



CITY COUNCIL REGULAR MEETING

**JOINT SAND CITY COUNCIL AND
SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY**

TUESDAY, JUNE 2, 2026

5:30 PM

AGENDA
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY

City Council Regular Meeting - Tuesday, June 2, 2026
5:30 PM

THIS MEETING WILL BE HELD VIRTUALLY AND IN PERSON, IS COMPLIANT WITH ASSEMBLY BILL (“AB”) 2449, SIGNED INTO LAW ON SEPTEMBER 13, 2022, WHICH AMENDS GOVERNMENT CODE SECTION 54953 TO PROVIDE AUTHORITY FOR PUBLIC AGENCIES TO CONTINUE TO HOLD VIRTUAL MEETINGS AND REMAIN IN COMPLIANCE WITH THE BROWN ACT (GOV. CODE §§ 54950 ET SEQ.). TO PARTICIPATE IN THE ZOOM COUNCIL WEBINAR LIVE:

<https://us02web.zoom.us/j/88349100938>

Webinar ID: 883 4910 0938

**To participate telephonically by calling the number below:
(669) 900-6833**

Webinar ID: 883 4910 0938#

If prompted to enter a participant ID, press #

**TO PARTICIPATE IN PERSON:
City Hall Council Chamber
1 Pendergrass Way
Sand City, CA**

Public Comments:

If any member of the public would like to provide written comments at the meeting, please do as set forth below.

Written: All comments received before 10:00 am the day of the meeting will be posted on the City’s website as “Correspondence” under the relevant agenda item and provided to the City Council at the meeting. Please email your comments to: cityclerk@sandcityca.org.

Members of the public may participate by calling and speaking live during the designated time(s), subject to time limits that may be imposed pursuant to the Brown Act at the number provided above. Please use the "raise your hand" option on Zoom, and the City Clerk will call on your name.

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

4. COMMUNICATIONS

Members of the public may address the City Council/Successor Agency on matters not appearing on the City Council/Successor Agency Agenda at this time for up to three minutes. In order that the City Clerk may later identify the speaker in the minutes of the meeting, it is helpful if speakers state their names. Public comments regarding items on the scheduled agenda will be heard at the time the item is being considered by the City Council/Successor Agency. The City Council Chambers podium is equipped with a portable microphone for anyone unable to come to the podium. If you need assistance, please advise the City Clerk as to which item you would like to comment on and the microphone will be brought to you.

5. CONSENT CALENDAR

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

- 5A. Approve the City Council Regular Meeting Minutes for March 3, 2026
[Draft Minutes](#)

- 5B. Approve a Resolution Calling for the Holding of a November 3, 2026, General Municipal Election, Requesting the County of Monterey Board of Supervisors to Consolidate the General Municipal Election, and Requesting the County of Monterey Elections Department to Conduct the Election
[Staff Report](#)
[Resolution](#)
[Agreement](#)

- 5C. Approve a Resolution Authorizing the Monterey County Health Department to Apply for State Block Grant Funding on Behalf of Sand City Towards the Countywide Used Oil Recycling Program
[Staff Report](#)
[County of Monterey Correspondence](#)
[Letter of Authorization](#)
[Cal-Recycle FY 2024-2025 Annual Report Summary](#)
[Resolution](#)

- 5D. Approve a Resolution Adopting a List of Projects for Fiscal Year 2026-27 Funded by SB 1: The Road Repair and Accountability Act of 2017
[Staff Report](#)
[Resolution](#)
[Exhibit A](#)

- 5E. Approve a Resolution Authorizing the City Manager to Execute a Professional Service Agreement with Monterey Bay Technologies, Inc. for Information

Technology Services
[Staff Report](#)
[Resolution](#)
[Agreement](#)

- 5F. Approve a Resolution Authorizing the City Manager to Enter into a Memorandum of Understanding Between the City of Monterey Police Department and the City of Sand City Police Department for the California Law Enforcement Telecommunications System Supplemental Coverage
[Staff Report](#)
[Resolution](#)
[MOU](#)

- 5G. Acceptance of City/Successor Agency Financial Report from April 2026
[Staff Report](#)
[Sand City Cash Receipt Report](#)
[Sand City Check Report](#)
[Sand City Successor Agency Revenue Report](#)

6. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

7. PRESENTATION

- 7A. Receive Informational Update on the Community Emergency Response Team (CERT) Program from Justin Cooper, Fire Department Division Chief

8. PUBLIC HEARING

- 8A. First Reading of an Ordinance Approving a Development Agreement Between the City of Sand City and New Dawn Equity Partners, LLC for the Monterey Bay Shores Resort
[Staff Report](#)
[Ordinance](#)
[Exhibit A: Development Agreement and Exhibits A, B, and C](#)
- 8B. Approve a Resolution Establishing the Fiscal Year 2026-2027 Appropriations Limit Pursuant to Article XIII B of the California Constitution
[Staff Report](#)
[Resolution](#)
[Appropriation Calculation](#)
[Price Factor and Population Information Letter](#)
[Annual Percentage Change Monterey County](#)
- 8C. Receive an Informational Report on the City of Sand City's Vacancies, Recruitment, and Retention Efforts Pursuant to Government Code Section 3502.3.
[Staff Report](#)

9. NEW BUSINESS

- 9A. Approve a Resolution Adopting the City of Sand City's Budget for the Fiscal Year 2026-2027
[Staff Report](#)
[Resolution](#)
[Proposed Fiscal Year 2026-2027 Budget](#)
- 9B. Approve a Resolution Accepting a \$13,500 Grant from the Monterey Bay Air Resources District; Authorizing the Purchase of Polaris 2024-2026 Ranger XP Kinetic, Zero-Emission UTV
[Staff Report](#)
[Resolution](#)
[MBARD ZEU Grant Contract](#)

10. COMMENTS BY COUNCILMEMBERS ON ITEMS OF INTEREST TO SAND CITY

11. ADJOURNMENT

The current agenda is available in PDF format on our website at:
www.sandcity.org

If you have a request for a disability-related modification or accommodation, including auxiliary aids or services, which will allow you to participate in a Sand City public meeting, please call the City Clerk at (831) 394-3054 extension 220, or give your written request to the City Clerk at 1 Pendergrass Way, Sand City, CA 93955 at least 48 hours prior to the scheduled meeting to allow the City Clerk time to arrange for the requested modification or accommodation.

**AGENDA ITEM
5A.**

**Approve the City Council Regular Meeting
Minutes for March 3, 2026**

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY

City Council Regular Meeting - Tuesday, March 3, 2026 5:30 PM

As allowed by Assembly Bill 2449, this meeting was conducted in person and by teleconference.

Mayor Carbone called the meeting to order at 5:30 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Adams
Councilmember Diaz
Councilmember Scudder

Staff: City Manager Vibeke Norgaard
City Attorney Adam Lindgren
Planning Manager Nick McIlroy
Engineering Services Leon Gomez
City Clerk Kerry Lindstrom

2. PLEDGE OF ALLEGIANCE

Councilmember Diaz led the Pledge of Allegiance.

3. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

Mayor Carbone announced:

- The Mayor's report for February is complete, and the March report will be available at the end of the month.

City Manager Norgaard announced:

- Announced the launch of the new City website. Department Heads and Kris Arden contributed significant work to the project. Kris Arden will provide staff training on website updates and maintenance.
- Reported that the Statement of Qualifications for the Art Park project has been released. Acknowledged Nick McIlroy, Planning Manager, and Esme Wahl for their work on the project.
- Reported that the RFP for the Bike Trail project was released. Planning work from 30% to 100% design is fully funded through federal funding and the Association of Monterey Bay Area Governments grant program. The next step is securing engineering services to complete the final design plans. Also, reported that staff will submit an application tomorrow for the Jimmy Panetta appropriations funding.

4. COMMUNICATIONS

Public comment received from Brian Clark.

5. CONSENT CALENDAR

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Diaz, Council voted 5-0 to approve the Consent Calendar.

5A. Approved the City Council Regular Meeting minutes for November 4, 2025, and January 20, 2026.

5B. Considered and approved the cancellation of the March 17 and June 16, 2026, Regular City Council Meetings.

6. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

No items were pulled.

7. PRESENTATION

7A. Receive a Monterey One Water Update from Paul Sciuto

Public comment received from Brian Clark.

No action taken. Council received a Monterey One Water update from Paul Sciuto.

8. PUBLIC HEARING

None.

9. NEW BUSINESS

9A. Approve a Resolution Approving an Amendment to Conditional Use Permit 419 to Modify Parking Conditions at 1725 Contra Costa Street ***This item was continued from February 17, 2026.***

Due to a conflict of interest, those residing within 500 feet of 1725 Contra Costa Street, Vice Mayor Blackwelder and Councilmember Diaz recused themselves.

Public comment received from Robbie Robinson, Brian Clark, and Derek Oliver.

Upon motion by Councilmember Adams and seconded by Councilmember Scudder, Vice Mayor Blackwelder and Councilmember Diaz recused, the Council voted 3-0-2 to approve Resolution SC 26-14 approving an amendment to Conditional Use Permit 419 to modify parking conditions at 1725 Contra Costa Street.

9B. Approve a Resolution Authorizing the City Manager to Enter into a Cost Sharing Agreement for Maintenance, Repair, Restoration, and/or Replacement of Stormwater Interceptors Within the Sand Dollar Shopping Center

No public comment received.

Upon motion by Councilmember Diaz and seconded by Councilmember Adams, the Council voted 5-0 to approve Resolution SC 26-15 authorizing the City Manager to enter into a cost sharing agreement for maintenance, repair, restoration, and/or replacement of stormwater interceptors within the Sand

Dollar Shopping Center.

- 9C. Approve a Resolution Receiving the Update Prohousing Designation Application

No public comment received.

Upon motion by Councilmember Diaz and seconded by Councilmember Adams, Councilmember Scudder abstained, the Council voted 4-0-1 to approve Resolution SC 26-16, receiving the updated prohousing designation application.

- 9D. Approve a Resolution Authorizing Application for, and Receipt of, Prohousing Incentive Program (PIP) Funds

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Adams, the Council voted 5-0 to approve Resolution SC 26-17 authorizing the application for, and receipt of the Prohousing Incentive Program (PIP) funds.

- 9E. Approve a Resolution Objecting to the County Tax Collector's Sale of a Tax-Defaulted property (APN 011-125-040-000) and Authorizing the City Manager to Apply for and Enter into an Agreement to Purchase the Property for Public Purposes

Due to a conflict of interest involving Mayor Carbone and Councilmembers Adams and Scudder, all of whom reside within 500 feet of APN 011-125-040-000, Mayor Carbone and Councilmember Adams recused themselves. Pursuant to a straw draw conducted at the February 17, 2026, City Council meeting, Councilmember Scudder remained to participate in consideration of a resolution objecting to the County Tax Collector's sale of a tax-defaulted property (APN 011-125-040-000) and authorizing the City Manager to apply for and enter into an agreement to purchase the property for public purposes.

No public comment received

Upon motion by Councilmember Diaz and seconded by Councilmember Scudder, Mayor Carbone and Councilmember Adams recused, the Council voted 3-0-2 to approve Resolution SC 26-18 objecting to the County Tax Collector's sale of a tax-defaulted property (APN 011-125-040-000) and authorizing the City Manager to apply for and enter into an agreement to purchase the property for public purposes.

- 9F. New Laws Update from City Attorney Adam Lindgren

No public comment received.

No action taken. The City Council received the new laws update from City Attorney Adam Lindgren.

10. COMMENTS BY COUNCILMEMBERS ON ITEMS OF INTEREST TO SAND CITY

Mayor Carbone reminded everyone of the Monterey Peninsula Chamber of Commerce Annual Awards Dinner on Saturday, March 14, at the Monterey Conference Center.

11. ADJOURNMENT

The Council adjourned the meeting at 8:07 PM.

Kerry Lindstrom, City Clerk

**AGENDA ITEM
5B.**

Approve a Resolution Calling for the Holding of a November 3, 2026, General Municipal Election, Requesting the County of Monterey Board of Supervisors to Consolidate the General Municipal Election, and Requesting the County of Monterey Elections Department to Conduct the Election



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Kerry Lindstrom, City Clerk
SUBJECT: Calling for November 3, 2026, General Municipal Election, Requesting the County Elections Department to Conduct the Election, and Requesting Consolidation of the Election
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

Section 6 of the Sand City Charter establishes November of even-numbered years as the General Municipal Election date for the election of the Mayor and two Councilmembers in Sand City.

The resolution calling for the election and requesting consolidation allows the City to combine its election with the statewide election and avoid duplication of printing and mailing of sample ballots, computer tabulation, precinct workers, and canvassing results. The City may, by resolution, request that the Board of Supervisors of the County request that the County Elections Department conduct and consolidate the elections on behalf of the City. (See Cal. Elections Code section 10001).

It has been a standard procedure for the City of Sand City to consolidate the general municipal elections with the Monterey County Elections Department for the ease and convenience to the City's registered voters and to minimize election costs. The City has also historically paid for the cost of the candidate's statements.

In accordance with Elections Code Section 10403, it is necessary for the City Council to adopt a Resolution calling and giving notice of the holding of a general municipal election in the City of Sand City on November 3, 2026, and requesting the Board of Supervisors of the County of Monterey consolidate the general municipal election with the statewide general election.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

The estimated cost per registered voter is \$6 to \$10 for the November 3, 2026, General Election. An allocation of \$3500.00 has been incorporated into the Proposed Fiscal Year 2026-2027 City Budget. The cost of the 200-word limit candidate statement for both Mayoral and Councilmember candidates is unknown at this time. For reference, the cost in 2024 was \$94.00 per candidate. The number of candidates is not known at this time.

RECOMMENDATION:

Staff recommends the Council approve a resolution calling for a November 3, 2026, General Municipal Election, requesting the County Elections Department to conduct the election, and requesting the consolidation of the election.

ATTACHMENTS:

1. Resolution
2. Agreement

**CITY OF SAND CITY
RESOLUTION SC 26-____, 2026**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY CALLING FOR THE
HOLDING OF A NOVEMBER 3, 2026, GENERAL MUNICIPAL ELECTION, REQUESTING
THE COUNTY OF MONTEREY BOARD OF SUPERVISORS TO CONSOLIDATE THE
GENERAL MUNICIPAL ELECTION, AND REQUESTING THE COUNTY OF MONTEREY
ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION**

WHEREAS, pursuant to the provisions of Section 4. of the Sand City Charter, the Mayor and each Councilmember shall be elected at large at the General Municipal Election. Said election shall be held on Tuesday, November 3, 2026; and

WHEREAS, pursuant to Sections 10001 of the Elections Code, the governing body of the City of Sand City must call the election to be held November 3, 2026, for the purpose of electing successors to the terms of office which will expire in 2026; and

WHEREAS, Elections Code Section 10403 requires jurisdictions to file with the Monterey County Board of Supervisors, and a copy with the Monterey County Registrar of Voters, a Resolution requesting consolidation with a statewide election; and

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city may by resolution request the Board of Supervisors of the County to permit the County elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, pursuant to Section 13307 of the Elections Code, it is incumbent upon this City Council to determine who will pay the cost of the candidate's statement and to fix the maximum number of words to be submitted; and

WHEREAS, for the ease and convenience to the registered voters within this City and to take advantage of any possible reduction in election costs, it is desirable that this City election be consolidated with any other election to be held on the same day and that a vote by mail precinct be provided within the City of Sand City; and

WHEREAS, the City Council authorizes the City Clerk to enter into and sign the attached service agreement for the provision of election services between the City of Sand City and Monterey County Registrar of Voters.

NOW, THEREFORE, BE IT RESOLVED and ordered by the governing body of the City of Sand City that:

1. That under the provisions of the Elections Code, there is called and ordered to be held in the City of Sand City, California, on Tuesday, November 3, 2026, a general municipal election for the purpose of electing one Mayor for a two-year term, and two Councilmembers for four-year terms on November 3, 2026.

2. That pursuant to the requirements of Elections Code Section 10403, the City of Sand City requests the Board of Supervisors of Monterey County consolidate the regularly scheduled general municipal election with the statewide general election to be held on November 3, 2026.
3. Pursuant to Elections Code Section 10002 said governing body hereby requests the Board of Supervisors of the County of Monterey to permit the Monterey County Elections Department to provide any and all services necessary for conducting an election and agrees to pay the Monterey County Elections Department for said services in full.
4. Pursuant to Section 13307 of the Elections Code, the City Council has resolved that the City will pay the cost of the candidate's statement. Said statement shall not exceed 200 words in length and no other candidate materials will be allowed to be mailed pursuant to Section 13303 of the Election Codes. The cost for candidate statements will be included in the billing to the City of Sand City by the Monterey County Elections Department.
5. This election shall be consolidated with any other election to be held totally or partially within the boundaries of this City.
6. That the City of Sand City acknowledges that the consolidated election will be held and conducted in the manner prescribed in Elections Code Section 10418.
7. A vote-by-mail precinct/receiving station will be arranged at Sand City Hall, and the City will pay the costs associated with providing and operating this vote-by-mail precinct/receiving station within Sand City.
8. The City Council hereby authorizes the official canvass to be conducted by the Registrar of Voters commencing no later than November 3, 2026.
9. The Registrar of Voters is authorized to bill the City, on a prorated basis, for any and all costs associated with the City election and vote by mail precinct.
10. In all particulars not recited in this resolution, said elections shall be noticed and held and all publications made as provided by law for holding municipal elections.
11. That the City Clerk is directed to file a copy of this Resolution with the Monterey County Board of Supervisors and the Monterey Registrar of Voters.

NOW THEREFORE, BE IT FURTHER RESOLVED that:

1. Pursuant to Elections Code Section 15651(a), a tie vote shall be resolved by drawing lots.
2. Tie votes shall be determined by the City Council acting as the Election Board.

PASSED AND ADOPTED by the City Council of the City of Sand City on this __ day of ____,
2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:

DATED: _____

Kerry Lindstrom, City Clerk

SERVICE AGREEMENT FOR THE PROVISION OF ELECTION

SERVICES BETWEEN City of Sand City AND

COUNTY OF MONTEREY DEPARTMENT OF ELECTIONS

November 3, 2026

This Agreement, entered into this _____ day of _____ 2026, by and between City of Sand City and County of Monterey Department of Elections (hereinafter referred to as the Department);

WHEREAS, it is necessary and desirable that the Department be retained for the purpose of conducting an election hereinafter described for the City of Sand City (hereinafter referred to as the City);

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

SERVICES TO BE PERFORMED BY THE CITY:

- 1) No later than the 88th day prior to the election the City shall submit a resolution requesting the Department to conduct an election for the City on **November 3, 2026** and requesting election related services of the Department.
- 2) The City shall publish the Notice of Election and the Notice to File Declarations of Candidacy for the offices to be voted on, and/or the Notice to File Arguments for or against any measure.
- 3) The City shall submit to the Department in writing the exact number of offices to be voted on and the names and ballot designations of the candidates for those offices, and/or the exact ballot wording to be voted by no later than the 88th day prior to the election, or by the 83rd day prior to the election if Elections Code §§ 10225, 10229, and 10407 are applicable.
- 4) The City shall prepare and deliver to the Department the Voter Guide information containing, as applicable, candidates' statements of qualifications, ballot measure, tax rate statements, impartial analysis, arguments for or against and rebuttals thereto. The last day for the submission of primary arguments (300 words) and

impartial analysis shall be no later than **AUGUST 13, 2026**. The last day for the submission of rebuttal arguments (250 words) is **AUGUST 20, 2026**.

