



DRAFT

Proposed Budget

Fiscal Year 2018 – 2019

Issued May 9, 2018



Fiscal Year 2018-2019 Draft Proposed Budget

City Council

Steve G. Dallas, Mayor

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INTRODUCTION

TRANSMITTAL LETTER

May 9, 2018

To the Honorable Mayor and City Council
2018-2019 Proposed Operating Budget and CIP

Mayor and Council Members,

The Proposed Fiscal Year 2018-2019 (“FY 18-19”) Operating Budget, inclusive of the capital improvement plan, is submitted for your review and consideration. The Proposed Budget includes a format similar to last year as well as components of a new format resulting from the migration to a new financial system. Staff will provide a detailed presentation on the budget as part of the Council public workshop scheduled for May 15, 2018. Upon soliciting public comment, and receiving preliminary direction from Council, staff will return with a FY 18-19 Recommended Budget for Council consideration, and ultimate adoption, with the intent that the budget is adopted before the start of the new fiscal year on July 1, 2018.

The Proposed Budget is balanced by the use of \$22.7 million in anticipated revenues and \$2.7 million in fund balance to meet projected expenditures of \$25.5 million.

The Proposed Budget is balanced, which means that the City’s source of funding (“sources”) equals the City’s projected spending (“uses”). In an ideal budget scenario, expected revenues outpace planned expenditures, or, at a minimum, are equal to expenses. When this situation does not occur, options include using savings, or surplus, from prior years and/or curtailing expenditures. While expenditures were contained when possible, this budget utilizes fund balance in order to meet increased expenditures. Examples of items with expenditure growth include the escalating cost of the unfunded pension liability; planned salary and benefit increases; an unanticipated rise in general liability premiums; additional costs for contractual services and new maintenance for previous purchased or implemented capital projects within various departmental operating budgets; and expenses related to implementing a robust capital improvement plan that attempts to address deficiencies in critical infrastructure and facilities and continue ongoing work to protect habitats.

The Operating Budget anticipates \$22.7 million in new revenues consisting of various General Fund revenues, Measure D revenue and restricted road rehabilitation funds as well as \$2.7 million in other financing sources (General Fund, Measure D and Vehicle and Equipment Fund Balances) to meet projected expenditures of \$25.5 million. This budget does not rely on the use of fund balance from any restricted fund or from reserves. Over the course of the fiscal year, every department has been operating with a lean staff due to vacancies. This situation has allowed department directors to assess the current state of their respective departments and identify ways to achieve efficiencies in service delivery and operations.

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In an effort to align positions to better achieve the Council’s goals, staffing is proposed at 93.68 full-time equivalent (FTE), which is a net .55 increase in head count when compared to the FY 17-18 Adopted Budget. However, the additional FTE count does not increase overall salary costs since several vacant positions were downgraded to closely align with workload and one position within the Library is unfunded.

Table 1: Budget Summary at a Glance

Anticipated 18-19 Revenue	\$22,744,500
Use of Prior Years’ Fund Balance	\$2,722,610
Total Sources	\$25,467,110
Operating Budget (Department/Function)	\$20,108,090
Operating Budget (Debt)	\$1,237,980
Capital Improvement Plan	\$4,121,040
Total Uses	\$25,467,110
Staffing / FTE (Full-time Equivalent)	93.68

General Fund

Most of the City’s financial activity occurs within the General Fund, which is where the majority of the City’s services and functions reside. The major revenue sources associated with the General Fund include property tax, the City’s share of the statewide sales and use tax, charges for services and intergovernmental revenue. These revenues are allowed to be used at the discretion of Council for funding various City programs, projects and services. Transient occupancy tax, or hotel tax, is intended to fund community, cultural and recreational activities, park improvements and other General fund activities. Although the hotel tax is housed within its own fund, it is transferred to the General Fund and used toward General Fund expenditures. Similarly, for public transparency and reporting, Measure D is contained within its own fund. However, Measure D is a general sales tax, meaning that it may be used for a multitude of purposes at the discretion of Council. It is therefore shown as part of the General Fund revenue sources.

General Fund Revenues and Assumptions

The City’s top three revenue sources of property taxes, sales and use taxes and transient occupancy taxes make up \$18.2 million, or 80%, of projected FY 18-19 revenue.

Table 2: Major Revenue Sources at a Glance

Revenue	FY 16-17 Actual	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget
Property Taxes (Secured)	\$5,362,994	\$5,687,603	\$5,612,580	\$5,893,210
Sales and Use Tax-Bradley Burns	\$2,628,647	\$2,360,052	\$2,476,356	\$2,550,650
Sales and Use Tax-Measure D	\$2,745,154	\$2,843,414	\$2,878,513	\$2,964,870
Transient Occupancy (“Hotel”) Tax	\$6,060,211	\$6,212,508	\$6,164,000	\$6,350,000

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Assumptions about the major revenue sources:

Property taxes as a group are budgeted at \$6.4 million, which includes secured property tax at \$5.9 million. This projection represents a 5% increase over the FY 18-19 Estimated Actual. Historically, the City has averaged a 5.05% increase in secured property taxes over the last ten years. In addition, the California Department of Finance reported in its April 2018 Finance Bulletin, that sales of existing single-family detached homes in February, were up 5.4% from last year and the statewide median home price was up 8.8% from the prior year. The California Association of Realtors also reported on April 17, 2018 that the median sales price of existing single family homes for the Monterey region increased 5.9% from the previous month and 11.1% over the prior year. The revenue projection assumes the real estate market remains on track with statewide and local trends and that the City's limited housing stock and high demand for housing, driven in part by its close proximity to the Bay Area, where six of the nine Bay area counties reported annual sales increases, will allow the projection to be met. In FY 17-18, secured property taxes are estimated to end about \$75,000 short of the amended budget projection.

The City anticipates strong performance in sales and use tax both at the statewide and local level and has budgeted a 3% increase over the FY 17-18 Estimated Actual for the Bradley-Burns and Measure D sales and use taxes respectively. Together, these revenues are projected to generate \$5.5 million in FY 18-19. The FY 17-18 Estimated Actual for Bradley Burns is projected to be \$116,000, or 5%, over the FY 17-18 Amended Budget. The FY 18-19 budget target assumes performance on par with this trend. Measure D is expected to end about \$35,000, or 1%, over its Fiscal Year 17-18 projection. The FY 18-19 projection for Measure D is more aggressive and anticipates that marketing efforts by the Carmel Hospitality Improvement District, the anticipated Carmel Restaurant Improvement District and other marketing partners, augmented by local events such as the US Open, will increase sales by residents and visitors to the Village.

Transient occupancy tax is also budgeted at a 3% increase and assumes increased overnight stays within the Village based on marketing efforts and local events like the US Open. The FY 17-18 Estimated Actual is \$49,000, or .8%, less than the FY 17-18 Amended Budget. However, the Estimated Actual is \$104,000, or almost 2%, over the FY 16-17 Actual.

Other General Fund revenues of franchise fees and charges for services were also increased by 3% in FY 18-19 to reflect a cost-of-living adjustment. Other license, permits and fines revenues reflect the updated fee schedule adopted by Council on May 1, 2018. Together these sources, along with business license taxes, intergovernmental revenue and interest and investments make up \$4,163,575 in FY 18-19 projected revenue.

General Fund Expenditures and Assumptions

The General Fund expenditures are often referred to as the operating portion of the budget as these expenses are associated with staff, services, and supplies need for various City departments or functions to operate. Together, the functions of Council, City Attorney, Administration, Citywide (non-departmental), Marketing and Facility Management, Community Activities, Library, Community Planning and Building, Public Safety and Public Works total \$20.1 million in FY 18-19.

Salaries and Benefits

The largest type of expense within the General Fund operating budget is salaries and benefits, which represent \$11.1 million, or 55%, of the operating budget. Proposed FY 18-19 salaries and benefits are increasing by \$327,000, or 3%, over the FY 17-18 Adopted Budget primarily due to scheduled pay increases per the City's memorandums of understanding with various bargaining groups, planned step and merit increases and other adjustments.

Other Expenditures

Another personnel-related expense within the operating budget include the City's pension liability with CalPERS, which grew by \$232,000, or 28%, over the FY 17-18 Adopted Budget. The unfunded actuarial liability is on track to increase to \$1,329,000, in FY 19-20, foreshadowing the challenge the City will have in balancing its budget in future years. The City's liability insurance premiums for general liability, property insurance and workers compensation, are also on the rise by \$227,000 and budgeted at \$652,000. Increased payroll costs, as well as prior years' liability losses factor into the rates of the premiums. In addition, various increased costs of contractual services, license and maintenance costs associated with newly acquired equipment and other expenses within the different departments also factor into the FY 18-19 expenditures and are detailed within the "City Departments" section in this book.

General Fund Balance and Reserve Assumptions

Currently, the General Fund Balance, which consists of savings from prior fiscal years, is \$4.4 million. Per the City's Municipal Code Section 3.06.040, the City is required to keep a Reserve of at least 10 percent of the General Fund budget in each fiscal year. The Reserve requirement for FY 18-19, based upon the FY 18-19 Proposed Operating Budget of \$20.1 million, is just over \$2 million. Taking this requirement into consideration, the City has \$2.4 million remaining in Fund Balance above the Reserve requirement. In order to balance the FY 18-19 Proposed Budget, it is anticipated that \$1.9 million of General Fund balance will be used to fund the FY 18-19 proposed capital projects.

Other Expenditures-Debt Service

Debt service payments total \$1.2 million and include \$702,000 for the pension obligation bond, \$507,000 for the Sunset Center bond and \$29,000 for the City's share of the NGEN radio project implemented by the County to facilitate countywide communication among public safety agencies. Debt payments represent 5% of the FY 18-19 Proposed Budget.

In November 2012, voters approved Measure D, the local sales and use tax based upon ballot language 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."

In keeping with the spirit of this ballot initiative, the FY 18-19 Proposed Budget allocates, or transfers \$1,209,000 to Debt Service to pay for the pension obligation and Sunset Center bonds. The General Fund will pay the debt service on the radio bond. (It should also be noted that \$755,660 of new Measure D revenue is proposed to fund most of the operating grant to the Sunset Cultural Center for the management of the Forest Theater and Sunset Center. Anticipated new Measure D revenue of \$1.0 million is also proposed to fund capital projects).

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Other Expenditures- Capital Improvement Plan

The FY 18-19 Proposed Capital Improvement Plan (capital outlay) totals \$4.1 million and consists of expenditures within the Construction in Progress and Vehicle and Equipment Funds. This represents an increase of \$800,000 over the FY 17-18 Adopted CIP budget of \$3.3 million. As detailed within the “Capital Improvement Plan (CIP)” section of this document, the CIP includes funding to purchase vehicles and facility-related equipment, including a boiler, generator and stage rigging. Other facility projects, including heating upgrades at the two libraries and the Police Department Renovation and Expansion project, are included within the CIP. The CIP continues to fund street and sidewalk infrastructure as well as support restoration efforts at the North Dunes, along the Scenic Pathway and in the Mission Trail Nature Preserve.

Various funds are needed to fund the CIP as proposed, and the accompanying budget transfers these various sources to either the Construction in Progress or the Vehicle and Equipment Fund. For example, the City anticipates receiving funds from State gas taxes and vehicle licenses fees (\$162,000), its share of regional transportation funding (\$47,000) and local sales and use taxes known as Measure X or the Transportation Safety Fund (\$176,000). These revenues are proposed to be transferred to the CIP for paving and sidewalk projects. Anticipated FY 18-19 Measure D revenues of \$1.0 million are proposed for new capital projects as noted within the CIP. However, in addition to the new revenue sources, the use of fund balance is also required to fund capital projects. As previously referenced within this document, \$1.9 million of General Fund is planned for capital projects. In addition, \$189,000 of Vehicle and Equipment Fund Balance and \$586,000 in Measure D Fund Balance is proposed for use for capital projects.

Conclusion and Acknowledgements

The FY 18-19 Proposed Operating Budget and CIP is balanced and continues to providing funding for quality services and a vibrant capital improvement plan that addresses a backlog of facility and infrastructure needs and protects sensitive habitats. Despite revenue increases projected at 3%, on average, the proposed budget requires the use of \$2.7 million in prior years’ fund balance in order to fund capital projects, to maintain services and to mitigate increased expenditures.

I thank staff for their awareness of the City’s rising costs of providing services amidst its limited ability to generate revenue and putting together budgets that maintain core services, focus on public health and safety, and continue to provide programs and services that align with the ethos of the Village.

I also acknowledge the role of the City Council in setting policies and identifying priorities that helped shape this budget. I look forward to detailed discussions in the upcoming workshop and forthcoming budget hearings and working collaboratively to adopt a balanced budget.

Respectfully submitted,

Chip Rerig
City Administrator

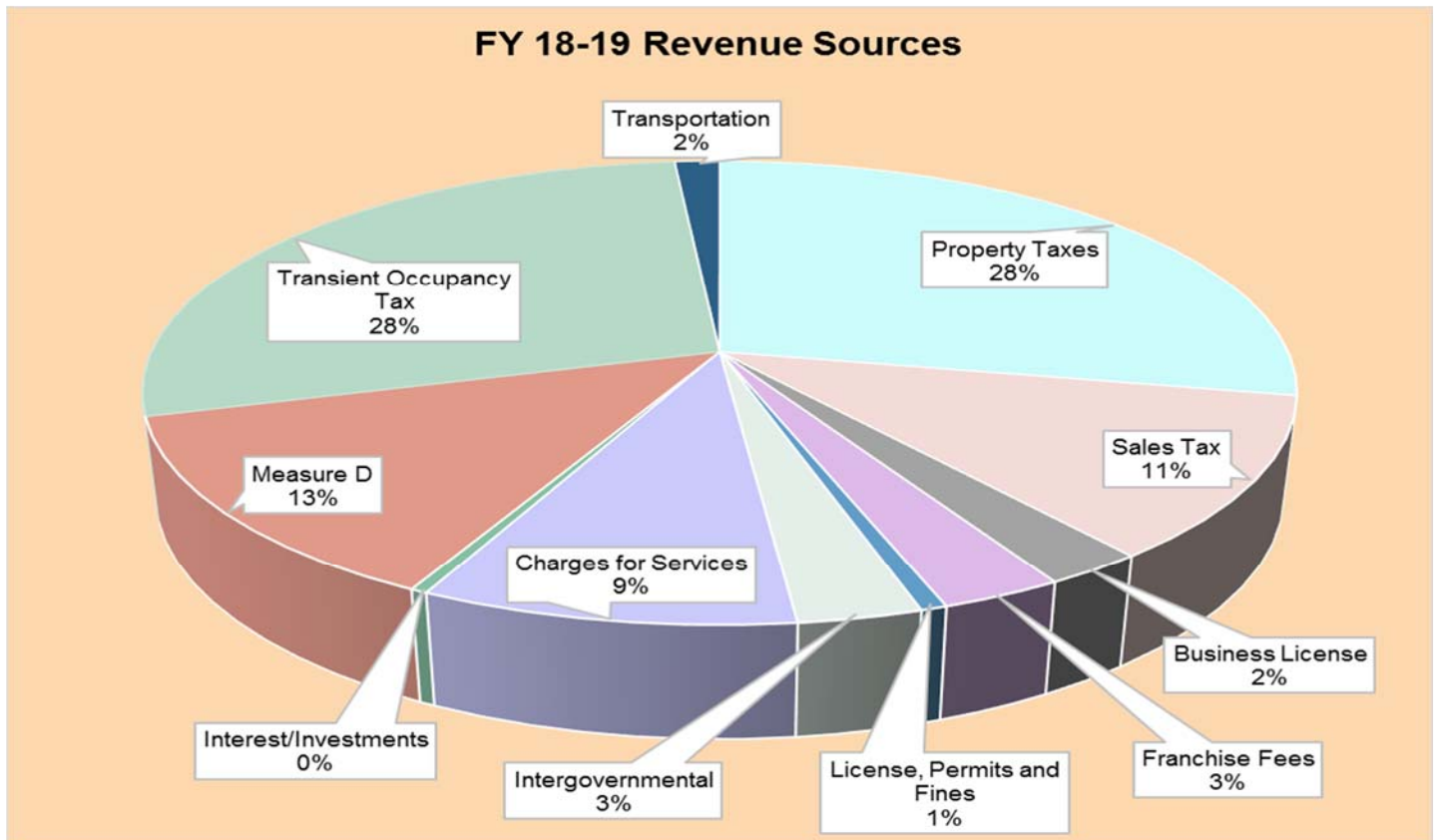
BUDGET SUMMARY

This chart depicts the revenues, expenditures and transfers that constitute the FY 18-19 Proposed Budget. As shown in this chart, planned expenditures outpace anticipated revenues, thereby requiring the use of prior year's fund balance to balance the budget.

Account Type	Description	FY 18-19 Proposed Budget
REVENUE	Taxes	18,953,507
	Franchise Fees	667,173
	Licenses and Permits	112,000
	Fines and Forfeitures	30,000
	Rev from Other Gov Agencies	849,260
	Charges for Srvc-Admin	55,115
	Charges for Srvc-Pub Safety	581,790
	Charges for Srvc-Planning	301,435
	Charges for Srvc-Building	895,965
	Charges for Srvc-Code Enforce	1,800
	Charges for Srvc-PW/Forestry	43,640
	Charges for Srvc-Com Actvies	160,875
	Interest & Investments	91,940
	Miscellaneous	-
	Other	-
	Transfers In	12,375,330
	TOTAL FOR REVENUE	35,119,830
EXPENSE	Salaries and Wages	8,335,573
	Employee Benefits	2,794,319
	Outside Services	5,921,639
	Supplies and Materials	386,435
	Repairs & Maintenance	176,380
	Employee Development	134,060
	Other Expenditures	187,684
	Non-Departmental	2,172,000
	Capital Outlay	4,121,040
	Debt Service	1,237,980
	Transfers Out	12,375,330
	TOTAL FOR EXPENSE	37,842,440
BALANCING		
	USE OF PRIOR YEARS' FUND BALANCE	2,722,610
	BALANCED	-

REVENUE

The chart, FY 18-19 *Revenue Source*, depicts the City’s major revenue sources. It consists of property taxes, transient occupancy tax, sales tax including Measure D, other General Fund revenues and State gas tax and local sales tax (transportation) for road rehabilitation projects. Revenues total \$22,744,500.



