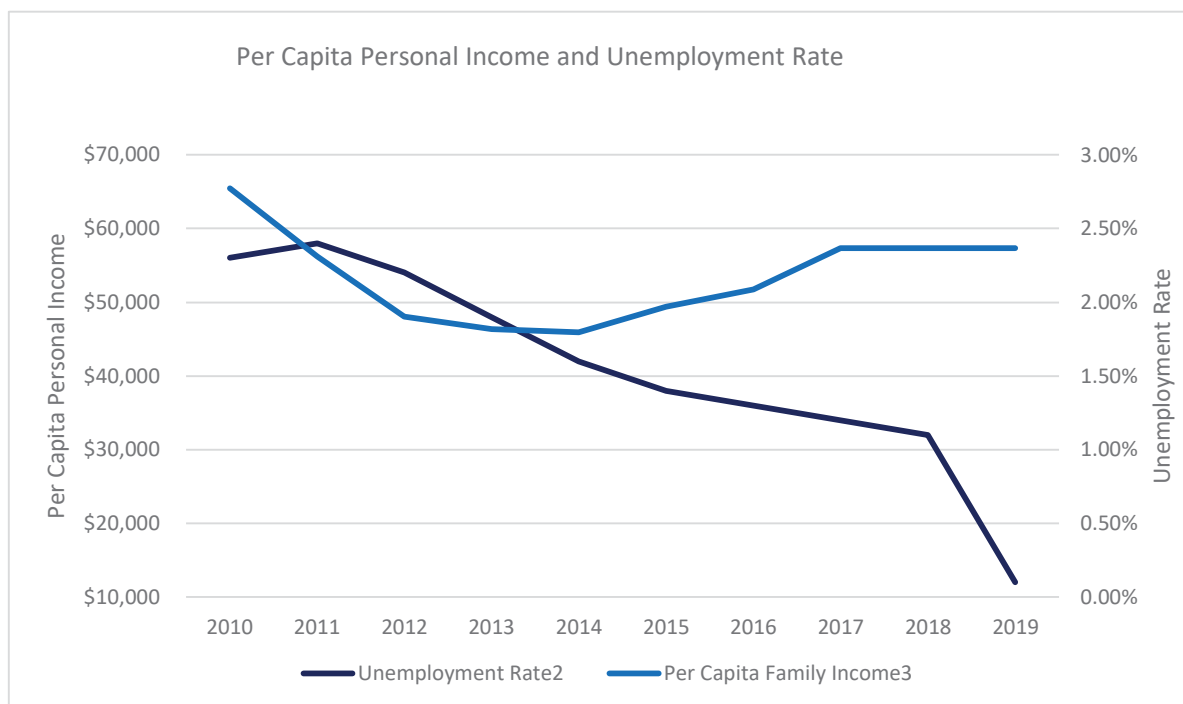
City of Carmel-by-the-Sea

TABLE 16

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year Ended June 30	Population ¹	Unemployment Rate ²	Median Household Income	Per Capita Family Income ³	Median Age	% of Population 25+ with High School Diploma	% of Population 25+ with Bachelor's Degree
2010	3,731	2.30%	\$ 74,489	\$ 65,461	56.5	97.70%	66.40%
2011	3,766	2.40%	\$ 76,463	\$ 56,172	57.4	97.40%	63.30%
2012	3,807	2.20%	\$ 72,582	\$ 48,062	56.3	96.90%	58.50%
2013	3,840	1.90%	\$ 71,719	\$ 46,391	53.9	96.60%	60.80%
2014	3,867	1.60%	\$ 62,460	\$ 45,928	55.1	95.70%	57.60%
2015	3,886	1.40%	\$ 74,758	\$ 49,425	54.3	97.30%	58.60%
2016	3,903	1.30%	\$ 81,607	\$ 51,778	53.1	97.30%	63.70%
2017	3,897	1.20%	\$ 87,532	\$ 57,307	55.8	96.90%	64.70%
2018	3,897	1.10%	\$ 87,532	\$ 57,307	55.8	96.90%	64.70%
2019	3,987	0.10%	\$ 87,532	\$ 57,307	55.8	96.90%	64.80%



Notes:

A For calendar year ending during the fiscal year.

B Total Personal Income is presented in thousands.

Source: ¹ California Department of Finance

² California Employment Development Department

³ U.S. Department of Commerce, Bureau of Economic Analysis

City of Carmel-by-the-Sea

TABLE 17

Principal Employers

Current Year and Nine Years Ago ⁽¹⁾

	Fiscal Year Ended June 30					
	2019			2010		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Employer:						
Carmel Realty	100	1	5.88%	na	na	na
City of Carmel-by-the- Sea	87	2	5.12%	na	na	na
Cypress Inn/Terry's Lounge	80	3	4.71%	na	na	na
La Playa Hotel	73	4	4.29%	na	na	na
Casanova	60	5	3.53%	na	na	na
Dametra	50	6	2.94%	na	na	na
Catinetta Luca	41	7	2.41%	na	na	na
Auberge	40	8	2.35%	na	na	na
Forge in the Forest	36	9	2.12%	na	na	na
Bruno's Market	33	10	1.94%	na	na	na
Totals	500		35.29%			
Total employment	1,700					

Notes: This is the second year that the City is including a statistical section. Due to the small size of the City, employee counts for prior years were not available through a database or third party. Prior year information will be included as the City reports this information in forthcoming years.

Source: City of Carmel-by-the-Sea Finance Department

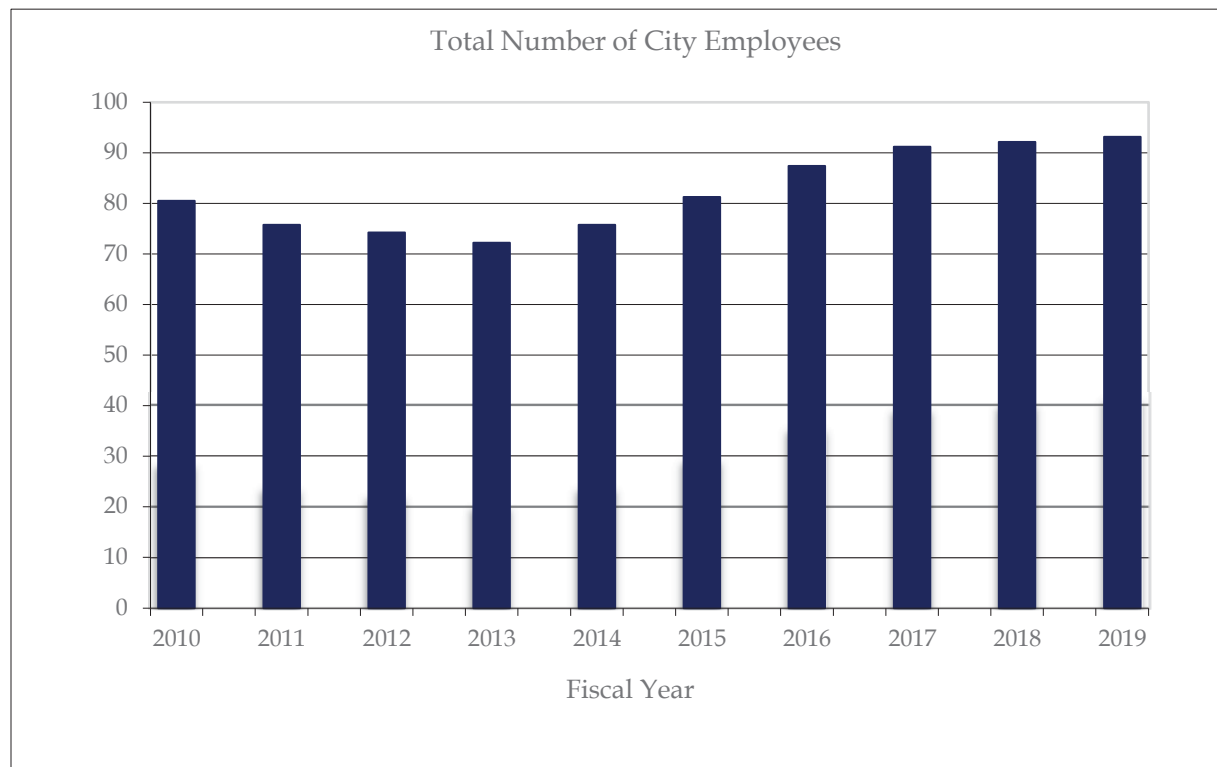
City of Carmel-by-the-Sea

TABLE 18

Number of City Employees by Department

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Departments:										
General Government	12.5	8.0	9.8	10.8	10.7	18.2	17.6	18.6	16.2	15.7
Public Safety	34.8	33.1	31.7	27.0	28.0	28.8	30.7	30.7	31.7	32.0
Public Works	15.4	15.4	14.4	13.2	13.9	14.0	18.0	21.0	21.0	21.0
Community Activities	1.1	1.1	1.1	1.2	1.4	1.7	1.7	1.5	1.4	1.5
Library	10.7	10.7	11.3	10.4	11.7	11.6	12.4	12.4	12.8	14.0
Community Plng. and Bldg.	6.0	7.5	6.0	9.7	10.0	7.0	7.0	7.0	9.0	9.0
Totals	80.5	75.7	74.2	72.2	75.7	81.3	87.4	91.2	92.1	93.1