- 5) The City shall be responsible for reviewing and approving the language of the sample ballot and official ballot wording for candidates and measures.

SERVICES TO BE PERFORMED BY THE DEPARTMENT:

- 1) The Department shall select and contract with the sample and official ballot printer(s) on behalf of the City.
- 2) The Department shall prepare and deliver to the printer the official ballot information.
- 3) The Department shall issue, receive and process all ballots on behalf of the City matters.
- 4) The Department shall procure all necessary and appropriate polling place locations, hire polling place workers, and conduct the election in accordance with all applicable state, federal and local laws.
- 5) The Department shall prepare a Canvass of Votes Cast and submit a Certificate of Registrar of Voters to the City regarding the City matters.
- 6) The Department shall conduct other various and miscellaneous election activities as required including but not limited to all those required as the City's Election Official other than those described under "Services to be Performed by the City".

TERMS:

This Agreement shall be in effect for the performance of all services incident to the preparation and conduct of the election to be held on **NOVEMBER 3, 2026**.

The parties will use best efforts to perform services herein. However, in the event the Department is unable to perform services required under this Agreement that are beyond their control, including an employee strike, vendor conditions, natural disasters, war, or other similar conditions, the Department will be relieved of all obligations under this Agreement. The Department will provide reasonable notice, if practical, of any conditions beyond their control, including notice at least 60 days prior to **NOVEMBER 3, 2026** of vendor conditions affecting the election services. In the event a vendor does not perform, the Department will attempt to obtain substitute services.

CONSIDERATION:

In consideration of the performance of services and supplies provided by the Department, the City shall pay to the Department a sum equal to the actual cost of such services, expenses, and supplies related to the work performed on behalf of City. In the event that this Agreement is terminated prematurely, the City shall pay to the Department a sum equal to the actual cost of such services performed or supplies/expenses incurred as of the effective date of the termination.

The City shall make payment within 30 days of receipt of invoice from the Department.

CITY:

Signature: _____ Date: _____

Print Name: _____

Title: _____

COUNTY:

Signature: _____ Date: _____

Print Name: Gina Martinez

Title: County of Monterey, Registrar of Voters

**AGENDA ITEM
5C.**

**Approve a Resolution Authorizing the
Monterey County Health Department to
Apply for State Block Grant Funding on
Behalf of Sand City Towards the
Countywide Used Oil Recycling Program**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager
SUBJECT: Monterey County Used Oil Recycling Program and Block Grant Application
Cycle 17
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

Since the 1990s, the Monterey County Health Department has managed a used oil recycling program on behalf of its member cities within Monterey County. The City of Sand City has been an ongoing participant in this program for the collection of used motor oil. Each year, the County applies for State grant funds to implement this oil collection/recycling program. The County typically applies on behalf of its various member cities and then pools the funding it obtains. Sand City does not have its own used oil collection program. Staff therefore recommends that the City continue to participate in the County's existing collection program. The County Health Department has requested Sand City's authorization to apply for the next fiscal year 2026-27 grant funds on behalf of Sand City in order for Sand City to continue in the program. Authorization is needed prior by June 6, 2026.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

None.

RECOMMENDATION:

Staff recommends the City Council approve a resolution, authorizing the County of Monterey to submit a grant application to the California Department of Recycling and Recovery (Cal-Recycle) for fiscal year 2026-27 for the County's Used Oil Recycling Program on behalf of the City of Sand City.

ATTACHMENTS:

1. County of Monterey Correspondence
2. Letter of Authorization

3. Cal-Recycle FY 2024-2025 Annual Report Summary
4. Resolution



County of Monterey
HEALTH DEPARTMENT
Elsa Mendoza Jimenez
Director of Health Services

1270 Natividad Road
Salinas, CA 93906
O: 831 755 4500
F: 831 755 4797

May 7, 2026

Vibeke Norgaard
City Manager
City of Sand City
City Hall
1 Sylvan Park
Sand City, CA 93955

RECEIVED
MAY 18 2026
CITY OF SAND CITY

Dear Mr. Norgaard:

Each year the Monterey County Environmental Health Bureau (EHB) requests a letter of authorization from the City Administrator or designee authorizing the County of Monterey to execute all documents necessary to continue to implement the annual Oil Payment Program Cycle 17 (OPP17) on your city's behalf. A sample letter is enclosed for your convenience. **We request that you return the signed authorization letter to our office by June 6, 2026**, to ensure timely submittal to CalRecycle.

For over 15 years, the EHB has administered a successful countywide Used Oil & Filter Recycling Program on behalf of all cities and the unincorporated area of Monterey County. The Program is funded by a grant from the California Department of Resources Recycling and Recovery (CalRecycle) and supports used oil and filter recycling activities throughout the County. Enclosed is the FY 2024-2025 Annual Report Summary detailing the activities, outreach events and volume collected as a result of this program. Below are a few highlights of program activities:

- Ran over 800 ads in English and Spanish through various media outlets.
- Filter exchange program paid for 142 filters for residents that were given vouchers when recycling used oil filters during Community Clean Up Days.
- Collected 152,356 gallons of used oil and 14,209 used oil filters.

Continuing to pool funds allows both the Cities and County to continue to achieve greater efficiencies by maximizing resources, allowing consistency in outreach efforts, and preventing duplication of labor. I look forward to continuing working with your city in providing used oil and filter recycling services to our community.

Please contact Recycling Services at (831) 755-8907 should you need further information regarding this program.

Sincerely,

DocuSigned by:
Ricardo Encarnacion
FA7D0801CF154E7...
Ric Encarnacion, REHS, MPH
Bureau Chief, Environmental Health Bureau

Enclosure: Sample authorization letter



[OFFICIAL LETTERHEAD]

Date

Ric Encarnacion, REHS, MPH
Bureau Chief, Director of Environmental Health
1270 Natividad Rd.
Salinas, CA 93906

Subject: Authorization Letter for the Used Oil Payment Program 17th Cycle, FY 2026-2027

I am the **(Job Title)** of **(Name of Participating Jurisdiction)**. I am authorized to contractually bind **(Name of Participating Jurisdiction)**. Pursuant to this authority, I hereby authorize the County of Monterey to submit a regional application and act as Lead Agency on behalf of **(Name of Participating Jurisdiction)**. The **County of Monterey** is hereby authorized to execute all documents necessary to implement the grant under the Used Oil Payment Program Cycle 17 (OPP17).

Signature
Name & Job Title
Mailing Address
City, State, Zip



Annual Report Summary

Recipient/Jurisdiction: Monterey County

Status: Open

Fiscal Year: 2024-25

Program Advisor: Xiong, Jeremy

Oil Collection Type	Oil (Gallons)	Oil Filters
Certified Collection Centers	106,771	
PHHW and ABOPS	28,680	8,250
Residential Collection	16,905	5,959
Oil Collection Total:	152,356	14,209

Expenditures

PAYMENT NUMBER : OPP14-23-0251

	AVAILABLE BALANCE	79,155.87
Administration	Indirect / Overhead Cost	7,195.99
	Personnel	22,978.46
Collection	Curbside (allow resident	7,255.60
Education	Other	1,159.63
	Radio Ads	14,000.00
Materials/Construction	Oil Containers	24,249.59
	Oil Tanks	2,316.60
	REMAINING BALANCE	0.00

PAYMENT NUMBER : OPP15-25-0251

	AVAILABLE BALANCE	93,171.00
Administration	Indirect / Overhead Cost	1,430.90
	Personnel	7,566.39
Collection	Curbside (allow resident	2,868.16
Education	Other	599.65
	Radio Ads	1,000.00
Materials/Construction	Oil Funnels	2,274.80
	REMAINING BALANCE	77,431.10

Program Highlights

Theme: One of the main activities of the Used Oil Program is to promote/increase used oil filter collection. What activities did you conduct to increase used oil filter collection?

The County of Monterey Used Oil and Filter Recycling Program provides outreach and education to residents of Monterey County on how to recycle used oil and filters. Monterey County Environmental Health (MCEH) placed radio advertisements, conducted 29 site visits to local Certified Collection Centers (CCC's), hosted 7 filter exchange events, purchased DIY kits, and continued to cover the cost of used oil and filter curbside collection. The program also continues to cover the cost of maintenance and repairs of oil tanks at various oil collection sites.

- Paid for 811 – 15 second radio ads both in English and Spanish radio iHeart Radio on the Total Traffic & Weather Network focusing on the residential and curbside collection programs. Advertisements are played on KDON 102.5, KION 101.1FM, KOCN 105.1, KTOM 92.7 and La Preciosa KPRC.
- Paid for 152 oil filters for residents that received vouchers when they recycled used oil filters at filter exchange events.

Did you increase or decrease used oil and filter collection compared to last year? How much and why?

The total gallons of used oil collected in 2024: 152,356 gallons. This was an 8% decrease compared to 166,391 collected in 2023. The total number of used oil filters collected in 2024 was 14,209, representing an almost 50% decrease compared to the 28,153 collected in 2023. The decrease in used oil and filter collection data could be due to the following:

- Residents are encouraged to recycle used oil at the curbside; however, many residents recycle their used oil and filters at local CCCs, this method does not let us capture and report data for used oil filter collection
- As of July 2023, we are no longer collecting used oil and filters from the Ag industry and the marinas (Moss Landing Harbor and Monterey Bay Boat Works).

Oil Collection at CCCs increased by 3%, 106,771 collected in 2024 compared to 103,622 collected in 2023. Filter data is not reported by CCCs.

Collection at PHHW/ABOP's increased by 81% for used oil collection and increased 7% in filter collection. The increase in filters collected is mainly because information on HHW disposal is listed on Monterey County's website, as well as the HHW collection sites' webpages. Also, when staff tables at community clean-up events, direct outreach on HHW is provided to the public.

Used oil collection for the Curbside program decreased by 12% and decreased by almost 4% for filter collection. MCEH staff placed radio advertisements for the curbside program, and local waste haulers also include used oil curbside collection in their quarterly newsletters. The program provides containers and filter bags to haulers. Staff used the manifest data provided by Bayside Oil, our used oil hauler, and contacted local waste haulers directly to obtain used oil collection at the curbside.

Were there any program changes from this year to last year?

Compared to 2023, MCEH amended its contract with Bayside Oil so that we no longer pick up used oil and filters from the Ag Industry and the marinas (Moss Landing Harbor and Monterey Bay Boat Works). This decision was made due to the decrease in OPP program funding from CalRecycle. In 2024, MCEH decided to focus on funding curbside collection, providing used oil kits, education and outreach, as well as hosting filter exchange events for residents of Monterey County.

If you dropped a program or method, why do you think it didn't work?

MCEH did not drop a program or make changes to the program in 2024.

What program or method has worked best for you?

Hosting filter exchange events has worked best for providing direct education and outreach to residents who are do-it-yourselfers. During these events, residents have access to Monterey County staff and can ask questions or address concerns about the used oil and filter collection program.

Did you develop any best practices or techniques to share with other grantees?

Not at this time.

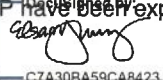
What can CalRecycle do to help you? Or what would you like to see modified to better assist you?

The County of Monterey would like to collaborate with Certified Collection Centers (CCC) more often to gather their oil filter collection with the help of CalRecycle.

Annual Report Certification

"I certify under penalty of perjury, under the laws of the State of California, that I have read the Oil Payment Program (OPP) Guidelines (Guidelines), that the submitted Annual Report and Expenditure information is correct, and that all funds received under the OPP have been expended in accordance with the Guidelines."

X



C7A30BA59CA8423

8/13/2025 | 10:35 AM PDT

Signature of Signature Authority (as authorized in Resolution) or Authorized Designee (as authorized in Letter of Designation)
Elsa Jimenez

Date

Print Name

IMPORTANT! Recipient must print out this page, obtain Signature of Signature Authority, upload signed document to the LoGOPP system, and retain the original document in Recipient's cycle file.

**CITY OF SAND CITY
RESOLUTION SC ____, 2023**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY AUTHORIZING THE
MONTEREY COUNTY HEALTH DEPARTMENT TO APPLY FOR STATE BLOCK
GRANT FUNDING ON BEHALF OF SAND CITY TOWARDS THE COUNTYWIDE
USED OIL RECYCLING PROGRAM**

WHEREAS, since 1993, the County of Monterey has implemented a county-wide used oil and filter collection program throughout the cities and unincorporated area of Monterey County, servicing residential neighborhoods, agricultural and marine communities by a network of collection centers and a curbside collection program; and

WHEREAS, each year, the Monterey County Health Department applies for block grant funding from the California Department of Resources Recycling and Recovery (Cal-Recycle), on behalf of its member cities, for implementing the used oil collection program; and

WHEREAS, Sand City has been an ongoing participant and recipient in the Countywide used oil recycling program; and

WHEREAS, the County Health Department is preparing to submit its application to Cal-Recycle, for Fiscal Year 2026-27 block grant funds, and is requesting all of its participating cities, including the City of Sand City, to provide a 'Letter of Authorization' for the County to apply on their behalf for the purpose of pooling those funds together.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby authorize the County of Monterey Health Department to submit an application to the California Department of Resources Recycling and Recovery, on behalf of Sand City, for Fiscal Year 2026-27, Cycle 17, and the City Manager is directed to prepare and submit to the County a 'Letter of Authorization'.

PASSED AND ADOPTED by the City Council of the City of Sand City this ____, day of ____, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

Kerry Lindstrom, City Clerk

**AGENDA ITEM
5D.**

**Approve a Resolution Adopting a List of
Projects for Fiscal Year 2026-27 Funded by
SB 1: The Road Repair and Accountability
Act of 2017**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager; Leon D. Gomez, P.E., City Engineer;
Jennifer Pope, Finance Manager
SUBJECT: Approve a resolution adopting a list of projects for Fiscal Year 2026-27
funded by SB 1: the Road Repair and Accountability Act of 2017
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide. SB 1 includes accountability and transparency provisions to ensure that the residents of a given City or County are aware of the projects proposed for funding in their communities and which projects have been completed each Fiscal Year (FY).

To qualify and receive funding under the SB 1 program, the City of Sand City (City) must adopt by resolution, a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA) created by SB 1. The resolution must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the project's improvements.

The RMRA provides that local streets and roads funding be used for road maintenance and rehabilitation, safety projects, railroad grade separations, traffic control devices, complete street components that include active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project.

The City began receiving monthly apportionments under the SB 1 RMRA program in FY 2017-18. Table 1 below summarizes the apportionments the City has received since the inception of the program and includes projected apportionment the City will receive in FY 2026-27.

Table 1: SB 1 RMRA Funding Apportionments by Fiscal Year

Fiscal Year	Program Year	Apportionments ¹
2017-18	1	\$2,250.06
2018-19	2	\$7,225.25

2019-20	3	\$6,876.00
2020-21	4	\$7,137.34
2021-22	5	\$7,718.22
2022-23	6	\$8,302.11
2023-24	7	\$9,703.07
2024-25	8	\$10,342.57
2025-26	9	\$9,821(projected) ²
2026-27	10	\$10,495 (projected) ²
Total		\$79,870.62
Expenditures to Date		
FY 2023-24 - Calabrese Park Improvement Project		-\$31,207.00
FY 2024-25 - Tioga Ave. and Sand Dunes Dr. Striping		-\$9,925.00
Total Remaining (estimated)		\$38,738.62

1 – Apportionments are distributed monthly beginning in September and continue through August of the following year, for a total of 12 months. Totals for completed fiscal years were verified against values published by the California State Controller's Office (SCO).

2 – Projected apportionments provided by the California Local Government Finance Almanac Website.

For several years, the City elected to “bank” RMRA funds to apply them to eligible expenses. As shown in the table above, in FY 2023-24, the City applied RMRA funds to the Calabrese Park Improvement Project and in FY 2024-25, the City applied RMRA funds to the Tioga Ave. and Sand Dunes Dr. Striping Project. Based on the total projected revenues (actual and projected) and expenditures to date, it is estimated that the City will have \$38,738.62 in remaining funds. Because the City did not meet the Maintenance of Effort (MOE) requirement for Fiscal Years 2020–2021 and 2021–2022, there is a possibility that the City may be required to repay the disbursements received for those years, totaling \$14,856. City staff is performing a forensic analysis to uncover the reasons for the high MOE which was established in the past, in order to attempt to lower the MOE so it can continue to receive funds.

The City has identified a list of projects for FY 2026-27 that it will apply the RMRA funds to. The list of projects is described below and shown on **Resolution Exhibit A**.

1. FY 25-26 Street Maintenance and Rehabilitation (M+R) Project: maintenance and rehabilitation of asphalt pavement, new concrete curb, gutter, and sidewalk, pedestrian safety improvements including curb extensions, ADA ramp upgrades and high visibility stamped asphalt crosswalks, signing, striping, storm drainage improvements, and related work. The project includes work at various locations including Holly Street between California Avenue and Ortiz Avenue and Contra Costa Street from State Route 1 to Redwood Avenue. The City will only apply SB

1 funds to eligible expenses for the Holly Street and/or Contra Costa Street segments. The design of the project began in FY 25-26 and construction will commence in FY 26-27.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

The City expects to receive RMRA funding for FY 2026/27 of approximately \$10,495. The City is required to adopt a project list to receive the funds, and they may be used to reimburse the RMRA fund for the two prior years in which the City did not meet the program's maintenance-of-effort requirement.

RECOMMENDATION:

It is recommended that the city council approve a resolution adopting a list of projects for Fiscal Year 2026-27 funded by SB 1: the Road Repair and Accountability Act of 2017.