Source	Budget
Property Taxes	\$6,368,550
Sales Tax	\$2,550,650
Business License	\$548,000
Franchise Fees	\$667,175
License, Permits and Fines	\$142,000
Intergovernmental	\$682,965
Charges for Services	\$2,040,620
Interest/Investments	\$91,940
Measure D	\$2,964,870
Transient Occupancy Tax	\$6,350,000
Transportation	\$337,730
Total	\$22,744,500

REVENUE

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Taxes- General Fund			
00-31001	Property Taxes-Secured	5,587,603	5,612,580	5,893,210
00-31002	Property Taxes-Unsecured	206,816	194,009	203,710
00-31003	Property Tax-Unitary	112,187	64,688	67,920
00-31004	Property Transfer Tax	180,000	190,342	203,710
00-31006	Sales & Use Tax	2,360,052	2,476,356	2,550,650
00-31008	PS Sales Tax-Police	5,589	4,525	4,615
00-31009	PS Sales Tax-Fire	5,590	4,481	4,570
00-31010	Business License Tax	586,128	535,558	548,000
Taxes Totals:		9,043,965	9,082,539	9,476,385

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Franchise Fees			
00-32001	Garbage Franchise	412,663	283,580	291,810
00-32002	Cable Franchise	172,553	170,664	175,785
00-32003	Gas & Electric Franchise	92,879	96,899	99,805
00-32004	Water Franchise	147,656	96,867	99,775
Franchise Fees Totals:		825,751	648,010	667,175

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Licenses and Permits			
00-33001	Parking Stall Use Permit	37,407	93,407	40,000
00-33002	Parking Permits	14,115	11,828	12,000
00-33003	Passenger Transport Permits	-	1,680	60,000
00-33020	Other License and Permits	19,139	-	-
Licenses and Permits Totals:		70,661	106,915	112,000

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Fines and Forfeitures			
00-34001	Court Fines	8,255	16,000	30,000
00-34020	Other Fines & Forfeitures	43	50	-
Fines and Forfeitures Totals:		8,298	16,050	30,000

REVENUE

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Rev from Other Gov Agencies			
00-35001	County CSA74	13,766	13,160	13,150
00-35004	POST Reimbursement	6,728	1,000	1,000
00-35005	Motor Vehicle In-Lieu	451,336	460,968	472,490
00-35007	HOPTR	17,561	14,084	14,435
00-35011	Grants	121,600	5,000	30,000
203-00-35011	COPS	116,600	116,083	100,000
00-35012	RSTIP - TAMC	-	55,875	42,705
Rev from Other Gov Agencies Totals:		727,591	666,170	673,780

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Charges for Srvc-Admin			
00-36101	Copy/Print/Mail/Recordings	-	79	-
00-36103	Bus License Administration Fee	-	27,314	28,000
00-36104	Bus License ADA-City Share	-	2,200	2,265
00-36105	Appeal Fees	-	6,850	6,150
00-36107	Returned Check Processing	-	25	-
00-36108	Admin Fees-TID/CHID	-	6,690	7,000
00-36109	Credit Card Processing Fee	-	9,585	9,500
00-36110	Business Lic Late Fee/Penalty	-	2,142	2,200
00-36120	Other Admin Revenue	16,884	2,730	-
Charges for Srvc-Admin Totals:		16,884	57,615	55,115

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Charges for Srvc-Planning			
00-36301	Planning Permits	150,995	278,204	286,270
00-36304	Certificate of Compliance	-	4,824	4,965
00-36307	Encroachment Abatement	-	3,107	3,200
00-36309	Research	-	10,826	-
00-36311	Bus License Application Fee	17,788	6,800	7,000
00-36320	Other Planning Revenues	6,653	173	-
Charges for Srvc-Planning Totals:		175,436	303,934	301,435

REVENUE

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Charges for Srvc-Pub Safety			
00-36201	Vehicle Impound	-	14,085	17,000
00-36204	False Alarms-Police	-	6,750	7,000
00-36205	Alarm Registration	-	9,560	9,850
00-36206	Fingerprinting Services	-	3,000	3,000
00-36207	Animal Impound/Transport	-	1,400	1,400
00-36208	Citation Sign Off	-	735	1,000
00-36209	Travel Letters	-	280	800
00-36211	Cost Recovery-DUI, Dist Peace	-	2,235	-
00-36212	Special Events	-	6,500	20,000
00-36214	Traffic Safety Citations	100,000	45,087	50,000
00-36216	Police Parking & Other Permits	-	11,880	12,175
00-36217	Other Police Services	29,736	3,325	3,500
00-36219	Fire Inspection/Reinspection	-	5,155	5,200
00-36226	Ambulance Services	650,000	570,450	450,865
Charges for Srvc-Pub Safety Totals:		779,736	680,442	581,790

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Charges for Srvc-Building			
00-36401	Building Permits	411,431	501,859	516,415
00-36402	Building Plan Check	-	333,306	300,000
00-36403	Inspections (any and all)	-	20,627	21,225
00-36404	Building Trade Permits	8,674	7,000	7,205
00-36405	Encroachment Permits	30,874	49,681	51,120
Charges for Srvc-Building Totals:		450,979	912,473	895,965

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Charges for Srvc-Code Enforce			
00-36501	Code Enforcement Compliance	-		-
00-36520	Other Code Enforce Charges	-		-
00-36601	Landscape PIn Chck/Inspections	-		-
00-36602	Bench Program	-	1,818	1,800
Charges for Srvc-Code Enforce Totals:		-	1,818	1,800

REVENUE

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Charges for Srvc-PW/Forestry			
00-36603	Excavation/Utility Permit	-	-	-
00-36604	Tree Removal-Public	21,891	-	-
00-36605	Tree Removal-Private	-	42,409	43,640
00-36606	Street Safety Rentals	-	-	-
00-36607	Tree Pruning/Tree Falls in ROW	-	-	-
00-36608	Debris Fine	-	-	-
00-36620	Other Public Works Fees	-	-	-
Charges for Srvc-PW/Forestry Totals:		21,891	42,409	43,640

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Charges for Srvc-Com Actvties			
00-36701	Special Event Permit	-	2,809	50,455
00-36702	Facility Rental	14,803	35,019	53,300
00-36703	Sound/Film Permit	-	487	2,500
00-36704	Beach Permit	-	7,743	17,220
00-36705	Devendorf Park Permit	-	-	-
00-36706	Event Equipment	-	-	-
00-36707	Event Parking	-	-	20,000
00-36708	Event Staff	-	-	-
00-36709	Sunset Ctr/Frst Thtr Misc Rev	-	-	-
00-36710	Homecrafter's Marketplace	-	39,571	17,400
00-36711	Recreation Programs	1,213	15,180	-
00-36720	Other Com Activities Rev	-	63,829	-
Charges for Srvc-Com Actvties Totals:		16,016	164,638	160,875

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Interest & Investments			
00-37001	Interest & Investment Earnings	42,686	48,170	50,000
00-37002	Cell Tower Lease Agreements	-	31,352	41,940
00-37004	Parking Lot Fees	78,073	55,402	-
00-37020	Other Asset Revenue	37,148	-	-
Interest & Investments Totals:		157,907	134,924	91,940

REVENUE

Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
101	Miscellaneous			
00-38001	Reimbursements	-	16,502	-
00-38004	Donations-general	-	453	-
00-38020	Other Miscellaneous	308,430	2,066	-
Miscellaneous Totals:		308,430	19,021	-

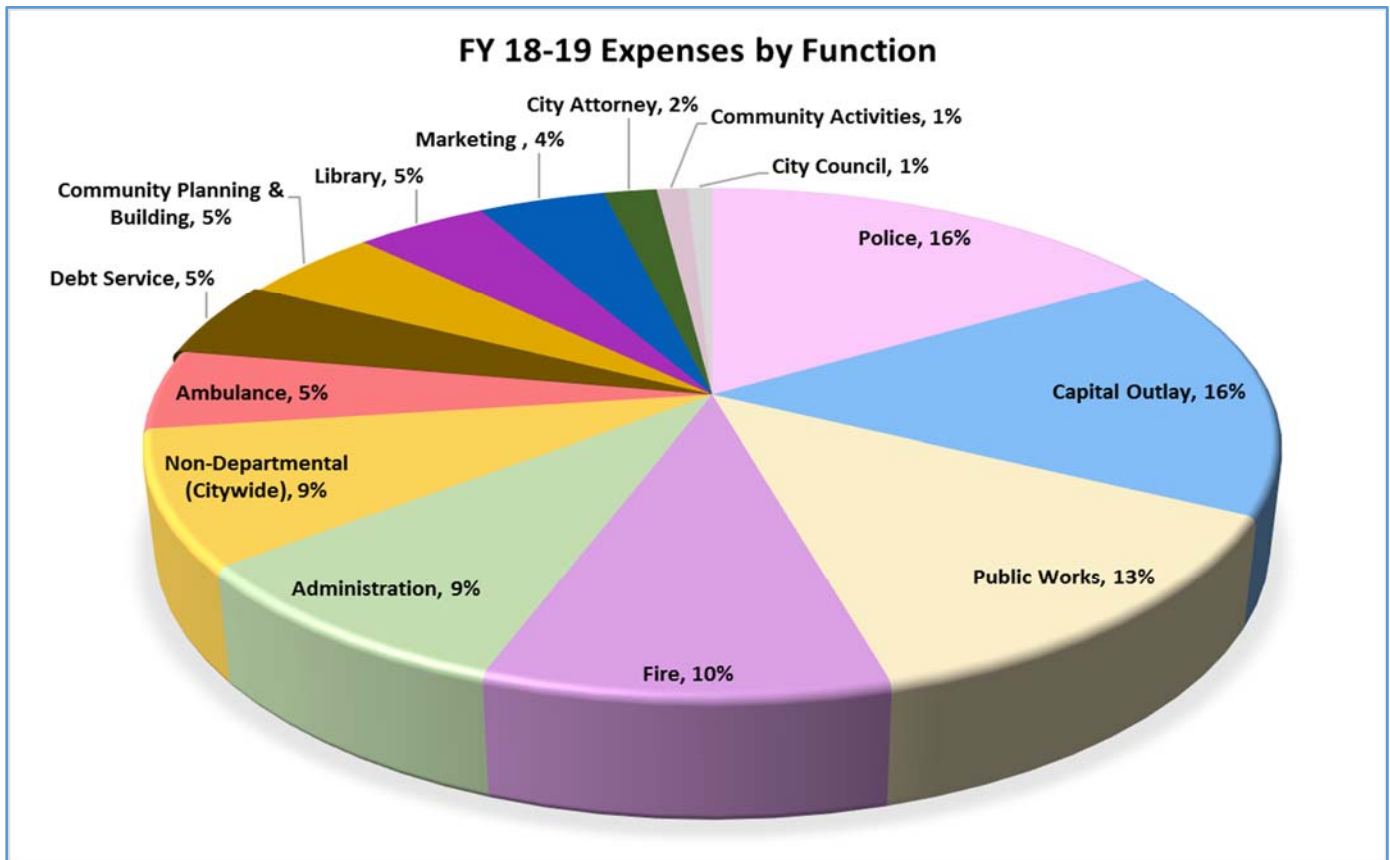
Account	Description	2017-2018	2017-2018	2018-2019
		Adopted	Estimated Actual	Proposed
	Other Taxes			
206-00-31007	Sales & Use Tax-Measure D	2,843,414	2,878,513	2,964,870
102-00-31005	Transient Occupancy Tax	6,212,508	6,164,000	6,350,000
201-00-31011-31016	Gas Tax/ HUTA	112,150	109,230	98,450
201-00-31030	SB 1 RMRA	-	-	63,800
202-00-35012	Transportaion (Measure X)	144,000	150,238	175,480
Taxes Totals:		9,312,072	9,301,981	9,652,600
Total Revenues		21,915,617	22,138,939	22,744,500

EXPENDITURES

The Proposed Fiscal Year 2018-2019 Budget totals \$25,467,110, which consists of the operating budget, debt service and capital outlays as shown in the table below.

Expense by Type	Budget
Capital Outlay	\$4,121,040
Debt Service	\$1,237,980
Operating	\$20,108,090
Total	\$25,467,110

The chart, *FY 18-19 Expenses by Function*, illustrates the percentage of the budget allocated to each of these functions. In particular, the chart includes the various City departments and functions that make up the operating budget. Public safety is the largest category of expenditure by function, representing \$7,936,540, or 31%, of total expenditures. A legend is included on the next page.



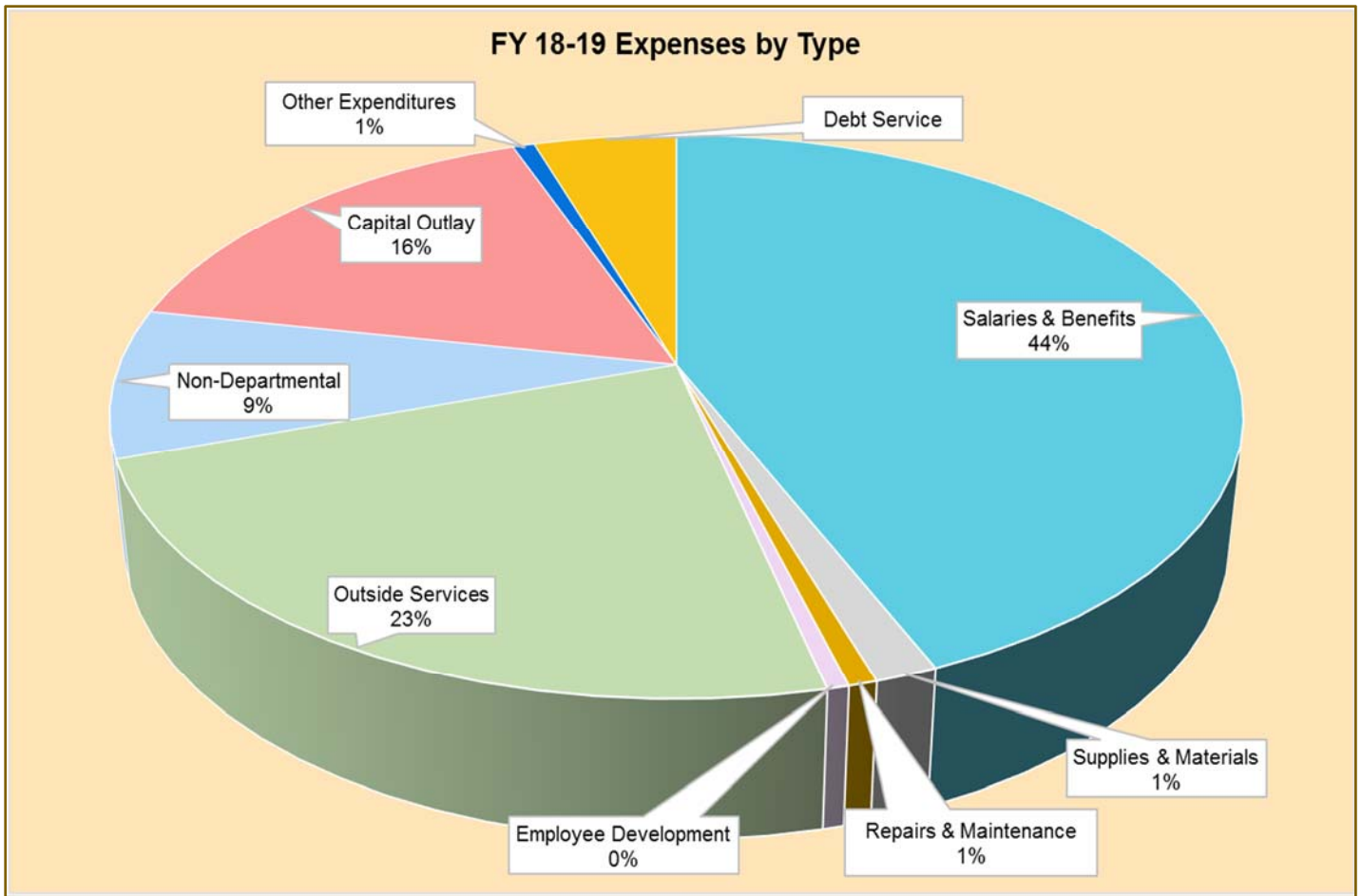
EXPENDITURES

Operating Budget Details	Budget
City Council	\$216,105
City Attorney	\$460,000
Administration	\$2,235,800
Non-Departmental (Citywide)	\$2,172,000
Marketing & Promotions	\$1,103,995
Ambulance	\$1,287,555
Fire	\$2,494,225
Police	\$4,154,760
Community Planning & Building	\$1,200,350
Library	\$1,146,145
Community Activities	\$265,260
Public Works	\$3,371,895
Total	\$20,108,090

Another way to look at proposed expenditures is by the category, or type, of expenditure, which is often referred to as the character of expenditure. The chart, *FY 18-19 Expense by Type*, depicts the details of the proposed spending. As indicated on this chart, the largest type of expenditure is related to personnel. Together, salaries and benefits account for \$11,129,892, or 44%, of the proposed expenditures budget. Capital outlays make up \$4,121,040, or 16%, of expenditures while debt service at \$1,237,980 is 5% of the expenditure budget.