Source: City of Carmel-by-the-Sea Finance Department

City of Carmel-by-the-Sea
Operating Indicators By Function
Last Ten Fiscal Years

TABLE 19

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function:										
Police										
Calls for service	16,437	14,867	13,232	10,889	10,023	14,813	14,360	13,701	12,674	13,252
Fire										
Calls for service	na	na	742	648	759	851	925	856	843	1,006
Inspections	na	na	321	645	725	822	636	346	504	112
Public Works										
Potholes patched								18	52	25
Tree permits Issued									166	90
Calls for service								300	250	500
Road asphalt used									48	34
Trees planted					60			32	82	82
Library										
Circulation of library materials	110,707	109,350	150,280	155,630	153,227	140,848	114,137	106,976	99,802	104,456
Reference questions	38,426	28,539	32,512	33,176	37,010	24,318	20,233	19,252	16,276	15,789
Community Activities										
Special Event permits	na	na	na	na	39	45	30	81	75	42
Community Development										
Building Permits	301	333	306	286	340	500	422	416	580	590
Architectural Approvals	247	211	234	305	273	466	524	468	440	452
Administration										
Business Licenses (All businesses)	1001	1058	1132	1208	1280	1350	1472	1615	1836	2187
Public Records Requests (Calendar Yr)	na	na	na	83	143	147	127	160	184	187

Source: City of Carmel-by-the-Sea Departments

City of Carmel-by-the-Sea
Capital Asset Statistics By Function
Last Ten Fiscal Years

TABLE 20

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function:										
General Government										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Parking meters	3	3	3	3	11	1	1	1	1	1
Fire stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Miles of paved streets	27	27	27	27	27	27	27	27	27	27
Parking lots	3	3	3	3	3	3	3	3	3	3
Fleet Vehicles (City-wide)	43	43	43	43	43	43	43	43	43	45
Recreation										
Parks	10	10	10	10	10	10	10	10	10	10
Playgrounds	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	2
Library										
Library facilities	2	2	2	2	2	2	2	2	2	2

Source: City of Carmel-by-the-Sea Departments

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OTHER INDEPENDENT AUDITOR'S REPORTS

**CHAVAN & ASSOCIATES, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members of the
City Council of the City of Carmel-By-The-Sea
Carmel-by-the-Sea, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Carmel-By-The-Sea (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not

**CHAVAN & ASSOCIATES, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

December 20, 2019
San Jose, California



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

**January 7, 2020
ORDERS OF BUSINESS**

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Ashlee Wright, Director, Libraries & Community Activities
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Provide staff with direction regarding fees for “historic events.”

RECOMMENDATION:

Provide staff with direction regarding fees for “historic events.”

BACKGROUND/SUMMARY:

The Community Activities fee schedule was last reviewed by Council at a series of meetings at the end of 2017, and the revised fee schedule was approved by Council in January 2018. The current fee schedule (Attachment 1) reflects a 75% subsidy of some fees for non-profit organizations. In contrast to the past, it does not include any sort of subsidy for events that have regularly occurred in Carmel-by-the-Sea for a defined length of time.

At its May 2018 regular meeting, staff was directed by Council to amend policy C16-01 to more accurately reflect current practices, to eliminate the special event grant funding program, and to include a definition of “historic events” that may or may not preclude some events from paying certain fees in the future. These amendments are currently in progress.

Also in progress is the process of reviewing the cost of providing services and updating the fee schedule. The City is again working with Revenue and Cost Specialists, LLC (“RCS”) to complete a cost of services study (“Study”). The Study will seek to identify options to adjust fees in order to more equitably finance services.

At its May 5, 2017 meeting, Council labeled the following events as “historic” and exempt from paying fees: Breakfast with the Bunny, Memorial Day Ceremony, Sandcastle Contest, Carmel High School Homecoming Parade, and the Veteran’s Day Ceremony. These events were designated as historic because the event either is conducted by the City itself, or was previously conducted by the City but subsequently taken on by another organizer.

Staff are seeking direction as to whether the Council would like to subsidize certain fees for “historic events”, which staff are defining as “a special event that has occurred annually in Carmel-by-the-Sea for 10 years or longer”, specifically for events that are not organized by the City or were not identified by previous

Council action as historic.

Events that are organized by outside event organizers include: Rio Resolution Run, Carmel Art Festival, Monterey County Vintners Winemakers Celebration, Surfabout, Run in the Name of Love, Concours on the Avenue, Prancing Ponies Car Show, and Pebble Beach Tour d'Elegance.

OPTIONS

Option 1: Incorporate a “historic event” designation into the fee schedule that precludes events from paying certain fees once they have been established in the community for 10 years, regardless of non-profit status.

Should the Council choose this option, staff would recommend that event organizers still be required to submit a refundable damage deposit and pay for any required City staff overtime, but that all other fees be waived. The Car Week event organizers for Concours on the Avenue and Pebble Beach Tour d'Elegance would also still be required to share the cost of shuttle and porta-potties to support those events.

Events Eligible for “Historic” Designation

Event	Number of Years in Carmel	Estimated annual fees: Current fee schedule (less deposit)	Estimated annual fees: With “historic event” status (less deposit)
Carmel Art Festival*	26	\$2,763	\$0
Concours on the Avenue	13	\$23,722	\$15,013
Pebble Beach Tour d'Elegance	22	\$16,325	\$12,445
Rio Resolution Run	30	\$735	\$0
Surfabout	38	\$2,735	\$0

* denotes a non-profit organization

The annual loss of revenue to the City according to the current fee schedule would be approximately \$18,800.

Option 2: Incorporate a “historic event” designation into the fee schedule that precludes events from paying ALL fees once they have been established in the community for 10 years, regardless of non-profit status.

This option proposes no cost recovery for staff overtime or the cost of the shuttles or porta-potties for Car Week. Staff would recommend that event organizers still be required to submit a refundable damage deposit.

The annual loss of revenue to the City according to the current fee schedule would be approximately \$46,000.

Option 3: Maintain the status quo. All special event organizers are required to pay fees according to the fee schedule established by Council.

CONCLUSION

Staff seeks direction regarding which option Council thinks will best serve the community.

FISCAL IMPACT:

Choosing option 1 will result in an approximate loss of \$18,800 in revenue annually. Choosing option 2 will result in an approximate loss of \$46,000 in revenue annually. Choosing option 3 will see no decrease in annual revenue from special events.

PRIOR CITY COUNCIL ACTION:

At its May 2018 regular meeting, staff was directed by Council to return to Council with a definition for “historic events” that may or may not preclude some events from paying certain fees.

ATTACHMENTS:

Attachment #1 - Community Activities Fees

City of Carmel-by-the-Sea
Proposed Fiscal Year 2019-2020 Master Fee Schedule

Service	Fiscal Year 2018-2019 Fees	Proposed Fiscal Year 2019-20 Fees
	Effective 7/1/18-6/30/19	Effective 7/1/19-6/30/20
Community Activities/Special Events		
Homecrafter		
Jury Fee	\$ 25	\$ 25
Rental fee	\$ 205	\$ 205
Vista Lobos Rental		
Rental Fee (per hour)	\$ 25	\$ 25
Refundable Deposit (key/damage deposit)	\$ 125	\$ 125
Beach Special Event		
Permit Fee- Non-profit organization or school	\$ 175	\$ 180
Permit Fee- All others	\$ 705	\$ 735
Refundable Deposit (per day)- All	\$ 500	\$ 500
Rental fee (per day)- Non-profit organization or school	\$ 250	\$ 250
Rental fee (per day)- All others	\$ 500	\$ 500
Park Special Event		
Permit Fee- Non-profit organization or school	\$ 175	\$ 180
Permit Fee- All others	\$ 705	\$ 735
Refundable Deposit (per day)- All	\$ 500	\$ 500
Rental fee (per day)- Non-profit organization or school	\$ 250	\$ 250
Rental fee (per day)- All others	\$ 500	\$ 500
Street Special Event		
Permit Fee- Non-profit organization or school	\$ 175	\$ 180
Permit Fee- All others	\$ 705	\$ 735
Refundable Deposit (per day, per block)- All	\$ 500	\$ 500
Rental fee (per day, per block)- Non-profit organization or school	\$ 250	\$ 250
Rental fee (per day, per block)- All others	\$ 500	\$ 500
Rental fee (per event)- Portable barricade- All	\$	\$ 1,000
City staff overtime-Non-profit organization or school	25% of fully allocated hourly rate of City staff plus 100% any outside costs	25% of fully allocated hourly rate of City staff plus 100% any outside costs
City staff overtime-All others	100% of fully allocated hourly rate of City staff plus 100% any outside costs	100% of fully allocated hourly rate of City staff plus 100% any outside costs
Parking Stall Use		
Permit Fee- Non-profit organization or school	\$ 175	\$ 180
Permit Fee- All others	\$ 705	\$ 735
Rental fee- Regular (per stall, per day)-All	\$ 100	\$ 100
Rental Fee- Peak Demand (per stall, per day)- All (Car Week, PGA Tour, last 2 weeks in Decmeber)	\$ 200	\$ 200
Rental Fee- Car Week and PGA Tour (per stall, per day)- Shuttle Service	\$ 200	\$
Other Permits		
Film Permit-Non-profit organization or school	\$ 105	\$ 110
Film Permit-All others	\$ 415	\$ 430
Sound Permit-Non-profit organization or school	\$ 12	\$ 10
Sound Permit-All others	\$ 25	\$ 25
Event with Alcohol-Non-profit organization or school	\$ 45	\$ 45
Event with Alcohol-All others	\$ 175	\$ 180
Resident Block Party	No charge	No charge
Use of credit card for any community acitvites charges	Additional 2.5% of fees incurred	Additional 2.5% of fees incurred



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

**January 7, 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:	Receive a presentation on pension cost management strategies and provide direction to staff

RECOMMENDATION:

Receive a presentation on pension cost management strategies and provide direction to staff.