ATTACHMENTS:

1. Resolution and Exhibit A

**CITY OF SAND CITY
RESOLUTION SC _____, 2026**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY ADOPTING A LIST OF
PROJECTS FOR FISCAL YEAR 2026-27 FUNDED BY SB 1: THE ROAD REPAIR
AND ACCOUNTABILITY ACT OF 2017**

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of the City of Sand City (City) are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City must adopt by resolution, a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA) created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the RMRA provides that local streets and roads funding be used for road maintenance and rehabilitation, safety projects, railroad grade separations, traffic control devices, complete street components that include active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project; and

WHEREAS, the City will receive an estimated \$10,495 in RMRA funding in Fiscal Year (FY) 2026-27 from SB 1; and

WHEREAS, this is the 10th year in which the City is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the travelling public that would not have otherwise been possible without SB 1; and

WHEREAS, the City has undergone a robust public process to ensure public input into our community's transportation priorities/project list by conducting public surveys and holding public meetings to obtain input on priorities related to streets and roads; and

WHEREAS, the City used a Pavement Management System to develop the SB 1 project list, and reviewed safety concerns at various locations, to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the communities' priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the City maintain and rehabilitate streets/roads, implement safety improvements, and increase access and mobility for the public throughout the City this year and into the future; and

WHEREAS, the 2023 California Statewide Local Streets and Roads Needs Assessment identified the City's streets and roads in at-risk condition and this revenue will help the City increase the overall quality of our road system and over the next decade will improve the condition of the City's streets and roads; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials, and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE, BE IT HEREBY RESOLVED, ORDERED AND FOUND by the City Council of the City of Sand City, State of California, as follows:

1. The foregoing recitals are true and correct.
2. The following list of proposed projects will be funded in-part or solely with Fiscal Year 2026-27 Road Maintenance and Rehabilitation Account revenues:

Project Title: FY 25-26 Street Maintenance and Rehabilitation (M+R) Project

Project Description: maintenance and rehabilitation of asphalt pavement, new concrete curb, gutter, and sidewalk, pedestrian safety improvements including curb extensions, ADA ramp upgrades and high visibility stamped asphalt crosswalks, signing, striping, storm drainage improvements, and related work. The project includes work at various locations including Holly Street between California Avenue and Ortiz Avenue and Contra Costa Street from State Route 1 to Redwood Avenue. The City will only apply SB 1 funds to eligible expenses for the Holly Street and/or Contra Costa Street segments. The design of the project began in FY 25-26 and construction will commence in FY 26-27.

Project Location: Locations as shown on the attached **Exhibit A**.

Estimated Project Schedule: July - November 2026.

Estimated Project Useful Life: 15-20 Years

PASSED AND ADOPTED, at a regular meeting of the City Council of the City of Sand City, this ____ day of ____ 2026 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:

DATED: _____

Kerry Lindstrom, City Clerk

EXHIBIT A
FY 2026-27 PROPOSED PROJECT LIST FOR SB 1 RMRA



**AGENDA ITEM
5E.**

**Approve a Resolution Authorizing the City
Manager to Execute a Professional Service
Agreement with Monterey Bay
Technologies, Inc. for Information
Technology Services**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager; Audrey Cray, Administrative Services Manager
SUBJECT: Professional Services Agreement with Monterey Bay Technologies, Inc
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

On December 6, 2022, City Council approved a three (3) year Professional Services Agreement with Monterey Bay Technologies, Inc to provide Information Technology (IT) services to the City of Sand City. The current agreement is set to expire on June 30, 2026.

During the City's search for an IT services provider in 2022, Monterey Bay Technologies, Inc and its President and CEO, Yavuz Atila, came highly recommended by several local agencies, including Pebble Beach Community Services District, Marina Coast Water District, and City of Del Rey Oaks.

Since the commencement of services in December 2022, Monterey Bay Technologies has successfully completed numerous major IT infrastructure and operational improvement projects for the City, including:

Major IT Infrastructure Improvements

- Upgrade both the City Hall and Police Department network servers
- Phone system upgrade
- Migrate from on-Premises email system to Microsoft 365 cloud servers
- Anti-Virus End point security protection upgrade
- VPN and Splashtop Remote Access setup
- Help with the new website upgrade and migration
- Internet services bandwidth upgrade
- Staff workstation computer upgrade

The current Professional Services Agreement includes a monthly retainer fee of \$1,200 for the Administrative Department and \$1,500 for the Police Department, along with an hourly rate of \$130 for services outside the scope of the retainer agreement.

Beginning July 1, 2026, Mr. Atila has requested adjustments to the compensation structure under a new three-year agreement as follows:

- Administrative Department monthly retainer: increase from \$1,200 to \$1,350
- Police Department monthly retainer: increase from \$1,500 to \$1,700
- Hourly service rate: increase from \$130 to \$135 for services not covered under the retainment agreement

The proposed agreement also includes an annual Consumer Price Index (CPI) adjustment of 3%, beginning in Year 2 of the agreement.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

The proposed agreement will increase the Fiscal Year 2026/27 budget by approximately \$2,000. This increase has been incorporated into the proposed FY 2026/27 budget, which will be presented to the City Council for approval on June 2, 2026.

RECOMMENDATION:

Staff recommends approval of the attached Resolution authorizing the City Manager to execute a professional services agreement with Monterey Bay Technologies, Inc, in substantially the same form pending City Attorney review, for a three-year term not to exceed \$43,000 for Year 1, with annual 3% CPI adjustments in Year 2 and Year 3.

ATTACHMENTS:

1. Resolution
2. Agreement

**CITY OF SAND CITY
RESOLUTION SC 26-XX, 2026**

**RESOLUTION OF THE SAND CITY COUNCIL AUTHORIZING THE CITY MANAGER
TO EXECUTE A PROFESSIONAL SERVICE AGREEMENT WITH MONTEREY BAY
TECHNOLOGIES, INC FOR INFORMATION TECHNOLOGY SERVICES**

WHEREAS, in December 2022, City Council approved a three-year Professional Services Agreement with Monterey Bay Technologies, Inc to provide information technology (IT) services to the City of Sand City; and

WHEREAS, the current agreement is scheduled to expire on June 30, 2026; and

WHEREAS, Monterey Bay Technologies, Inc and its President and CEO, Yavuz Atila, were highly recommended by several local public agencies; and

WHEREAS, since commencing services in December 2022, Monterey Bay Technologies, Inc has successfully completed numerous major IT infrastructure and operation improvement projects for the City; and

WHEREAS, the City desires to continue receiving IT services from Monterey Bay Technologies, Inc. under a new three-year Professional Services Agreement commencing on July 1, 2026.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sand City hereby:

1. Authorizes the City Manager to enter into a professional service agreement with Monterey Bay Technologies, Inc, in substantially the same form as shown in attachment, subject to review and approval of the City Attorney, for a three-year term beginning July 1, 2026.
2. The agreement shall provide for compensation not to exceed \$43,000 during Year 1, with annual three percent (3%) CPI adjustments in Years 2 and 3 consistent with the terms of the agreement.
3. Requires Monterey Bay Technologies, Inc to maintain a City business license for the duration of the term of the Agreement.

PASSED AND ADOPTED by the City Council of Sand City this ____ day of ____ 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:

DATED:

Kerry Lindstrom, City Clerk

SHORT FORM PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF SAND CITY AND MONTEREY BAY TECHNOLOGIES, INC

THIS AGREEMENT for consulting services is made by and between the City of Sand City, a California municipal corporation ("City"), and Monterey Bay Technologies, Inc ("Professional") as of July 1, 2026..

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Professional shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

Section 2. TERM. The term of this Agreement shall begin on the date first noted above and shall end on June 30, 2029. Professional shall complete the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 10. The time provided to Professional to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 11.

Section 3. STANDARD OF PERFORMANCE.

- 3.1 Standard of Performance.** Professional shall perform all services and prepare all work products required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Professional is engaged in the geographical area in which Professional practices its profession.
- 3.2 Assignment of Personnel.** Professional shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Because of the personal nature of the services to be rendered pursuant to this Agreement, only Consultant shall perform the services described in this Agreement.

Section 4. COMPENSATION. City hereby agrees to pay Professional the monthly retainer fee of \$1,350 for the administrative department and \$1,700 for the police department and an hourly rate of \$135.00 for services not provided under the terms of this agreement. The total annual amount of such services may not exceed Forty-Three thousand dollars (\$43,000), with 3% Consumer Price Index (CPI) of 3% beginning in Year 2 of the agreement, notwithstanding any contrary indications that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement. Fees for work performed by Professional on an hourly basis shall not exceed the amounts shown on the fee schedule set forth in Exhibit A. In the event of a conflict between this Agreement and Professional's proposal, attached as Exhibit A, regarding the amount of compensation, the Agreement shall prevail.

Professional and City acknowledge and agree that compensation paid by City to Professional under this Agreement is based upon Professional's costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Professional. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or

annuities to which Professional and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

- 4.1 Invoices.** Professional shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date, which describe the work performed by Professional. City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Professional.
- 4.4 Reimbursable Expenses.** Reimbursable expenses, if any, are set forth in Exhibit B, and shall not exceed X hundred dollars (\$ X). Expenses not listed in Exhibit B are not chargeable to City. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.
- 4.5 Payment upon Termination.** In the event that the City or Professional terminates this Agreement pursuant to Section 10, the City shall compensate the Professional for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Professional shall maintain adequate logs and timesheets in order to verify costs incurred to that date.
- 4.6 Authorization to Perform Services.** The Professional is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.
- 4.7 Payment of Taxes.** Professional is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

Section 5. FACILITIES AND EQUIPMENT. Except as set forth herein, Professional shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Professional only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

Section 6. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Professional, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Professional shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Professional's bid. Professional shall not allow any subcontractor to commence work on any subcontract until Professional has obtained all insurance required herein for the

subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Professional shall maintain all required insurance listed herein for the duration of this Agreement.

- 6.1 Workers' Compensation.** Professional shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Professional. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Professional may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Professional, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Professional does not have any employees.

6.2 Commercial General and Automobile Liability Insurance.

- 6.2.1 General requirements.** Professional, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00). The commercial general liability and automobile liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a commercial general liability insurance or an automobile liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

6.2.2 Minimum scope of coverage. Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

6.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Professional, including the insured's general supervision of Professional; products and completed operations of Professional; premises owned, occupied, or used by Professional; and automobiles owned, leased, or used by the Professional. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.
- b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.
- d. Any failure of Professional to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.
- e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

6.3 Professional Liability Insurance. Professional, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000) covering the licensed professionals' errors and omissions.

6.3.1 Any deductible or self-insured retention shall not exceed \$150,000 per claim.

6.3.2 An endorsement shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

6.3.3 The following provisions shall apply if the professional liability coverages are written on a claims-made form:

- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.
- b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
- c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Professional must provide extended reporting coverage for a minimum of five (5) years after completion of the Agreement or the work. The City shall have the right to exercise, at the Professional's sole cost and expense, any extended reporting provisions of the policy, if the Professional cancels or does not renew the coverage.
- d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

6.4 All Policies Requirements.

6.4.1 Acceptability of insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

6.4.2 Verification of coverage. Prior to beginning any work under this Agreement, Professional shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

6.4.3 Subcontractors. Professional shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

6.4.4 Deductibles and Self-Insured Retentions. Professional shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Professional may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Professional procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

6.4.5 Waiver of Subrogation. Professional hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Professional, its employees, agents, and subcontractors.

6.4.6 Notice of Reduction in Coverage. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Professional shall provide written notice to City at Professional's earliest possible opportunity and in no case later than five (5) days after Professional is notified of the change in coverage.

6.5 Remedies. In addition to any other remedies City may have if Professional fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Professional's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Professional to stop work under this Agreement or withhold any payment that becomes due to Professional hereunder, or both stop work and withhold any payment, until Professional demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Section 7. INDEMNIFICATION.

- 7.1 General Requirement.** Professional shall indemnify, defend with counsel selected by the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions of Professional or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Professional shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Professional or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Professional to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Professional from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Professional acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.
- 7.2 PERS Indemnification.** In the event that Professional or any employee, agent, or subcontractor of Professional providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System ("PERS") to be eligible for enrollment in PERS as an employee of City, Professional shall indemnify, defend, and hold harmless City for the payment of any and all employee and/or employer contributions for PERS benefits on behalf of Professional or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City, and any attorneys' fees and costs incurred by the City to enforce this Section.
- 7.3 Design Professional.** Notwithstanding Section 8.1 and 8.2, to the extent that the services under this Agreement include design professional services subject to California Civil Code Section 2782.8, as may be amended from time to time, Professional's duty to indemnify shall only be to the maximum extent permitted by California Civil Code Section 2782.8.

Section 8. STATUS OF PROFESSIONAL.

- 8.1 Independent Contractor.** At all times during the term of this Agreement, Professional shall be an independent contractor as defined in Labor Code Section 3353, and shall not be an employee of the City. Nothing contained in this Agreement shall be construed to be inconsistent with the foregoing relationship or status. City shall have the right to control Professional only insofar as the results of Professional's services rendered pursuant to this Agreement; however, otherwise City shall not have the right to control the means and methods by which Professional accomplishes services rendered pursuant to this

Agreement. Professional shall have no power or authority by this Agreement to bind the City in any respect. All employees and agents hired or retained by Professional are employees and agents of Professional and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Professional by any such employees or agents, or any other person resulting from performance of this Agreement.

Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Professional and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits. Professional shall not allow any employee, agent or subcontractor to become eligible for a claim for PERS benefits.

- 8.2 Professional Not an Agent.** Except as City may specify in writing, Professional shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 9. LEGAL REQUIREMENTS.

- 9.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 9.2 Compliance with Applicable Laws.** Professional and any subcontractors shall comply with all laws and regulations applicable to the performance of the work hereunder, including but not limited to, the California Building Code, the Americans with Disabilities Act, and any copyright, patent or trademark law. Professional's failure to comply with any law(s) or regulation(s) applicable to the performance of the work hereunder shall constitute a breach of contract.
- 9.3 Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Professional and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.
- 9.4 Licenses and Permits.** Professional represents and warrants to City that Professional and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Professional represents and warrants to City that Professional and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Professional and any subcontractors shall obtain and maintain a valid Business License from City during the term of this Agreement.

- 9.5 **Nondiscrimination and Equal Opportunity.** Professional shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Professional under this Agreement. Professional shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Professional thereby. Professional shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 10. TERMINATION AND MODIFICATION.

- 10.1 **Termination.** City may cancel this Agreement at any time and without cause upon written notification to Professional. Professional may cancel this Agreement upon 30 days' written notice to City and shall include in such notice the reasons for cancellation. In the event of termination, Professional shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Professional delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Professional or prepared by or for Professional or the City in connection with this Agreement.
- 10.2. **Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Section 2. Any such extension shall require a written amendment to this Agreement, as provided for herein. Professional understands and agrees that, if City grants such an extension, City shall have no obligation to provide Professional with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Professional for any otherwise reimbursable expenses incurred during the extension period.
- 10.3 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 10.4 **Assignment and Subcontracting.** City and Professional recognize and agree that this Agreement contemplates personal performance by Professional and is based upon a determination of Professional's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Professional. Professional may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Professional may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Professional shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

10.5 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Professional shall survive the termination of this Agreement.

10.6 Options upon Breach by Professional. If Professional materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

10.6.1 Immediately terminate the Agreement;

10.6.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Professional pursuant to this Agreement;

10.6.3 Retain a different Professional to complete the work described in Exhibit A not finished by Professional; or

10.6.4 Charge Professional the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Professional pursuant to Section 4 if Professional had completed the work.

Section 11. KEEPING AND STATUS OF RECORDS.

11.1 Records Created as Part of Professional's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Professional prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Professional hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Professional agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

11.2 Professional's Books and Records. Professional shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Professional pursuant to this Agreement.

11.3 Inspection and Audit of Records. Any records or documents that Section 11.2 of this Agreement requires Professional to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of

the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 12 MISCELLANEOUS PROVISIONS.

- 12.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 12.2 Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Monterey or in the United States District Court for the Eastern District of California.
- 12.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 12.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 12.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.
- 12.6 Conflict of Interest.** Professional may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Professional in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Professional shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Professional hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Professional was an employee, agent, appointee, or official of the City in the previous twelve months, Professional warrants that it did not participate in any manner in the forming of this Agreement. Professional understands that, if this Agreement is made in violation of

Government Code §1090 *et seq.*, the entire Agreement is void and Professional will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Professional will be required to reimburse the City for any sums paid to the Professional. Professional understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code §1090 and, if applicable, will be disqualified from holding public office in the State of California.

In accordance with the Levine Act, Government Code Section 84308 *et seq.*, no person who is a director, officer, partner, trustee or employee or consultant of the Developer has not contributed over five hundred dollars (\$500), as that amount may be amended, over the last twelve (12) months, and will not contribute for twelve (12) months following a final decision on this Agreement, to any public official of the City.

- 12.7 Solicitation.** Professional agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 12.8 Contract Administration.** This Agreement shall be administered by the City Manager ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.
- 12.9 Notices.** Any written notice to Professional shall be sent to:
_Monterey Bay Technologies_____
_362 Pacific Street, Suite 3_____
_Monterey, CA 93940_____
yatila@mbaytechnologies.com_____
- Any written notice to City shall be sent to:
_City of Sand City_____
_1 Pendergrass Way_____
_Sand City, Ca 93955_____
Attn: City Clerk_____
- 12.10 Professional Seal.** Where applicable in the determination of the contract administrator or when required by law, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 12.11 Integration.** This Agreement, including the scope of work attached hereto and incorporated herein as Exhibit A, the compensation schedule attached hereto and incorporated herein as Exhibit A, represents the entire and integrated agreement between City and Professional and supersedes all prior negotiations, representations, or agreements, either written or oral.
- 12.12 IRS Form W-9.** Professional shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above, which date shall be considered by the Parties to be the effective date of this Agreement.

CITY OF SAND CITY

PROFESSIONAL

Vibeke Norgaard, City Manager

Date: _____

Attest:

Kerry Lindstrom, City Clerk

Date: _____

Audrey Cray, Risk Manager

Date: _____

Approved as to Form:

Adam Lindgren, City Attorney

Date: _____

Last Revised March 2025

Yavuz Atila, President/CEO

Date: _____

EXHIBIT A

SCOPE OF SERVICES

Maintenance and troubleshooting of all IT Services at City Hall including the Sand City police department.

- a) Maintain and monitor network servers and their backups
- b) Check and monitor systems performances and updates
- c) Provide onsite/remote end-user PC support for the current software and hardware
- d) Create and maintain inventory documentation for the Client's Information Systems hardware and software
- e) Monitor the system security and antivirus software are up-to-date
- f) Monitor the server applications are up-to-date
- g) Recommend hardware and software upgrades as appropriate
- h) Maintain/monitor the internet/LAN network hardware/software
- i) Provide information necessary to develop the annual information technology budget
- j) Coordinate with software vendors to ensure systems are functioning correctly and service packs are installed on a timely basis

Monthly Retainer

Year 1 - \$1,350 Administrative Services Department
\$1,700 Police Department
\$135.00 per hour for services not provided under the terms of this agreement

Year 2 - 3% Consumer Price Index Adjustment

Year 3- 3% Consumer Price Index Adjustment

EXHIBIT B

Insurance Requirements

Before beginning any work under this Agreement, Professional, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Professional shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Professional's bid. Professional shall not allow any subcontractor to commence work on any subcontract until Professional has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Professional shall maintain all required insurance listed herein for the duration of this Agreement.