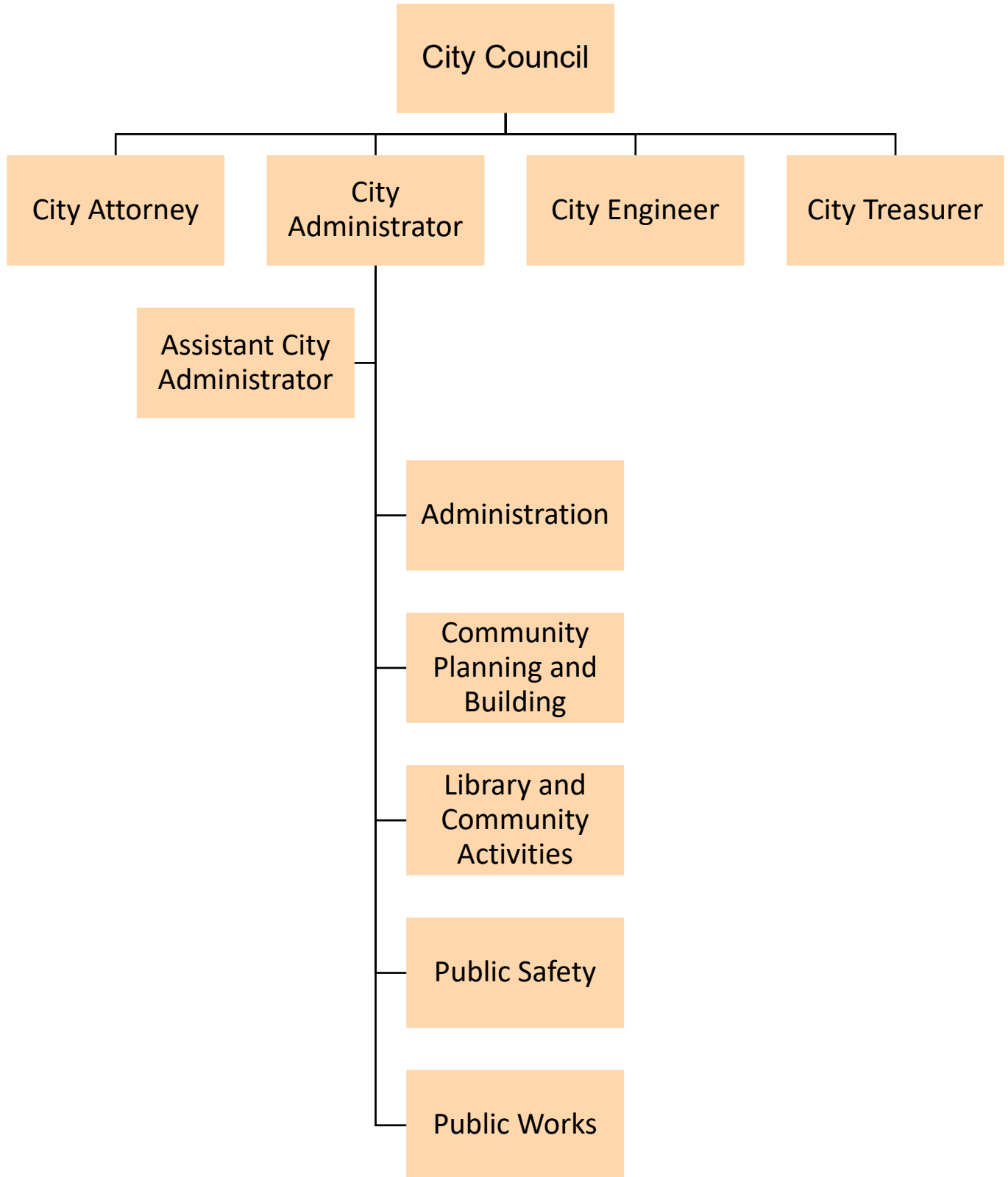
Expense	Budget
Salaries & Benefits	\$11,129,892
Outside Services	\$5,921,639
Supplies & Materials	\$386,435
Repairs & Maintenance	\$176,380
Employee Development	\$134,060
Other Expenditures	\$187,684
Non-Departmental	\$2,172,000
Capital Outlay	\$4,121,040
Debt Service	\$1,237,980
Total	\$25,467,110

EXPENDITURES



CITY OF CARMEL-BY-THE-SEA ORGANIZATIONAL CHART

City of Carmel-by-the-Sea Organizational Chart



CITY DEPARTMENTS

CITY COUNCIL

Description

The City Council consists of the Mayor and four Councilmembers, elected at large by the citizens of Carmel-by-the-Sea on a non-partisan basis. The City Council is the policy making legislative body of the City. The Council adopts the annual budget, enacts ordinances, and approves major contracts, acquisitions and leases, as well as major purchases of equipment and services required by the City. The Council also appoints the City Administrator, Attorney, Engineer, and Treasurer.

With the advice and assistance of the City Administrator and City Attorney, the City Council reviews proposals to meet the community's needs, initiates action for new policies, and allocates resources.

Fiscal Year 2017-2018 Accomplishments

- Adopted ordinances to: (1) bring accessory dwelling unit regulations into compliance with State law while maximizing local authority; (2) regulate recreational cannabis within the City and (3) ban the use of plastic beverage straws and disposable “to go” utensils by restaurants and food vendors, serving as a leader on sustainability for the region.
- Continued to increase compliance with the City's short-term rental policy.
- Approved a Council Policy C17-04 “Council Recognition of Individuals, Organizations, and/or Events” that includes guidelines for “in memorium” recognitions and honoring former Mayors.
- Reached resolution with PG&E; executed long-term lease agreements for the management of the Forest Theater and Sunset Center and negotiated an agreement for legal services after completing a competitive process to retain a City Attorney.

Fiscal Year 2018-2019 Initiatives

- Adopt a balanced budget and provide oversight to ensure financial stability of the organization
- Continue to develop options to: (1) address CalPERS pension and other postemployment benefits liabilities; (2) promote local and regional water supply management and conservation; (3) review possible alternatives for the Beach Fire Pilot Program and (4) explore the curatorship and ground lease models for the use of the Flanders mansion.
- Continue efforts toward developing a comprehensive Strategic Plan for the City that will include a Mission Statement and use the Plan as a framework for developing the calendar year 2019 work program, which identified priorities and programs to accomplish in the upcoming year.

Budget Summary

- Members of the City Council represent the City on various outside agencies and the membership dues and fees make up the majority of the Council budget. It should be noted that the fee (\$26,000) for the Monterey Regional Stormwater Management Program is now included within the Public Works' Environmental Programs' Division budget.
- Community promotions includes the cost of providing mail delivery services to residents (\$60,900) and funding to five organizations (\$12,000 total) under the Council Discretionary Grants program.
- Training is budgeted at \$23,977 and includes the cost of Council attendance at the League of California Cities Annual Conference, Mayors and Councilmembers Executive Forum, and the Planning Commissioners Academy.
- The \$200 a month stipend associated with the City Engineer and the City Treasurer respectively, are now budgeted within Council under contract services.

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
Council	101	110	00	41008	Salaries -Elected	\$ 9,600	\$ 9,600	\$ 9,600	\$ 9,600
Council	101	110	00	41104	Health Insurance	\$ 35,858	\$ 25,419	\$ 12,821	\$ 13,077
Council	101	110	00	41105	Social Security	\$ 595	\$ 414	\$ 595	\$ 607
Council	101	110	00	41106	Medicare	\$ 139	\$ 104	\$ 139	\$ 142
Council	101	110	00	41108	Worker's Comp	\$ 894	\$ 699	\$ 1,492	\$ 1,522
Salaries and Benefits Subtotal						\$ 47,086	\$ 36,236	\$ 24,647	\$ 24,948
Council	101	110	00	42001	Contract Services	\$ -	\$ -	\$ 4,800	\$ 4,800
Council	101	110	00	42005	Community Promotions	\$ 72,900	\$ 71,116	\$ 72,900	\$ 69,900
Council	101	110	00	42007	Regional Memberships	\$ 119,829	\$ 116,233	\$ 88,936	\$ 90,715
Council	101	110	00	42101	Office Supplies	\$ 850	\$ 800	\$ 845	\$ 862
Council	101	110	00	42301	Training & Education	\$ 28,000	\$ 27,214	\$ -	\$ -
Council	101	110	00	42302	Conferences & Meetings	\$ -		\$ 23,977	\$ 19,227
Services and Supplies Subtotal						\$ 221,579	\$ 215,363	\$ 191,458	\$ 185,504
Total						\$ 268,665	\$ 251,599	\$ 216,105	\$ 210,452

Community Promotions Detail					Description	FY 18-19 Proposed Budget
Council	101	110	00	42005	Grant- Carmel Heritage Society	\$ 1,000
Council	101	110	00	42005	Grant-Carmel High School	\$ 3,000
Council	101	110	00	42005	Grant-Carmel Youth Center	\$ 3,000
Council	101	110	00	42005	Grant-Community Human Services	\$ 2,000
Council	101	110	00	42005	Grant- MEarth	\$ 3,000
Council	101	110	00	42005	Home mail delivery service	\$ 60,900
					Total	\$ 72,900

CITY COUNCIL

Regional Membership Detail					Description	FY 18-19 Proposed Budget
Council	101	110	00	42007	MBUAPCA (Air Pollution)	\$ 1,652
Council	101	110	00	42007	MPRWA (Water)	\$ 18,850
Council	101	110	00	42007	AMBAG (Planning/Land Use)	\$ 3,797
Council	101	110	00	42007	TAMC Pavement Management	\$ 10,000
Council	101	110	00	42007	Monterey County Mayors	\$ 1,100
Council	101	110	00	42007	Community Human Services	\$ 15,000
Council	101	110	00	42007	FOR A (Fort Ord)	\$ 14,000
Council	101	110	00	42007	TAMC (Transporation)	\$ 1,265
Council	101	110	00	42007	Carmel Chamber Commerce	\$ 435
Council	101	110	00	42007	LAFCo (land use)	\$ 19,500
Council	101	110	00	42007	League of CA Cities	\$ 2,537
Council	101	110	00	42007	Monterey County Business Council	\$ 500
Council	101	110	00	42007	CA Coastal Trail Association	\$ 300
					Total	\$ 88,936

CITY ATTORNEY

Description

The City Attorney is appointed by the City Council. The City Attorney legally represents the City and provides legal advice and/or training to the City Council, City Administrator, boards, commissions, and operating departments; investigates and resolves claims against the City; defends the City in litigation and administrative actions; initiates and prosecutes litigation on behalf of the City; and drafts and approves legal documents and reviewed agenda items.

Fiscal Year 2017-2018 Accomplishments

- Enhanced compliance with the City's short-term rental policy by initiating litigation against one property owner (resulting in a settlement and payment of transient occupancy tax and penalties) and establishing a temporary amnesty program to bring other owners into compliance
- Reached settlement on several existing litigation claims and worked with the City's insurance carrier to seek reimbursement for applicable costs

Fiscal Year 2018-2019 Initiatives

- Continue to work with City staff on enforcement of various City policies and ordinances
- Serve as part of the City's negotiation team for forthcoming labor negotiations
- Update the City's Municipal Code to align with federal and state requirements and best practices

Budget Summary

- This budget includes funding of \$30,000 a month for general legal services provided by the contracted city attorney and \$100,000 for other specialized legal assistance as needed.

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
Attorney	101	112	00	41001	Salaries	\$ -	\$ 31,500	\$ -	\$ -
Attorney	101	112	00	41105	Social Security	\$ -	\$ 1,953	\$ -	\$ -
Attorney	101	112	00	41106	Medicare	\$ -	\$ 457	\$ -	\$ -
Salaries and Benefits Subtotal						\$ -	\$ 33,910	\$ -	\$ -
Attorney	101	121	00	42001	Contract Services	\$ 530,000	\$ 557,700	\$ 460,000	\$ 469,200
Services and Supplies Subtotal						\$ 530,000	\$ 557,700	\$ 460,000	\$ 469,200
Total						\$ 530,000	\$ 591,610	\$ 460,000	\$ 469,200

ADMINISTRATION

Description

Under the leadership of the City Administrator, Administration strives to provide excellent customer service to decision-makers, City departments, employees, businesses and the public. Administration is comprised of the City Administrator, the City Clerk, Finance, Human Resources, Information Technology, and Marketing and Economic Development functions. Other non-departmental, or citywide expenses, are also included within this section.

Description

The City Administrator is appointed by the City Council and responsible for the enforcement of City laws and ordinances; ensuring that the orders of the City Council are executed; and for supporting Council, which includes the preparation of agendas and the maintenance of records.

This position is tasked with preparing and administering the annual budget; supervising and controlling expenditures; overseeing City purchases and advising the Council on the City's current and future financial needs. The role also assumes general supervision over all public buildings, public parks, and all other public property under the jurisdiction of the City Council.

The City Administrator provides leadership for the City's day-to-day operations and manages the personnel system. Specifically, the Administrator oversees the departments of Community Planning and Building, Library, Community Activities, Public Safety and Public Works as well as serves as the director of the centralized administrative functions pertaining to the City Clerk, Finance, Human Resources and Information Technology. In addition, under the direction of City Council, the City Administrator serves as the liaison to various entities that receive City funding and work, in tandem, to promote the economic and cultural vitality of the City through Marketing and Economic Development.

Fiscal Year 2017-2018 Accomplishments

- Ensured the execution of the Council work plan, key initiatives and capital projects that balance preservation of the community characteristics, quality, cost effectiveness and timeliness.
- Continued to ensure the timely hiring of staff and the ongoing cohesion of the executive team to accomplish organization-wide objectives; implement organizational assessment/restructure of administrative functions as needed and continue to rebuild the organization.
- Explored opportunities for revenue enhancements, regional collaboration and/or cost containment while ensuring the delivery of quality services and projects.

Fiscal Year 2018-2019 Initiatives

- Ensure the remaining FY 17-18 and new proposed FY 18-19 capital projects are executed in a quality manner, timely fashion, and completed on budget.
- Oversee the implementation of projects identified within the Council's annual work program.
- Continue to explore the feasibility of revenue and service delivery options to address the financial viability of the City in general and to address the CalPERS pension and other postemployment benefits liabilities in particular.

ADMINISTRATION – CITY CLERK

Description

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

Workload Indicators/Performance Measures

- Responded to and fulfilled 141 requests for public records
- Compiled 27 agenda packets for a total of 444 documents managed

Fiscal Year 2017-2018 Accomplishments

- Oversaw the implementation of a new agenda packet management system.
- Continued to enact the Records Management Program including identifying obsolete and redundant City records and organizing permanent and vital records.
- Oversaw the retrofit the City Hall vault with new shelving and dehumidifier/temperature control
- Issued a request for proposals for new City website and hosting services

Fiscal Year 2018-2019 Initiatives

- Continue the implementation of records management systems
- Continue strategic records management efforts throughout all City departments and work with departments to establish uniform filing schemes
- Continue to deploy Agenda Management software in all Departments and Commissions
- Develop a disaster recovery plan for Citywide records
- Facilitate the 2018 Municipal Election
- Hold at least one community meeting for interested candidates for City office

Description

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

Fiscal Year 2017-2018 Accomplishments

- Developed a new general ledger structure and migrated to a new financial system

Fiscal Year 2018-2019 Initiatives

- Continue migration of business licenses, fixed assets and payroll to the new financial system

Description

Human Resources recruits, develops, and works to retain a diverse, well-qualified workforce that reflects the high standards of the community, and leads the City departments in positive employee relations, talent management, succession planning, and employee engagement.

The purpose of Human Resources is to lead strategic planning to align employee skills, staffing, and productivity with City goals in order to deliver premier services to the community of Carmel-by-the-Sea and to City staff; to support City departments and employees in achieving their key goals and objectives; to provide a range of services to City employees, including new employee orientation, staffing and recruitment management, talent and skill development, performance assessment, and safety and wellness programs; and to deliver employee relations, compensation, job classification, risk management, and organization development services efficiently to City departments. Staff is responsible for the development of Memorandums of Understanding with the City's three bargaining units all subject to Council direction and approval.

Fiscal Year 2017-2018 Accomplishments

- Presented a comprehensive review of the CalPERS pension to Council
- Filled critical City staff positions

Fiscal Year 2018-2019 Initiatives

- Continue to fill existing and any new vacant positions with quality candidates in a timely manner; continue to work with the City Attorney to update the personnel and other sections of the City's Municipal Code consistent with federal and state laws and best practices
- Continue to develop option to address the City's CalPERS pension and other postemployment benefits liabilities

ADMINISTRATION – INFORMATION TECHNOLOGY

Description

The purpose of Information Technology (IT) is to provide innovative and secure technology solutions that support City departments in delivering quality services to the community. The purpose of IT is to provide a broad range of high-quality technology-related solutions to employees, departments, council members, and the community; and to support and continuously improve essential technology infrastructure for enabling day-to-day operations of the City.

Workload Indicators / Performance Measures

- Responded to more than 900 IT help requests in fiscal year 2017-2018
- Replaced or refurbished 30 workstations in fiscal year 2016-2017

Fiscal Year 2017-2018 Accomplishments

- Replaced five phone systems with integrated system
- Implemented trouble ticket system
- Implemented auto-camera system for Council Chambers
- Installed new network switches throughout the City

Fiscal Year 2018-2019 Initiatives

- IT Strategic Planning
- Improved wireless connectivity for staff and guests

ADMINISTRATION

Budget Summary

- Contract services includes the costs of various professional assistance including such services as IT technical assistance and video recording of various Council and Commission meetings; financial consulting to assist with the migration of payroll to the newly implemented financial system; administration of the election; and website and agenda management monthly maintenance fees.
- Publications and subscriptions includes the cost of various IT network and security subscription services, including licensing fees, and the annual costs of the financial systems.
- The training budget includes \$10,000 for the cost of citywide training as well as funding for specific conferences and training for the Department staff within the Administration, Clerk, Finance, Human Resources and Information Technology divisions.
- Non-departmental, or citywide costs, include such items as the CalPERS pension unfunded liability; the City's contribution to health insurance costs for retirees; the City's insurance premium for general liability, property insurance and other policy premiums; the cost of citywide utilities; expenses for sewer and water assessments for City property and the cost for Monterey County for property tax administration.