BACKGROUND/SUMMARY:

The California Public Employees' Retirement System ("CalPERS") is the largest pension fund in the country as it manages investments for nearly 2 million members, including active, retirees and beneficiaries, and inactive members for state, school and other public agencies. The City is one such public agency and has two primary CalPERS plans, one for miscellaneous members and one for safety, that combined, represents about 314 covered members, of which about 71 are active members, based upon the most recent actuarial data.

Annually, the City makes a payment to CalPERS that consists of (1) the annual cost for current employees ("normal cost") and (2) the unfunded accrued liability ("UAL"). The UAL is the actuarial liability less the actuarial value of the assets. In other words, it is the difference between the dollar amount CalPERS needs in order to pay for retirement benefits when people retire as compared to the amount that CalPERS currently has on hand to pay for the estimated costs of the retirement benefits. Ideally, this ratio is 100%; however, CalPERS is about 68% funded. As such, similar to other public agencies, the City's pension costs have been on the rise and are projected to continue to grow. The City's Miscellaneous Plan has grown from \$5.3 million to \$11.7 million over the last seven years while the City's Safety Plan has grown from \$6.1 million to \$11.2 million over the same time span.

The City has used a combination of strategies over time to help mitigate the costs associated with pension liability, such as the issuance of pension obligation bonds; negotiating employee contributions toward the employer's cost of pensions; and prepaying the annual UAL payment. Most recently, the City Council has provided direction to staff supporting using a Pension Rate Stabilization Program (e.g. Section 115 Trust) to pre-fund the City's pension obligations.

The purpose of this agenda item is to receive a presentation from NHA Advisors regarding pension cost management and alternative repayment strategies. Specifically, as staff moves forward in evaluating

proposals regarding the establishment of a Section 115 Trust, this presentation is intended to provide Council with additional information regarding the mechanics of a trust, including its possible uses, potential benefits and scenarios regarding how an initial investment would impact the City's UAL. Moreover, once a trust administrator is selected, Council will need to determine various investment portfolio options (e.g. conservative, moderate and aggressive) and this initial discussion with Council regarding the objectives associated with using a trust, will help assist staff in evaluating the proposals and making recommendations regarding portfolio options.

In addition to investing in a Section 115 Trust, there are other possible strategies that Council may wish to consider to reduce its pension costs. The presentation will include a discussion on other options intended to help mitigate pension costs, such as the lump sum direct pay down of the UAL, that could be coupled with the use of a Trust. Staff seeks preliminary direction from Council on pursuing other options in tandem with the establishment of a trust. If Council is interested in exploring other options as well, such as the UAL pay down, staff will further explore how best to fund a trust and pay down with an initial investment of \$2 million as well as explore other funding ratios between these two approaches over a longer period of time. This presentation will also begin the discussion with Council regarding the development of a pension funding policy. The intent of a pension funding policy would be for Council to provide direction regarding using one-time monies, annual surplus revenues and/or savings from lease bonds toward pension liabilities and associated pension cost management strategies.

While discussions regarding options to address pension costs will be ongoing, staff is seeking preliminary direction from Council at this time as follows:

- Provide direction regarding objectives for using the Section 115 Trust in order to assist staff in evaluating trust proposals and direct staff to continue to work with NHA Advisors to evaluate the trust proposals. Pending direction from Council, staff will bring forward recommendations regarding a trust administrator and the corresponding documents needed to establish the trust.
- Provide direction regarding whether to explore other pension options, such as paying down the UAL, as an additional pension mitigation strategy at this time in addition to establishing the trust, or to focus initially on the establishment and funding of the trust.
- Provide direction regarding funding the trust and/or any other alternative strategy with an initial amount of \$2 million.
- Provide direction to staff to work with NHA Advisors regarding the refinancing of the City's 2010 Lease Bonds.
- Provide direction to staff regarding the development of a pension funding policy.

FISCAL IMPACT:

There is no fiscal impact associated with receiving this presentation. However, direction provided by Council will assist staff in continuing to develop cost management strategies for addressing the City's pension liabilities.

PRIOR CITY COUNCIL ACTION:

Council received presentations on the City's pension liability on April 8, 2018 and December 4, 2018. On January 8, 2019, Council adopted a resolution endorsing participation in a pension rate stabilization program and authorized staff to issue a Request for Proposals for a Section 115 Trust.

ATTACHMENTS:

Attachment #1 - Carmel CalPERS Pension Costs Update

CITY OF CARMEL

CALPERS PENSION COSTS UPDATE

INTRODUCTION TO COST MANAGEMENT AND ALTERNATIVE REPAYMENT STRATEGIES



NHA | ADVISORS
Financial & Policy Strategies.
Delivered.

JANUARY 7, 2020

Executive Summary of Presentation

- ▶ Carmel has a projected \$23M Unfunded Accrued Liability (UAL) for 6/30/2020 with CalPERS
 - ▶ 100% increase (from \$11.4M) over last 7 years
 - ▶ Annual CalPERS payments (UAL & Normal Cost) projected from \$2M (2020) to \$3M (2025)
 - ▶ 2015: < \$1M in annual CalPERS costs
- ▶ Other General-Fund debt includes \$2.6M of Pension Obligation Bonds, \$4.9M of Lease Revenue Bonds (Sunset Center) and \$3.7M of Other Post-Employment Benefits (OPEB)
- ▶ Rapidly increasing (and uneven) re-payment shape of UAL and General Fund debt is causing added pressure on City's budget
- ▶ Planning for, and evaluating options to manage these rising costs are important for budget predictability and fiscal health
 - ▶ Cost management strategies - Section 115 Trust, UAL Pay Down and UAL Restructuring



Table of Contents

- I. Background on CalPERS Costs
- II. Historical and Projected Costs
- III. Common Cost Management Strategies
- IV. Conclusion and Next Steps



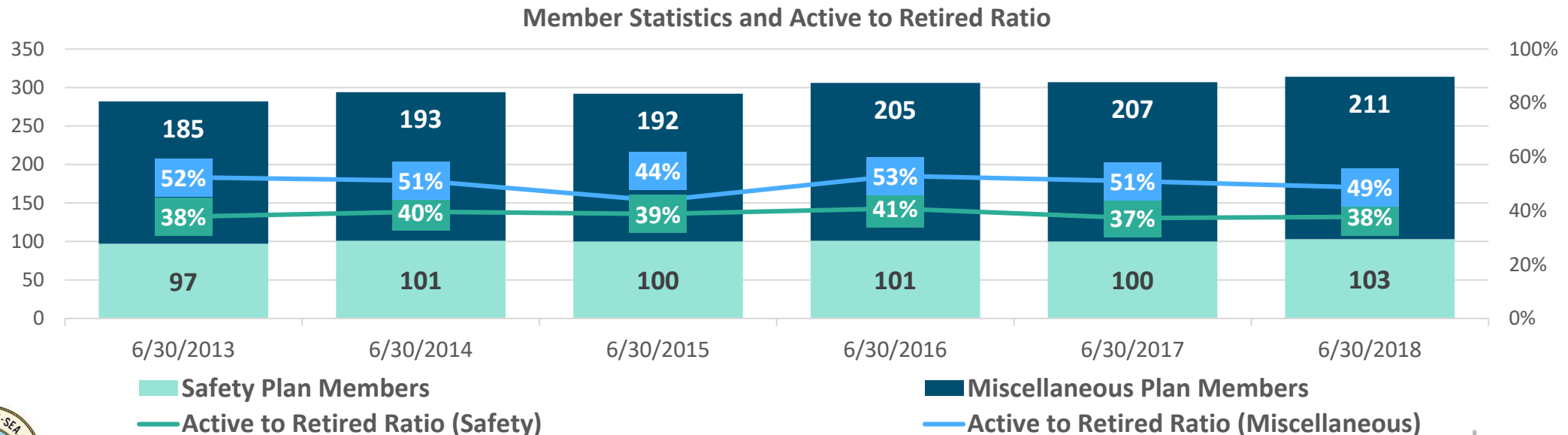


I. BACKGROUND ON CALPERS COSTS

CalPERS Pension 101

Retirement Plan Overview

- ▶ City has 2 primary CalPERS plans
 - ▶ Miscellaneous: 211 covered members including 51 active
 - ▶ Safety: 103 covered members including 20 active
- ▶ Plans include Classic (hired prior to 2013) employees, 2nd Tier and PEPRA Plans
- ▶ Active to retired ratios range from 38% (Safety) to 49% (Misc.)