1. **Workers' Compensation.** Professional shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Professional. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Professional may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Professional, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Professional does not have any employees.

2. **Commercial General and Automobile Liability Insurance.**

- 2.1 **General requirements.** Professional, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00). The commercial general liability and automobile

liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a commercial general liability insurance or an automobile liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

2.2 Minimum scope of coverage. Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an “occurrence” basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Professional, including the insured’s general supervision of Professional; products and completed operations of Professional; premises owned, occupied, or used by Professional; and automobiles owned, leased, or used by the Professional. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.
- b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.
- d. Any failure of Professional to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.
- e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days’ prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within

fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

3. **Professional Liability Insurance.** Professional, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) covering the licensed professionals' errors and omissions.

- 3.1 Any deductible or self-insured retention shall not exceed \$150,000 per claim.
- 3.2 An endorsement shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.
- 3.3 The following provisions shall apply if the professional liability coverages are written on a claims-made form:
- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.
 - b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
 - c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Professional must provide extended reporting coverage for a minimum of five (5) years after completion of the Agreement or the work. The City shall have the right to exercise, at the Professional's sole cost and expense, any extended reporting provisions of the policy, if the Professional cancels or does not renew the coverage.
 - d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

4. **All Policies Requirements.**

- 4.1 **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.
- 4.2 **Verification of coverage.** Prior to beginning any work under this Agreement, Professional shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized

by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

4.3 Subcontractors. Professional shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.4 Deductibles and Self-Insured Retentions. Professional shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Professional may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Professional procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

4.5 Waiver of Subrogation. Professional hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Professional, its employees, agents, and subcontractors.

4.6 Notice of Reduction in Coverage. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Professional shall provide written notice to City at Professional's earliest possible opportunity and in no case later than five (5) days after Professional is notified of the change in coverage.

5. Remedies. In addition to any other remedies City may have if Professional fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Professional's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Professional to stop work under this Agreement or withhold any payment that becomes due to Professional hereunder, or both stop work and withhold any payment, until Professional demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

**Request for Taxpayer
Identification Number and Certification**

Give form to the
requester. Do not
send to the IRS.

Print or type See Specific instructions on page 2.	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership ☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ----- ☐ Other (see instructions) ▶	☐ Exempt payee
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
or
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7

¹See Form 1099-MISC, Miscellaneous Income, and its instructions.

²However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ¹
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ²
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see Special rules for partnerships on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

**AGENDA ITEM
5F.**

Approve a Resolution Authorizing the City Manager to Enter into a Memorandum of Understanding Between the City of Monterey Police Department and the City of Sand City Police Department for the California Law Enforcement Telecommunications System Supplemental Coverage



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: David Honda, Chief of Police
SUBJECT: Authorize the City Manager to enter into a Memorandum of Understanding between the City of Monterey Police Department and the City of Sand City Police Department to provide supplemental California Law Enforcement Telecommunications System coverage
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

The California Law Enforcement Telecommunications System (CLETS) is a statewide computer network that enables law enforcement (LE) and criminal justice agencies to share and access official records. CLETS is maintained by the California Department of Justice (DOJ) and access strictly limited to legitimate official purpose and only by authorized LE personnel who have passed background checks, training, and security clearances.

All LE agencies in California are granted access to the CLETS by the DOJ for them to conduct day-to-day operations as well as criminal investigations. CLETS is necessary to retrieve critical information such as criminal histories, missing person reports, restraining orders, stolen vehicle information, wanted person data, sex and arson registrant data, driver's license and vehicle registration information. CLETS is a secure system that enables California LE agencies to access the necessary information improving public safety and LE efficiency.

Certain data, such as missing persons reports or stolen vehicles, must be entered into the CLETS immediately after being reported per state law; however, smaller agencies, in general, do not have the trained staff to access the system available 24 hours a day. Previously, the SCPD, the utilized the Monterey County Sheriff's Office (MCSO) for "off-hours" access to CLETS, meaning hours that a trained staff member is not available dues scheduling or other absence. Due to significant staffing shortages and budget reductions, the MCSO is no longer able to provide 24/7 without significant fees attached to requesting agencies.

The MPD has staff available 24/7 for CLETS for SCPD and other Monterey peninsula police agencies and has drafted this MOU to outline the parameters of usage as well as fees to off-set the additional burden to staff, as necessary. The supplemental CLETS coverage will be Monday through Friday from 4:40 PM to 8 AM, and 24-hour coverage on Saturdays, Sundays, recognized holidays, and planned and unexpected absences.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

Payment for coverage will be based upon "batches" of CLETS transactions processed by the MPD staff at a rate of \$2,500.00 for each "batch" of 1-30 CLETS transactions per calendar year. The average SCPD "off hours" CLETS transactions for the past three years was less than 20 CLETS transactions per calendar year.

RECOMMENDATION:

Staff recommend the City Council authorize the City Manager to enter into a MOU between the MPD and SCPD for supplement CLETS coverage.

ATTACHMENTS:

1. Resolution
2. MOU

**CITY OF SAND CITY
RESOLUTION SC 26-____, 2026**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY AUTHORIZING THE CITY
MANAGER TO ENTER INTO A MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY OF MONTEREY POLICE DEPARTMENT AND THE CITY OF SAND CITY POLICE
DEPARTMENT FOR THE CALIFORNIA LAW ENFORCEMENT TELECOMMUNICATIONS
SYSTEM SUPPLEMENTAL COVERAGE**

WHEREAS, the California Law Enforcement Telecommunications System (CLETS) is a statewide computer network that enables law enforcement (LE) agencies to share and access official records; California Department of Justice (DOJ);

WHEREAS, the CLETS is maintained by the DOJ and access is strictly limited to legitimate official purposes and only by authorized LE personnel who have passed background checks, training, and security clearances;

WHEREAS, the LE agencies in California are granted access to CLETS by the DOJ for them to conduct police related operations and investigations and enter critical data on a 24-hour basis, where access to enter or retrieve information is crucial for the safety of the community, safety of LE personnel, and immediate data entry is required by state law;

WHEREAS, the SCPD does not have 24-hours access, but was previously supported by the Monterey County Sheriff's Office (MCSO), but because of staffing and budget shortfalls the MCSO can no longer provide supplemental CLETS coverage;

WHEREAS, the Monterey Police Department (MPD) can provide 24-hour CLETS coverage;

WHEREAS, the payment for coverage by the MPD will be based upon "batches" of CLETS transactions processed by the MPD staff at a rate of \$2,500.00 per each "batch" of 1 -30 CLETS transactions per calendar year;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby authorize the City Manager to enter into a Memorandum of Understanding between the MPD and SCPD for the CLETS supplement coverage.

PASSED AND ADOPTED by the City Council of the City of Sand City this ____, day of _____, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:

DATED: _____

Kerry Lindstrom, City Clerk

**MEMORANDUM OF UNDERSTANDING
BETWEEN
MONTEREY POLICE DEPARTMENT AND
SAND CITY POLICE DEPARTMENT**

This Memorandum of Understanding (MOU) is made and entered into as of the date of last signature, by and between the City of Monterey Police Department hereinafter “MPD” and the City of Sand City Police Department, hereinafter “SCPD.”

RECITALS

WHEREAS, the SCPD seeks to have the MPD provide California Law Enforcement Telecommunications System (hereinafter “CLETS”) coverage during the following periods: *Monday through Friday from 1630 hours to 0800 hours, and 24-hour coverage on Saturdays, Sundays, recognized holidays, and planned and unexpected absences.* This staffing is intended to supplement the existing operational hours of the SCPD and ensure continued compliance with the CLETS Policies, Practices, and Procedures.

WHEREAS, this MOU is not to supplement lunch, breaks, military leaves, medical leaves, or extended leaves during the course of the normal workdays, Monday – Friday 0800 to 1630 hours.

NOW, THEREFORE, IT IS MUTUALLY AGREE:

1. MONTEREY POLICE DEPARTMENT’S OBLIGATION:

MPD will be responsible for SCPD mandated CLETS Communications, including time-sensitive entries, locates, modifications, and cancellations for the SCPD *Monday through Friday from 1630 hours to 0800 hours, and 24-hour coverage on Saturdays, Sundays, recognized holidays, and planned and unexpected absences*, when SCPD is unavailable for CLETS mandated communications. Required timeframes, as may be amended, are as follows:

Stolen Vehicles System/Automated Boats System (SVS/ABS)	Immediate entry required (§§10500(a), 10551 CVC)
Missing/Unidentified Persons System (MUPS)	2-hour entry required (§14211(e) PC)
CA Restraining Orders and Protective Order System (CARPOS)	24-hour entry required (§6380(b) FC)
Automated Firearms System (AFS)	7 calendar day entry required (§11108.2(a) PC)
Automated Firearms System (AFS) – law enforcement agency transfer, institutional registration, or law enforcement officer retirement	10-day entry required (§§26620, 27620, 31835, 27600(c), and/or 27615 PC)
Automated Property System (APS)	3-day entry required (NCIC operating manual 3.2.2)

2. SAND CITY POLICE DEPARTMENT'S OBLIGATION:

The SCPD shall identify their Prime Mnemonic which will be used MPD to complete mandated CLETS communications.

The SCPD shall acknowledge Notices of Locate, NCIC messages and CLETS Emergency Administrative messages will be forwarded using the Time Activated Message Forwarding Request Form to the MPD's office who will be responsible for managing this form and associated obligations.

SCPD is responsible for the submission of required forms to the Department of Justice as it pertains to changes within the CLETS Terminal Activation Message Forwarding Agreements and mandated communications during hours of support *Monday through Friday from 1630 hours to 0800 hours, and 24-hour coverage on Saturdays, Sundays, recognized holidays, and planned and unexpected absences.*

3. COST PLAN

In consideration of the foregoing, SCPD will provide payment for coverage *Monday through Friday from 1630 hours to 0800 hours, and 24-hour coverage on Saturdays, Sundays, recognized holidays, and planned and unexpected absences*, at the rate of Two Thousand Five Hundred Dollars (\$2,500) for each "batch" of 1-30 CLETS transactions processed. A "batch" will include any amount of entries between 1-30 and will commence January 1 of every year and expire December 31 of every year. If a full "batch" is not utilized it will expire on December 31 and a new "batch" will begin upon the first entry after January 1 of that year with no credit provided for unused entries in the previous "batch" (i.e., "batches" will be obtained when the first entry is utilized and expire on December 31 of every year). MPD will provide updated costs each year to the SCPD prior to start of fiscal year (July 1st). Updated costs will be based on employee MOU cost-of-living adjustments, step increases, compensation studies, benefit increases, etc.

4. PAYMENT PROVISIONS

Invoicing shall occur upon the first CLETS entry of each "batch" of thirty (30) CLETS transaction intervals.

Invoices shall be sent to Finance Manager Jennifer Pope at jpope@sandcityca.org, and Chief of Police David Honda at dhonda@sandcitypd.org.

Each invoice shall be due and payable within thirty (30) days from the date of invoice.

5. SEVERABILITY

If any part, term or provision of this agreement shall be held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected thereby.

6. DOJ COMPLIANCE

All database inquiries resulting in a positive response, or a hit, must be confirmed SCPD. Confirmations and records validations of entered records must be provided on a 24-hour basis. A substantive response to an urgent request must be sent within a 10-minute time frame; a substantive response to a routine request must be provided within one (1) hour.

Stolen Vehicle System/Automated Boat System	Automated Firearms Systems	Missing/Unidentified Persons Systems	National Law Enforcement Telecommunications System
Wanted persons System	Automated property System	California Restraining order and Protective order System	National Crime Information Center

7. TERM AND TERMINATION

This Memorandum of Understanding shall become effective upon execution of all parties and shall continue through June 30, 2026, with automatic annual renewals thereafter aligned with each fiscal year, unless amended by mutual agreement or terminated as provided herein.

Either party may terminate this Agreement upon thirty (30) days' prior written notice, without cause.

8. INDEMNIFICATION

In lieu of and notwithstanding the pro rata risk allocation that might otherwise be imposed between the parties pursuant to Government Code section 895.6, the parties agree that any and all claims, lawsuits, consequential damages, losses or liabilities incurred by a party shall not be shared pro rata, but instead the parties agree, pursuant to Government Code section 895.4, as follows:

- a) Each party shall indemnify, defend, and hold harmless the other party to the extent allowed by law and in proportion to fault, against any and all third-party liability for claims, demands, costs, or judgments (direct, indirect, incidental, or consequential) involving bodily injury, personal injury, death, property damage, or other costs and expenses (including reasonable attorneys' fees, costs, and expenses) arising or resulting from the acts or omissions of its own officers, agents, employees, or representatives carried out pursuant to this Agreement.

- b) Each party will protect, defend, indemnify, and hold harmless the other party (including their officials, employees, and agents) from and against any and all liabilities, losses, damages, damages, expenses, or costs, including reasonable attorneys' fees, costs and expenses, which may arise against or be incurred by the other party as a result of or in connection with any actual or alleged breach of this Agreement by either party.
- c) These indemnity provisions shall survive the termination or expiration of this Agreement. Further, each party will be liable to the other party for attorneys' fees, costs, and expenses, which are incurred by the other party in enforcing this indemnification provision.

9. COMPLIANCE WITH STATE AND FEDERAL LAW

In performing acts related to this Agreement, the parties will comply with all applicable laws, rules, and regulations, both those in existence at the time of execution of this Agreement and those enacted subsequent to execution of this Agreement.

10. AMENDMENT

This Agreement constitutes the entire Agreement between the parties hereto and supersedes any and all prior agreements, whether oral or written, relating to the subject matter thereof. This Agreement may only be modified or amended by the written Agreement of the parties.

11. ASSIGNMENT

This Agreement may not be assigned or transferred by any of the parties without the express written consent of the other parties.

IN WITNESS WHEREOF, the parties hereto, by and through their respective duly authorized representatives, have executed this Memorandum on the date last written below.

CITY OF MONTEREY

Dante Hall, City Manager

Date

CITY OF SAND CITY

Vibeke Norgaard, City Manager

Date

**AGENDA ITEM
5G.**

**Acceptance of City/Successor Agency
Financial Report from April 2026**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council/Successor Agency Board Members
FROM: Jennifer Pope, Finance Manager
SUBJECT: April 2026 Financial Report
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

Attached are monthly financial reports for the City of Sand City and the Sand City Successor Agency of the former Redevelopment Agency.

A. City of Sand City Reports

- a. Cash Receipt Report, April 2026 (Attachment 1)
Revenue total - **\$996,181**
- b. Check Report, April 2026 (Attachment 2)
Expenditure total - **\$1,228,875**

B. Sand City Successor Agency for the former Redevelopment Agency Reports

- a. Revenue Report, April 2026 (Attachment 3)
Revenue total - **\$2,867**
- b. Check Report, April 2026
- c. Expenditures total - **\$0**

Transfers

Listed below are transfers from one bank account to another and should not be considered as revenue or expenditure.

Date	Source	Amount	Description

There were no transfers in April 2026.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

There is no fiscal impact with receiving this report.

RECOMMENDATION:

Receive the report.

ATTACHMENTS:

1. Sand City Cash Receipt Report
2. Sand City Check Report
3. Sand City Successor Agency Revenue Report



City of Sand City

Cash Receipt Report

By Transaction Code

Date Range: 4/1/2026 - 4/30/2026

Transaction Code	Entity Account	Receipt Date	Transaction Description	Applied Amount
SOU01	R00001438	4/1/2026 12:00:00 AM	South of Tioga Reimbursements	6,863.75
UUT	R00001441	4/2/2026 12:00:00 AM	Utility Users Tax	16,196.93
UUT	R00001442	4/2/2026 12:00:00 AM	Utility Users Tax	4,004.66
UUT	R00001443	4/2/2026 12:00:00 AM	Utility Users Tax	288.97
UUT	R00001444	4/2/2026 12:00:00 AM	Utility Users Tax	9.52
UUT	R00001445	4/2/2026 12:00:00 AM	Utility Users Tax	0.36
UUT	R00001446	4/2/2026 12:00:00 AM	Utility Users Tax	117.71
UUT	R00001447	4/2/2026 12:00:00 AM	Utility Users Tax	5.04
REF01	R00001448	4/2/2026 12:00:00 AM	Franchise TX RF.4040	13,162.85
PAR02	R00001449	4/2/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001450	4/2/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001451	4/2/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001452	4/2/2026 12:00:00 AM	Sand City Parking	75.00
PAR02	R00001453	4/2/2026 12:00:00 AM	Sand City Parking	40.00
WEST	R00001454	4/2/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001455	4/2/2026 12:00:00 AM	West End Revenue	150.00
RMRA	R00001456	4/2/2026 12:00:00 AM	Road Maintenance & Rehab	787.06
STAX	R00001457	4/2/2026 12:00:00 AM	Sales Tax Received	250,879.85
TUT01	R00001458	4/2/2026 12:00:00 AM	Transaction/Use Tax	48.71
TUT01	R00001459	4/2/2026 12:00:00 AM	Transaction/Use Tax	319,042.81
REIMB	R00001460	4/2/2026 12:00:00 AM	Reimbursements	100.40
REIMB	R00001461	4/2/2026 12:00:00 AM	Reimbursements	59.05
REIMB	R00001462	4/2/2026 12:00:00 AM	Reimbursements	203.63
REIMB	R00001463	4/2/2026 12:00:00 AM	Reimbursements	925.00
BL01	R00001464	4/2/2026 12:00:00 AM	Business License	1,056.00
CAS90	R00001464	4/2/2026 12:00:00 AM	CASP Fee	32.40
TOT01	R00001465	4/2/2026 12:00:00 AM	TOT Tax	570.13
TOT02	R00001465	4/2/2026 12:00:00 AM	Transient Occupancy Tax Penalties	57.01
TOT01	R00001467	4/3/2026 12:00:00 AM	TOT Tax	89,183.72
MCTID	R00001467	4/3/2026 12:00:00 AM	MCTID	5,789.52
MCTIDA	R00001467	4/3/2026 12:00:00 AM	MCTID Admin Fee	58.48
WEST	R00001468	4/9/2026 12:00:00 AM	West End Revenue	150.00
BUI01	R00001469	4/14/2026 12:00:00 AM	Building Permit 4115	709.00
CBSC	R00001469	4/14/2026 12:00:00 AM	CBSC	2.00
PLA02	R00001469	4/14/2026 12:00:00 AM	Plan Check Fee- Building	531.75
TOT01	R00001470	4/16/2026 12:00:00 AM	TOT Tax	342.00
TOT01	R00001471	4/16/2026 12:00:00 AM	TOT Tax	732.66
TOT01	R00001472	4/16/2026 12:00:00 AM	TOT Tax	763.60
TOT01	R00001473	4/16/2026 12:00:00 AM	TOT Tax	912.95
TOT01	R00001475	4/16/2026 12:00:00 AM	TOT Tax	1,398.77
TOT01	R00001476	4/16/2026 12:00:00 AM	TOT Tax	178.80