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
Admin	101	111	10-14	41001	Salaries	\$ 1,245,831	\$ 1,119,227	\$ 1,233,481	\$ 1,258,151
Admin	101	111	10-14	41001	Salaries- Part-time	\$ 33,190	\$ 23,697	\$ 83,382	\$ 85,050
Admin	101	111	10-14	41101	Retirement	\$ 64,872	\$ 43,841	\$ 60,950	\$ 62,169
Admin	101	111	10-14	41103	Deferred Compensation	\$ 18,900	\$ 34,004	\$ 27,600	\$ 28,152
Admin	101	111	10-14	41104	Health Insurance	\$ 158,604	\$ 109,888	\$ 169,513	\$ 172,903
Admin	101	111	10-14	41105	Social Security	\$ -	\$ -	\$ 3,784	\$ 3,860
Admin	101	111	10-14	41106	Medicare	\$ 19,388	\$ 13,237	\$ 14,973	\$ 15,272
Admin	101	111	10-14	41107	Life Insurance	\$ 1,433	\$ 1,248	\$ 1,613	\$ 1,645
Admin	101	111	10-14	41108	Workers Compensation	\$ 121,803	\$ 96,502	\$ 50,222	\$ 51,226
Admin	101	111	10-14	41109	Benefits-MOU Obligations	\$ 4,035	\$ 2,080	\$ 4,680	\$ 4,774
Salaries and Benefits Subtotal						\$ 1,668,056	\$ 1,443,724	\$ 1,650,198	\$ 1,683,202
Admin	101	111	10-14	42001	Contract Services	\$ 361,492	\$ 340,175	\$ 187,480	\$ 191,230
HR	101	111	13	42002	Recruiting Services	\$ 40,000	\$ 37,117	\$ 45,000	\$ 45,900
Clerk	101	111	11	42006	Records Management	\$ 25,000	\$ 21,140	\$ 8,652	\$ 8,825
Clerk	101	111	11	42009	Advertising and Legal Notice	\$ 25,000	\$ 13,856	\$ 17,000	\$ 17,340
Admin	101	111	10-14	42015	Other Services	\$ 36,000	\$ 300	\$ 6,500	\$ 6,630
Admin	101	111	10-14	42101	Office Supplies	\$ 18,000	\$ 14,043	\$ 2,500	\$ 2,550
Admin	101	111	10-14	42102	Publications & Subscriptions	\$ 1,000	\$ 765	\$ 91,565	\$ 93,396
Finance	101	111	12	42003	Auditing Services	\$ 64,100	\$ 56,288	\$ 50,000	\$ 51,000
IT	101	111	14	42202	Equipment Maintenance	\$ 13,600	\$ 1,000	\$ 8,500	\$ 8,670
Admin	101	111	10-14	42301	Training & Education	\$ 30,000	\$ 27,315	\$ 10,503	\$ 10,713
Admin	101	111	10-14	42302	Conferences & Meetings	\$ -	\$ -	\$ 11,575	\$ 11,807
Admin	101	111	10-14	42304	Dues & Memberships	\$ 5,000	\$ -	\$ 2,150	\$ 2,193
Admin	101	111	10-14	42305	Mileage Reimbursement	\$ -	\$ -	\$ 146	\$ 149
HR	101	111	13	42306	Employee Programs	\$ 8,500	\$ 6,530	\$ 13,531	\$ 13,802
Admin	101	111	10-14	42403	Printing	\$ 17,500	\$ 13,000	\$ 15,000	\$ 15,300
Admin	101	111	10-14	42404	Shipping/Postage/Freight	\$ -	\$ 10,000	\$ 10,500	\$ 10,710
Finance	101	11	12	42406	Bank & Merchant Fees	\$ 23,000	\$ 11,202	\$ 15,000	\$ 15,300
IT	101	11	14	42405	Telephone and Communications	\$ 51,000	\$ 48,697	\$ 65,000	\$ 66,300
IT	101	11	14	42407	Computer Non capital	\$ -	\$ -	\$ 10,000	\$ 10,200
HR	101	111	13	42410	Pre-employment	\$ 4,000	\$ 9,000	\$ 15,000	\$ 15,300
Services and Supplies Subtotal						\$ 723,192	\$ 610,428	\$ 585,602	\$ 597,314
Total						\$ 2,391,248	\$ 2,054,152	\$ 2,235,800	\$ 2,280,516

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
citywide	101	113	00	42501	Liability Insurance Premium	\$ 425,000	\$ 382,125	\$ 652,045	\$ 665,085.90
citywide	101	113	00	42502	OPEB Contributions	\$ 60,000	\$ -	\$ -	\$ -
citywide	101	113	00	42503	PERS Unfunded Liability	\$ 832,000	\$ 832,000	\$ 1,064,162	\$ 1,329,060
citywide	101	113	00	42504	Insurance Claims Paid	\$ 22,000	\$ 3,600	\$ 20,000	\$ 20,400
citywide	101	113	00	42505	Utilites	\$ 210,000	\$ 223,475	\$ 226,655	\$ 231,188
citywide	101	113	00	42506	Property Tax Assessments	\$ 71,981	\$ 68,233	\$ 74,500	\$ 75,990
citywide	101	113	00	42508	Unemployment Costs	\$ 20,000	\$ 3,470	\$ -	\$ -
citywide	101	113	00	42509	Citywide Mailing costs	\$ 11,515	\$ 7,444	\$ -	\$ -
citywide	101	113	00	42510	Retiree Health Share	\$ -	\$ 66,629	\$ 63,534	\$ 64,805
citywide	101	113	00	42511	County Property Tax Admin Fees	\$ -	\$ -	\$ 71,104	\$ 72,526
Total						\$ 1,652,496	\$ 1,586,976	\$ 2,172,000	\$ 2,459,055

MARKETING AND ECONOMIC DEVELOPMENT

Description

Two of the City's leading revenue sources are transient occupancy tax and sales and use tax. Recognizing the importance of these revenue streams, the City actively collaborates with, and funds, several organizations in an effort to increase the City's viability as a visitor destination. In particular, the City funds the Monterey County Convention and Visitors Bureau (MCCVB) to promote tourism to the region, including Carmel-by-the-Sea. In addition, the City provides funding for marketing efforts to Visit Carmel that include hosting the City's official travel website, developing targeted and seasonal marketing campaigns, and utilizing social media and other communication strategies to encourage visitors to stay overnight within the Village during mid-week and the non-peak season.

Through its partnership with the Sunset Cultural Center, Inc. (SCC), the City supports musical performances, lectures and other cultural activities that enhance the quality of life for residents and promote the City and the Monterey Peninsula as an artistic and cultural destination. Specifically, the City entered into a long-term lease agreement with the SCC in July 2017 for the management of the City's performing arts facility, the Sunset Community and Cultural Center. As part of the agreement, the City provides a grant of \$750,000 annually for the first three years of the agreement. The SCC also assumed the management of the Forest Theater, the City's outdoor amphitheater, and the City contributes \$20,000 annually to SCC for its management and operational oversight of the Theater.

The City also provides financial support to the Carmel Chamber of Commerce, which operates a visitor center in town, publishes a comprehensive visitor guide, and assists businesses. The Chamber also supports small businesses and provides services to assist its members, including listing businesses on the Chamber website, providing educational programs, conducting outreach with businesses via weekly business walks with City elected officials and staff and marketing opportunities to "shop locally."

Fiscal Year 2017-2018 Accomplishments

- MCCVB 2017-2018 Third Quarter Report: Economic impact to the City from July 1, 2017 to March 31, 2018 for booking (group, booking.com and VIC booked nights) totaled \$190,200.
- Visit Carmel: Development and implementation of a wellness tourism campaign to emphasize visitor experiences tied to art immersion, fitness and mindfulness. Partnered with the City and restaurateurs to create a restaurant business improvement district.
- Promotion of filming within the City, including the use of Carmel Beach and other locations for the HBO series “Big Little Lies”

Fiscal Year 2018-2019 Initiatives

- Continue to promote a cohesive marketing campaign, work collaboratively and leverage funds to promote lodging, dining and shopping within the Village.
- Continue to advocate for sustainable tourism to reduce the environmental impact of visitors and support the City in communicating to residents, businesses and visitors about the importance of protecting the City’s natural assets and promoting “green” practices to reduce litter, encourage recycling and reduce the City’s carbon footprint.
- Continue efforts to book a variety of musical and other performances at the Forest Theater and the Sunset Center.
- Continue to promote small businesses; work with the City in developing information for new businesses and facilitate outreach opportunities for dialogue between the City and the business community.
- Continue efforts to support the formation of a Carmel Restaurant Business Improvement District. Collect and disburse assessments to the Carmel Hospitality Improvement District, the Monterey County Tourism Improvement District and to the Carmel Restaurant Business Improvement District, once established, in a timely manner.

MARKETING AND ECONOMIC DEVELOPMENT

Budget Summary

- The budget includes \$750,000 to the Sunset Cultural Center for the operating of the Sunset Center and \$20,000 for the Sunset Cultural Center’s management of the Forest Theater.
- Regional Destination Marketing is proposed to remain at \$120,000 and these funds will be provided to Visit Carmel for various marketing efforts to increase tourism within the Village.
- As the City’s transient occupancy tax continues to grow, the MCCVB has requested an increase of \$6,136, or 3%, over the FY 2017-2018 Adopted Budget, which is based on a formula of 3% of the City’s FY 2016-2017 transient occupancy tax revenues.
- Conversely, the City has received a request from the Carmel Chamber of Commerce for funding of \$30,000 to help offset the cost of operating the Visitor Center. This reflects a \$3,000, or 9%, decrease over the FY 2017-2018 funding level.
- The budget includes \$1,000 to the Monterey County Film Commission to help promote the City as a film location, which is the same amount the City contributed in FY 2017-2018.

Service	Account				Account Description	Detail Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
EconDev	101	122	00	42005	Community Promotions	Monterey County Film Commission	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
EconDev	101	122	00	42008	Mktg & Economic Dev	SCC-Sunset Center	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
EconDev	101	122	00	42008	Mktg & Economic Dev	SCC- Forest Theater	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
EconDev	101	122	00	42008	Mktg & Economic Dev	MCCVB*	\$ 176,857	\$ 176,857	\$ 182,995	\$ 186,375
EconDev	101	122	00	42008	Mktg & Economic Dev	Regional destination marketing	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
EconDev	101	122	00	42008	Mktg & Economic Dev	Chamber of Commerce	\$ 33,000	\$ 33,000	\$ 30,000	\$ 30,000
Services and Supplies							\$1,100,857	\$1,100,857	\$1,103,995	\$1,107,375
Total							\$1,100,857	\$1,100,857	\$1,103,995	\$1,107,375
*Rounded for budgeting, actual amount for FY 18-19 is \$182,993										

COMMUNITY PLANNING AND BUILDING

Description

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

- The **Planning Division** processes current development applications, maintains the General Plan, and ensures that capital programs, zoning and other activities of the City are consistent with the goals and policies of the Plan.
- The **Building Safety Division** is responsible for plans examination and inspections of City and private development projects to ensure compliance with building codes.
- The **Code Compliance Division** ensures compliance with the City Municipal Code. This function includes public education and outreach on existing laws and resolving code violations.

Workload Indicators/Performance Measures

- The number of permits issued over the past several years has been steady. In 2016, a total of 524 planning permit and 404 building permit applications were received. In 2017, a total of 468 planning permit and 416 building permit applications were received. In 2018 the Department is on pace to issue 508 planning permits and 488 building permits.

Fiscal Year 2017-2018 Accomplishments

- Hired a full-time Building Official, Senior Planner, and Associate Planner
- Streamlined operations within the Building Division for efficiency and improved customer service by updating processes, applications and checklists, and informational brochures
- Established a Building Board of Appeal
- Initiated comprehensive update of Municipal Code Title 17 (Zoning) and Residential Design Guidelines and Municipal Code Title 15 (Building and Construction)
- Drafted ordinances to (1) regulate recreational cannabis and (2) regulate accessory dwelling in compliance with State laws while maximizing local regulatory authority
- Adopted a policy on story pole guidelines to help visually the impact of new projects and assist staff, Commissioners and Council in the review and approval process
- In tandem with the City Attorney, increased compliance with the City's short-term rental prohibition. Retained professional services to assist in the monitoring of short-term rental listings on websites.

COMMUNITY PLANNING AND BUILDING

Fiscal Year 2018-2019 Initiatives

- Continue working on the update of Title 17 (Zoning Code) and Design Guidelines
- Complete update of Title 15 (Building and Construction)
- Continue to work with the subcommittee created in FY 17-18 to update the City's Historic Context Statement
- Continue to monitor compliance with the City's short-term rental policy
- Assist City Attorney with code amendments adopting administrative citations
- Hire a full-time Code Compliance Officer

COMMUNITY PLANNING AND BUILDING

Budget Summary

- There is a decrease in contractual services compared to FY 2017-2018 as several positions have been filled with full-time staff. It is also anticipated that the full-time Code Compliance Officer will be hired by the start of the new fiscal year. Funding for FY 2018-2019 includes an outside environmental service for the Title 17 zoning update and services of a professional historian for the update to the Historic Context Statement.

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
CBP- Dept.	101	115	20,21,22	41001	Salaries	\$ 710,658	\$ 634,407	\$ 828,293	\$ 844,859
CBP- Dept.	101	115	20,21,22	41005	Overtime	\$ 500	\$ -	\$ -	\$ -
CBP- Dept.	101	115	20,21,22	41101	Retirement	\$ 30,795	\$ 27,137	\$ 37,191	\$ 37,935
CBP- Dept.	101	115	20,21,22	41103	Deferred Compensation	\$ 2,550	\$ 4,563	\$ 4,500	\$ 4,590
CBP- Dept.	101	115	20,21,22	41104	Health Insurance	\$ 164,118	\$ 130,839	\$ 150,971	\$ 153,990
CBP- Dept.	101	115	20,21,22	41106	Medicare	\$ 11,230	\$ 6,873	\$ 12,009	\$ 12,249
CBP- Dept.	101	115	20,21,22	41107	Life Insurance	\$ 1,276	\$ 966	\$ 1,274	\$ 1,299
CBP- Dept.	101	115	20	41108	Workers Compensation	\$ 69,888	\$ 55,772	\$ 33,685	\$ 34,359
CBP- Dept.	101	115	20,21,22	41109	Benefits	\$ 12,105	\$ 10,400	\$ 32,760	\$ 33,415
Salaries and Benefits Subtotal						\$ 1,003,120	\$ 870,957	\$ 1,100,683	\$ 1,122,697
CBP- Dept.	101	115	20	42001	Contract Services	\$ 218,061	\$ 204,165	\$ 71,050	\$ 72,471
CBP-Planning	101	115	20	42015	Other Services	\$ -	\$ -	\$ 1,100	\$ 1,122
CBP-Planning	101	115	20	42101	Office Supplies	\$ 4,000	\$ 2,328	\$ 4,200	\$ 4,284
CBP-Plan/Build	101	115	20, 21	42102	Publications & Subscriptions	\$ 800	\$ 765	\$ 800	\$ 816
CBP-Building	101	115	21	42106	Small Tools and Equipment	\$ -	\$ -	\$ 430	\$ 439
CBP-Plan/Build	101	115	20, 21	42115	Other Supplies	\$ -	\$ -	\$ 3,950	\$ 4,029
CBP-Plan/Build	101	115	20, 21	42301	Training & Education	\$ 10,880	\$ 8,000	\$ 5,462	\$ 5,571
CBP-Plan/Build	101	115	20, 21	42302	Conferences & Meetings	\$ -	\$ -	\$ 6,400	\$ 6,528
CBP-Plan/Build	101	115	20, 21	42304	Dues & Memberships	\$ 2,180	\$ 2,215	\$ 4,075	\$ 4,157
CBP-Planning	101	115	20	42305	Mileage Reimbursement	\$ -	\$ -	\$ 200	\$ 204
CBP-Planning	101	115	20	42403	Printing	\$ 2,500	\$ 2,039	\$ 2,000	\$ 2,040
Services and Supplies Subtotal						\$ 238,421	\$ 219,512	\$ 99,667	\$ 101,660
Total						\$ 1,241,541	\$ 1,090,469	\$ 1,200,350	\$ 1,224,357

LIBRARY AND COMMUNITY ACTIVITIES

Description

The Library Department provides programs, materials, and reference services to cardholders and visitors of all ages, and offers an outreach program that delivers books to the homebound in the Carmel area. The print and online collections include books, e-books, audio books, movies, recorded books, and large print materials whose emphases include the history of Carmel-by-the-Sea, travel, art and medical reference.

There are five divisions within the Library:

- **Administration** manages library staff, buildings, and finances, and acts as liaison to the Harrison Memorial Library Board of Trustees.
- **Circulation** is responsible for the lending, renewing, return and shelving of library items.
- **Youth Services** organizes and delivers library services and programs to children and young adults.
- **Reference** staff provides library users with direction to library materials, advice on library collections and services, and expertise on multiple kinds of information from multiple sources.
- **Local History** serves as a resource for reference and original materials that document the history of Carmel-by-the-Sea and the surrounding area.

Both the Harrison Memorial Library (Main Library) and the Park Branch are governed by a five-member Board of Trustees appointed by the City Council. The Harrison Memorial Library Board of Trustees, the Carmel Public Library Foundation and the City work together in partnership to ensure that the Harrison Memorial Library continues to be an important, integral and vital part of our community. The goal of this partnership is to sustain the historic tradition of providing free public library service of excellent quality for the residents and visitors of the City of Carmel and the Monterey Peninsula.

The Community Activities Department's primary role is to manage and coordinate the delivery of a variety of new and ongoing special events within the community. It is responsible for issuing special event permits and working with special event organizers to ensure that events held in the City are safe and conducted in compliance with City rules. The Community Activities staff also plans and executes all City-sponsored special events, including the Fourth of July Celebration, the Pumpkin Roll, the City Birthday Party and Parade, Homecrafters' Marketplace, Veterans Day and Memorial Day ceremonies, the Holiday Tree Lighting, and – new for this fiscal year – one additional street dance for a total of two community street dances.

Workload Indicators/Performance Measures

Library:

Workload Indicators / Performance Measures

- Answered 21,194 reference and information questions
- Loaned 285 items to other libraries across the United States
- Catalogued and processed 68,960 items
- Issued 9,058 library cards
- 73,522 library items were circulated
- 5,408 people attended library programs
- 6,187 people used the library's public computers
- The library's digital content was accessed 10,107 times

Community Activities:

Workload Indicators / Performance Measures

- Planned and facilitated eight City-sponsored special events
- Answered over 1,000 beach, film, and special event questions
- Issued 75 special event permits
- An estimated 5,000 people attended City-sponsored Special Events

Fiscal Year 2017-2018 Accomplishments

- Library: Continued to work on the implementation of the Library's Strategic Plan.
- Community Activities: Facilitated one street dance as an additional City event.