CalPERS Pension 101

Payments Made to CalPERS Annually

- ▶ Each year, the City makes two types of payments to PERS:
 - ▶ **Normal Cost (NC)** = Annual cost for current employees
 - ▶ **Unfunded Accrued Liability (UAL):** Actuarial Liability MINUS Actuarial Value of Assets
 - ▶ “How much we currently have vs. how much we need to have in the future when people actually retire”
 - ▶ Shortfall not repaid all at once; amortized over a longer period of time with the City paying down a portion each year (principal and interest)
 - ❑ CalPERS currently amortizes this debt at a rate of 7%
 - ❑ Various components (layers or bases) of the UAL with amortization periods ranging from 17 to 30 years



Why CalPERS Costs are Trending Higher

Then ...

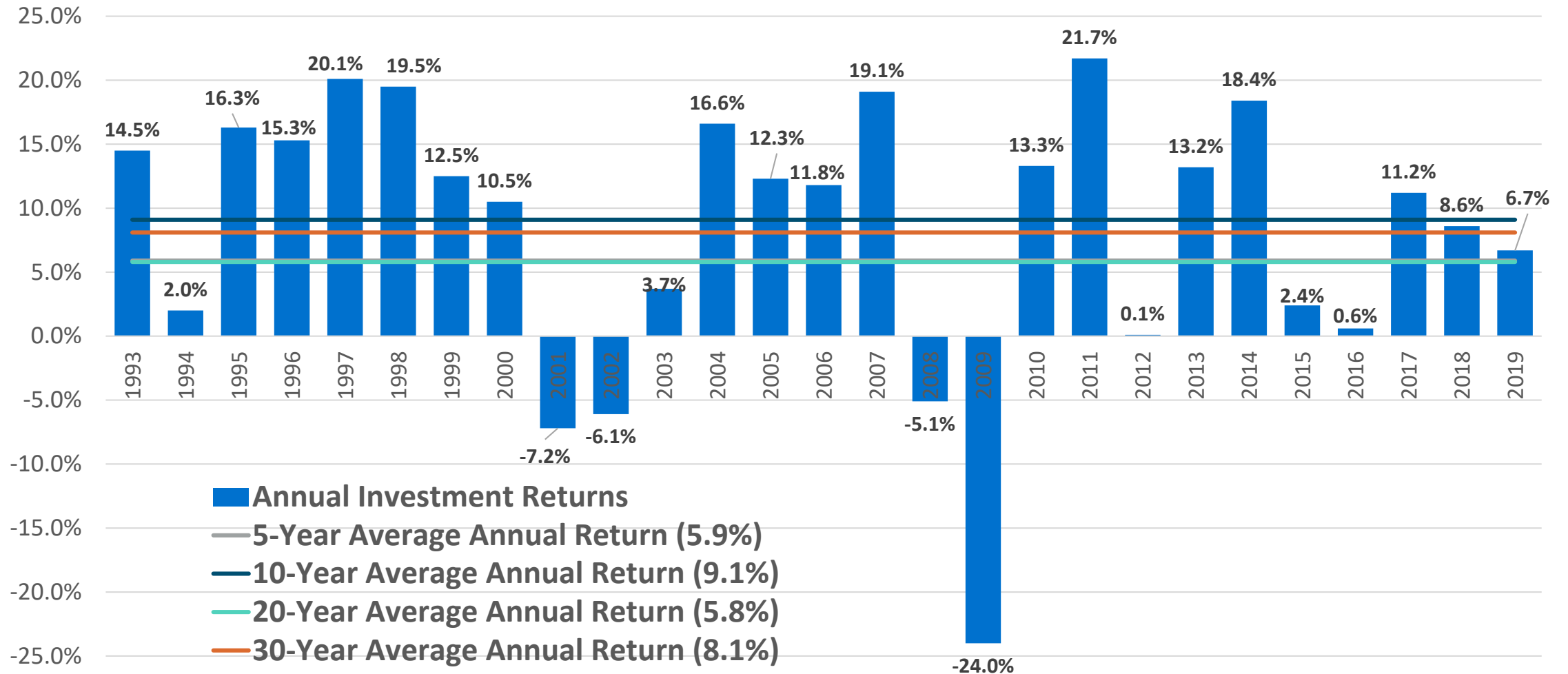
- ▶ PERS investment returns were robust (10%+)
 - ▶ Retirement plans were “Super-Funded” through the 1990s
 - ▶ Earnings on funds were more than adequate to cover retirement costs

Now ...

- ▶ Sluggish investment growth (<6%)
- ▶ Assumptions are changing
 - ▶ Expected returns: 8.25% → 7.75% in 2003; 7.75% → 7.50% in 2013 → 7.00% by 2020
 - ▶ Mortality rates (people living longer)
 - ▶ Actuarial Valuation → Market Valuation
- ▶ Unfunded liabilities are rapidly growing
 - ▶ Carmel’s Miscellaneous Plan UAL has grown from \$5.3M to \$11.7M over last 7 years
 - ▶ Carmel’s Safety Plan UAL has grown from \$6.1M to \$11.2M over last 7 years