Transaction Code	Entity Account	Receipt Date	Transaction Description	Applied Amount
TOT01	R00001477	4/16/2026 12:00:00 AM	TOT Tax	721.73
TOT01	R00001478	4/16/2026 12:00:00 AM	TOT Tax	120,984.07
MCTID	R00001478	4/16/2026 12:00:00 AM	MCTID	8,672.50
MCTIDA	R00001478	4/16/2026 12:00:00 AM	MCTID Admin Fee	87.60
UUT	R00001479	4/16/2026 12:00:00 AM	Utility Users Tax	22.99
REF01	R00001480	4/16/2026 12:00:00 AM	Franchise TX RF.4040	19,215.38
PGE02	R00001481	4/16/2026 12:00:00 AM	PG&E- Electric	29,134.31
PGE02	R00001482	4/16/2026 12:00:00 AM	PG&E- Electric	12,153.55
PGE01	R00001483	4/16/2026 12:00:00 AM	PG&E- Gas	293.87
PGE01	R00001484	4/16/2026 12:00:00 AM	PG&E- Gas	4,269.09
REN01	R00001485	4/16/2026 12:00:00 AM	Rental Income	3,000.00
2103	R00001486	4/16/2026 12:00:00 AM	Gas Tax 2103	221.03
2105	R00001486	4/16/2026 12:00:00 AM	Gas Tax -2105 31	176.11
2106	R00001486	4/16/2026 12:00:00 AM	Gas Tax 2106 32	475.76
2107	R00001486	4/16/2026 12:00:00 AM	Gax Tax- 2107 33	242.97
TAMCX	R00001487	4/16/2026 12:00:00 AM	TAMC Measure X for Streets	12,114.36
COPS	R00001488	4/16/2026 12:00:00 AM	COPS Grant	8,333.33
PAR02	R00001489	4/16/2026 12:00:00 AM	Sand City Parking	100.00
PAR02	R00001490	4/16/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001491	4/16/2026 12:00:00 AM	Sand City Parking	75.00
PAR02	R00001492	4/16/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001493	4/16/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001494	4/16/2026 12:00:00 AM	Sand City Parking	40.00
MISC	R00001495	4/16/2026 12:00:00 AM	Misc revenue	12.00
WEST	R00001496	4/16/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001497	4/16/2026 12:00:00 AM	West End Revenue	300.00
REIMB	R00001498	4/16/2026 12:00:00 AM	Reimbursements	666.20
TOT01	R00001499	4/16/2026 12:00:00 AM	TOT Tax	666.62
PAR02	R00001501	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001502	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001503	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001504	4/17/2026 12:00:00 AM	Sand City Parking	40.00
VEHR	R00001505	4/17/2026 12:00:00 AM	Vehicle Release	95.00
PAR02	R00001506	4/17/2026 12:00:00 AM	Sand City Parking	100.00
PAR02	R00001507	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001508	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001509	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001510	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001511	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001512	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001513	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001514	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001515	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001516	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001517	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001518	4/17/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001519	4/17/2026 12:00:00 AM	Sand City Parking	40.00
SQU01	R00001520	4/17/2026 12:00:00 AM	Square Fees	(1.01)

Transaction Code	Entity Account	Receipt Date	Transaction Description	Applied Amount
PAR02	R00001523	4/17/2026 12:00:00 AM	Sand City Parking	75.00
WEST	R00001524	4/20/2026 12:00:00 AM	West End Revenue	150.00
ENG01	R00001525	4/20/2026 12:00:00 AM	Engineering Fees	1,305.00
WEST	R00001526	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001527	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001528	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001529	4/20/2026 12:00:00 AM	West End Revenue	150.00
PLA02	R00001530	4/20/2026 12:00:00 AM	Plan Check Fee- Building	178.00
ENG01	R00001531	4/20/2026 12:00:00 AM	Engineering Fees	870.00
WEST	R00001532	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001533	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001534	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001535	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001536	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001537	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001538	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001539	4/20/2026 12:00:00 AM	West End Revenue	150.00
REF02	R00001540	4/20/2026 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00001541	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001542	4/20/2026 12:00:00 AM	West End Revenue	150.00
PLA02	R00001543	4/20/2026 12:00:00 AM	Plan Check Fee- Building	343.50
REF02	R00001544	4/20/2026 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00001545	4/20/2026 12:00:00 AM	West End Revenue	150.00
ENG01	R00001546	4/20/2026 12:00:00 AM	Engineering Fees	435.00
WEST	R00001547	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001548	4/20/2026 12:00:00 AM	West End Revenue	300.00
REF02	R00001549	4/20/2026 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00001550	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001551	4/20/2026 12:00:00 AM	West End Revenue	300.00
PLA02	R00001552	4/20/2026 12:00:00 AM	Plan Check Fee- Building	638.10
WEST	R00001553	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001554	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001555	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001556	4/20/2026 12:00:00 AM	West End Revenue	150.00
PMISC	R00001557	4/20/2026 12:00:00 AM	Planning MISC Rev	103.00
WEST	R00001558	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001559	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001560	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001561	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001562	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001563	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001564	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001565	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001566	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001567	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001568	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001569	4/20/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001570	4/20/2026 12:00:00 AM	West End Revenue	150.00

Transaction Code	Entity Account	Receipt Date	Transaction Description	Applied Amount
WEST	R00001571	4/20/2026 12:00:00 AM	West End Revenue	150.00
SQU01	R00001572	4/20/2026 12:00:00 AM	Square Fees	(55.99)
PLA02	R00001573	4/21/2026 12:00:00 AM	Plan Check Fee- Building	1,259.22
CBSC	R00001574	4/23/2026 12:00:00 AM	CBSC	3.00
STR01	R00001574	4/23/2026 12:00:00 AM	Strong Motion Fee	14.03
BUI01	R00001574	4/23/2026 12:00:00 AM	Building Permit 4115	1,325.50
WEST	R00001575	4/27/2026 12:00:00 AM	West End Revenue	150.00
REF02	R00001575	4/27/2026 12:00:00 AM	West End Refundable Fees	100.00
TOT01	R00001576	4/28/2026 12:00:00 AM	TOT Tax	1,482.06
UUT	R00001577	4/28/2026 12:00:00 AM	Utility Users Tax	275.62
UUT	R00001578	4/28/2026 12:00:00 AM	Utility Users Tax	3,156.42
UUT	R00001579	4/28/2026 12:00:00 AM	Utility Users Tax	538.29
UUT	R00001580	4/28/2026 12:00:00 AM	Utility Users Tax	1.88
UUT	R00001581	4/28/2026 12:00:00 AM	Utility Users Tax	190.08
UUT	R00001582	4/28/2026 12:00:00 AM	Utility Users Tax	63.23
UUT	R00001583	4/28/2026 12:00:00 AM	Utility Users Tax	3,149.33
UUT	R00001584	4/28/2026 12:00:00 AM	Utility Users Tax	5.13
UUT	R00001585	4/28/2026 12:00:00 AM	Utility Users Tax	0.34
UUT	R00001586	4/28/2026 12:00:00 AM	Utility Users Tax	15,446.75
WEST	R00001587	4/28/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001588	4/28/2026 12:00:00 AM	West End Revenue	150.00
REF02	R00001588	4/28/2026 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00001589	4/28/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001590	4/28/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001591	4/28/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001592	4/28/2026 12:00:00 AM	West End Revenue	300.00
ART01	R00001593	4/28/2026 12:00:00 AM	Art Park Revenue	40.00
RMRA	R00001594	4/28/2026 12:00:00 AM	Road Maintenance & Rehab	818.81
POL01	R00001595	4/28/2026 12:00:00 AM	Police Report 4560	10.00
WEST	R00001596	4/28/2026 12:00:00 AM	West End Revenue	150.00
REF02	R00001596	4/28/2026 12:00:00 AM	West End Refundable Fees	100.00
REN01	R00001597	4/28/2026 12:00:00 AM	Rental Income	1,699.59
MSTSF	R00001598	4/28/2026 12:00:00 AM	MST SURF Project Reimbursement	7,776.50
WEST	R00001600	4/29/2026 12:00:00 AM	West End Revenue	300.00
REF02	R00001600	4/29/2026 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00001601	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001602	4/30/2026 12:00:00 AM	West End Revenue	1,000.00
WEST	R00001603	4/30/2026 12:00:00 AM	West End Revenue	300.00
WEST	R00001604	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001605	4/30/2026 12:00:00 AM	West End Revenue	150.00
BUI01	R00001606	4/30/2026 12:00:00 AM	Building Permit 4115	460.24
WEST	R00001607	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001608	4/30/2026 12:00:00 AM	West End Revenue	150.00
REF02	R00001609	4/30/2026 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00001610	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001611	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001612	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001613	4/30/2026 12:00:00 AM	West End Revenue	150.00

Transaction Code	Entity Account	Receipt Date	Transaction Description	Applied Amount
REF02	R00001614	4/30/2026 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00001615	4/30/2026 12:00:00 AM	West End Revenue	150.00
ENG01	R00001617	4/30/2026 12:00:00 AM	Engineering Fees	435.00
WEST	R00001618	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001619	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001620	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001621	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001622	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001623	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001624	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001625	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001626	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001627	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001628	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001629	4/30/2026 12:00:00 AM	West End Revenue	150.00
ENG01	R00001630	4/30/2026 12:00:00 AM	Engineering Fees	1,305.00
WEST	R00001631	4/30/2026 12:00:00 AM	West End Revenue	150.00
WEST	R00001632	4/30/2026 12:00:00 AM	West End Revenue	150.00
SQU01	R00001633	4/30/2026 12:00:00 AM	Square Fees	(9.01)
REF02	R00001634	4/30/2026 12:00:00 AM	West End Refundable Fees	100.00
WEST	R00001635	4/30/2026 12:00:00 AM	West End Revenue	150.00
REF02	R00001635	4/30/2026 12:00:00 AM	West End Refundable Fees	100.00
PAR02	R00001636	4/30/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001637	4/30/2026 12:00:00 AM	Sand City Parking	100.00
PAR02	R00001638	4/30/2026 12:00:00 AM	Sand City Parking	40.00
PAR02	R00001639	4/30/2026 12:00:00 AM	Sand City Parking	40.00
SQU01	R00001640	4/30/2026 12:00:00 AM	Square Fees	(0.24)
TOTAL RECEIPTS				<u><u>996,180.93</u></u>



City of Sand City

Check Report

By Check Number

Date Range: 04/01/2026 - 04/30/2026

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: Mechanics - General-Mechanics Bank - General Pooled Cash						
AFL01	Aflac	04/01/2026	Regular	0.00	548.98	41416
CLE01	California Law Enforcement Association	04/01/2026	Regular	0.00	288.00	41417
CSD01	California State Disburse Unit	04/01/2026	Regular	0.00	269.00	41418
HUM02	Humana Insurance Company	04/01/2026	Regular	0.00	4,798.03	41419
SAN01	Sand City Police Officers & Dept. Employees As	04/01/2026	Regular	0.00	1,420.00	41420
SUN02	Sun Life Financial	04/01/2026	Regular	0.00	967.92	41421
4LE01	4Leaf, Inc.	04/06/2026	Regular	0.00	4,552.22	41422
EMC02	EMC Planning Group, Inc.	04/06/2026	Regular	0.00	34,961.15	41423
HAR06	Harris & Associates, Inc	04/06/2026	Regular	0.00	33,508.75	41424
NDM01	Nadja De Maeseneer	04/06/2026	Regular	0.00	2,500.00	41425
NDM01	Nadja De Maeseneer	04/06/2026	Regular	0.00	1,105.00	41426
NDM01	Nadja De Maeseneer	04/06/2026	Regular	0.00	11,263.42	41427
ATO01	A to Z	04/14/2026	Regular	0.00	1,114.35	41428
AMA01	Amazon Capital Services, Inc	04/14/2026	Regular	0.00	699.70	41429
ATT04	AT&T	04/14/2026	Regular	0.00	85.24	41430
ATT03	AT&T	04/14/2026	Regular	0.00	203.89	41431
ATT05	AT&T Mobility	04/14/2026	Regular	0.00	1,086.45	41432
CAL15	California Consulting, Inc	04/14/2026	Regular	0.00	4,500.00	41433
CLA03	CliftonLarsonAllen, LLP	04/14/2026	Regular	0.00	500.00	41434
COM11	Comcast	04/14/2026	Regular	0.00	521.90	41435
COR05	Corodata Records Management	04/14/2026	Regular	0.00	65.20	41436
COR04	Corodata Shredding, Inc	04/14/2026	Regular	0.00	73.57	41437
MCT01	County of Monterey Treasurer- Tax Collector	04/14/2026	Regular	0.00	130.75	41438
CYP04	Cypress Coast Ford	04/14/2026	Regular	0.00	345.03	41439
HON01	David Honda	04/14/2026	Regular	0.00	240.61	41440
EMC02	EMC Planning Group, Inc.	04/14/2026	Regular	0.00	8,274.70	41441
EWI02	Ewing Irrigation Products, Inc	04/14/2026	Regular	0.00	277.35	41442
SHA03	Flex TG, LLC	04/14/2026	Regular	0.00	15.00	41443
GRA12	Graniterock	04/14/2026	Regular	0.00	242.10	41444
GRE01	Green Valley Landscape, Inc.	04/14/2026	Regular	0.00	1,185.00	41445
HAR06	Harris & Associates, Inc	04/14/2026	Regular	0.00	19,896.25	41446
HDL02	HDL Companies, LLC.	04/14/2026	Regular	0.00	359.76	41447
HDL04	Hinderliter de Llamas & Associates	04/14/2026	Regular	0.00	2,056.31	41448
HOM01	Home Depot Credit Service	04/14/2026	Regular	0.00	1,725.60	41449
HOP01	Hope Services	04/14/2026	Regular	0.00	6,792.50	41450
ICM01	ICMA	04/14/2026	Regular	0.00	1,200.00	41451
BUS05	Jeff Bushnell	04/14/2026	Regular	0.00	224.14	41452
LIN02	Kerry Lindstrom	04/14/2026	Regular	0.00	804.95	41453
KLE03	Kleinfeldt Family BBQ, Inc.	04/14/2026	Regular	0.00	4,785.00	41454
LCW01	Liebert Cassidy Whitmore	04/14/2026	Regular	0.00	285.00	41455
MBE02	Mastroianni, Michael	04/14/2026	Regular	0.00	1,200.00	41456
CEB01	Mauricio Cebada	04/14/2026	Regular	0.00	-320.00	41457
CEB01	Mauricio Cebada	04/14/2026	Regular	0.00	320.00	41457
MCP01	MCPOA	04/14/2026	Regular	0.00	175.00	41458
MEY01	Meyers Nave, Corporation	04/14/2026	Regular	0.00	25,905.74	41459
MOB02	Mobile Modular	04/14/2026	Regular	0.00	610.41	41460
MBP03	Monterey Bay Pest Control	04/14/2026	Regular	0.00	130.00	41461
MBT01	Monterey Bay Technologies, Inc.	04/14/2026	Regular	0.00	2,700.00	41462
MCW01	Monterey County Weekly	04/14/2026	Regular	0.00	1,540.25	41463
MRW02	Monterey Regional Waste Management District	04/14/2026	Regular	0.00	586.44	41464
MME01	Municipal Maintenance Equipment	04/14/2026	Regular	0.00	701,809.70	41465
PET01	Petty Cash	04/14/2026	Regular	0.00	146.70	41466
STU02	Sturdy Oil Company	04/14/2026	Regular	0.00	1,276.96	41467
USB01	US Bank Corp Payment Systems	04/14/2026	Regular	0.00	8,101.64	41468

Check Report

Date Range: 04/01/2026 - 04/30/2026

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
VER02	Veritone, Inc.	04/14/2026	Regular	0.00	1,000.00	41469
VES01	Vestis	04/14/2026	Regular	0.00	646.96	41470
WHI01	Whitson Engineers	04/14/2026	Regular	0.00	286.00	41471
4LE01	4Leaf, Inc.	04/27/2026	Regular	0.00	5,957.36	41472
AMA01	Amazon Capital Services, Inc	04/27/2026	Regular	0.00	745.04	41473
ART04	Arts Council for Monterey County	04/27/2026	Regular	0.00	250.00	41474
ATT03	AT&T	04/27/2026	Regular	0.00	203.89	41475
CRA04	Audrey Cray	04/27/2026	Regular	0.00	139.15	41476
CAL01	California American Water	04/27/2026	Regular	0.00	1,286.86	41477
CBS01	California Building Standards Commission	04/27/2026	Regular	0.00	31.00	41478
COM11	Comcast	04/27/2026	Regular	0.00	169.00	41479
CHO01	Community Hospital of the Monterey Peninsula	04/27/2026	Regular	0.00	56.00	41480
MON08	County of Monterey Sheriff-Marshall-Coroner	04/27/2026	Regular	0.00	7,453.49	41481
CYP04	Cypress Coast Ford	04/27/2026	Regular	0.00	982.79	41482
DEP01	Department of Conservation	04/27/2026	Regular	0.00	140.83	41483
EMC02	EMC Planning Group, Inc.	04/27/2026	Regular	0.00	33,139.87	41484
FIR03	First Alarm Security and Patrol, Inc	04/27/2026	Regular	0.00	1,335.78	41485
SHA03	Flex TG, LLC	04/27/2026	Regular	0.00	232.87	41486
POP03	Jennifer Pope	04/27/2026	Regular	0.00	650.35	41487
BAL05	Jerod Balthrop	04/27/2026	Regular	0.00	200.00	41488
LCW01	Liebert Cassidy Whitmore	04/27/2026	Regular	0.00	34.50	41489
MBA01	Monterey Bay Area Self Insurance	04/27/2026	Regular	0.00	98.00	41490
NDM01	Nadja De Maeseneer	04/27/2026	Regular	0.00	793.15	41491
NDM01	Nadja De Maeseneer	04/27/2026	Regular	0.00	2,500.00	41492
PGE01	Pacific Gas & Electric	04/27/2026	Regular	0.00	2,098.11	41493
PRI01	Primo Brands	04/27/2026	Regular	0.00	70.82	41494
PUB01	Public Storage	04/27/2026	Regular	0.00	546.00	41495
SEE01	See Monterey	04/27/2026	Regular	0.00	22,197.52	41496
SPC01	SPCA	04/27/2026	Regular	0.00	30.00	41497
STA03	Star Sanitation, LLC	04/27/2026	Regular	0.00	909.20	41498
STU02	Sturdy Oil Company	04/27/2026	Regular	0.00	1,390.04	41499
CAM03	Talking Walls, LLC	04/27/2026	Regular	0.00	40,000.00	41500
USB01	US Bank Corp Payment Systems	04/27/2026	Regular	0.00	9,945.75	41501
VER01	Verizon Wireless	04/27/2026	Regular	0.00	64.25	41502
ZUM01	Zumar Industries, Inc.	04/27/2026	Regular	0.00	329.20	41503
EDD001	Employment Development Dept	04/15/2026	Bank Draft	0.00	1,752.96	DFT0000313
EFTPS	Electronic Federal Tax Payment System	04/15/2026	Bank Draft	0.00	3,843.81	DFT0000314
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	1,930.45	DFT0000317
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	3,821.27	DFT0000318
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	3,924.81	DFT0000319
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	7,581.09	DFT0000320
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	7,713.42	DFT0000321
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	6,862.60	DFT0000322
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	888.08	DFT0000323
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	3,818.62	DFT0000324
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	11,663.80	DFT0000325
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	5,796.91	DFT0000326
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	2,910.50	DFT0000327
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	10,454.96	DFT0000328
PERSRETIREMENT	CalPERS Retirement	04/30/2026	Bank Draft	0.00	46.00	DFT0000329
PERSHEALTH	CalPERS Health	04/30/2026	Bank Draft	0.00	39,039.54	DFT0000330
CAL16	Calpers 457 Plan	04/30/2026	Bank Draft	0.00	24,071.74	DFT0000331
EDD001	Employment Development Dept	04/30/2026	Bank Draft	0.00	15,835.54	DFT0000332