Fiscal Year 2018-2019 Initiatives

- Library: Continue implementation of the Library's Strategic Plan and begin the Design Phase of the Main Library Meeting Space Project.
- Community Activities: Continue to streamline processes through the use of Laserfiche for online special event permit applications and work with the Community Activities and Cultural Commission to explore possibilities for adding new events.

LIBRARY AND COMMUNITY ACTIVITIES

Budget Summary

- The City funds the personnel and building maintenance costs for operating the Main and Park Branch libraries. This funding allows the Main Library to be open on Sunday afternoons (1-5 pm) and increases the existing weekday morning hours to provide consistent operating hours between the two branches.
- The sources of funding for library materials, programs and services are the Carmel Public Library Foundation (88%), the Friends of the Library (7%) and library fines and fees (5%).
- Community Activities department expenses include costs for advertising; printing of tickets, banners and signage; event and office supplies. Contractual Services includes the cost of renting portable toilets (\$16,000) as well as the costs for audio and tree decorating. Community Promotions expenses are the costs incurred for City events such as health permits, tents, decorations, food and beverages, flowers and other supplies. These costs for larger events such as July 4th, the City Birthday Party, the Pumpkin Roll and the Street Dance range from \$2,500 to \$4,500 per event.

LIBRARY AND COMMUNITY ACTIVITIES

Library

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 18-19 Projected Budget
Library	101	120	00	41001	Salaries	\$ 614,317	\$ 536,242	\$ 615,324	\$ 627,630
Library	101	120	00	41003	Salaries -Part time	\$ 244,288	\$ 115,623	\$ 225,910	\$ 230,428
Library	101	120	00	41101	Retirement	\$ 36,289	\$ 31,803	\$ 37,698	\$ 38,452
Library	101	120	00	41103	Deferred Compensation	\$ 2,700	\$ 6,763	\$ 4,239	\$ 4,324
Library	101	120	00	41104	Health Insurance	\$ 112,629	\$ 103,096	\$ 107,450	\$ 109,599
Library	101	120	00	41105	Social Security	\$ 13,487	\$ 4,596	\$ 11,386	\$ 11,614
Library	101	120	00	41106	Medicare	\$ 12,450	\$ 9,672	\$ 12,198	\$ 12,442
Library	101	120	00	41107	LTD/STD/Life	\$ 1,408	\$ 1,289	\$ 1,279	\$ 1,305
Library	101	120	00	41108	Worker's Comp	\$ 78,029	\$ 62,269	\$ 86,445	\$ 88,174
Library	101	120	00	41109	Benefits-MOU Obligations	\$ 24,211	\$ 16,213	\$ 37,440	\$ 38,189
Salaries and Benefits Subtotal						\$ 1,139,808	\$ 887,566	\$ 1,139,369	\$ 1,162,156
Library	101	120	00	42001	Contract Services (Fine Arts Preservation)	\$ 5,075	\$ 755	\$ 5,000	\$ 5,000
Library	101	120	00	42301	Training & Education	\$ 0	\$ 0	\$ 1,776	\$ 1,812
Services and Supplies Subtotal						\$ 5,075	\$ 755	\$ 6,776	\$ 6,812
Total						\$ 1,144,883	\$ 888,321	\$ 1,146,145	\$ 1,168,968

Community Activities

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
ComAct	101	121	00	41001	Salaries	\$ 79,451	\$ 82,628	\$ 132,343	\$ 134,990
ComAct	101	121	00	41003	Salaries -Part time	\$ 23,549	\$ -	\$ -	\$ -
ComAct	101	121	00	41101	Retirement	\$ 4,704	\$ 4,621	\$ 8,482	\$ 8,652
ComAct	101	121	00	41103	Deferred Compensation	\$ 300	\$ 600	\$ 525	\$ 536
ComAct	101	121	00	41104	Health Insurance	\$ 17,654	\$ 1,084	\$ 16,952	\$ 17,291
ComAct	101	121	00	41105	Social Security	\$ 1,460	\$ 375	\$ -	\$ -
ComAct	101	121	00	41106	Medicare	\$ 1,494	\$ 1,140	\$ 1,919	\$ 1,957
ComAct	101	121	00	41107	LTD/STD/Life	\$ 156	\$ 130	\$ 227	\$ 232
ComAct	101	121	00	41108	Worker's Comp	\$ 9,289	\$ 7,413	\$ 11,022	\$ 11,242
ComAct	101	121	00	41109	Benefits-MOU Obligations	\$ 4,035	\$ 2,080	\$ 8,190	\$ 8,354
Salaries and Benefits Subtotal						\$ 142,092	\$ 100,071	\$ 179,660	\$ 183,253
ComAct	101	121	00	42001	Contract Services	\$ 27,165	\$ 23,171	\$ 25,000	\$ 25,500
ComAct	101	121	00	42005	Community Promotions	\$ 33,570	\$ 30,000	\$ 41,000	\$ 41,820
ComAct	101	121	00	42009	Advertising/Legal Notice	\$ 4,608	\$ 1,000	\$ 4,800	\$ 4,896
ComAct	101	121	00	42101	Office Supplies	\$ 2,359	\$ 1,110	\$ 1,500	\$ 1,530
ComAct	101	121	00	42301	Training & Education	\$ -	\$ -	\$ 4,600	\$ 4,692
ComAct	101	121	00	42403	Printing	\$ 7,400	\$ 200	\$ 6,900	\$ 7,038
ComAct	101	121	00	42405	Telephone	\$ 2,010	\$ 1,300	\$ 1,800	\$ 1,836
Services and Supplies Subtotal						\$ 77,112	\$ 56,781	\$ 85,600	\$ 87,312
Total						\$ 219,204	\$ 156,852	\$ 265,260	\$ 270,565

PUBLIC SAFETY

Description

The Public Safety Department includes the Police Department, Ambulance Services, and oversight of Fire Services, which are currently provided by the City of Monterey. The Director of Public Safety/Police Chief manages the Public Safety Department and these three distinct functions.

- The Police Department is responsible for law enforcement and crime prevention within the City. The mission of the Department is to protect and serve, with the primary responsibility of ensuring the rights of citizens and visitors to live in peace and safety.
- The Police Department also oversees the management and operation of the Emergency Operations Center; the Volunteers in Policing Program that assists with daily clerical activities, errands, public outreach and special events and the City Community Emergency Response Team of volunteers ready to assist the community during an emergency situation.
- The Fire Department's primary responsibility is to save lives and protect property through the prevention and control of fires. The Fire Department has operated under a contract with the City of Monterey since 2012. The Public Safety Department manages the contract with the City of Monterey and is responsible for oversight of needed equipment and supplies.
- Carmel Fire Ambulance provides advanced life support ambulance service to the residents of Carmel-by-the-Sea. The ambulance is staffed by paramedic-firefighters and emergency medical technician-firefighters to provide front line medical emergency response and all-hazard response as a key component of the City's public safety services. The City of Monterey also provides administrative oversight of this function through a contractual agreement managed by the Public Safety Department.

Workload Indicators/Performance Measures

- In 2017, the Police Department responded to 13,701 calls for service, the Fire Department responded to 856 calls for service and the Ambulance responded to 692 calls for service in CBTS. The Fire and Ambulance Departments have a Council performance measure of a response time of less than five minutes to code 3 calls for service 95% of the time. Both Ambulance and Fire exceeded this measure with an average response time of 3 minutes.

Fiscal Year 2017-2018 Accomplishments

The Police Department:

- Completed the outfitting of its parking vehicles with License Plate Reader systems; purchased a SMART car for use as a parking enforcement vehicle; and purchased new citation devices, which include a handheld tablet and portable printer, that are able to be used for both parking and police citations
- Secured State funds to complete the purchase and upgrade of our 911 phone system (PSAP) and successfully navigated the federal government (FEMA) disaster reimbursement process in order to recover funds spent on responding to the February 2017 winter storms
- Replaced the aging roof antennae and purchased two new electric bicycles with the use of donated money for the Bicycle Patrol Team.
- Updated the City's Emergency Operations Plan.

Fiscal Year 2018-2019 Initiatives

- Continue with the audit of the Parking Enforcement Division of the Police Department in order to improve the cost recovery of fees and enhance services
- Recruit, hire and train personnel to fill vacancies in the Police Department
- Continue to look for ways to best manage the City's ambulance services through the Monterey County Emergency Medical Services Department, Monterey Fire Department, and the Police Department

PUBLIC SAFETY

Budget Summary

Police

- Contractual services within the Police Department are budgeted at \$245,392 and include a variety of vendors and functions, with some of the largest expenses attributed to:
 - Monterey County Sheriff Automates Criminal Justice system to allow the Department's dispatch to communicate with the Department of Justice (\$68,000)
 - Private security services for beach patrols (\$35,000)
 - Replacement of body cameras (\$18,650)
 - Monterey County Sheriff for jail bookings (\$18,000)
 - Subscription services to TracNet (\$17,000)
 - Yearly Contract fees for PCS Mobile (License Plate Recognition Systems) (\$10,500)
 - Recruitment, background and investigative services (\$8,000)
- For Fiscal Year 2018-19, expense for vehicle maintenance, fuel and building maintenance will be allocated to user departments. These expenses have previously been charged to accounts within the Public Works Department. The Police Department budget includes \$71,500 for these expenses.
- Equipment maintenance includes \$28,080 for the City's pro-rated share of site leases for analog and digital communications, utilities at sites, and support costs for IT maintenance pertaining to the Next Generation Radio, a radio communications system for all users in law enforcement, fire, medical, and public works.
- The cost of uniforms is budgeted within the Other Expenditures account for \$15,000.

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
Police	101	116	00	41001	Salaries			\$ 751,329	\$ 766,356
Police	101	116	00	41002	Salaries -Safety			\$ 1,663,622	\$ 1,696,894
Police					Salaries Total	\$ 2,307,031	\$ 2,007,370	\$ 2,414,951	\$ 2,463,250
Police	101	116	00	41003	Salaries- Part Time Assistance	\$ 20,000	\$ -	\$ -	\$ -
Police	101	116	00	41006	Overtime -Safety	\$ 175,000	\$ 174,035	\$ 175,000	\$ 178,500
Police	101	116	00	41009	Holiday in Lieu	\$ 123,676	\$ 93,086	\$ 133,800	\$ 136,476
Police	101	116	00	41101	Retirement			\$ 40,652	\$ 41,465
Police	101	116	00	41102	Retirement -Safety			\$ 254,525	\$ 259,616
Police					Retirement-Total	\$ 276,536	\$ 245,601	\$ 295,177	\$ 301,081
Police	101	116	00	41103	Deferred Compensation	\$ 7,500	\$ 9,378	\$ 10,020	\$ 10,220
Police	101	116	00	41104	Health Insurance	\$ 410,686	\$ 334,945	\$ 394,122	\$ 402,004
Police	101	116	00	41105	Social Security	\$ 1,419	\$ -	\$ -	\$ -
Police	101	116	00	41106	Medicare	\$ 36,375	\$ 30,878	\$ 37,479	\$ 38,229
Police	101	116	00	41107	LTD/STD/Life	\$ 3,494	\$ 3,302	\$ 3,772	\$ 3,847
Police	101	116	00	41108	Worker's Comp	\$ 203,816	\$ 162,648	\$ 209,758	\$ 213,953
Police	101	116	00	41111	Uniform Allowance	\$ 38,880	\$ 30,090	\$ 36,000	\$ 36,720
Salaries and Benefits Subtotal						\$ 3,604,413	\$ 3,091,333	\$ 3,710,079	\$ 3,784,281
Police	101	116	00	42001	Contract Services	\$ 212,871	\$ 164,375	\$ 245,392	\$ 250,300
Police	101	116	00	42005	Community Promotions	\$ 3,350	\$ 1,267	\$ 2,300	\$ 2,346
Police	101	116	00	42101	Office Supplies	\$ 10,900	\$ 6,039	\$ 8,600	\$ 8,772
Police	101	116	00	42102	Publications & Subscriptions	\$ 2,345	\$ 1,270	\$ 705	\$ 719
Police	101	116	00	42104	Safety Equipment and Supplies	\$ 21,000	\$ 15,000	\$ 13,500	\$ 13,770
Police	101	116	00	42107	Gas and Oil	\$ -	\$ -	\$ 35,000	\$ 35,700
Police	101	116	00	42201	Building Maintenance	\$ -	\$ -	\$ 3,500	\$ 3,570
Police	101	116	00	42202	Equipment Maintenance	\$ 36,380	\$ 2,000	\$ 42,780	\$ 43,636
Police	101	116	00	42203	Vehicle Maintenance	\$ -	\$ -	\$ 33,000	\$ 33,660
Police	101	116	00	42301	Training & Education	\$ 27,820	\$ 22,169	\$ 22,620	\$ 23,072
Police	101	116	00	42304	Dues & Memberships	\$ 1,600	\$ 1,000	\$ 2,300	\$ 2,346
Police	101	116	00	42403	Printing	\$ 4,300	\$ 3,927	\$ 4,500	\$ 4,590
Police	101	116	00	42404	Shipping/Postage/Freight	\$ 500	\$ 905	\$ 500	\$ 510
Police	101	116	00	42405	Telephone/Communications	\$ 9,000	\$ 8,362	\$ 14,984	\$ 15,284
Police	101	116	00	42415	Other Expenditures	\$ 9,500	\$ 4,264	\$ 15,000	\$ 15,300
Services and Supplies Subtotal						\$ 339,566	\$ 230,578	\$ 444,681	\$ 453,575
Total						\$ 3,943,979	\$ 3,321,911	\$ 4,154,760	\$ 4,237,855

Fire

- Some of the larger expenses within contract services include \$2,381,392 to the City of Monterey to provide fire services to the Village and \$23,600 to Monterey County for dispatch services. The cost of the agreement with the City of Monterey for fire services reflects an increase of \$188,320, or 5%, over the current year cost. However, as noted in the Ambulance narrative, there is a significant decrease in ambulance administrative services. The net increase to the agreement with the City of Monterey for both fire and ambulance services is \$116,537, or 5% above the FY 2017-18 budget.
- Fuel and vehicle maintenance are budgeted at \$20,000 in total, or \$10,000 each.
- The proposed Fiscal Year 2018-19 budget includes \$30,000, should the City own the City of Monterey as part of the fire "true up" for actual costs incurred in Fiscal year 2017-18. Should Carmel owe additional money above the \$30,000, it will be addressed as part of the Fiscal year 2018-19 mid-year budget review. (Carmel owed \$59,196 in Fiscal Year 2017-18 for the Fiscal Year 2016-17 true up).

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
Fire	101	117	00	42001	Contract Services	\$ 2,292,498	\$ 2,292,498	\$ 2,454,125	\$ 2,503,208
Fire	101	117	00	42005	Community Promotions	\$ 1,500	\$ 500	\$ 1,000	\$ 1,020
Fire	101	117	00	42103	Medical Supplies	\$ 3,000	\$ 600	\$ 3,000	\$ 3,060
Fire	101	117	00	42104	Safety Equipment and Supplies	\$ 16,416	\$ 16,959	\$ 9,000	\$ 9,180
Fire	101	117	00	42106	Small Tools and Equipment	\$ 2,000	\$ 3,098	\$ -	\$ -
Fire	101	117	00	42107	Gas and Oil	\$ -	\$ -	\$ 10,000	\$ 10,200
Fire	101	117	00	42202	Equipment Maintenance	\$ 8,250	\$ 440	\$ 7,100	\$ 7,242
Fire	101	117	00	42203	Vehicle Maintenance	\$ 500	\$ -	\$ 10,000	\$ 10,200
Services and Supplies Subtotal						\$ 2,324,164	\$ 2,314,095	\$ 2,494,225	\$ 2,544,110
Total						\$ 2,324,164	\$ 2,314,095	\$ 2,494,225	\$ 2,544,110

PUBLIC SAFETY

Ambulance

- Contract services total \$164,963 and include such items as \$70,000 to the City of Monterey to provide station coverage for Carmel staff; \$19,223 for regulatory oversight of the ambulance function by the City of Monterey and \$60,000 to the third party provider for ambulance billing. The cost of the contract with the City of Monterey for ambulance administration is proposed to decrease from \$91,506 to \$19,223 in Fiscal Year 2018-19.
- Overtime incurred by City staff is another large expense for this function and is budgeted at \$140,706 for Fiscal Year 2018-19.
- The operating cost of Ambulance is offset, in part, by recouping the cost of medical transports. The City's third party billing provider has projected revenue, based upon the types of medical transports provided and the negotiated rates by Medicare and other insurance carriers to be \$601,150. However, based upon timing of payments, the writing off of bad debt and the issuing of refunds, the City has budgeted \$450,865 in revenue for Fiscal Year 2018-19, which is similar to the revenues historically received by the City.