Historical CalPERS Returns and Average Returns



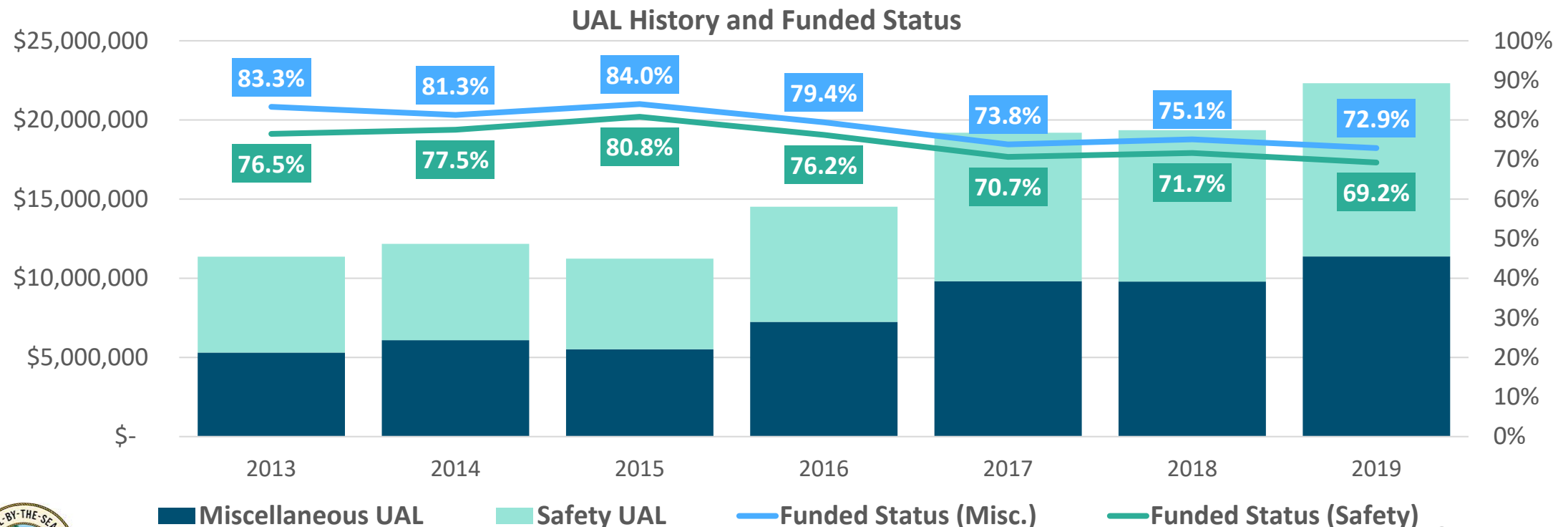


II. HISTORICAL AND PROJECTED COSTS

CalPERS Pension Costs – Historical Trends

Annual UAL Balance Owed to CalPERS

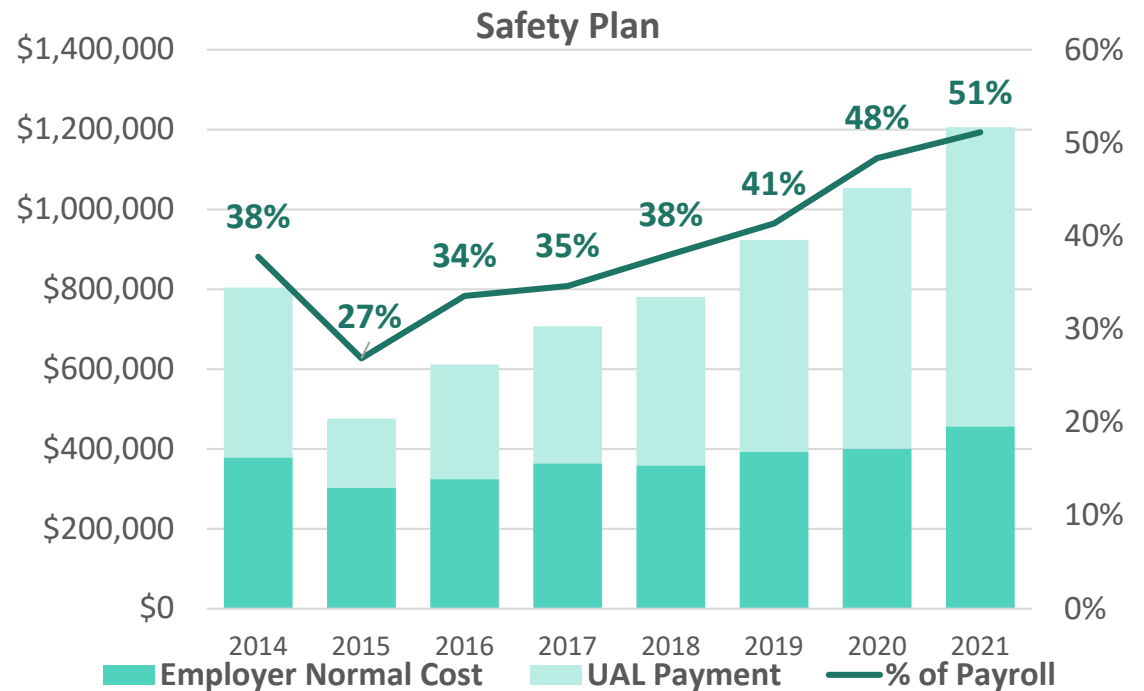
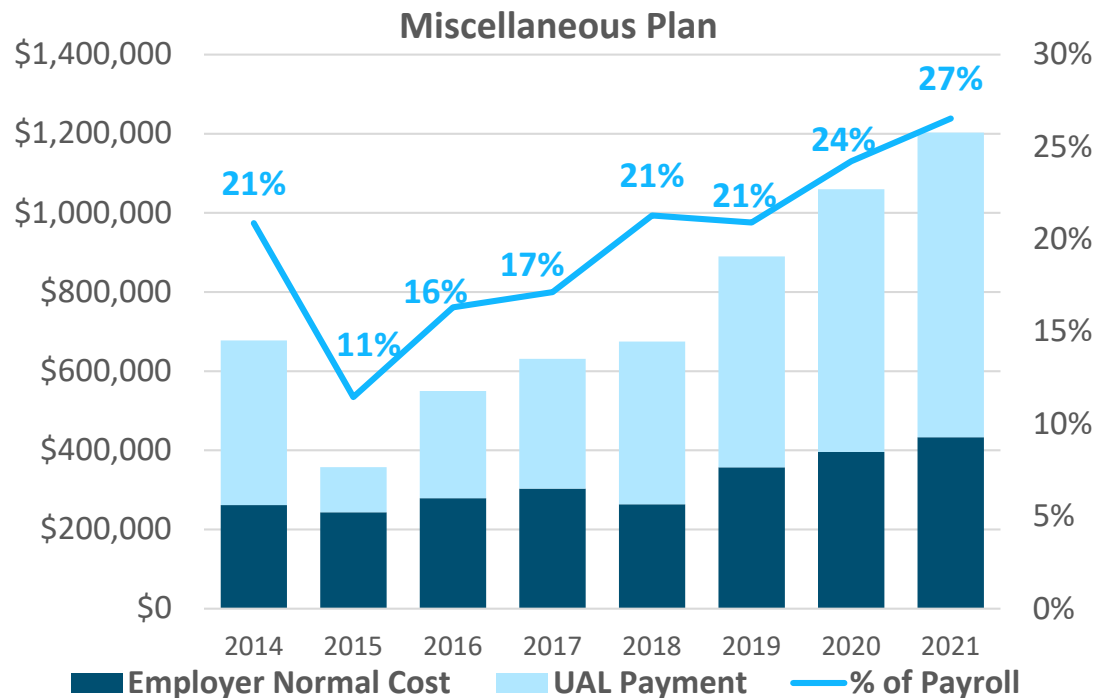
- ▶ UAL has grown from \$11M to \$23M
 - ▶ Due to PERS assumption changes and under-performance of investments (all impacts out of City's control)
- ▶ Funded status currently at 69% (Safety) and 73% (Misc.)



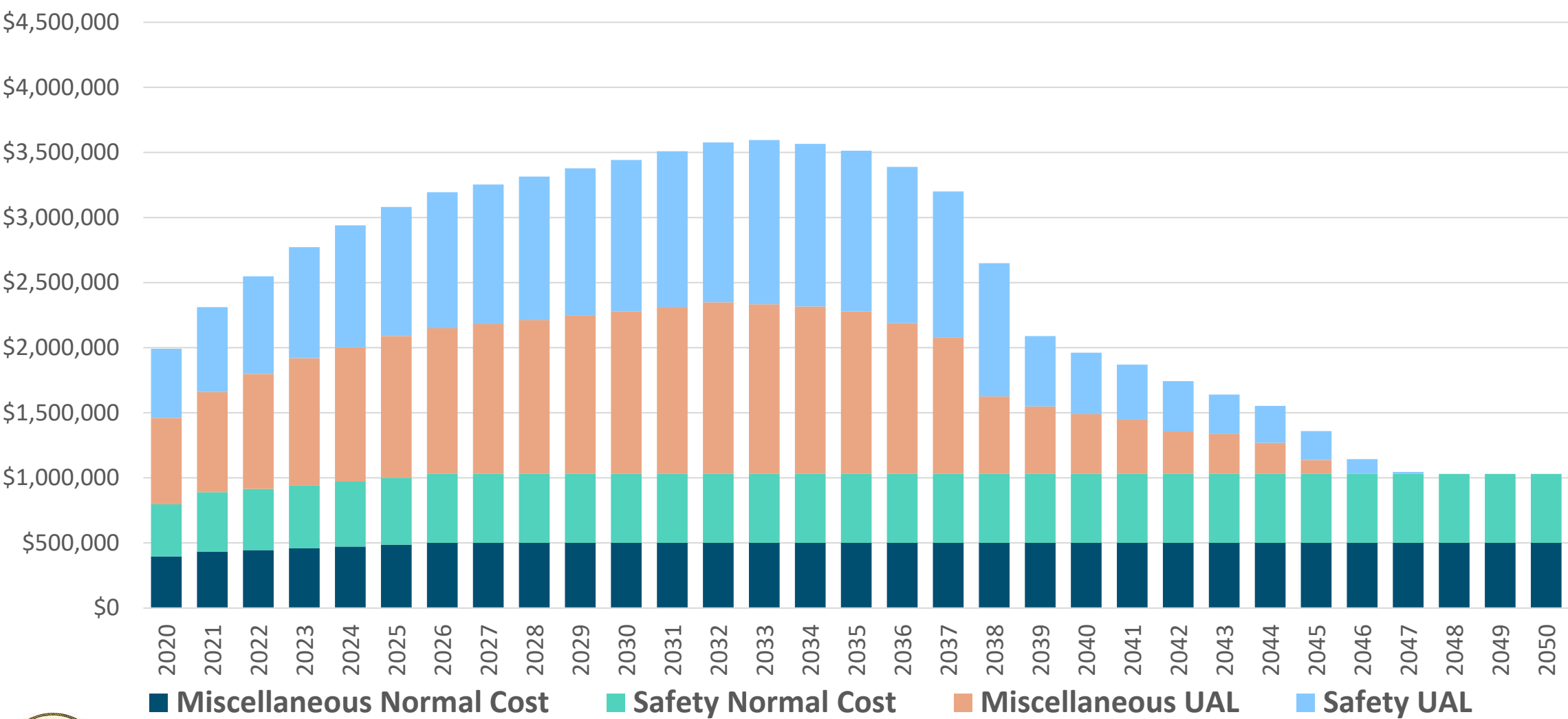
CalPERS Pension Costs – Historical Trends