Check Report

Date Range: 04/01/2026 - 04/30/2026

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
EFTPS	Electronic Federal Tax Payment System	04/30/2026	Bank Draft	0.00	42,949.79	DFT0000333

Bank Code Mechanics - General Summary

Payment Type	Payable Count	Discount	Payment
Regular Checks	148	0.00	1,034,289.44
Manual Checks	0	0.00	0.00
Voided Checks	0	0.00	-320.00
Bank Drafts	19	0.00	194,905.89
EFT's	0	0.00	0.00
	167	0.00	1,228,875.33



City of Sand City Successor Agency

Revenue Report

By Transaction Code

Date Range: 4/1/2026 - 4/30/2026

Transaction Code	Account	Receipt Date	Transaction Description	Applied Amount
INT01	40-4410-801	2/27/2026	Bank Interest	2,867.16
Total Cash Receipts				<u>2,867.16</u>

**AGENDA ITEM
7A.**

**Receive Informational Update on the
Community Emergency Response Team
(CERT) Program from Justin Cooper, Fire
Department Division Chief**

**AGENDA ITEM
8A.**

**First Reading of an Ordinance Approving a
Development Agreement Between the
City of Sand City and New Dawn Equity
Partners, LLC for the Monterey Bay Shores
Resort**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager, Adam Lindgren, City Attorney and Nicholas McIlroy, Planning Manager
SUBJECT: Introduction and First Reading of an Ordinance Approving a Development Agreement Between the City of Sand City and New Dawn Equity Partners, LLC to Establish Vested Development Rights and Public Benefits for the Monterey Bay Shores Resort, a Mixed-Use Visitor-Serving and Residential Resort Project Located on Approximately 39 Acres Along the Sand City Shoreline.
DATE: June 2, 2026

BACKGROUND

Development agreements are authorized under California Government Code Section 65864 et seq., which allows cities to enter into binding agreements with property owners to establish vested development rights and provide certainty for both the developer and the public. In exchange, developers typically commit to public benefits beyond what could otherwise be required.

The project site, Monterey Bay Shores Resort, has a lengthy entitlement history. In 1998, the Sand City City Council initially approved a mixed-use resort. Following appeals, the California Coastal Commission assumed de novo jurisdiction, serving as the CEQA Lead Agency. The Commission approved the Coastal Development Permit (CDP) in 2014; its Staff Report and Findings serve as the functional equivalent of an Environmental Impact Report (EIR).

The City Council subsequently approved the Vesting Tentative Map (VTM) on December 15, 2015 (Resolution SC 15-78). Following multiple extensions, the VTM expires on August 14, 2026. With entitlements active, the Developer is ready to construct and seeks this Development Agreement (DA) to extend the VTM and Project Approvals. In exchange, the City will receive updated financial considerations. The DA does not modify the Local Coastal Program (LCP) Land Use Plan or alter the physical design of the project.

PROJECT DESCRIPTION

The Monterey Bay Shores Resort is proposed on approximately 39 acres along 1,500 linear feet of Sand City's shoreline, situated between Highway 1 and the Monterey Bay. Bounded by Fort Ord Dunes State Park and the Eolian Dunes Preserve, the approved project

subdivides the property into three parcels. The built footprint will occupy approximately 12 acres, set into the dunes, and consists of:

- 184 hotel units: Includes a restaurant, conference center, spa, retail, three pools, and 947 parking spaces.
- 92 visitor-serving condos: (Condo-hotel units).
- 92 residential condos: (Straight residential units).

The hotel, spa, and condo-hotel will occupy a 12.496-acre parcel; residential units will occupy a 9.884-acre parcel; the remaining 16.665-acre parcel encompasses the beach, foredune, and underwater areas. The project includes roadway extensions, public trails, dune restoration, and utility infrastructure. All densities remain within the maximum limits permitted by the Local Coastal Program.

SUMMARY OF DEVELOPMENT AGREEMENT

The proposed DA establishes vested rights and regulatory certainty for construction. The Agreement has an initial seven-year term, a four-year milestone extension, and up to two years of tolling for litigation. It freezes City land use rules in effect on the Effective Date, protecting the project from future conflicting ordinances, while requiring full compliance with current building, safety, and impact fee updates. Further, the City will receive targeted revenues, including a patrol vehicle contribution, pavement fees, parkland fees, construction sales tax allocation, and ongoing service funding via a new Community Facilities District. Standard provisions cover annual reviews, default remedies, and City indemnification. Key deal points are summarized below.

KEY TERMS OF THE DEVELOPMENT AGREEMENT AT A GLANCE:

Term	Detail
Initial Term	7 years from Effective Date.
First Term Extension	4 additional years upon meeting construction milestones.
Tolling	Up to 2 years for third-party lawsuits or voter initiatives.
Approval Extension	All Current Approvals, including the VTM, extended for the duration of the Term.
Vested Standards	City Rules in effect on the Effective Date govern permitted uses, density, and height.
Excluded from Vesting	Building/fire codes, public improvement standards, processing fees, and state/federal law updates.
Processing Fees	Full cost recovery for City staff, attorney, and consultant time.

Patrol Vehicle	One-time contribution towards an all-terrain police vehicle or other patrol vehicle; due within 30 days of first building permit, except grading.
Community Facilities District	CFD established prior to first building permit, except grading, to fund ongoing City service costs outside of the project.
Pavement Management Fee	Annual fee dedicated to streets impacted by construction.
Parkland Fee	In-lieu fee per SCMC Chapter 17.68 paid at Final Map approval.
Sales and Use Tax	Developer to request Contractors to use CDTFA sub-permits to allocate eligible local tax to Sand City.
Local Hiring	Good faith efforts per SCMC Chapter 12.20; job openings routed to City Manager.
Public Art	Minimum one exterior mural/sculpture and 10 local interior works; maintained for life of project.
Excess Sand	Priority reuse for Sand City beach replenishment; Developer covers transport within 3/4 mile.

CEQA:

The project was evaluated under CEQA via the California Coastal Commission's CDP process. As Lead Agency, the Commission issued a Substitute Environmental Document serving as the functional equivalent of an EIR. This document detailed all environmental effects, including coastal hazards, visual resources, and traffic.

Pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental environmental review is required. The City Council confirms that no substantial changes to the project or surrounding circumstances have occurred, and no new information of substantial importance has arisen since the original evaluation. The DA introduces no new physical impacts.

FISCAL IMPACT:

Approval of the Development Agreement (DA) would result in no net fiscal impact to the City. The Agreement provides for full reimbursement of all City staff, legal, and consultant review costs associated with project evaluation.

RECOMMENDATION:

Staff recommends that the City Council introduce and conduct the first reading of an Ordinance approving the Development Agreement between the City of Sand City and New Dawn Equity Partners, LLC for the Monterey Bay Shores Resort, and direct staff to schedule the second reading and adoption of the Ordinance at the next regular City Council meeting.

ATTACHMENTS:

1. Ordinance
2. Exhibit A: Development Agreement and Exhibits A,B and C

**CITY OF SAND CITY
ORDINANCE NO SC 26-____, 2026**

**ORDINANCE OF THE CITY OF SAND CITY APPROVING A DEVELOPMENT
AGREEMENT BETWEEN THE CITY OF SAND CITY AND NEW DAWN EQUITY
PARTNERS, LLC FOR THE MONTEREY BAY SHORES RESORT**

THE CITY COUNCIL OF THE CITY OF SAND CITY HEREBY ORDAINS AS FOLLOWS:

SECTION 1: Approval of Development Agreement.

The City Council hereby approves the Development Agreement between the City of Sand City and New Dawn Equity Partners, LLC for the Monterey Bay Shores Resort, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference. The City Manager is hereby authorized and directed to execute the Development Agreement on behalf of the City, and the City Clerk is hereby authorized and directed to attest to the City Manager's signature and to record the Development Agreement with the Monterey County Recorder's Office within ten (10) days of execution, in accordance with Government Code Section 65868.5.

SECTION 2: General Plan Consistency.

The City has previously examined the Monterey Bay Shores Resort Project in approving the Vesting Tentative Map and found it consistent with the City General Plan and the Local Coastal Program. The City readopts those findings by reference here and finds this Development Agreement consistent with the General Plan because the Development Agreement makes no substantive changes to the Vesting Tentative Map.

SECTION 3: California Environmental Quality Act.

The California Coastal Commission served as Lead Agency under CEQA for the Monterey Bay Shores Resort and completed a Substitute Environmental Document serving as the functional equivalent of an Environmental Impact Report. Pursuant to CEQA Guidelines Section 15162, the City Council finds that no subsequent or supplemental environmental review is required in connection with this Ordinance, as no substantial changes to the project or its circumstances have occurred and no new information of substantial importance has become available since the Substitute Environmental Document was completed that would require further environmental review.

SECTION 4: Severability.

If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such decision shall not

affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and every section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 5: Effective Date.

Within fifteen (15) days after adoption, a summary of this Ordinance shall be published once in a newspaper of general circulation printed and published in Monterey County and circulated in the City of Sand City, in accordance with Government Code Section 36933. This Ordinance shall become effective thirty (30) days following its adoption. The Development Agreement shall become effective as of the date specified therein, consistent with the terms of the Agreement.

PASSED AND ADOPTED, by the City Council of Sand City, this ____ day of ____ 2026 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED:

ATTEST:

Mary Ann Carbone, Mayor

Kerry Lindstrom, City Clerk

**Recording Requested by:
SAND CITY**

WHEN RECORDED, RETURN TO:

**Sand City, California
City Clerk
1 Pendergrass Way,
Sand City, CA 93955**

Space Above for Recorder's Use Only

DEVELOPMENT AGREEMENT

BY AND BETWEEN

SAND CITY, CALIFORNIA

AND

NEW DAWN EQUITY PARTNERS, LLC RELATING TO THE

DEVELOPMENT COMMONLY KNOWN AS

THE MONTEREY BAY SHORES RESORT

**DEVELOPMENT AGREEMENT BY AND BETWEEN SAND CITY CALIFORNIA AND NEW
DAWN EQUITY PARTNERS, LLC RELATING TO THE DEVELOPMENT COMMONLY
KNOWN AS THE MONTEREY BAY SHORES RESORT**

This Development Agreement ("**Agreement**") is entered into as of _____, 2026, by and between the City of Sand City, a municipal corporation and charter city ("**City**"), and New Dawn Equity Partners, LLC, a Delaware limited liability company registered in California ("**NEW DAWN**" or "**Developer**"). City and Developer are sometimes referred to individually herein as a "**Party**" and collectively as the "**Parties**."

RECITALS

- A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California enacted Government Code section 65864 *et seq.* ("**Development Agreement Statute**"), which authorizes a city to enter into a development agreement with any person having a legal or equitable interest in real property regarding the development of such property and establishing certain development rights therein.
- B. Developer has a legal or equitable interest in approximately Thirty-Nine and Four Hundredth (39.04) acres of real property in Sand City, located Assessor's Parcel Number(s) 011-501-014. The foregoing properties are more specifically described in the legal description in Exhibit A and shown on the map set forth in Exhibit B, both of which are attached hereto and incorporated herein (collectively, "**Subject Property**").
- C. The Subject Property extends along approximately 1,500 linear feet of the City's shoreline in the dunes between Highway One to its east (and the Monterey Bay Sanctuary Scenic Trail, a widely used public recreational access trail located just seaward of Highway One) and the Monterey Bay, between Fort Ord Dunes State Park (upcoast) and Monterey Peninsula Regional Park District's Eolian Dunes Preserve (downcoast). The Subject Property is located immediately seaward of the Fremont Street exit/entrance along southbound Highway One at the upcoast and seaward edge of the City (the City limit line runs along the State Park boundary). The Subject Property is an undeveloped dune area, a former sand-mining site, that is part of the undeveloped dunes extending both up and downcoast on the adjacent public park lands.
- D. The Project was initially approved by the City on December 1, 1998 by Resolution No. SC 98-93. As approved by the City, the Project included:
- 1) a 228-room hotel;
 - 2) 132-unit vacation ownership resort;
 - 3) 76 visitor serving (rental pool) condominium units;
 - 4) 161 residential condominium units;
 - 5) auxiliary facilities including a restaurant, conference rooms, and other commercial auxiliary facilities;

- 6) open space, public access trails and recreation area; and
- 7) 10.2 acres of restored and stabilized sand dune habitat.
- E. The Project was considered and reviewed by the California Coastal Commission (“**Coastal Commission**”) multiple times before the Coastal Commission ultimately approved a Coastal Development Permit (CDP) A-3-SNC-98-114 in April 2014. The CDP was issued on November 9, 2015. All Pre-Construction conditions, as set forth in Special Condition 2 of the CDP, were met by December 2017, with Coastal Commission signoff on February 2, 2018 authorizing grading and construction of the Monterey Bay Shores Resort to proceed forward on the subject property as specified in the CDP and Habitat Protection Plan (HPP) (collectively the “**Monterey Bay Shores Resort**” or “**Project**”). The City issued a Building Permit No. 1272 after which grading commenced in February 2018. This Agreement does not make any changes to the CDP.
- F. The Project has multiple Land Use Plan (“**LUP**”) and Implementation Plan (“**IP**”) land use designations, including visitor-serving commercial, visitor-serving residential (medium density), medium density residential, and public recreation. The applicable Local Coastal Program (“**LCP**”) explicitly states that these densities are maximums, and the LUP requires permitted development intensity to be limited so that constraints such as public access and recreation needs, natural hazard avoidance, dune habitat and natural landform protection, and public view protection and enhancement are adequately addressed.
- G. The Parties desire to develop the Subject Property with extensive hospitality, residential and commercial uses that will benefit the City and the broader community on the Monterey Peninsula. As described more fully in the Approvals (as that term is defined below), the Monterey Bay Shores Resort will involve the creation of three new parcels as described in the VTM (12.496-acre, 9.884-acre, and 16.665-acre), which will allow for all of the following development:
- A total of approximately 1,337,909 square-feet mixed-use residential and visitor-serving project including 184 hotel units, 92 straight residential condominium units, and 92 visitor-serving residential condominium units (akin to quasi residential condo-hotel units), courtyards/gardens, restaurant, conference center, spa, retail, 3 swimming pools, and surface and underground parking for 947 vehicles. The Project is designed to be set into the dunes, and the development program would occupy approximately 12 acres of the Project Site.
 - The 16.665-acre parcel would include the beach, foredune, and underwater area.
 - The 12.496-acre parcel would be occupied by the main resort, including the hotel, spa, and condo-hotel components, as well as the surrounding dune area.
 - The 9.884-acre parcel would be occupied by the straight residential component of the Project.
 - The Project also includes a roadway extension from inland public roads, three entrance driveways from the roadway extension, public access trails and amenities, including public parking, dune restoration, utility extensions and

infrastructure, and related development (i.e., gate and gatehouse, emergency access road, tunnel access to resort, signs, fences, lights, trails, etc.)

- H. The Project is consistent with the General Plan and Local Coastal Program as specified in Exhibit C of the VTM, the findings of which are incorporated herein as Exhibit D. Nothing in the Coastal Commission's Project Approvals changed the evidence supporting the General Plan consistency. The Project remains consistent with the City's General Plan.
- I. To comply with the California Environmental Quality Act (Cal. Pub. Res. Code § 21000 *et seq.* and 14 Cal. Code Regs. § 15000 *et seq.*; "**CEQA**"), in December, 1998, at a duly noticed public hearing, the San Diego City Council ("**Council**") adopted the Environmental Impact Report for the Monterey Bay Shores Resort 1997061005, and in October, 2008, the Council adopted an Addendum to the Final EIR ("**EIR**"), as described more fully in the Resolution, and made the required findings.
- J. The Coastal Commission assumed de novo jurisdiction over the Coastal Development Permit, which incorporated the vesting tentative map originally approved by the City, during the Original Project's appeal process, making the Coastal Commission the Lead Agency on the Project and the City a Responsible Agency for the Project for the purposes of the CEQA, where the Coastal Commission's Staff Report, Findings, and Revised Findings provide a full and detailed evaluation of the potential environmental effects of the Reduced Project, including hazards (coastal and geologic hazards, sea-level rise, and bluff-top edge erosion/retreat), visual resources, natural resources, traffic and circulation, lower-cost visitor-serving facilities, public access and recreation, and public services whereby the Coastal Commission Staff Report serves as the functional equivalent of an EIR (sometimes called a Substitute Environmental Document), in accordance with CEQA.
- K. At the same duly noticed public hearing on December 15, 2015, the Council adopted Resolution SC 15-78 approving the vesting tentative map ("**VTM**"). The VTM allows for all future final maps, parcel maps to be recorded in phases. The City wishes to obtain reasonable assurances that Developer will provide and implement the public benefits in accordance with the terms of this Agreement, and Developer wishes to obtain reasonable assurances that the Project may be developed in accordance with the terms of this Agreement and the Project Approvals. Therefore, the Parties wish to enter into this Development Agreement.
- L. Following initial adoption of Resolution SC 15-78, the Council adopted the following additional discretionary approvals for the Project:
 - 1) February 2018: The City Council adopted Resolution SC 18-15 recognizing the 14-month litigation stay and extending the VTM expiration date to February 14, 2019.
 - 2) February 5, 2019: The City Council adopted Resolution SC 19-07 granting an additional one-year extension of the VTM pursuant to Government Code §§ 66452.6(a)(1), 66463.5(a), and applicable provisions of the San Diego Municipal Code, extending the VTM to February 14, 2020.
 - 3) January 16, 2020: The City Council extended the expiration date of the VTM for the Project for a five (5) year extension with expiration on February 14, 2025.