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
Amb	101	118	00	41002	Salaries -Safety	\$ 552,164	\$ 585,365	\$ 591,044	\$ 602,865
Amb	101	118	00	41005	Overtime	\$ 140,000	\$ 182,550	\$ 140,706	\$ 143,520
Amb	101	118	00	41007	Paid Call Firefighter	\$ 10,000	\$ -	\$ -	\$ -
Amb	101	118	00	41009	Holiday in Lieu	\$ 56,747	\$ 66,269	\$ 60,757	\$ 61,972
Amb	101	118	00	41102	Retirement -Safety	\$ 76,928	\$ 89,132	\$ 86,167	\$ 87,890
Amb	101	118	00	41103	Deferred Compensation	\$ -	\$ -	\$ 1,800	\$ 1,836
Amb	101	118	00	41104	Health Insurance	\$ 78,639	\$ 75,658	\$ 84,640	\$ 86,333
Amb	101	118	00	41106	Medicare	\$ 9,655	\$ 11,984	\$ 10,790	\$ 11,006
Amb	101	118	00	41107	LTD/STD/Life	\$ 912	\$ 790	\$ 858	\$ 875
Amb	101	118	00	41108	Worker's Comp	\$ 49,193	\$ 39,257	\$ 57,790	\$ 58,946
Amb	101	118	00	41111	Uniform Allowance	\$ -	\$ 5,211	\$ 3,600	\$ 3,672
Salaries and Benefits Subtotal						\$ 974,238	\$ 1,056,216	\$ 1,038,152	\$ 1,058,915
Amb	101	118	00	42001	Contract Services	\$ 210,246	\$ 210,246	\$ 164,963	\$ 168,262
Amb	101	118	00	42101	Office Supplies	\$ 1,100	\$ 700	\$ 1,100	\$ 1,122
Amb	101	118	00	42103	Medical Supplies	\$ 33,740	\$ 31,452	\$ 31,740	\$ 32,375
Amb	101	118	00	42104	Safety Equipment and Supplies	\$ 8,000	\$ 7,246	\$ 8,000	\$ 8,160
Amb	101	118	00	42107	Gas and Oil	\$ -	\$ -	\$ 10,000	\$ 10,200
Amb	101	118	00	42201	Building Maintenance	\$ -	\$ -	\$ 2,500	\$ 2,550
Amb	101	118	00	42202	Equipment Maintenance	\$ 4,000	\$ 3,602	\$ 7,000	\$ 7,140
Amb	101	118	00	42203	Vehicle Maintenance	\$ 10,200	\$ 160	\$ 17,000	\$ 17,340
Amb	101	118	00	42301	Training & Education	\$ 4,100	\$ 3,140	\$ 7,100	\$ 7,242
Services and Supplies Subtotal						\$ 271,386	\$ 256,546	\$ 249,403	\$ 254,391
Total						\$ 1,245,624	\$ 1,312,762	\$ 1,287,555	\$ 1,313,306

PUBLIC WORKS

Description

The Mission of the Public Works Department is to provide and maintain public infrastructure, services, facilities, and equipment that contribute to the health, safety, and well-being of the community and do so in an efficient and cost-effective manner with minimal detrimental effects on the environment. Located at the Public Works Yard on Junipero Avenue, between 4th and 5th Avenues, the department consists of 21 staff (currently 4 vacancies) in six divisions with responsibilities as follows:

Administration: budgeting, purchasing, preparing Council reports and presentations, engineering services, serve on Traffic Safety Committee, and day-to-day oversight of the five operating divisions.

Environmental Compliance: stormwater quality testing to comply with state regulations, trash diversion goals/recycling/composting, development plan review, construction site inspections, coordinating with regional committees and agencies, training and public outreach.

Facilities Maintenance: ongoing maintenance and repair of 33 City-owned buildings with 146,200 square feet, capital project support, oversee janitorial services, implement small projects.

Forestry, Parks and Beach: support the Forest & Beach Commission, maintain 8 municipal parks, Carmel Beach and the shoreline pathway, manage 10,000 City-owned trees, process tree removal and pruning permits, oversee improvements to North Dunes and Mission Trail Nature Preserve, and oversee landscape maintenance services.

Project Management: develop the Capital Improvement Plan, perform condition assessments, cost estimating, design, inspection, and manage construction of capital improvement projects, administer public bidding process, and coordinate with utilities, designers, contractors, and other departments.

Streets Maintenance: maintain City street pavement, sidewalks, and curbs, repair potholes, install traffic signs, striping and pavement markings, street sweeping, coordinate maintenance and repairs of City fleet, review encroachment permit applications, support City events, and emergency response.

Workload Indicators / Performance Measures for FY 2017/18

- Responded to an estimated 250 customer service requests.
- Used 48 tons of hot mix asphalt to repair potholes and berms.
- Used 130 gallons of paint for curbs, traffic striping, and pavement markings.
- Maintained over 500 traffic and street name signs.
- Planted an estimated 82 trees.
- Removed an estimated 182 dead or diseased trees.
- Maintained 21 Public Works vehicles and equipment motor pool.

Fiscal Year 2017-2018 Accomplishments

- Hired two Project Managers and made substantial progress on the FY 2017-18 capital improvement plan including the fire station vehicle exhaust system and air compressor; the 4th Avenue reclaimed water connection project; drainage repairs at 5th Avenue and Junipero Avenue; 5th Avenue, Torres to Guadalupe Streets, Drainage Improvement project; design of the Police Building Renovation and Expansion project; Fuel Station Decommissioning project; North Dunes Habitat restoration project; the ADA Transition Plan project and the Geographic Information System (GIS) project.
- Supported TAMC's county-wide initiative to perform a multi-agency pavement condition survey. The City's survey, now 10 years old, will be updated this summer.
- Oversaw the \$2.18 million contract to repave Ocean Avenue, (Junipero to Monte Verde), and 15 residential streets, including the Lincoln and 3rd Cul-de-Sac Safety Project. Contract includes 38 accessibility ramps, drainage and sidewalk repairs.
- Received a \$25,000 grant from the Monterey Peninsula Regional Park District for signage and other improvements at the Mission Trail Nature Preserve and made improvements to the Preserve's Mountain View entrance.
- Began repairs of Carmel Beach access stairs using in-house resources, which is anticipated to save \$100,000 compared to hiring an outside contractor.
- Repaired the stage, gate, and fencing at the Forest Theater.
- Received the Platinum Energy Savings Beacon Spotlight Award for achieving a 46% reduction in energy use, the highest reduction in Monterey County
- Installed 2, dual-port Electric Vehicle charging stations (Sunset Center and Vista Lobos).
- Council passed an Ordinance, prepared by Public Works, eliminating plastic utensils, straws, and disposable food packaging. The Department made progress with recycling and organic food waste programs, trash assessments, and attempts to address cigarette litter.
- Presented the 1st Annual Public Works Report and Infrastructure Report Card which identified conditions, strengths, and weaknesses of our core infrastructure.
- Implemented a mass-production approach to solicit Statements of Qualifications from 54 interested firms covering 20 professional service categories/retained 3 environmental firms.
- Revamped/updated templates for Professional Services Agreements and Construction Contracts and increased outreach during bidding for construction projects resulting in at least four responsible contractors bidding on the past three contracts.

PUBLIC WORKS

Fiscal Year 2018-2019 Initiatives

- Prepare a Trash Diversion Compliance Plan and present Trash Update to Council.
- Implement trash and recycling containers at Devendorf Park.
- Continue making measurable progress with recycling and organic food waste programs.
- Implement Storm Water Compliance initiatives, such as food service Inspections by CAWD.
- Begin LED retrofit program for several City-owned buildings.
- Complete construction and paving of Ocean Avenue, (Junipero to Monte Verde), and 15 residential streets, including the Lincoln and 3rd Cul-de-Sac Safety Project.
- Design, bid, and construct the FY 2018/19 Paving Project (26 slurry and 8 overlay streets).
- Construct the 5th Avenue, Torres to Guadalupe Streets, Drainage Improvement Project.
- Complete final design, bid, and start construction of the Police Building Renovation and Expansion Project.
- Support the Police Department's Pole Security Camera Project.
- Support the Harrison Memorial Library meeting space and lobby renovation project.
- Design, bid, and construct HVAC System Modifications at both Libraries.
- Complete decommissioning of the Fuel Station at the Public Works Yard.
- Support the pavement condition survey and Street Saver update in conjunction with TAMC.
- Develop a 5-year Capital Improvement Plan.
- Continue tree removal, railing, and other efforts per the North Dunes Habitat Restoration Plan.
- Complete repairs to the Carmel Beach access stairs.
- Reconstruct the railing system along the Scenic Drive Pathway.
- Continue removal of invasive, non-native, and dead trees in Mission Trail Nature Preserve.
- Bid and award multi-year contracts for on-call tree cutting, pruning, and stump removals.
- Launch a long-term Tree Planting Initiative and associated Task Force.
- Work with Community Planning & Building to streamline and standardize Conditions of Approval and Findings associated with private development applications and encroachment permits.
- Update the City's Purchasing Ordinance with Finance.
- Condition, monitor, and inspect the PG&E Gas Line Project, should it be permitted.
- Complete the set up phase of the City-wide GIS project and develop applications.
- Complete the ADA Transition Plan, and begin to implement high priority ADA upgrades.
- Present the 2nd Annual Public Works Report and Infrastructure Report Card.
- Design, bid, and rebuild the rigging system, outdoor stage, and boilers at Sunset Center.
- Fill vacant Senior Maintenance Worker and Tree Care Specialist positions.

PUBLIC WORKS

Budget Summary

- Contracted Services is on par with the current fiscal year and budgeted at \$860,646. While there are increased costs of about 3% for the existing janitorial and landscape maintenance contracts, as well as new costs for water sampling and inspections, and stormwater permit and reporting requirements due to State environmental compliance regulations, these costs are offset by a reduction in other proposed services for beach sand redistribution and tree work.
- The combined budget for Office Supplies, Publications/Subscriptions, Training, and Dues/Memberships increased overall by \$7,445 over last year, primarily due to the addition of two, full-time project managers to the Public Works team. These professionals are focused on implementing the backlog of capital improvement projects.
- Materials and Supplies increased by 14% from the FY 17-18 adopted budget of \$90,000 to the proposed \$105,000. This reflects the increasing cost of materials, including lumber, plumbing and electrical supplies, asphalt, base rock, traffic signs, plants, fertilizer, pet waste disposal bags, and traffic paint. In addition, the Department will purchase public litter containers utilizing specialized State grant funds for this purpose.
- Gas/Oil Equipment Maintenance and Vehicle Maintenance decreased significantly for a total reduction of \$101,000. This is a result of splitting up fuel, equipment, and vehicle maintenance costs with the Public Safety fleet. Combined with Public Safety, the cost of fuel is anticipated to increase due to decommissioning of the City's fueling station and reliance on commercial fueling stations. The most significant variable in this category is the cost for repairs for the Ambulance, which is now included in the Police Department's (Ambulance function) operating budget.

Service	Account				Account Description	FY 17-18 Amended Budget	FY 17-18 Estimated Actual	FY 18-19 Proposed Budget	FY 19-20 Projected Budget
Public Works	101	119	40-45	41001	Salaries	\$ 1,533,270	\$ 129,795	\$ 1,690,982	\$ 1,724,802
Public Works	101	119	40-45	41006	Overtime	\$ 15,000	\$ 12,535	\$ -	\$ -
Public Works	101	119	40-45	41101	Retirement	\$ 72,382	\$ 60,692	\$ 84,867	\$ 86,564
Public Works	101	119	40-45	41103	Deferred Compensation	\$ 8,100	\$ 10,930	\$ 11,700	\$ 11,934
Public Works	101	119	40-45	41104	Health Insurance	\$ 324,748	\$ 178,019	\$ 246,052	\$ 250,973
Public Works	101	119	40-45	41106	Medicare	\$ 22,282	\$ 15,474	\$ 24,581	\$ 25,073
Public Works	101	119	40-45	41107	LTD/STD/Life	\$ 2,800	\$ 2,305	\$ 2,908	\$ 2,966
Public Works	101	119	40-45	41108	Worker's Comp	\$ 139,167	\$ 111,058	\$ 144,266	\$ 147,151
Public Works	101	119	40-45	41109	Benefits- MOU Obligations	\$ 20,176	\$ 27,040	\$ 77,520	\$ 79,070
Public Works	101	119	40-45	41110	Uniform Allowance	\$ 3,432	\$ 3,432	\$ 4,228	\$ 4,313
Salaries and Benefits Subtotal						\$ 2,141,357	\$ 551,280	\$ 2,287,104	\$ 2,332,846
Public Works	101	119	40-45	42001	Contract Services	\$ 860,528	\$ 615,708	\$ 860,646	\$ 877,859
Public Works	101	119	40-45	42101	Office Supplies	\$ 6,000	\$ 1,835	\$ 8,000	\$ 8,160
Public Works	101	119	40-45	42102	Publications & Subscriptions	\$ 2,100	\$ 750	\$ 2,500	\$ 2,550
Public Works	101	119	40-45	42104	Safety Equipment and Supplies	\$ 11,200	\$ 8,250	\$ 11,000	\$ 11,220
Public Works	101	119	40-45	42105	Materials and Supplies	\$ 103,376	\$ 87,800	\$ 105,000	\$ 107,100
Public Works	101	119	40-45	42106	Small Tools and Equipment	\$ 3,400	\$ 650	\$ 3,500	\$ 3,570
Public Works	101	119	40-45	42107	Gas and Oil	\$ 56,624	\$ 51,995	\$ 20,000	\$ 20,400
Public Works	101	119	40-45	42202	Equipment Maintenance	\$ 80,000	\$ 71,275	\$ 4,000	\$ 4,080
Public Works	101	119	40-45	42203	Vehicle Maintenance	\$ 16,000	\$ 3,883	\$ 41,000	\$ 41,820
Public Works	101	119	40-45	42301	Training & Education	\$ 10,000	\$ 7,045	\$ 17,000	\$ 17,340
Public Works	101	119	40-45	42304	Dues & Memberships	\$ 2,600	\$ 2,234	\$ 645	\$ 658
Public Works	101	119	40-45	42403	Printing	\$ 1,000	\$ 350	\$ 1,000	\$ 1,020
Public Works	101	119	40-45	42408	Permits and Licenses	\$ 9,600	\$ 9,295	\$ 9,500	\$ 9,690
Public Works	101	119	40-45	42409	Rentals	\$ 2,700	\$ 1,700	\$ 1,000	\$ 1,020
Services and Supplies Subtotal						\$ 1,165,128	\$ 862,770	\$ 1,084,791	\$ 1,106,487
Total						\$ 3,306,485	\$ 1,414,050	\$ 3,371,895	\$ 3,439,333

CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PLAN (CIP)

Description

The City defines a capital project as a fixed asset having a useful life of 10 years or more and costing over \$10,000. While the City's facility, environmental, infrastructure and technology needs are great, financial constraints limit the number of project to be funded. Thus, 21 projects are proposed in FY 2018-19, of which 7 are carried over from the current fiscal year. The projects are recommended for inclusion within the CIP as they meet at least one of the funding criteria.

Based on these criteria, the projects recommended for funding include the renovation and expansion of the Police Department; the paving and slurry seal of streets; the restoration of the Scenic Pathway; sidewalk repairs; upgrade of the heating and HVAC systems at the two libraries (carried over from FY 2017-18); installation of security pole cameras at various entrance/exit locations in town (carried over from FY 2017-18); ongoing habitat restoration efforts in the North Dunes and the removal of invasive trees in the Mission Trail Nature Preserve; installation of a generator at the main library (carry over from FY 2017-18); replacement of stage rigging at the Sunset Center; the purchase of new encryption radios for public safety (carried over from FY 2017-18); the purchase of a pickup truck for the Public Works Department and an electric motorcycle for the Police Department; maintenance to the beach staircases; the design of a replacement boiler at the Sunset Center; installation of median lights on Ocean Avenue and lighting along the pedestrian ramp between the parking lots at the Sunset Center; a pilot program to test tree planting and tree watering methods; the first phase of the implementation of the forthcoming recommendations from the ADA Transition Plan and initial funding to augment future donations for the restoration of the World War I Memorial. In addition, the CIP includes a project to redesign the main library to create space for community meetings. Detailed descriptions of these projects are included within this section for reference.

The City made great strides toward investing in its infrastructure in Fiscal Year 2017-18, including executing a robust paving project within various residential neighborhoods, the installation of accessible sidewalk ramps at Scenic and Eighth Avenue and the pavement of Ocean Avenue. A major project to address long-standing drainage issues will be underway shortly and will span from along Fifth Avenue from Torres to Guadalupe, Guadalupe to Carpenter, and then Carpenter toward, and including part of, Fourth Avenue. The FY 2018-19 CIP continues to invest in streets and sidewalks, with sidewalk funding exponentially increasing from the initial investment of \$75,000 in Fiscal Year 2014-2015, to \$125,000 in Fiscal Year 17-18, to the proposed \$245,000 in FY 18-19. Recognizing the importance of protecting its sensitive habitats, funding I allocated to continue the

Funding Criteria

- Enhance public safety
- Ensure public health
- Critical infrastructure
- Essential maintenance
- Protect sensitive habitat
- Rebuild the foundation

CAPITAL IMPROVEMENT PLAN

ongoing multi-year effort to restore the North Dunes, combat invasive plant species including tree removal within the Mission Trail Nature Preserve and to provide a restoration to the well-loved (and worn) Scenic Pathway. Several projects will progress to the next phase in FY 2018-19 based upon substantial work performed in FY 2017-18, including the completion of the accessibility (ADA) Transition Plan and the design of the Police Department Renovation and Expansion project.

The FY 2018-2019 Proposed Budget includes \$4,121,040 in funding for the 21 identified capital projects. When the Harrison Memorial Library Meeting Space project, which will be funded by the Library Board of Trustees and the Carmel Public Library Foundation, is included, the total cost of the capital improvement plan is \$4,371,040. Funding for these projects comes from a variety of sources as noted in *Table 1, FY 18-19 Proposed Funding*.

Table 1: FY 18-19 Proposed Funding Sources

General Fund Prior Year Surplus	\$1,915,000
Measure D FY 18-19 Revenues	\$1,000,000
Measure D Fund Balance	\$586,250
Vehicle and Equipment Fund Balance	\$189,350
Transportation Safety Fund (Measure X sales tax)	\$175,800
State gas tax (HUTA) and SB1 Road Repair & Road Maintenance Account (RHRMA)	\$162,252
State transportation funding (RSTIP)	\$42,705
Monterey Peninsula Regional Park District grant	\$25,000
Urban Forest Restoration deposit account	\$25,003
Total	
<i>Donations*</i>	<i>\$250,000</i>
Total	

*The City has not budgeted the receipt of the donation. Rather the cost of the project will be bourn directly by the Library.