Annual UAL and Normal Cost Payments

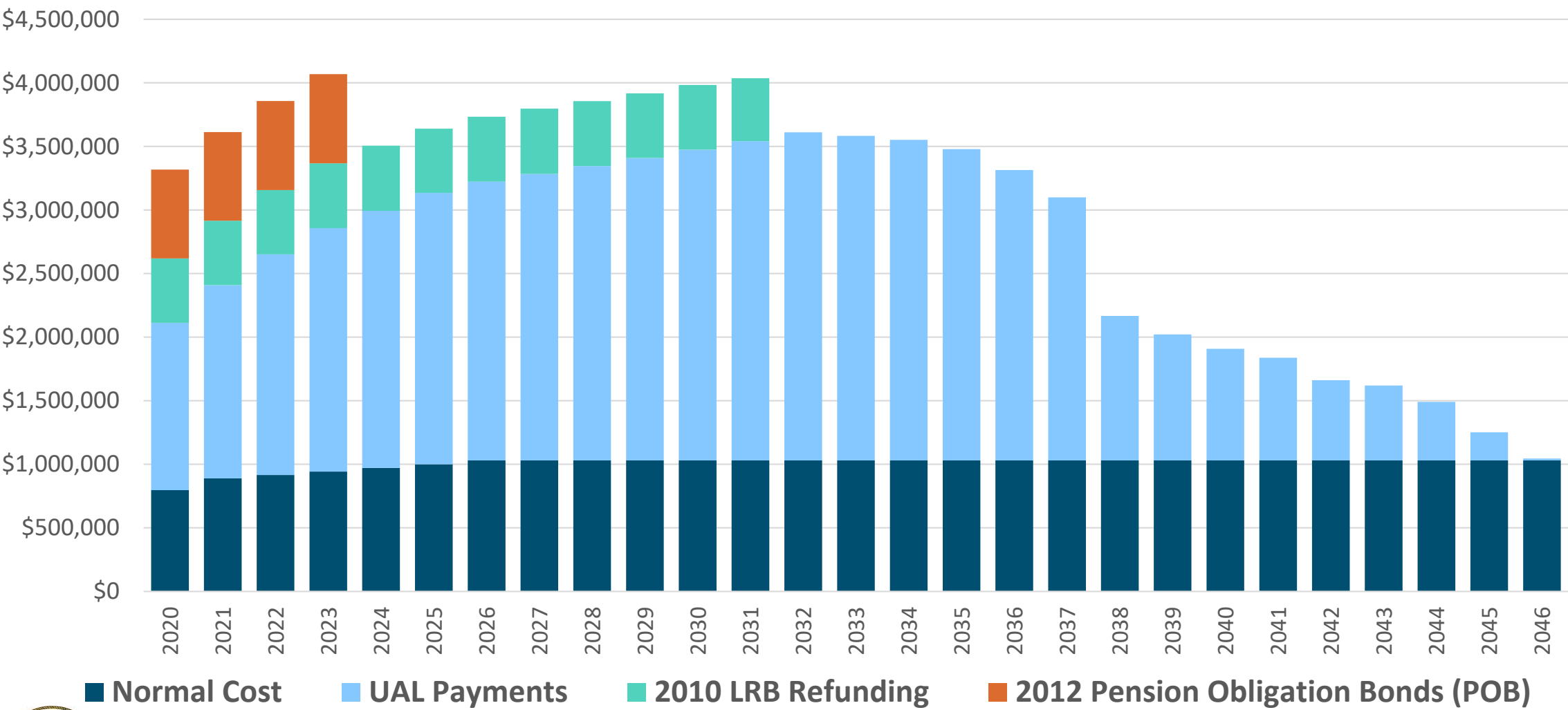
- ▶ Annual pension costs have more than tripled since 2015
- ▶ As % of payroll, Safety costs have escalated to 51%; Miscellaneous to 27%
- ▶ Reduction in UAL payment in 2015 attributable to Pension Obligation Bonds paying about 40% of UAL (at that time) off with CalPERS



CalPERS \$23M UAL Projected Repayment Schedule



CalPERS Costs + POB + Lease Bond Debt Service





III. POTENTIAL COST MANAGEMENT STRATEGIES

Potential Strategies to Address Rising Pension Costs

Refinance Other GF Debt

- City's 2010 Lease Bonds (Sunset Center) are callable (no penalty) in Nov. 2020
- Current interest rates (2.2%) much lower than 2010 Bond rates (3.9%)
- **\$80,000 est. annual savings from refinancing**



Recommended



Prepay Annual UAL Payment

- 3.5% discount for paying in beginning of Fiscal Year
- \$46K savings for FY 2020
- **City currently implements this strategy**



Recommended

Fresh Start Amortization

- Pros: Shortens repayment period; reduces overall interest paid
- Cons: New structure "locked-in" + increased annual payments in near term



Not Recommended
(see next slide)

Use Cash Reserves to:

- **Set-Up Section 115 Trust** - Separate trust solely dedicated to pension/OPEB
- **Lump Sum Direct Pay Down of UAL** - Reduce UAL with PERS and annual payments



Recommended If Feasible

Debt/Bonds

- Pension Obligation Bond (POB) – use bond proceeds to reduce CalPERS UAL
- Restructure payments for enhanced payment smoothing

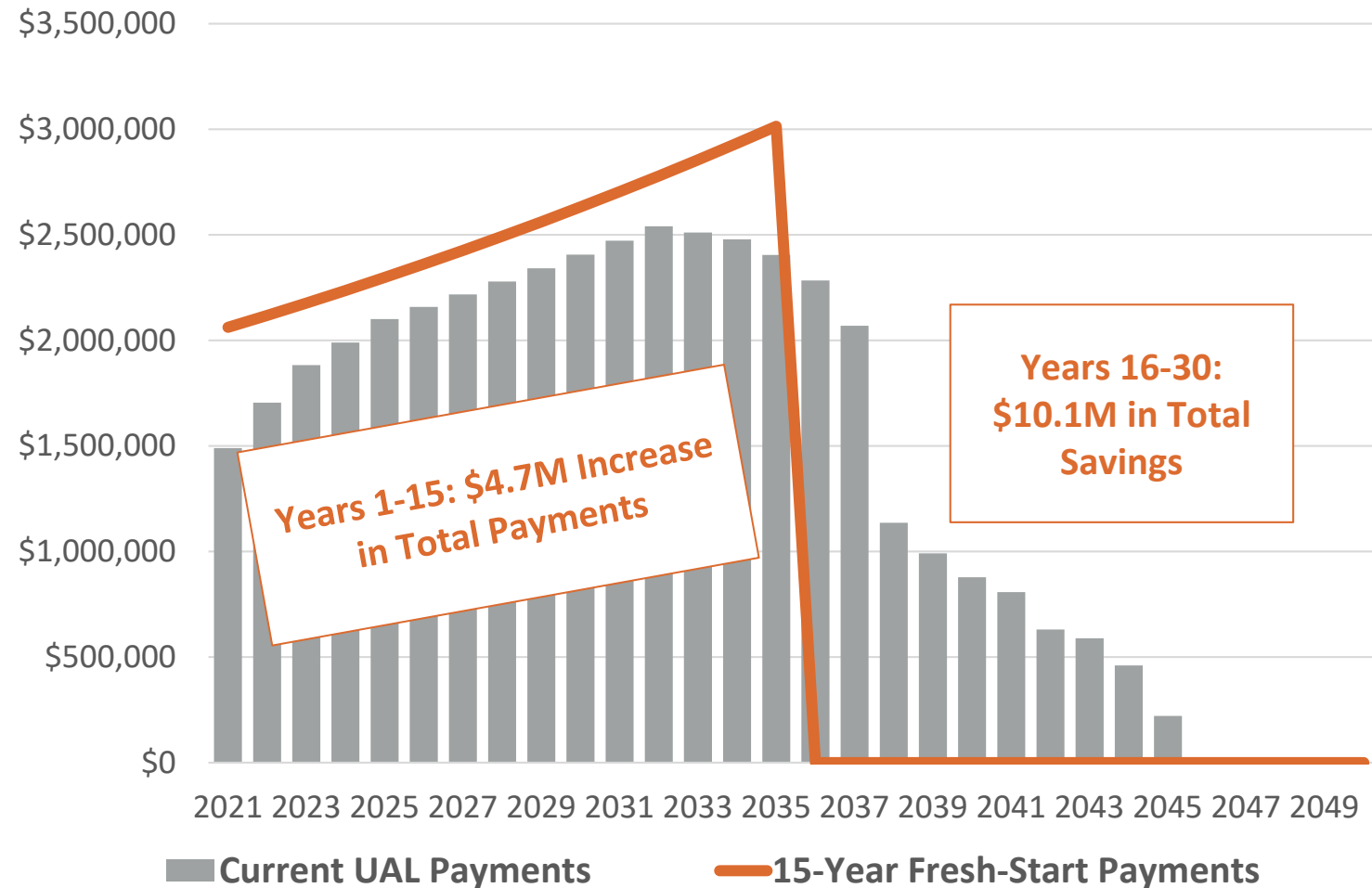


Analysis could be done if requested

Fresh Start Amortization

- ▶ City can request new amortization schedule with CalPERS
- ▶ Still amortized at 7%; Must be shorter than current schedule
 - ▶ Near term payments are higher, interest savings taken in later years
- ▶ Schedule is “locked-in” and City can’t go back to old schedule
 - ▶ Due to lack of flexibility, this strategy is not commonly utilized