- 4) The VTM was statutorily extended pursuant to AB 2729, which automatically extends the life of qualifying vesting tentative maps by 18 months, to August 14, 2026.
- M. Following the years of work on the entitlements, the Project is now approved by the Coastal Commission and the Developer is ready to proceed with construction. The Developer is seeking this Development Agreement to extend the life of the map and Project Approvals to allow a reasonable amount of time to proceed with development. In exchange for this Agreement the City would receive additional and updated financial consideration that will not modify the LUP, the CDP or cause any physical change to the Project.
- N. City has given the required notice of its intention to consider adoption of this Agreement and has conducted the required public hearings thereon. City has reviewed and evaluated this Agreement in accordance with the Development Agreement Law and found that the provisions of this Agreement and its purposes are consistent with the Development Agreement Statute and the applicable goals, policies, standards, and land use designations specified in the General Plan and Local Coastal Program. On _____, 2026, consistent with the Development Agreement Statute, at a duly noticed public hearing, the Council, serving as the City's Planning Agency for purposes of Development Agreement review pursuant to Government Code section 65867, held a public hearing to consider this Development Agreement.
- O. On _____, 2026, consistent with the Development Agreement Statute, at a duly noticed public hearing, the Council considered this Agreement. The Council also confirmed that since the EIR was certified, and the Coastal Commission did its functional equivalent of an EIR review in accordance with CEQA, there had been no substantial changes to the Monterey Bay Shores Resort or to the circumstances under which it will be undertaken, and no new information had become available, which would require further environmental review to be conducted. Therefore, no additional environmental review was necessary in order for the Council to take action on this Agreement. Thereafter, the Council approved this Agreement, and introduced Ordinance No. _____, after making the required findings ("**Development Agreement**" or "**Agreement**"). Subsequently, on _____, 2026, the Council conducted a second reading on and adopted the foregoing ordinance approving the Development Agreement.
- P. Collectively, each of the permits, entitlements, and approvals for the Monterey Bay Shores Resort referenced in Recitals A-O above, shall each be referred to as a "**Current Approval**" and, collectively, "**Current Approvals**." The Current Approvals include the vesting tentative map; pursuant to California Government Code 65943, once a vesting tentative map is approved or conditionally approved, the developer may proceed with development in substantial compliance with the ordinances, policies, and standards in effect on the date that the developer's application for a vesting tentative map was deemed complete; the application for the VTM was deemed complete by the City on _____; therefore, subject to the terms and conditions of this Development Agreement, the Current Approvals allow the Project to proceed with development in substantial compliance with the City ordinances, policies, and standards in effect on _____, subject to the terms of the VTM (which provides in part that public improvements shall be designed and constructed in accordance with City standards in effect "at the time development occurs"). Notwithstanding the foregoing, the Parties acknowledge and agree the authority of a City to impose conditions to later approvals,

after a VTM extension, pursuant to *McMullan v Santa Monica Rent Control Bd.* (1985) 168 CA3d 960. Notwithstanding anything to the contrary in the foregoing, with respect to the Coastal Development Permits referenced in Recital I above, the Parties recognize the continuing state authority of the California Coastal Commission under the Coastal Act (Pub. Res. Code § 30000 *et seq.*).

- P. City anticipates that during the Term (as that term is defined below) of this Agreement and subsequent to the Effective Date (as that term is defined below), Developer will seek from City (as well as other public agencies having jurisdiction over aspect(s) of the Project) certain other implementing approvals, entitlements, and permits that are necessary or desirable for the Monterey Bay Shores Resort. Those Subsequent Approvals (as that term is defined below) consist of any approvals, entitlements and/or permits that may be necessary or desirable to develop the Monterey Bay Shores Resort and may include, without limitation, tentative and final subdivision map(s), parcel map(s), lot line adjustment(s), conditional use permit(s), coastal development permit(s), design review, tree removal permit(s), sign permit(s), permit(s) under Section 404 of the Clean Water Act, permit(s) under the Federal Endangered Species Act and California Endangered Species Act, encroachment permit(s), vacation and/or abandonment of public roadway(s), demolition permit(s), grading permit(s), building permit(s), and/or certificate(s) of occupancy (each a “**Subsequent Approval**” and, collectively, the “**Subsequent Approvals**”).
- Q. The terms and conditions of this Agreement have undergone review by City staff, its Planning Department, the City Attorney, as well as review by the Council at duly noticed public meetings and hearings and have been found to be fair, just, and reasonable, and in conformance with City’s General Plan, Local Coastal Program and City’s Municipal Code; and, further, City finds that the interests of its citizens and the public health, safety, and welfare will best be served by entering into this Agreement.

NOW, THEREFORE, in consideration of the promises, covenants, and provisions set forth herein, the receipt and adequacy of which consideration is acknowledged, City and Developer agree as follows.

AGREEMENT

ARTICLE I. **DESCRIPTION OF SUBJECT PROPERTY, PROPOSED DEVELOPMENT, EFFECTIVE DATE, AND TERM.**

Section 1.01. **Description of Subject Property.** This Agreement vests the laws applicable to development of the Monterey Bay Shores Resort on the Subject Property as of the Effective Date.

Section 1.02. **Proposed Development.** Subject to the terms and conditions of this Agreement, Developer shall have the vested right to construct the Monterey Bay Shores Resort in accordance with the Current Approvals. Developer shall have the right to have Subsequent Approvals and amendments to the Current Approvals considered for approval or denial, based upon the terms, standards, and requirements set forth in the Current Approvals. In exercising its discretion when acting upon Subsequent Approvals, the City shall apply the Current Approvals as the controlling body of law within which the City’s discretion shall be exercised. Notwithstanding the foregoing or anything to the contrary herein, any amendment to the Project Approvals shall not become part of the law Developer is vested into under this Agreement

unless an additional amendment of this Agreement is entered into between Developer and City in accordance with this Agreement or a new vesting tentative map is granted.

Section 1.03. Effective Date. The rights, duties, and obligations hereunder shall be effective, and the Term (as that term is defined in Section 1.05 below) shall commence on the “**Effective Date**,” which shall be the effective date of this Development Agreement. The Effective Date shall be inserted above, where indicated. The Parties acknowledge that Section 65868.5 of the Development Agreement Statute requires that City record this Agreement with the Monterey County Recorder’s Office no later than ten (10) days after the Parties enter into this Agreement and that the burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties hereto, subject to the assignment provisions in Article IX below.

Section 1.04. Initial Term. The term of this Agreement shall commence on the Effective Date and shall expire seven (7) years thereafter (“**Initial Term**”) unless it is sooner terminated, modified or extended consistent with the terms of this Development Agreement. This Development Agreement shall automatically terminate upon expiration of the Initial Term unless otherwise extended pursuant to Section 1.05 below, and shall, upon termination, be of no further force and effect except for the provisions of this Agreement that expressly survive termination. At such time as this Development Agreement expires, Developer shall thereafter retain no vested rights under this Development Agreement except for the provisions of the Agreement that expressly survive termination, and City shall have the right to apply new laws, regulations, and fees to the development of the Subject Property; provided, however, this Section 1.04 shall not be interpreted to diminish any vested rights that Developer may have obtained pursuant to the VTM and/or common law.

Section 1.05. Extended Term. The Term of this Agreement may be extended beyond the Initial Term only in the manner provided in this Section 1.05. The Initial Term, together with any extension(s) of the Initial Term under this Section 1.05, are collectively referred to as the “**Term**.” Unless earlier terminated pursuant to the terms hereof, following the expiration of the Term or the earlier completion of the Project and satisfaction of the Parties’ respective obligations in connection therewith, this Agreement shall be deemed terminated and of no further force and effect, except for the provisions of this Agreement that expressly survive termination.

(a) **First Term Extension.** So long as Developer is in compliance with the terms and provisions of this Agreement and Developer has received final building permits for and commenced substantial vertical construction of one or more buildings for residential or hotel use, then Developer shall have the right, in its discretion, to extend the Initial Term by one (1) additional period of four (4) years. In the event Developer desires to so extend this Agreement, then Developer shall give the City Planning Department and the City Planner a written extension notice at least one hundred twenty (120) days before the end of the Initial Term.

(b) **Additional Extensions; Tolling.** In addition to the First Term Extension under Section 1.05(a) above, the Term may be further extended or tolled as provided in this Section 1.05(b); provided, however, that the period(s) during which this Agreement is extended and/or tolled under this Section 1.05(b) shall, under no circumstances, exceed a total of two (2) years, which two-year limit shall be calculated by combining any and all period(s) during which the Agreement is extended and/or tolled.

(i) Tolling for Third-Party Lawsuit. If any third party files a lawsuit to challenge this Agreement, City's CEQA determination made in connection with its consideration of this Agreement and/or any other Current Approval(s), any Subsequent Approval(s), or any action taken or finding made by City in connection with the Current Approvals or Subsequent Approvals (each a "**Third-Party Lawsuit**"), Developer may request that the Term be tolled during the pendency of the Third-Party Lawsuit by providing a written notice ("**Tolling Notice**") to City within thirty (30) days after the commencement of the Third Party Lawsuit, and said request shall be granted by City. The tolling of the Term shall automatically begin upon City's receipt of the Tolling Notice, and it shall end on the earliest of the following to occur: (A) the date on which a court issues a final judgment in the Third-Party Lawsuit and the expiration of all appeal period(s) following that judgment; (B) the date the Third-Party Lawsuit is dismissed; or (C) the end of the two (2) year period of combined tolling allowed under this Section 1.05(b). If in a Third-Party Lawsuit, the court issues a temporary restraining order or injunction prohibiting Developer from taking action(s) to proceed with the Monterey Bay Shores Resort, the Term also shall automatically be tolled beginning on the date the temporary restraining order or injunction is issued, and ending on the earliest of the following to occur: (1) the date the temporary restraining order or injunction is lifted or vacated; or (2) the end of the two (2) year period of combined tolling allowed under this Section 1.05(b).

(ii) Tolling for Initiative or Referendum. If the subject of an initiative petition or referendum petition would overturn, set aside, or substantially modify this Agreement, the other Current Approvals or the Subsequent Approval(s), or otherwise substantially impair the development of the Monterey Bay Shores Resort, the Term of this Agreement shall be tolled under this Section 1.05(c)(ii). The Term shall be automatically tolled beginning on the date that the initiative or referendum petition is submitted to the Monterey County elections official for signature verification, and ending on the date the last of the following occurs: (A) the date the County elections official determines the petition does not include a sufficient number of signatures; (B) the date the measure is voted on by the Council; or (C) the date of the election on the measure, if placed on the ballot. In no event shall tolling under this subsection exceed one (1) year.

ARTICLE II.

STANDARDS, LAWS, AND PROCEDURES GOVERNING THE PROPOSED DEVELOPMENT.

Section 2.01. Vested Right to Develop. In recognition of the extraordinary, long-term investment in planning, engineering, design, technical review, and legal resources necessary to develop the Subject Property with the Project, in addition to substantial capital invested in the Project, subject to the terms of this Agreement, Developer shall have the right to develop the Monterey Bay Shores Resort in accordance with all valid permits, approvals (including the CDP), applicable written ordinances, resolutions, statutes, codes, laws, rules, regulations, initiatives, referenda, and/or official policies of City, including, without limitation, City's zoning code (SCMC Title 18); City's General Plan; Local Coastal Program; City's environmental laws, entitlements, approvals, licenses and permits issued to Developer by City (including, without limitation, the Current Approvals), and City's franchise agreements, in effect on the Effective Date of this Agreement (collectively, "**City Rules**") and to have Subsequent Approval(s) considered for approval or denial, based upon the terms, standards, and requirements set forth in such City Rules. Except as provided in this Section, this Agreement does not vest and Developer agrees to pay as provided below: development impact fees, exactions, permit processing and inspection fees and charges, and utility fees (including taxes, assessments, fees and charges).

Section 2.02. Development Standards. The permitted uses of the Subject Property, the density and intensity of uses, the maximum height, bulk, and size of the proposed buildings, provisions for reservation or dedication of land for public purposes and the location of public improvements, the general location of public utilities, and other terms and conditions of development applicable to the Monterey Bay Shores Resort shall be as set forth in the Current Approvals and City Rules.

Section 2.03. Vested Against Moratoria, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, City agrees that, except as otherwise expressly provided in or expressly limited by the provisions of this Agreement, this Development Agreement vests the Project against subsequent City Rules that would directly or indirectly limit the rate, timing, or sequencing of development of the Project on the Subject Property, or prevent or conflict with the permitted uses, or the density or intensity of uses, or the terms, provisions, standards or requirements for development, as set forth in the Current Approvals and the Subsequent Approval(s) as and when approved.

Section 2.04. Vested Rights Exclude Design and Construction. All ordinances, resolutions, rules, regulations, initiatives, and official policies governing design, improvement, engineering standards, and construction standards and specifications applicable to public improvements in the Project, including public improvements to be constructed by the Developer, shall be those in force and effect at the time of approval by the City of the applicable permit.

Section 2.05. Vested Rights Exclude Building and Fire Codes. Notwithstanding the foregoing or anything to the contrary in this Agreement, City shall apply to the Project the applicable provisions of the California Building Code, Residential Code, Plumbing Code, Electrical Code, Mechanical Code, Fire Code, Water Conservation laws; Energy Code, Green Building Standards, as may be amended from time to time, as adopted by the City of Sand City, any City specifications, and Federal Americans with Disabilities Act (ADA) (collectively, “**Applicable Uniform Codes**”) in effect at the time the applicable building, grading, encroachment or other construction permit is submitted for review for the Project. If no construction permit is required for infrastructure improvement(s), such improvement(s) shall be constructed in accordance with the Applicable Uniform Codes in effect at the time of approval by City of the improvement plans for such infrastructure. If a permit that has been granted expires, the Project shall be required to be constructed in accordance with the provisions of the Applicable Uniform Codes in effect at the time the applicable replacement permit is granted for the Project.

Section 2.06. Vested Rights Exclude Processing Fees and Charges. Due to the scope and scale of the Project, City expenses to process the Subsequent Approval(s) and to conduct plan check and inspections are expected to exceed City’s standard processing fee schedule. Rather than pay the standard processing fees as set forth in City’s adopted fee schedule, Developer shall pay City the actual cost of time and expenditures of City employees, attorneys and consultants directly spent to process the Subsequent Approval(s) and to conduct plan check and inspections for the Project (collectively, “**City Processing Costs**”), subject to City’s provision of reasonable documentation to Developer in the form of monthly invoice(s) that detail the City Processing Costs for both individual personnel and specific cost expenditures (e.g., copying, etc.).

Section 2.07. Vested Rights Exclude Changes in State or Federal Laws. This Agreement shall not preclude the application to development of the Subject Property of changes

in City Rules, the terms of which are specifically mandated and required by changes in state or federal law(s) and/or regulation(s). In the event that state and/or federal law(s) and/or regulation(s) enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, the Party identifying the conflict shall provide the other Party, as soon as practicable after the conflict becomes known to the notifying Party, written notice of the conflict, a copy of the law(s) and/or regulation(s) that give rise to the conflict, and a statement explaining the nature of the conflict. Within thirty (30) days after that notice is given, the Parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement so as to comply with the state and/or federal law(s) and/or regulation(s) giving rise to the conflict, pursuant to Government Code section 65869.5. If Developer does not consent to an amendment that is required to make this Agreement consistent with state and/or federal law(s) and/or regulation(s) in accordance with Government Code section 65869.5, City shall provide Developer written notice of the immediate suspension of this Agreement, and the Agreement shall remain suspended until the date the Agreement is so amended. The Term shall not be tolled or extended for any period of suspension under this Section 2.07.

Section 2.08. Vested Rights Exclude Development Impact Fees. This Agreement does not vest Developer with any rights with respect to payment of development impact fees, Developer shall pay the applicable Impact Fee(s) that is in place at the time said fees are due and payable, subject to Developer's right to protest and/or pursue a challenge in law or equity to any such fee(s) as provided for under applicable laws and regulations. Nothing in this Section 2.08 shall preclude the City from nor commit the City to allowing the Developer to pay certain of its Impact Fees prior to issuance of certificates of occupancy, rather than prior to issuance of building permits. For purposes of this Agreement, "**Impact Fee(s)**" means any monetary amount charged by City or other governmental or quasi-governmental agency in connection with a Project Approval in order to lessen, offset, mitigate or compensate for the impacts of development of the Project on the environment, facilities, services, improvements and/or infrastructure; or other public interests, including, without limitation, any "fee" as that term is defined by Government Code section 66000(b) as well as any fee imposed "in lieu of" an Exaction. For purposes of this Agreement, "**Exaction**" means an exaction that may be imposed by City as a condition of developing the Project, including, without limitation, requirements for acquisition, dedication or reservation of land; and obligations to construct on-site or off-site public and private infrastructure improvements such as roadways, utilities or other improvements; this is the case whether such exactions constitute subdivision improvements, mitigation measures in connection with environmental review of the Project, or impositions made under the City Rules. For purposes of this Agreement, a requirement imposed by City or other governmental or quasi-governmental authority on the Project that meets both the definitions of an Impact Fee and an Exaction shall be considered to be an Impact Fee.

(a) **Park Land Exaction and Fee Obligation.** Developer shall satisfy the park dedication and fee obligations set forth in Sand City Municipal Code Chapter 17.68 as provided in this Subsection 2.08(a). Developer shall pay the full sum required by the statute ("Parkland Fees"). Developer agrees to pay the required Parkland Fees as a condition of and at the time of Final Map approval.

Section 2.09. Priority of Enactments. In the event of any conflict or inconsistency between this Agreement and the Current Approval(s), or between this Agreement and any Subsequent Approval(s), to the fullest extent legally possible, this Agreement shall prevail and control.