City of Carmel-by-the-Sea, CA

Capital Improvement Plan

FY 18 thru FY 22

PROJECTS BY CATEGORY AND DEPARTMENT

Department Category	FY 18	FY 19	FY 20	FY 21	FY 22	Total	Future
Community Planning & Bldg							
<u>Landscape Improvement</u>							
Ocean Avenue Median Lighting (Carryover)	30,000					30,000	
<i>Sub-Total</i>	30,000					30,000	
Department Total:	30,000					30,000	
Library & Community Activities							
<u>Buildings</u>							
HVAC Systems at HML & PBL Libraries (Carryover)	116,250					116,250	
Harrison Memorial Library Meeting Space	250,000					250,000	
<i>Sub-Total</i>	366,250					366,250	
<u>Equipment: Computers</u>							
Harrison Memorial Library Generator (Carryover)	60,000					60,000	
<i>Sub-Total</i>	60,000					60,000	
Department Total:	426,250					426,250	
Safety: Police							
<u>Equipment: Miscellaneous</u>							
Encryption (Carryover)	49,350					49,350	
Security Pole Cameras (Carryover)	110,000					110,000	
<i>Sub-Total</i>	159,350					159,350	
<u>Vehicles</u>							
Police Electric Motorcycle	25,000					25,000	
<i>Sub-Total</i>	25,000					25,000	
Department Total:	184,350					184,350	
Services: Public Works							
<u>Sidewalk</u>							
Sidewalk Repairs (Multi-year)	245,000					245,000	
<i>Sub-Total</i>	245,000					245,000	
<u>Street Paving</u>							
Citywide Paving Project/Street & Road (Multi-year)	950,437					950,437	
<i>Sub-Total</i>	950,437					950,437	
Department Total:	1,195,437					1,195,437	

Department		FY 18	FY 19	FY 20	FY 21	FY 22	Total	Future
Category								
Services: Facilities								
<u>Equipment: Miscellaneous</u>								
Sunset Center Stage Rigging		50,000					50,000	
	<i>Sub-Total</i>	50,000					50,000	
<u>Facilities</u>								
Sunset Center Ramp Lighting		10,000					10,000	
	<i>Sub-Total</i>	10,000					10,000	
<u>Unassigned</u>								
Police Bldg Renovation & Expansion-Construction		1,900,000					1,900,000	
World War I Monument Restoration		3,000					3,000	
Public Works Facility Maintenance Truck		45,000					45,000	
ADA Updates- Year 1 (Multi-Year)		20,000					20,000	
Sunset Center Boiler Design		25,000					25,000	
	<i>Sub-Total</i>	1,993,000					1,993,000	
Department Total:		2,053,000					2,053,000	
Srvs: Forest, Parks, & Beach								
<u>Beach</u>								
Scenic Pathway Renovation (Carryover)		230,000					230,000	
Beach Stairs Repairs (Multi-year)		40,000					40,000	
	<i>Sub-Total</i>	270,000					270,000	
<u>Park Improvements</u>								
North Dunes Habitat Restoration (Multi-year)		85,000					85,000	
	<i>Sub-Total</i>	85,000					85,000	
<u>Park: Mission Trail</u>								
MTNP Improvements (Multi-year)		100,000					100,000	
	<i>Sub-Total</i>	100,000					100,000	
<u>Unassigned</u>								
Tree Planting Initiative/Urban Forest Restoration		27,003					27,003	
	<i>Sub-Total</i>	27,003					27,003	
Department Total:		482,003					482,003	
GRAND TOTAL		4,371,040					4,371,040	

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Community Planning & Bldg
 Contact Comm. Planning & Bldg Dir
 Type Improvement
 Useful Life 10 years
 Category Landscape Improvement
 Priority

Project # CPB-1718-05
 Project Name Ocean Avenue Median Lighting (Carryover)

Description Total Project Cost: \$30,000
 This project involves the design and installation of median island lighting on Ocean Avenue with three or more lighting options. Based on public input of the median lighting option that best enhances the aesthetics and safety of the Village, all five medians will ultimately have the same lighting style.

Justification
 Council policy, action, and discussions have sought to address the appropriate type and level of lighting along the Ocean Avenue medians.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Planning/Design/Permitting	30,000					30,000
Total	30,000					30,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	30,000					30,000
Total	30,000					30,000

Budget Impact/Other
 No funds were spent in Fiscal Year 2017-2018 due to unsuccessful negotiations with a lighting consultant. Therefore, the project is being carried over into Fiscal Year 2018-2019. There will be ongoing electricity and maintenance costs for the care of the median lights once installed. Electricity costs may be reduced if more energy efficient lighting is installed.

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Library & Community Activiti
 Contact Public Works Director
 Type Equipment
 Useful Life 20 years
 Category Equipment: Computers
 Priority

Project # ASD-1718-01
 Project Name Harrison Memorial Library Generator (Carryover)

Description Total Project Cost: \$60,000
 This project involves installation of a transfer switch, a conduit run across the building, and the purchase of a generator to allow the Harrison Memorial Library to remain operational and serve as a gathering place during a power outage or citywide emergency event. The cost is based on a gas-powered built-in generator that will power the entire building. It will also support the backup IT data center in the event of an emergency or disaster at the Police data center.

Justification
 This equipment will allow the library to remain operational and to serve as a potential gathering place during a power outage or citywide emergency event. In the event of a major disruption to the Police IT data center, operations will continue at the Library data center. A prolonged power outage at the Library will bring all systems to a halt. This project will prevent that scenario and give IT additional capability for performing hardware maintenance and disaster preparedness testing.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Equip/Vehicles/Furnishings	60,000					60,000
Total	60,000					60,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Vehicle/Equipment Replacement Fund	60,000					60,000
Total	60,000					60,000

Budget Impact/Other
 This project was funded for \$30,000 in Fiscal Year 2017-2018 but requires an additional \$30,000 in funding for Fiscal Year 2018-2019. The increased budget allows for backup power to the overall building versus only as backup power for the library IT data center as originally proposed.

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Library & Community Activiti
 Contact Public Works Director
 Type Improvement
 Useful Life
 Category Buildings
 Priority

Project # LIB-1718-06
 Project Name HVAC Systems at HML & PBL Libraries (Carryover)

Description Total Project Cost: \$116,250
 This project is a carryover from Fiscal Year 2017-2018 and provides funding for the Harrison Memorial Library and Park Branch Library HVAC system updates and replacements. Previously, these were funded as two separate projects but have since been bundled due to commonalities of the work involved.

Justification
 The HML furnace, which was installed in March 1998, is 20 years old and nearing the end of its expected life. It does not heat the building adequately, and some public areas receive almost no heat. The staff offices are also not heated. Staff relies on space heaters which pose a potential safety hazard and add to the cost of electricity.
 The PBL HVAC system does not work properly and is also at the end of its useful life. Heating and air conditioning work in one area of the library only, the "middle zone" that comprises the Youth Services and Technical Services Departments. The front and rear of the building are not heated or cooled. Electricity costs will be reduced with more energy-efficient HVAC equipment.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Planning/Design/Permitting	11,625					11,625
Construction/Maintenance	104,625					104,625
Total	116,250					116,250

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	116,250					116,250
Total	116,250					116,250

Budget Impact/Other
 A more efficient system is likely to reduce the amount the City spends on utilities and reduce operating costs of the library.

Capital Improvement Plan

FY 18 *thru* FY 22

Department Library & Community Activiti

City of Carmel-by-the-Sea, CA

Contact Library Director

Project #	LIB-18-19-01
Project Name	Harrison Memorial Library Meeting Space

Type Improvement

Useful Life 15 years

Category Buildings

Priority

Description

Total Project Cost: \$250,000

This project proposes improvements to the interior physical space at the Harrison Memorial Library, which would provide much needed free access to dedicated space for small group gatherings. This can be accomplished without disturbing the historic nature of the Harrison Memorial Library building by: (1) Partitioning the area currently used for the reference and large print collection, adjacent to the reference desk to create a gathering space; (2) Combining the reference desk and the circulation desk to a single point of service located where the new books are currently located; (3) Relocating the reference collection to the area where the reference desk is currently located; and (4) Relocating Large Print books to where the catalog stations are currently located, and the replacement of these catalogs with tablets located throughout the library for easier access to searching.

Justification

Currently, in the City of Carmel-by-the-Sea there is no free space available for small group gatherings, which is a need that has been expressed by the community for years and has been reflected in feedback from community workshops and focus groups.

Trends in library usage reflect increases in additional types of usage, such as programming and meeting rooms. The Library's current strategic plan includes a goal that focuses on improvements to the physical spaces to enhance the patron's experience in the library.

Upon the completion of this project our community will have a space to be used for gatherings such as book club meetings, private space for student group work, local non-profit meetings, and in the tradition of Carmel, a space for sharing ideas and discussions. In addition the combination of the circulation and reference desks will improve user experience and increase staff efficiencies

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Planning/Design/Permitting	50,000					50,000
Installation	200,000					200,000
Total	250,000					250,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Donations	250,000					250,000
Total	250,000					250,000

Budget Impact/Other

The Carmel Public Library Foundation Board of Directors voted at its 3/19/18 meeting to support the project and to fund half of the project from the Foundation's Innovation Fund. The remainder of the proposed project would be funded by donations. At the 3/28/18 meeting, the Harrison Memorial Library Board of Trustees voted unanimously to recommend that the City Council include this project in the FY 2018-19 Capital Improvement Plan. Public Works staff will provide project management to the project.

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Safety: Police
 Contact Public Safety Director
 Type Equipment
 Useful Life 10 years
 Category Equipment: Miscellaneous
 Priority

Project # POL-1718-02
 Project Name Encryption (Carryover)

Description Total Project Cost: \$49,350
 Encryption is the blocking of radio transmissions through a system that scrambles the signal so personally-owned scanners cannot listen to police conversations. Encryption has been adopted as a part of the County NGEN project. Carmel has been paying the County a debt service yearly amount, which was based on a loan amount to replace the infrastructure needed to implement and support the change from analog radios to a digital format. Each agency is responsible for their own costs associated with encryption. The encryption will be installed in 53 Department radios to include patrol handhelds, vehicles, dispatch and EOC stations. Encryption has been unanimously approved by the Monterey County Police Chiefs and will be required in order to communicate with other police agencies in the County.

Justification
 Encryption of the radios is necessary to maintain communication with all of the other county police agencies. Without encryption capabilities, the Carmel Police Department will not be able to hear or communicate with any other agencies. Due to delays by Monterey County, this project will be carried over to FY 2018-2019.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Equip/Vehicles/Furnishings	49,350					49,350
Total	49,350					49,350

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Vehicle/Equipment Replacement Fund	49,350					49,350
Total	49,350					49,350

Budget Impact/Other

Capital Improvement Plan

FY 18 *thru* FY 22

City of Carmel-by-the-Sea, CA

Department Safety: Police

Contact Public Safety Director

Type Equipment

Useful Life

Category Equipment: Miscellaneous

Priority

Project # POL-1718-05
 Project Name Security Pole Cameras (Carryover)

Total Project Cost: \$110,000

Description

This project is for the purchase and installation of six sets of camera systems with license plate recognition technology to be placed on the perimeter of the City. These systems connect with existing power poles and each camera system set contains two cameras to capture video in two directions. Each system also contains a license plate reader which captures license plate information on vehicles entering and leaving the City. The license plate reader information will only be used during an investigation following criminal activity and will not be connected to any state or governmental data base nor be used or retained for any reason beyond the established retention limits. The installation of the camera system will provide valuable information should criminal activity take place in the City and the suspect(s) use a motor vehicle to enter and/or leave the City.

Justification

With recent changes to California legislation regarding reduced penalties for drug related crimes there has been an increase of reported property crimes throughout the state. Carmel is not immune to property crimes involving stolen vehicles, residential burglaries, and theft, as well as more serious crimes involving robbery and battery. Pole cameras are being utilized increasingly by communities to provide a higher level of less intrusive security. This type of system will give the Police Department an added tool to provide a higher level of security, as well as the ability to solve more crime in our community.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Equip/Vehicles/Furnishings	110,000					110,000
Total	110,000					110,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	110,000					110,000
Total	110,000					110,000

Budget Impact/Other

This project was budgeted at \$80,000 for Fiscal Year 2017-2018; however, based upon cost proposals, from the tentatively selected consultant, additional funding of \$30,000 is required in order to move forward with consultant services and equipment purchase.

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Safety: Police
 Contact Public Safety Director
 Type Equipment
 Useful Life 15 years
 Category Vehicles
 Priority

Project # POL-1819-02
 Project Name Police Electric Motorcycle

Description Total Project Cost: \$25,000

The purchase of an all-electric police motorcycle would allow the Police Department greater versatility in the performance of patrol efforts within the City. The current Police BMW Motorcycle is ten years old and needs to be replaced due to its high mileage and use.

The current motorcycle still holds value for specific highway events, such as county traffic enforcement programs, and local events. However, staff have tested the use of an all- electric motorcycle for use in town. Testing found that an all-electric bike fits perfectly within our community and is a cheaper alternative to purchasing a gas powered motorcycle.

Justification

The current police motorcycle is ten years old and should be replaced. With the purchase of the electric motorcycle, the gas motorcycle could be used for another few years in a limited capacity. The electric motorcycle also helps us reduce our carbon footprint and provides cost savings in fuel usage.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Equip/Vehicles/Furnishings	25,000					25,000
Total	25,000					25,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
General Fund	15,000					15,000
Vehicle/Equipment Replacement Fund	10,000					10,000
Total	25,000					25,000

Budget Impact/Other

\$15,000 of the overall costs is from prior donations received by the Police Department, which are already included within the General Fund.

Capital Improvement Plan

FY 18 *thru* FY 22

Department Services: Public Works

City of Carmel-by-the-Sea, CA

Contact Public Works Director

Project #	PW-1718-02
Project Name	Sidewalk Repairs (Multi-year)

Type Maintenance

Useful Life 15 years

Category Sidewalk

Priority

Description

Total Project Cost: \$245,000

This project involves the removal and replacement of existing sidewalks as needed. Sidewalks includes concrete, brick, pavers, and asphalt sections. Broken/adjacent curbs and gutters will also be repaired.

Justification

Removal and repair of sidewalk defects, such as from tree uplifts, increases safety of pedestrians and ADA compliance, improves water retention, and enhances the aesthetics of sidewalks in the business/commercial districts.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Construction/Maintenance	222,500					222,500
Engineering/Design	22,500					22,500
Total	245,000					245,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	245,000					245,000
Total	245,000					245,000

Budget Impact/Other

Replacement of existing sidewalk reduces potential liability from trip and fall claims. Supplemental funding may come from shop owners who may split the cost of sidewalk repairs at that location with the City.

Capital Improvement Plan

FY 18 *thru* FY 22

City of Carmel-by-the-Sea, CA

Department Services: Public Works

Contact Public Works Director

Project #	PW-18-19-02
Project Name	Citywide Paving Project/Street & Road (Multi-year)

Type Unassigned
 Useful Life 15 years
 Category Street Paving
 Priority

Description	Total Project Cost: \$950,437
<p>This project involves removing and repairing the failed paving areas, slurry seal and restoring striping and paving markings along 26 street segments: 2nd Avenue from Santa Fe to Lobos Street; 3rd Avenue from Junipero Avenue to Santa Fe Street; 3rd Avenue from Santa Rita Street to Guadalupe Street; 4th Avenue from Santa Fe Street to Santa Rita Street; 5th Avenue from Dolores Street to San Carlos Street; 6th Avenue from Mission Street to Torres Street; 6th Avenue from Monte Verde to Lincoln Street; 7th Avenue from San Carlos Street to Junipero Avenue; 7th Avenue from Guadalupe Street to Forest Street; 10th Avenue from Junipero Avenue to Torres Street; 11th Avenue from Junipero to East End; 13th Avenue from San Carlos Street to Junipero Avenue; Camino Del Monte from City Limits to 2nd Street; Del Mar from Ocean Avenue to Turn Around; Dolores Street from Vista to 2nd Avenue; Dolores Street from 4th Avenue to 5th Avenue; Dolores Street from Franciscan Way to City Limits; Escolle Way from Perry Newberry Way to Turn Around; Junipero Avenue from Ocean Avenue to 8th Avenue; Lasuen Drive from Rio Road to City Limit; Lincoln Street from 5th Avenue to Ocean Avenue; Lobos Street from 2nd Avenue to 4th Avenue; Mission Street from 3rd Avenue to 4th Avenue; Ocean Avenue from Del Mar to San Antonio Avenue; Santa Lucia Avenue from Camino Real to Dolores Street; and Torres Street from City Limits to 2nd Avenue. In addition, remove and repair failed pavement areas, mill where required, pave a 2-inch thick asphalt overlay, and restore striping and pavement markings along the following 8 street segments: 1st Avenue from Carpenter Street to Lobos Street; 8th Avenue from Casanova Street to Monte Verde Street; 8th Avenue from San Carlos to Junipero Avenue; Camino Del Monte from 3rd Avenue to Junipero Avenue; Forest Road from Mountain View to 7th Avenue; Junipero Avenue from 8th Avenue to 10th Avenue; Junipero Avenue from Camino Del Monte to 2nd Avenue; and Santa Fe Street from Ocean Avenue to 8th Avenue.</p>	

Justification
<p>This project involves patching, overlay and slurry seal of various streets identified within the Street Saver Pavement Management System based on street condition, as determined by its Pavement Condition Index (PCI). Approximately \$814,000 is needed annually for maintenance to maintain the current PCI of 63 for the overall street network.</p> <p>Public Works has identified the proposed projects based on the Street Saver Pavement Management System. This system scientifically optimizes public funds by targeting overlays and slurry seals to roadway segments which are about to slip into rapid decline, rather than allocating dollars to an agency's most damaged pavement segments, which will ultimately require more costly, complete pavement section reconstructions.</p>

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Construction/Maintenance	851,067					851,067
Engineering/Design	99,370					99,370
Total	950,437					950,437

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Fair Share RSTIP	42,705					42,705
HUTA/Gas Tax	98,452					98,452
Measure D	570,000					570,000
Measure X	175,480					175,480
SB 1 RMRA	63,800					63,800
Total	950,437					950,437

Budget Impact/Other
<p>The project is funded by State Road Repair and Accountability Act funds (SB 1), including the Road Maintenance and Rehabilitation Account; State gas taxes, County Measure X transportation funds; the City's share of federal/state funding (RSTIP) and local dollars.</p> <p>With a 2 inch overlay, the useful life along aerials is estimated at 10 years and at 15-20 years along residential and collector streets. A slurry seal can extend the life of a residential street by 7-10 years.</p>

Capital Improvement Plan

FY 18 *thru* FY 22

Department Services: Facilities

City of Carmel-by-the-Sea, CA

Contact

Project # POL-18-19-03
 Project Name Police Bldg Renovation & Expansion-Construction

Type Unassigned

Useful Life

Category Unassigned

Priority

Description

Total Project Cost: \$1,900,000

The Fiscal Year 2017-2018 budget included \$250,000 for schematic and final design of the Police Renovation and Expansion project. The architect has completed the schematic design, which was approved by the City Council. Fiscal Year 2018-2019 funds will implement the Construction Phase of the project.