Carmel 15-Year Fresh Start Analysis



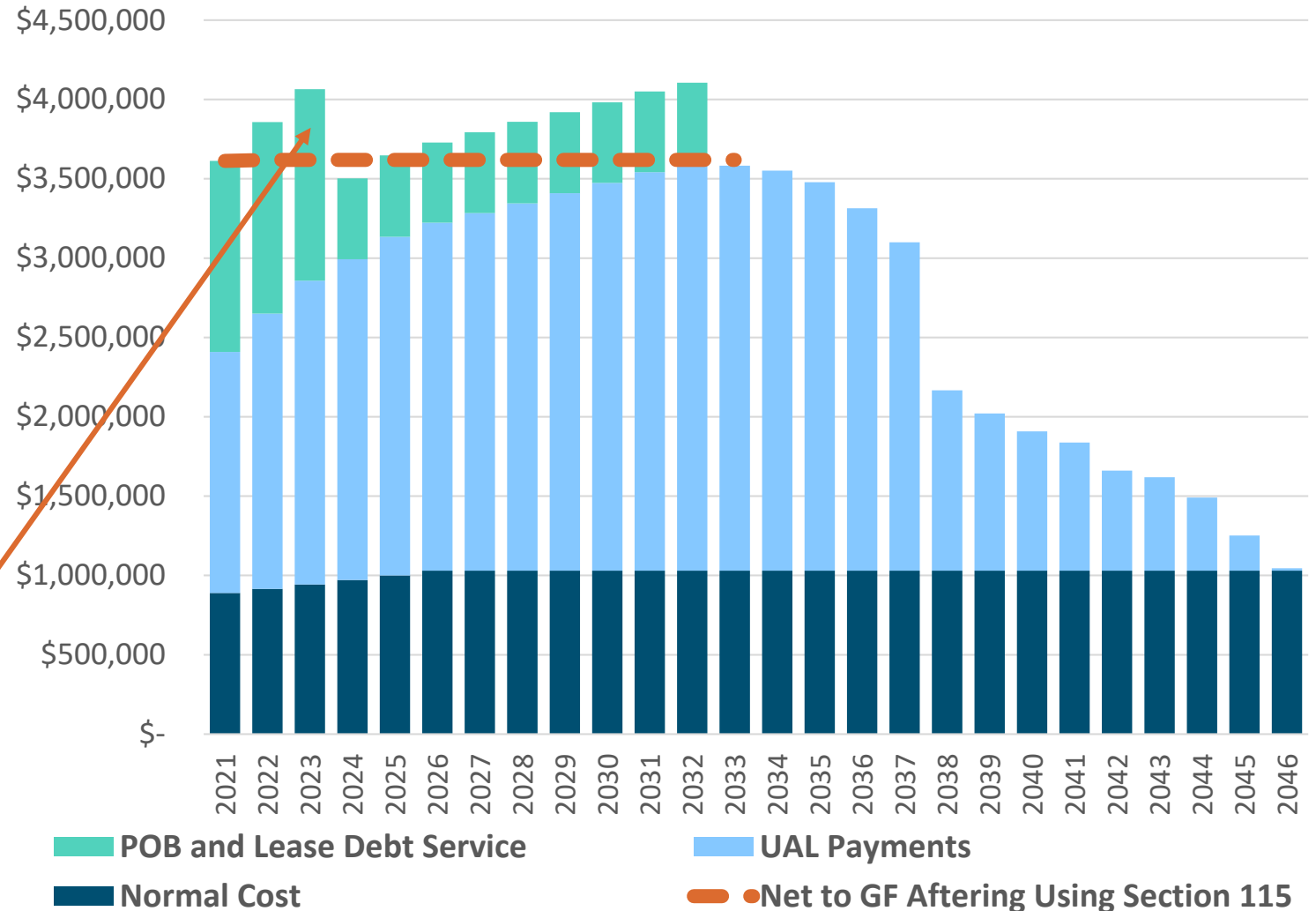
Section 115 Trust

- ▶ **What is it?** - Separate trust managed by 3rd party (not CalPERS)
 - ▶ Dedicated to pension and/or OPEB costs
- ▶ **Benefits**
 - ▶ Potential for **increased investment returns** vs. current GF reserves
 - ▶ **Flexibility** – more investment options than CalPERS and can decide when and how to use
 - ▶ Longer-Term: Can grow over time and pay off full UAL with CalPERS in the future
 - ▶ Shorter-Term: Apply during challenging budget years or to “smooth” payment spikes
- ▶ City currently has two proposals from Section 115 providers to evaluate and is considering utilizing approximately \$2 million of reserves to fund the trust



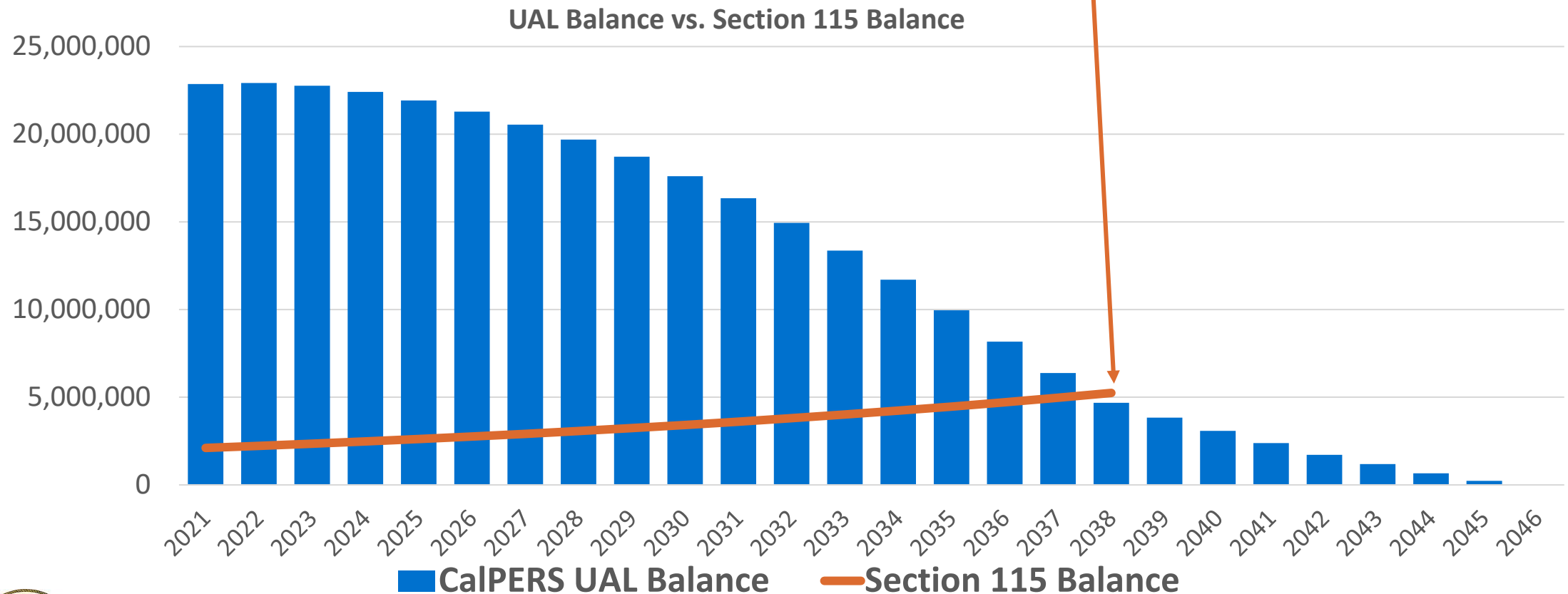
Section 115 Trust – Hypothetical Short-Term Example

- ▶ Assuming \$2M invested @ 4.5%, funds could be withdrawn during higher payment years to stabilize net impact to General Fund
- ▶ \$2M initial principal + \$800K interest (estimated) could be used to cover payments above orange line



Section 115 Trust – Hypothetical Long-Term Example

- ▶ Assuming \$2M invested @ 5.5%, funds would grow to the point where UAL could be fully extinguished 9 years early; \$5-6M savings in the out years



Alternative Option for Cash Reserves

Additional UAL Pay Down Directly to CalPERS

- ▶ **What is it?** – City makes Additional Discretionary Payment (ADP) to CalPERS and applies funds to a selected amortization base (layer of UAL)
 - ▶ CalPERS will eliminate payments associated with the portion of the UAL paid off, essentially giving the City credit at 7% interest
- ▶ Table shown assumes \$2M applied to 17-year UAL base
 - ▶ \$3.5M of total reduced payments (\$1.5M savings net of initial deposit); \$206K annual average reduction in payments
 - ▶ Savings estimates would be linear if smaller amount chosen

	Reduced Payments from \$2.0 Million Pay Down
Fiscal Year	17-Year Amortization Base
2020	166,446
2021	170,815
2022	175,299
2023	179,901
2024	184,623
2025	189,469
2026	194,443
2027	199,547
2028	204,785
2029	210,161
2030	215,677
2031	221,339
2032	227,149
2033	233,112
2034	239,231
2035	245,511
2036	251,955
Reduced Payments	3,509,462
Initial Deposit	(2,000,000)
Net Savings	1,509,462
Estimated payments assume a 7.00% Discount Rate and 2.625% Annual Payroll Growth.	



