REGULAR MEETING
Tuesday, January 7, 2020

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

PUBLIC APPEARANCES
The following members of the public spoke:

Sam Farr
Jessica Faddis
Ellen Gannon
Barbara Livingston
Denise Otterson
Lee Rosen
Ken Spilfogel
Paul Davis

ANNOUNCEMENTS

Item A: City Administrator Announcements
The City Administrator discussed the installation of cameras at various locations in the Village and discussed a recent event caught on the cameras and discussed upcoming road work occurring in front of City Hall.

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 January 6, 2020 with no reportable action.

Item C: Councilmember Announcements
Council Member Baron discussed upcoming meetings relating to climate change that will be taking place in the City.

Council Member Reimers thanked the staff for all the work done regarding the events that took place recently.

CONSENT AGENDA

Item No.'s 4, 5, 6, 9 and 11 were pulled for separate discussion/action.

Council Member Theis recused herself from Item No.'s 4 and 6 due to the perceived conflict of interest that she has because she is the owner of a hotel.

Council Member Reimers recused herself from Item No.'s 4, 5, and 6 due to her family owning commercial property.

The Library and Community Activities Director provided the staff report for Item No. 9.

Discussion took place between the City Council and staff regarding marketing to be done by the vendor for the Farmers' Market.

The following members of the public spoke regarding Item No. 9:
Gina Delli-Gatti

The Director of Budgets and Contracts provided the staff report for Item No. 11.

Discussion took place between the City Council and staff regarding policy modifications for the messenger service be brought to the Council by the beginning of the Fiscal Year and discussion of concerns with the increase in the number of residents using the service which increases the cost.

On a motion by Council Member Reimers and seconded by Mayor Pro Tem Richards, the City Council approved the Consent Calendar with the exception of Item No.'s 4, 5, and 6, by the following vote:

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

On a motion by Council Member Theis and seconded by Mayor Pro Tem Richards, the City Council approved the Item No. 5, by the following vote:

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

On a motion by Council Member Baron and seconded by Mayor Pro Tem Richards, the City Council approved the Item No. 6, by the following vote:

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

On a motion by Mayor Potter and seconded by Mayor Pro Tem Richards, the City Council approved the Item No. 4, by the following vote:

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

Item 1: Approve December 2, 2019 Special Meeting Minutes and December 3, 2019 Meeting Minutes as presented.

Item 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.

Item 3: Approve the check register for November 2019.

Item 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.

Item 5: Receive Mad Dogs and Englishmen Bike Tours Report.

Item 6: Receive report on Fee Waiver Incentive Program intended to promote hotel and commercial business improvement projects.

Item 7: Adopt Resolution 2020-001 approving Amendment No. 2 to the Landscape Maintenance Services Contract with Town & County Gardening.

Item 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.

Item 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.

Item 10: Adopt Resolution No. 2020-004, authorizing a refund of a Use Permit Fee in the amount of $2,800 to Cihat Dalmis.

Item 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

Item 12: Adopt Resolution 2020-006, receiving the Comprehensive Annual Financial Report for Fiscal Year ending June 30, 2019.

The City Administrator introduced Sheldon Chavan of Chavan and Associates, LLP who provided the audit report for this item.

Discussion among the City Council and staff included discussion of the population and demographics for the City and being a tax dependent community. The City Council stated they are pleased with the audit and appreciate the thoroughness of the work put into the audit report. Additional discussion took place regarding concerns with the economic outlook in the report, projections of sales tax trending flat/down, the decrease in TOT receipts, increase in expenses, and bringing forth a conservative budget for the next fiscal year.

On a motion by Council Member Theis and seconded by Mayor Pro Tem Richards, the City Council adopted Resolution 2020-006, receiving the Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2019, by the following vote:

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

Item 13: Provide staff with direction regarding fees for "historic events."

The Library and Communities Director provided the staff report for this item.

Discussion among the City Council and staff included clarification regarding events not included because they are events put on by the City, not by outside organizations.

The following members of the public spoke:
Barbara Livingston

Item 13 Continued...
Discussion among the City Council and staff included discussion of non-profit organizations being required to directly benefit themselves or Carmel, continuing to require for-profit organizations to pay all costs and adding the Carmel Art Festival and Surfabout to the list of Historic Events. Additional discussion took place regarding how 'historic' is interpreted by Council Members and leaving the list as it is currently comprised. The options provided in the Staff Report were discussed including the fiscal impact of the various events outside of the revenue generated from the fees; revenue is also generated from attendance at the events. The Council requested Car Week events be brought back to the Council for discussion in the short term.

On a motion by Council Member Reimers and seconded by Council Member Baron, the City Council approved Option 3 "Maintain the status quo. All special event organizers are required to pay fees according to the fee schedule established by Council," added Carmel Arts Festival and Surfabout to the list of Historic Events, and requested discussion about car week events take place in the near term, by the following vote:

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

Item 14: Receive a presentation on pension cost management strategies and provide direction to staff.

The City Administrator introduced Mike Myer of NHA Advisors who provided the report for this item.

Discussion among the City Council and staff included discussion of the costs and fees associated with management of a trust, paying down of some of the debt to CalPERS when possible, setting up a Section 115 Trust and discussion of a policy that includes what to do with any recognized savings the City may recognize as a result of paying down debt. Additionally, discussion took place regarding the way in which the City saves money and how that is incorporated into the budget. Concerns regarding investing funds, return on investment, associated risks, market downturns and paying someone to manage the City's funds were discussed. The Consultant discussed the benefits of a trust vs. a savings account; cities are restricted on savings accounts; conservative or moderate portfolio has potential to earn more, opens more investment possibilities.

It was the consensus of the Council to continue down the path of a Section 115 Trust.

FUTURE AGENDA ITEMS

Council Member Reimers stated discussion may be needed regarding the user groups at the Sunset Center; Mayor Potter stated he is working on this issue.

ADJOURNMENT

Mayor Potter adjourned the meeting at 6:51 p.m.

APPROVED:

Dave Potter

Dave Potter, Mayor

ATTEST:

Leslie Fenton for

Britt Avrit, MMC
City Clerk