Justification

The Carmel Police Building is 50 years old. Over the years, a number of problems have arisen. This project will resolve a number of problems within the current facility. The southeast expansion of the building will allow the department to house evidence processing and storage areas that meet health and storage requirements which have been identified as deficient in two previous audits performed in 2011 and 2016. The renovation will also allow the City to relocate the Emergency Operations Center (EOC) to a superior location in the southwest planter area. Furthermore, the renovation will allow the Department to upgrade the dispatch center with modern equipment to maximize efficiency and reduce injuries. The renovation will also encompass deferred maintenance, such as roof repairs, updated electrical, mechanical, and communications facilities, as well as upgraded features to meet Americans with Disabilities Act standards.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Construction/Maintenance	1,900,000					1,900,000
Total	1,900,000					1,900,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Prior Year Surplus	1,900,000					1,900,000
Total	1,900,000					1,900,000

Budget Impact/Other

Capital Improvement Plan

FY 18 *thru* FY 22

Department Services: Facilities

City of Carmel-by-the-Sea, CA

Contact

Project # PW 18-109-03
 Project Name World War I Monument Restoration

Type Unassigned

Useful Life

Category Unassigned

Priority

Description Total Project Cost: \$3,000

Funds for this project will supplement private donations to restore the World War I War Memorial Monument at the intersection of Ocean Avenue and San Carlos Street. The goal is to complete this project for the 100-year anniversary of the end of the war.

Justification

The World War I War Memorial is a prominent historical landmark for the City of Carmel. Over time, some tiles have chipped and cracked and restoration work is warranted.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Other	3,000					3,000
Total	3,000					3,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Donations	0					0
Measure D	3,000					3,000
Total	3,000					3,000

Budget Impact/Other

City funds are anticipated to leverage community support and donations.

Capital Improvement Plan

FY 18 *thru* FY 22

Department Services: Facilities

City of Carmel-by-the-Sea, CA

Contact

Project # PW 18-19-01
 Project Name Public Works Facility Maintenance Truck

Type Unassigned

Useful Life

Category Unassigned

Priority

Description

Total Project Cost: \$45,000

Funds for this project will purchase a new utility bed truck to replace the 1994 F-250 truck. The truck will be primarily used by the Public Works Department's Facility Maintenance Division.

Justification

The 1994 F-250 is the oldest vehicle in the City's fleet and no longer serves the needs of the Public Works Department. Multiple system repairs have been done, but it is no longer cost effective to continue repairing and maintaining this old vehicle. Cost includes tool boxes, lumber rack, and fees.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Equip/Vehicles/Furnishings	45,000					45,000
Total	45,000					45,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Vehicle/Equipment Replacement Fund	45,000					45,000
Total	45,000					45,000

Budget Impact/Other

Capital Improvement Plan

FY 18 *thru* FY 22

Department Services: Facilities

City of Carmel-by-the-Sea, CA

Contact

Project # PW 18-19-02
 Project Name ADA Updates- Year 1 (Multi-Year)

Type Unassigned

Useful Life

Category Unassigned

Priority

Description

Total Project Cost: \$20,000

The ADA Updates-Year 1 Project will implement the most critical recommendations from the FY 2017/18 ADA Transition Plan. The ADA Transition Plan will provide a comprehensive inventory of barriers at all City-owned buildings, facilities, and parking areas, and propose solutions to barriers with preliminary cost estimates and implementation recommendations for retrofits for multiple future year Capital Improvement Program budgets.

Justification

In 2010, the United States Department of Justice issued a final rule in order to adopt enforceable accessibility standards under the Americans with Disabilities Act (ADA). These standards assure that state and local government services do not discriminate against individuals on the basis of disabilities. The ADA Transition Plan identifies areas in need of improvements to comply with ADA and mitigate the City's potential exposure to non-compliance. This project will be ongoing for many years, providing the City the opportunity to make "good faith" efforts to becoming a fully ADA-compliant community in the future.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Other	20,000					20,000
Total	20,000					20,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	20,000					20,000
Total	20,000					20,000

Budget Impact/Other

Capital Improvement Plan

FY 18 *thru* FY 22

Department Services: Facilities

City of Carmel-by-the-Sea, CA

Contact

Project # SC 18-19-02
 Project Name Sunset Center Boiler Design

Type Unassigned

Useful Life

Category Unassigned

Priority

Description

Total Project Cost: \$25,000

This project will fund the design phase of replacing two existing boilers that have exceeded their useful life but still currently service the heating needs of the entire Sunset Center complex. A subsequent project will be to fund construction and installation of new facilities based on the proposed design.

Justification

The existing boilers are highly inefficient and outdated. If they fail today, finding replacement parts would be challenging, if not impossible. If the current systems failed, operations (Bach offices, classes, performances, and staff offices) would be significantly interrupted.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Equip/Vehicles/Furnishings	25,000					25,000
Total	25,000					25,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Vehicle/Equipment Replacement Fund	25,000					25,000
Total	25,000					25,000

Budget Impact/Other

The new boilers and related equipment will be much more energy efficient, reducing ongoing electricity costs.

Capital Improvement Plan

FY 18 *thru* FY 22

City of Carmel-by-the-Sea, CA

Department Services: Facilities
 Contact Public Works Director
 Type Unassigned
 Useful Life 15 years
 Category Equipment: Miscellaneous
 Priority

Project # SC-18-19-01
 Project Name Sunset Center Stage Rigging

Description Total Project Cost: \$50,000
 Stage rigging is a critical piece of equipment located above the stage used for theatrical performances. Funds for this project will be used to: replace loft blocks, pulleys, and lift lines, adjust line sets, and re-level and re-balance sets for uniform load distribution.

Justification
 These improvements will eliminate off-stage lift lines and blocks to reduce system friction and improve load distribution. The System Inspector identified these upgrades as "required service" to minimize wear and ensure safe operation within load capacities.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Equip/Vehicles/Furnishings	50,000					50,000
Total	50,000					50,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	50,000					50,000
Total	50,000					50,000

Budget Impact/Other
 Per agreement with Sunset Center, any remaining funds from this project will transfer to Ramp Lighting, Project # SC-18-19-02

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Services: Facilities
 Contact Public Works Director
 Type Unassigned
 Useful Life 10 years
 Category Facilities
 Priority

Project # SC-18-19-02
 Project Name Sunset Center Ramp Lighting

Description Total Project Cost: \$10,000
 This project involves the installation of lighting along the ramp that connects the upper lot walkway off the San Carlos driveway to the lower parking lot at the south side of the Sunset Center near the cottages. Currently, this ramp is in near total darkness at night.

Justification
 The lack of lighting creates a safety issue. Temporary landscape lighting, powered by extension cords, is currently being used but is not a long-term solution.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Equip/Vehicles/Furnishings	10,000					10,000
Total	10,000					10,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	10,000					10,000
Total	10,000					10,000

Budget Impact/Other

Capital Improvement Plan
City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Srvs: Forest, Parks, & Beach

Contact Public Works Director

Type Maintenance

Useful Life 20 years

Category Beach

Priority

Project # FPB-1718-01
 Project Name Scenic Pathway Renovation (Carryover)

Description Total Project Cost: \$230,000
 This project proposes to carry over unspent Fiscal Year 2017-2018 funds from the Scenic Pathway Landscape Renovation and Shoreline Landscape Barriers projects into this newly-scoped, combined project. The revised project involves reconstructing portions of the Pathway, replacing barriers along the Pathway, in a revised, phased implementation plan.

Justification
 The Scenic Pathway is over 25 years old. Many of the original plantings along the path are gone and have not been replaced, or the plants are suffering from irrigation infrastructure deficiencies and lack of personnel resources. The pathway surface has been worn down from heavy use and is in need of redefinition and resurfacing. This funding will focus on hardscape improvements.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Planning/Design/Permitting	30,000					30,000
Construction/Maintenance	200,000					200,000
Total	230,000					230,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	230,000					230,000
Total	230,000					230,000

Budget Impact/Other
 Funding of \$15,000 is from the Erle Lagerholm Trust.

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Srvs: Forest, Parks, & Beach
 Contact City Forester
 Type Maintenance
 Useful Life 5 years
 Category Park Improvements
 Priority

Project # FPB-1718-02
 Project Name North Dunes Habitat Restoration (Multi-year)

Description Total Project Cost: \$85,000
 This project is a continuation of a multi-year habitat restoration program of the North Dunes of Carmel Beach. Restoration activities under the approved Coastal Development Permit include: invasive plant and tree removal, fencing, sand stabilization, plant propagation, signage, protected species management and biological monitoring, reporting, and general maintenance.

Justification
 The Del Mar Master Plan and the North Dunes and Del Mar Dunes Habitat Restoration Plan address management policies and practices related to the Dunes ensuring long-term management activities restore the natural dune ecology of Carmel Beach in a manner consistent with public safety; protecting and enhancing the fragile plants and fauna in the Dunes against disruption of habitat values; and identifying, protecting and managing Environmentally Sensitive Habitat Areas to ensure their long-term integrity and biological reproductivity of these habitats.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Construction/Maintenance	85,000					85,000
Total	85,000					85,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	85,000					85,000
Total	85,000					85,000

Budget Impact/Other

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Srvs: Forest, Parks, & Beach
 Contact Public Works Director
 Type Maintenance
 Useful Life 10 years
 Category Beach
 Priority

Project # FPB-1718-04
 Project Name Beach Stairs Repairs (Multi-year)

Description Total Project Cost: \$40,000
 In 2015, an assessment of the 11 sets of beach stairways was completed by a structural engineering consultant. Many of the hardware, railings, and wood elements of the stairs along the waterfront are showing significant degradation due to salt exposure, oxidation, and age. Starting in early 2018, the Public Works Department has been using in-house staff to complete most of the repairs. This project is continuing from the prior fiscal year; however, the previous budget of \$140,000 has been reduced to \$40,000, reflecting a \$100,000 savings versus hiring a construction contractor..

Justification
 Replacement of the beach stairs is necessary to maintain safe public access to Carmel Beach. Continued degradation of the hardware and stair materials will lead to increased risk of failure of key components, which could potentially result in closure of beach access and/or injury.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Construction/Maintenance	40,000					40,000
Total	40,000					40,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	40,000					40,000
Total	40,000					40,000

Budget Impact/Other
 While budgeted at \$140,000 for Fiscal Year 2017-2018, many repairs have been and will continue to be made in-house for minor costs. The disadvantage to this cost-savings approach is that it will take City staff a longer period of time versus hiring a construction contractor who could focus on the project full time.

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Srvs: Forest, Parks, & Beach
 Contact City Forester
 Type Maintenance
 Useful Life n/a
 Category Park: Mission Trail
 Priority

Project # FPB-1718-05
 Project Name MTNP Improvements (Multi-year)

Description Total Project Cost: \$100,000

Funds for this project will provide for ongoing environmental enhancements and maintenance needs in the Mission Trail Nature Preserve. For FY 2018-2019, the focus of these funds will be for removal of dead, invasive, or diseased trees (such as Eucalyptus and Acacias), including stumps. Some of these funds may be used on various other improvements including: new split-rail fencing, drainage improvements, signage upgrades, removal of invasive species such as English ivy, Cape ivy and other non-native trees and shrubs. The City has a five-year Coastal Development Permit which was approved in spring 2016. The City is also collaborating with the Friends of Mission Trail Nature Preserve on all infrastructure improvements within the Preserve.

Justification

This project supports the Mission Trail Nature Preserve Master Plan.

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Construction/Maintenance	100,000					100,000
Total	100,000					100,000

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	75,000					75,000
MPPRD Grant	25,000					25,000
Total	100,000					100,000

Budget Impact/Other

Measure D is funding the ongoing work related to tree removal. In addition, the City received a \$25,000 grant from the Monterey Peninsula Regional Park District for the replacement of 4 MTNP entry signs, new trail signs, replacement of deteriorated wooden fences with new split rail barriers, and other measures to promote habitat protection and prevent soil erosion. The grant expires on December 31, 2018. As the grant is based upon actual costs incurred, this project includes \$25,000 of General Fund monies to pay for grant-eligible expenses until the City is reimbursed for the grant activities.

Capital Improvement Plan
 City of Carmel-by-the-Sea, CA

FY 18 *thru* FY 22

Department Srvs: Forest, Parks, & Beach

Contact

Type Unassigned

Useful Life

Category Unassigned

Priority

Project # FPB-1718-07
 Project Name Tree Planting Initiative/Urban Forest Restoration

Description

Total Project Cost: \$27,003

The Forest and Beach Commission recommends the establishment of a task force, including community members, to develop a long-term tree planting, care, and forest enhancement program to ensure the sustainability of Carmel’s urban forest. Funding will come from the Urban Forest Restoration Deposit Account and be used to support community surveys, purchasing trees, tree planting, tree watering, and other items related to development and implementation of a comprehensive forest sustainability plan.

Justification

Over the past few decades, Carmel’s annual tree inventory has documented the loss of trees in the urban forest. The introduction of pitch canker disease into California in the 1990’s and the most recent drought has further exasperated the loss of trees, particularly upper canopy trees such as Monterey pines. To successfully sustain Carmel’s urban forest into the future, there needs to be a commitment and dedication of resources along with "buy-in" from the community. The Forest and Beach Commission has discussed tree planting efforts during their meetings and have asked for this tree planting initiative using Urban Forest Restoration funds (included in the General Fund).

Expenditures	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Installation	27,003					27,003
Total	27,003					27,003

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	Total
Measure D	2,000					2,000
Urban Forest Restoration	25,003					25,003
Total	27,003					27,003

Budget Impact/Other

DEBT SERVICE

DEBT SERVICE

Description

Debt service (Fund 401) includes payments for the Next Generation Radio Project, the Sunset Center, and Pension Obligation bonds. These payments totals \$1,237,980 as illustrated in Table 1, *FY 2018-2019 Debt Service*, below.

Countywide Radio Project: On April 7, 2009, City Council authorized the City's participation in the Countywide Monterey County Next Generation Radio project (NGEN), including a pro-rate share of infrastructure costs and debt financing. The purpose of the project was to enhance communication among public safety agencies. The Certificate of Participation (COP) was issued for \$381,440 and matures on June 30, 2027.

2010 Refunding Lease Revenue Bonds: On September 10, 2010, City Council approved the issuance and sale of COP to finance improvements at the Sunset Center (the Sunset Theater Project), including the refinancing of the City's lease payment obligation related to the preliminary financing of the Sunset Center. The COP was issued for \$7,575,000 and matures on November 1, 2031.

2012 Taxable Pension Obligation Bonds: In 2003, the City's pension plans were pooled with other small cities and agencies and the California Public Employees Retirement System (CalPERS) estimated the pension liabilities of the City's two pension plans exceeded assets by about \$6 million. CalPERS sought to realign assets with liabilities and created what was known as the "side fund." On July 3, 2012, the City Council authorized the issuance of pension obligation bonds to refinance the City's outstanding side fund obligations to CalPERS, and subsequently, on November 15, 2012, authorized the sale of the COP. The COP was issued for \$6.28 million and matures on June 1, 2023.

Table 1: City Debt Service Payments for Fiscal Year 2018-2019

Bond	Admin Fee	Principal	Interest	Total Payment
NGEN Radio		20,770	8,000	\$28,770
Sunset Center	2,015	315,000	190,375	507,390
Pension Obligation	1,200	615,000	85,620	701,820
Total	3,215	950,770	283,995	1,237,980

APPROPRIATIONS LIMIT

APPROPRIATIONS LIMIT

APPROPRIATIONS LIMITATION COMPLIANCE CALCULATION FOR FISCAL YEAR 2018-2019 ADOPTED BUDGET						
FY 2018-19 Per Capita Income Change (CA Department of Finance)						3.67%
					<i>Factor A</i>	1.0367
FY 2018-19 Population Change (Monterey County)						0.27%
					<i>Factor B</i>	1.0027
Total Adjustment Factor					<i>Factor A x Factor B</i>	1.0395
FY 2017-18 Adopted Appropriations Limit						\$ 31,098,990
					<i>Multiplied by Adjustment Factor</i>	1.0395
FY 2018-19 Adopted Appropriation Limit						\$ 32,327,401
Net Adopted FY 2018-19 Appropriations Subject to Limit						\$ 19,236,560
Amount Under the Limit						\$ 13,090,841

Fiscal Year	Per Capita Income Factor	Population Factor	Total Adjustment Factor	Appropriations Limit	Appropriations Subject to Limit	Amount Under the Limit
2018-2019	1.0367	1.0027	1.0395	\$ 32,327,401	\$ 19,236,560	\$ 13,090,841
2017-18	1.0369	1.0100	1.0473	\$ 31,098,990	\$ 18,540,044	\$ 12,558,946
2016-17	1.0537	1.0090	1.0632	29,694,443	18,352,754	11,341,689
2015-16	1.0382	1.0000	1.0382	27,929,311	16,676,775	11,252,536
2014-15	0.9977	1.0000	0.9977	26,901,667	16,651,431	10,250,236
2013-14	1.0059	1.0512	1.0574	26,963,684	14,624,618	12,339,066
2012-13	1.0377	1.0070	1.0450	25,499,984	12,356,091	13,143,893
2011-12	1.0251	1.0059	1.0311	24,401,899	11,152,661	13,249,238
2010-11	0.9746	1.0137	0.9880	23,665,890	10,721,568	12,944,322
2009-10	1.0062	1.0145	1.0208	23,953,330	10,542,099	13,411,231
2008-09	1.0429	1.0156	1.0592	23,465,253	11,282,220	12,183,033
2007-08	1.0442	1.0067	1.0512	22,153,751	11,105,200	11,048,551