Section 115 Trust vs. UAL Paydown

OPTION	Section 115 Trust	Direct UAL Pay Down with CalPERS
Reduced UAL & UAL Payments with CalPERS	No	Yes
Reduced Pension Liability in CAFR	No (but will be off-setting asset on balance sheet)	Yes
Control of Investment Strategy	Yes	No
Funds Managed By	TBD upon review of proposals	CalPERS
Flexibility in Uses	Yes (annual expenses, direct UAL pay down, OPEB, etc.)	No
Savings	Varies; Depends on when City utilizes funds to pay liabilities	Immediate; Length of time varies based on which amortization component is paid off (City's amortization bases currently range 17-30 years)
Enhanced Budgetary Flexibility	Yes	No



Restructuring UAL Debt – Conceptual Overview

- ▶ The City can borrow money and use that money to pay off all or a portion of its debt (UAL) with CalPERS
 - ▶ Typical method is through a Pension Obligation Bond (POB)
 - ▶ Bond is issued to investors
 - City has utilized this strategy in 2012
- ▶ Interest rate paid on the new debt would be significantly lower than the 7% currently being paid on the UAL debt
 - ▶ Often, cities utilize the opportunity to re-structure its annual payments into a smoother more predictable shape
- ▶ Primary consideration is **re-investment/market timing risk**



POB History

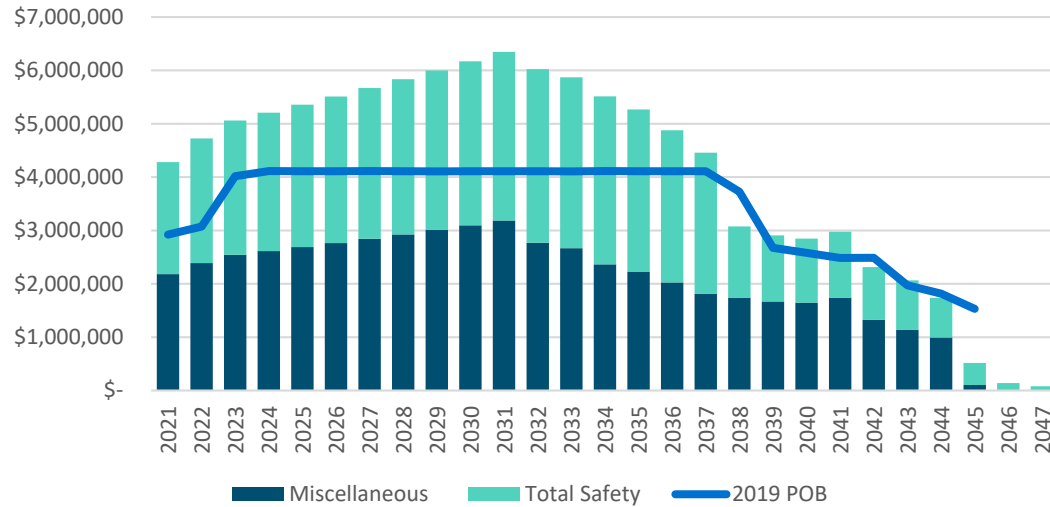
- ▶ POBs were commonplace in the 1990's and 2000's
 - ▶ 150+ issued nationwide; over 75 in CA
- ▶ After San Bernardino and Stockton bankruptcies, investors became skittish about purchasing POBs and issuance dried up
- ▶ Over last 2 years, investor interest in POBs has grown; feasible for cities who:
 1. Have a strong credit rating ("A" or higher); or
 2. Structure with very short maturity; or
 3. Have a pension tax override (only 22 cities in CA have this)
- ▶ Near record low interest rates in bond market have resulted in strong interest in POB's by CalPERS members



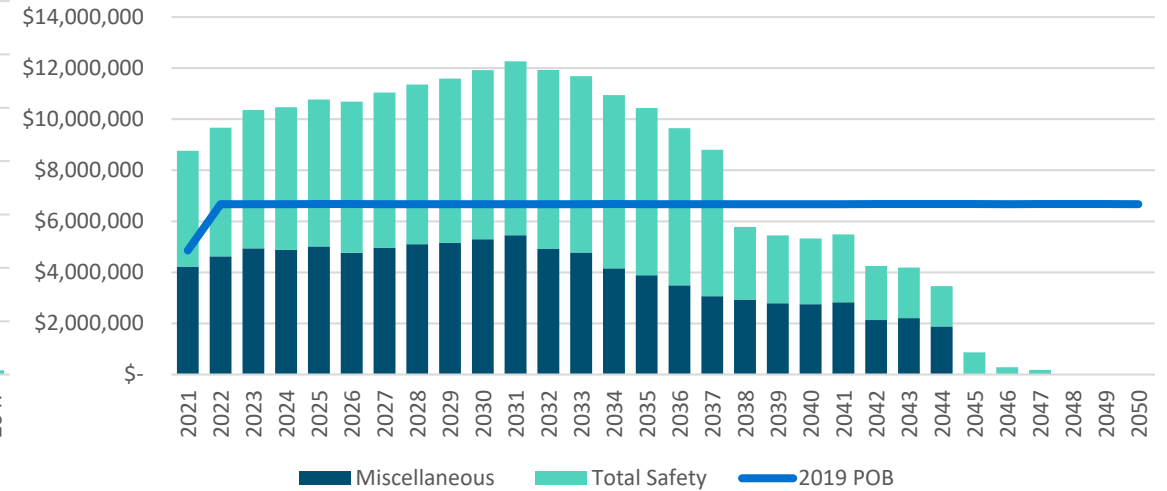
Recent POBs

Re-Structuring for Smoothing is a Common Strategy

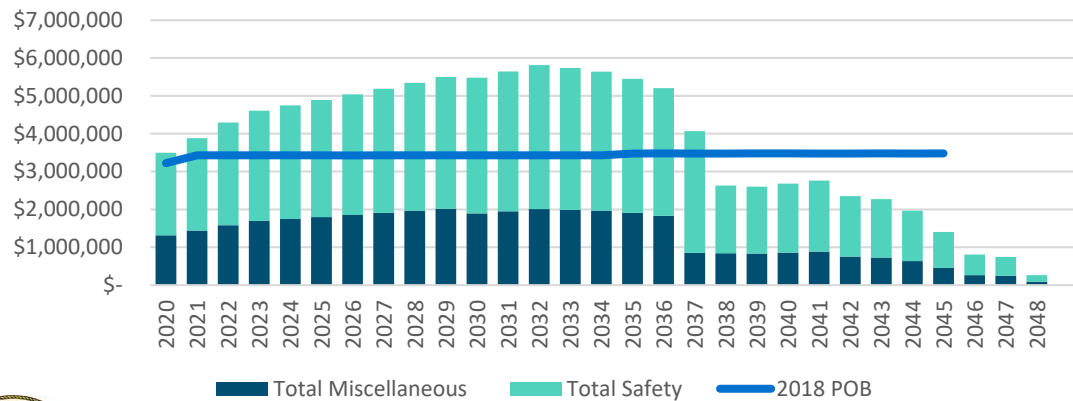
Glendora \$64M POB (100% UAL; 2.85% Interest Rate)



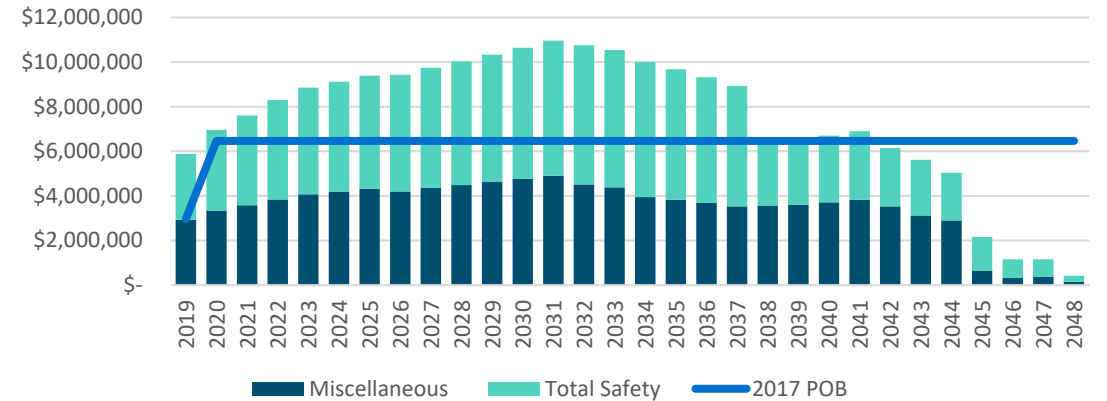
Hawthorne \$120M POB (100% UAL; 3.61% Interest Rate)



La Verne \$54 POB (100% UAL; 4.26% Interest Rate)



Monrovia \$112M POB (100% UAL; 4.05% Interest Rate)



POBs - Benefits and Risks



Primary Benefits

- Fiscal Sustainability Tool: Ability to “re-shape” the City’s pension debt payments
- Near-Term Budgetary Savings
- Interest Rate Savings “Arbitrage”: City can borrow at rates much lower (currently < 4%) than those CalPERS is charging on UAL debt (7%)
- Increase Funding Ratio
- Flexibility to Modify Maturity

Primary Risk: *Reinvestment & Market Timing Risk*

- Savings is ultimately dependent on future CalPERS returns; which are unknown at time of issuance
- Present value savings occur if PERS earns greater returns than POB interest rate
- Near-term losses exacerbate this risk given large lump sum deposit into the market





IV. CONCLUSION AND NEXT STEPS

Conclusion and Next Steps

- ▶ Rising pension costs are a challenge facing most public agencies
 - ▶ POB restructuring likely not necessary for Carmel
- ▶ City previously received direction to apply \$2M towards a Section 115 Trust
 - ▶ Jan. – Feb. 2020: NHA and City to evaluate proposals from two administrators
 - ▶ Mar. – Apr. 2020: City would work with investment advisor to determine investment objectives and fund initial deposit to trust
- ▶ Explore new pension funding policy; Policy could provide guidance related to:
 - ▶ Targeted funding ratios
 - ▶ How to apply (1) one-time monies, (2) surplus annual revenue and/or (3) savings from lease bond towards pension liabilities
 - ▶ Additionally, how to re-allocate amounts budgeted for POB payments after FY 2023
 - ▶ Methodology for allocating these funds between 115 Trust and ADP with CalPERS