Section 2.10. Life of Vesting Tentative Map and Other Approval(s). The term of all Current Approvals including, without limitation, the VTM (pursuant to Government Code section 66452.6(a)), shall be deemed extended for the longer of the Term of this Agreement or the term otherwise applicable to such Approval(s).

Section 2.11. Timing of Construction and Completion of Project. As required in the Vesting Tentative Map Condition of Approval No. 5, Developer shall "Clearly identify the estimated timing and phasing of the proposed development, including site and land development, roads and utilities, vertical construction and all other improvements. Proposed project phasing shall be subject to review and approval by the City's [sic] by the City's Planning, Building, Engineering, and Fire Departments, as well as the corresponding Utility Agencies with jurisdiction over the proposed utility infrastructure" (the "**Development Phasing Schedule**"). At least six (6) months prior to the application for any City-issued permits for the Project, Developer will propose the Development Phasing Schedule, and submit it to the City for review, consideration and approval by the City Manager. Failure to complete construction within the periods specified in the Development Phasing Schedule is a violation of this Agreement.

Section 2.12. Actions by Other Public Agencies Necessary to Implement the Approvals. The Developer is responsible for securing permits and approvals for the Project from a number of other public agencies. Upon request of the Developer, the City will provide reasonable cooperation and assistance to the Developer to process such permits and approvals. The City's cooperation and assistance could include answering questions about the Project in person or in writing. The Developer recognizes that the City has a small staff with limited time and resources. The City's cooperation and assistance shall not include the City assuming a lead role with any agencies, taking or threatening legal action, nor taking positions that are inconsistent with any City law in effect on the Effective Date of this Agreement.

Section 2.13. Improvement Security; Property Restoration. Prior to Developer obtaining any building permit for the Project, except for a grading permit, Developer shall provide City with a right of entry and security in a form of security bond authorized by Government Code Section 66499 et seq. and San Francisco Municipal Code 17.40.180, in the amount of one million dollars (\$1,000,000), for the City or its contractors to obtain necessary permits and to prevent blight and trespass on the Property; if construction is not completed consistent with the approved Development Phasing Schedule the City may draw upon the security to remove partial development and take necessary actions to restore the Property to an aesthetically pleasing and safe condition, including without limitation installing fencing, security cameras, funding additional police or private security, and erecting berms or other aesthetic mitigation from accessible or highly visible vantage points as determined by the City Manager in their sole discretion. The security under this Section shall remain in full force and effect for the Term of the Agreement.

ARTICLE III. DEVELOPER'S ADDITIONAL OBLIGATIONS.

Section 3.01. Patrol Vehicle. As a public benefit in consideration of the approvals granted herein, Developer shall pay to the City a one-time contribution in the amount of \$42,000, which shall be annually adjusted by the consumer price index for San Francisco-Oakland-Hayward. to be used for the purchase of one (1) all-terrain vehicle or functional equivalent, fully outfitted with all equipment and accessories necessary for use by the City's Police Department for operations adjacent to the Property including on the beach, which may include emergency lighting, communications equipment, and safety gear (the "**Patrol Vehicle**"). Said contribution shall be paid to the City within thirty (30) days of the issuance of the first

building permit for the Project for vertical construction (not grading). In the event the City determines that an all-terrain vehicle is not the most suitable vehicle for the purposes herein, or determines that the ATV it possess is not in need of near term replacement, the City may, in its sole discretion, apply the contribution toward the purchase of a patrol vehicle of its choosing or the maintenance of patrol vehicles of its choosing. The Patrol Vehicle shall be and remain the sole property of the City upon acquisition, and Developer shall have no ownership interest or operational control thereover. Developer's obligation under this Section shall be deemed satisfied upon delivery of the required payment to the City in accordance with the terms hereof.

Section 3.02. Infrastructure and Maintenance Finance. The Parties acknowledge and agree that prior to issuance of the first (1st) building permit for vertical construction in the Project (not grading), that Developer to establish a financing mechanism to offset the increase in City service costs that will occur as a result of the Project for service outside of the Subject Property. Pursuant to the terms and conditions set forth in this Section 3.02, the Parties shall cooperate in good faith to expeditiously prepare all necessary documentation, process, set for public hearing, and obtain approval in accordance with all applicable laws and regulations to establish a Mello Roos Community Facilities District (or similar financing mechanism) and fund such costs for the Project ("**CFD**"). Developer shall participate in, vote in favor of, and pay all actual, direct costs incurred by City in establishing the CFD and causing it to fund such costs, Developer shall have the right to review and comment on all documentation and supporting technical reports prepared in connection with the CFD. The CFD may cover any municipal services allowable by law, subject to the reasonable discretion of the City.

Section 3.03. Compliance with Special Conditions in Coastal Development Permit.

(a) Developer shall comply with all special conditions in Coastal Development Permit A-3-SNC-98-114. With respect to Coastal Development Permit A-3-SNC-98-114 Special Condition (t) "Excess Sand" (as further noted in Note #16 of the VTM as "manner of disposal"), Developer shall prioritize, to the extent possible and without having to delay or impede the project's grading, excavation and construction timeline, the beneficial reuse of excess excavated sand for beach replenishment within Sand City or in a manner that otherwise benefits Sand City's shoreline and beaches (including the project's beach). The City and Developer agree to work cooperatively and in good faith to identify a suitable location within Sand City for interim stockpiling and/or beneficial reuse of excess sand, to be authorized through the applicable CDP process. In order to meet the requirements herein, the City shall be responsible for obtaining and issuing a Coastal Development Permit for this beach nourishment program before it can be implemented by Developer and the City. Developer shall bear all costs associated with the transport and delivery of excess sand to the City-designated site, provided such site is within three quarters (3/4)-mile from the Project midpoint, unless waived in the City Manager's sole discretion.

(b) Nothing in this Section shall conflict with or supersede CDP Special Condition (t) above. All sand movement and disposal within the coastal zone, except for the Project as approved by the CDP and VTM, shall be authorized pursuant to a separate Coastal Development Permit issued by the City, or Executive Director determination as required by the CDP. Any substantive change to the sand disposal or reuse plan shall be subject to separate CDP review and applicable CEQA review prior to implementation.

Section 3.04. Easements and Funding.

(a) The Parties acknowledge that Coastal Commission holds the Irrevocable Offer to Dedicate Dune Area Conservation Easement and Declaration of Restrictions (Document No. 2015062067) and the Irrevocable Offer to Dedicate Public Access Easement and Declaration of Restrictions (Document No. 2015062068) (collectively, the "Conservation Easements"), and that the Developer shall make a good faith effort to dedicate the Conservation Easements to the City, or a City-approved entity.

(b) The Parties further acknowledge that the Conservation Easements are intended to constitute qualified conservation contributions satisfying the requirements of Internal Revenue Code 26 USC §170. The City agrees to cooperate in good faith with Developer, at no cost to the City, to preserve Developer's ability to maintain or establish any available tax benefits under IRC §170 in connection with the Conservation Easements. In the event that preserving IRC §170 treatment requires transfer of the City's interest to a qualifying entity, Developer shall identify such entity and bear all costs associated with the transfer. Any such transfer shall be subject to City Council approval in the City's sole discretion and shall comply with the Grantee qualification requirements of both easement documents, including any required approval of the Executive Director of the California Coastal Commission. Notwithstanding the foregoing, the City makes no representation or warranty to Developer regarding the tax attributes of this transaction, nor shall City endorse or otherwise acknowledge any valuation of the donation portion for tax purposes, it being understood that the Developer has obtained its own appraisals and tax advice for such purposes.

(c) The Hotel operator and the Homeowners Association(s) governing the condominium and condo-hotel in the Project (collectively, the "Funding Parties") shall jointly and fully fund all ongoing maintenance and monitoring of both the Dune Area Conservation Easement and the Public Access Easement in perpetuity, consistent with the requirements of CDP A-3-SNC-98-114, the Dune Restoration Plan, the Public Access Management Plan, and the HPP. Prior to issuance of the first building permit for vertical construction of the Project (not grading), the Developer shall submit to the City for review a proposed funding plan detailing the respective funding obligations of the Hotel operator and the Homeowners Association(s), including the mechanisms by which funds will be collected, held, and disbursed, which may include an endowment or similar financing mechanism as an alternative or supplement to operational funding, and a projected annual budget for all maintenance and monitoring activities. The funding plan and projected budget shall be reviewed and approved by a Biologist hired by the City ("City Biologist") at Developer's expense using established industry standards with adjustments for inflation and shall be subject to final approval by the City Manager or designee prior to issuance of said permit. The City shall have ongoing oversight authority to ensure the Funding Parties fulfill their obligations under this Section, and the funding plan shall include provisions for annual reporting to the City on expenditures, monitoring and maintenance activities. The funding plan, monitoring and maintenance shall be subject to periodic review by the City's Biologist, at Developer's expense, no less than every five (5) years, to ensure they remain sufficient, and shall be automatically adjusted each year by the consumer price index for San Francisco-Oakland-Hayward. In no event shall the funding under this Section 3.04 include any City tax dollars, including transient occupancy tax payments. In the event the Hotel operator or any Homeowners Association fails to fulfill its funding obligations under this Section, the City may pursue any legal remedy under law, including but not limited to monetary damages and specific performance. This Section 3.04 shall survive the expiration or early termination of this Agreement.

Section 3.05. Sales and Use Tax Payments. Developer shall request that all contractors and subcontractors for the Project exercise, to the extent allowed by law, their option to obtain a California Department of Tax & Fee Administration (“**CDTFA**”) construction site sub-permit for the jobsite and allocate all eligible sales and use tax payments to the City. (Title 18, Cal. Code of Regs., §1806; CDTFA, Pub. 9, “Construction and Building Contractors,” p. 28 [Local Tax Allocation].) Prior to any construction on-site, Developer will require its contractors and subcontractors, to the extent possible, to provide the City with either a copy of their sub-permit showing their CDTFA account number or a signed statement that a sales or use tax does not apply to their portion of the project. Developer will provide the City with a list of subcontractors associated with the Project.

Section 3.06. Local Hiring Program. Developer shall make good faith reasonable efforts to comply with the Local Hiring requirements of SCMC Chapter 12.20. For the purposes of this Section, “good faith reasonable efforts” means Developer will facilitate the hiring of Local Residents, how that term is defined in SCMS Chapter 12.20, through a combination of workforce development, job training, and targeted outreach and opportunities for Local Residents, and submit all Project-related job announcements to the City Manager or designee, before filling these positions, including details regarding job titles, minimum qualifications, application processes, and employer contact information, so that the City may inform Local Residents of immediate job availabilities on the Project. Nothing in this Section is intended to require Developer or the hotel management operator to hire or offer employment for any particular job opportunity.

Section 3.07. Incorporation of Public Art.

(a) **Murals.** Developer shall commission at least one original mural on an exterior-facing surface of the approved development visible from a public area or trail. Prior to commissioning, Developer shall submit the proposed artist selection, conceptual design, and proposed location to the City Arts Committee and/or City Council to be determined by the City Manager for review and approval. The mural shall be installed within six (6) months of final occupancy and maintained in good condition, or replaced by a new mural subject to the City’s approval, for the life of the project. The mural shall be clear coated. In the event the mural is damaged or weathered, Developer shall repair or restore it to its original condition within ninety (90) days. The City’s Art Committee review described in this Section is intended to be collaborative and advisory in nature with respect to the approval of the mural. Developer and the City agree to engage in good faith consultation throughout the design and commissioning process.

(b) **Mural Alternative.** As an alternative to the mural described above in Section 3.07(a), Developer may commission a large-scale original sculpture displayed in a publicly visible exterior location of the approved development, provided that Developer first submits written documentation to the City demonstrating that the approved development’s exterior surfaces cannot structurally or aesthetically support a mural, or that a hotel brand or franchise agreement or the Coastal Commission prohibits exterior murals. Such documentation shall be subject to City Council review and approval prior to substitution. All other requirements of the mural section, including artist selection, conceptual design review, installation timeline, maintenance, and good faith consultation obligations, shall apply equally to any approved sculpture alternative.

(c) **Art Program.** Developer agrees to engage in good faith efforts to incorporate original works by local or regional artists, subject to hotel management approval of

the design, into the interior of the hotel, including but not limited to lobby spaces, corridors and common areas of the hotel. No fewer than five (5) unique works shall be displayed in guest-facing areas. "Local or regional" shall mean artists with a primary residence or studio practice within Monterey County or the greater Central Coast region. The Art Program shall be maintained for the life of the project. The developer shall submit to the City a simple art inventory within ninety (90) days of opening and upon any material change.

Section 3.08. Pavement Management Fee. As a public benefit in consideration of the approvals granted herein, Developer shall pay to the City a yearly pavement management fee in the amount of \$70,000 (the "**Pavement Management Fee**"), to be used by the City solely for the repair, maintenance, rehabilitation, and improvement of public streets and roadways impacted by Project traffic and activities. The Pavement Management Fee shall be paid to the City at the beginning of each fiscal year after any certificates of occupancy have been issued for the hotel, and shall be deposited into a dedicated pavement management account. The City shall apply such funds toward pavement-related maintenance and improvements in the roads abutting the Project, or otherwise impacted by the Project as determined by the City Manager in consultation with the City Engineer in the City's sole discretion. The Pavement Management Fee set forth herein is in addition to, and shall not offset or credit against, any other Impact Fees, applicable to the Project.

ARTICLE IV. AMENDMENTS.

Section 4.01. Amendment or Cancellation of this Agreement. This Agreement may be amended from time to time, or canceled in whole or in part, only by mutual written consent of the Parties or their successor(s) in interest, in accordance with the Development Agreement Statute. Following any amendment of this Agreement, the amended Agreement shall be recorded in accordance with Government Code section 65868.5.

ARTICLE V. DEFAULTS; PERIODIC REVIEW.

Section 5.01. Violation of Entitlements. In addition to complying with all terms of this Agreement, Developer agrees to perform all terms, conditions, and requirements of all other Current Approvals. Any failure by Developer to perform any material term, condition, or requirement of any of the other Current Approval or Subsequent Approval is a violation of this agreement, subject to default under Default and Litigation.

Section 5.02. Default and Notice of Default. Failure by either Party to perform any term or provision of this Agreement required to be performed by such Party, constitutes an event of default ("**Event of Default**"). For purposes of this Agreement, a Party claiming another Party is in default shall be referred to as the "**Complaining Party**," and the Party alleged to be in default shall be referred to as the "**Party in Default**." If an Event of Default occurs, prior to exercising any remedies, the Complaining Party shall give the Party in Default written notice of such default. Written notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure may be cured.

Section 5.03. Cure. The Party in Default must cure the default within forty five (45) days from the Notice of Default. The non-defaulting Party may pursue all available remedies if the Party in Default fails to cure the default within the 45-day time period. Notwithstanding anything to the contrary in the foregoing, if the nature of the alleged default is such that it cannot reasonably be cured within forty five (45) days, the 45-day time period shall be tolled if: (a) the cure is commenced at the earliest practicable date following receipt of the notice; (b) the cure is

diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (45) days after the Party in Default's receipt of the notice), the Party in Default provides written notice to the non-defaulting Party that the cure cannot practicably be completed within such forty five (45) day period; and (d) the cure is completed at the earliest practicable date. In no event shall the non-defaulting Party be precluded from exercising remedies if a default is not cured within ninety (90) days after the first (1st) notice of default is given. If an Event of Default where Developer is the Party in Default is not cured within the time frame specified in this Section 5.03, then in addition to exercising any other available remedies, City may thereafter cease to issue any Subsequent Approval(s) for which an application has been filed for any portion of the Subject Property then owned or controlled by the Party in Default until the default is cured pursuant to the procedures in this Section 5.03. If the Event of Default is discovered or determined in the course of the Annual Compliance Review (as that term is defined in Section 6.06 below), in addition to other remedies and potential cures, City shall have the statutory authority pursuant to Government Code section 65865.1 to decide to terminate or modify the Development Agreement following the opportunity to cure as provided in this Section 5.03.

Section 5.04. Failure to Assert. Any failure(s) or delay(s) by a non-defaulting Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Furthermore, any delay(s) by a non-defaulting Party in asserting any of its rights and remedies shall not deprive the non-defaulting Party of its right to institute and maintain any action(s) or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

Section 5.05. Legal Proceedings. If the Party in Default fails to cure a default in accordance with the provisions of Section 5.03 above, the non-defaulting Party, at its option, may institute legal proceedings pursuant to this Development Agreement or terminate this Development Agreement. Upon the occurrence of an Event of Default, the Parties may pursue all other available remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement expressly including the remedy of specific performance of this Development Agreement. Provided, however, that in no event, except as provided in Sections 5.08 (Attorneys' fees) and Article VI (Indemnity) of this Agreement, shall either Party be liable to the other Party for any monetary damage for claims arising out of this Agreement, and both Parties hereby expressly waive any such monetary damages.

Section 5.06. Periodic Review. No later than ten (10) months after the Effective Date, and no later than every twelve (12) months thereafter, Developer and the City Planner, or his or her designee, shall meet and review this Agreement annually pursuant to the Development Agreement Statute, to ascertain the good faith compliance by Developer with the Agreement's terms. If, as a result of City's periodic review of this Agreement, City determines, on the basis of substantial evidence, that Developer has not complied in good faith with the terms of this Agreement, City may terminate or modify this Agreement in accordance with the Development Agreement Statute as well as Section 5.07 below. Failure of City to perform such periodic review is not a waiver of any right under this Agreement; is not a cause for default under Section 5.03 above, and shall not constitute a determination that the Project is in compliance during such period.

Section 5.07. Termination.

(a) **Termination by City.** If City elects to consider terminating this Agreement due to a material default by Developer, then City shall give a notice of intent to

terminate this Agreement and the matter shall be scheduled for consideration and review by the Council in the manner set forth in the Development Agreement Statute. If the Council, in its reasonable discretion, determines that a material default has occurred and elects to terminate this Agreement, City shall give Developer, by certified mail, written notice of termination of this Agreement under this Section 5.07 and this Agreement shall be terminated on the date that notice of termination is given. Notwithstanding anything to the contrary in the foregoing, Developer reserves any and all rights it may have to challenge in court the City's termination of this Agreement and the basis therefor.

(b) **Termination by Mutual Consent.** This Agreement may also be terminated in whole or in part by the mutual written consent of the Parties or their respective successor(s) in interest.

Section 5.08. Attorney's Fees. In any legal action or other proceeding brought by either Party to enforce or interpret this Agreement, each Party shall bear its own costs and attorney's fees, unless a statute expressly provides otherwise.

Section 5.09. Estoppel Certificate. Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting that the other Party certify in writing that, to the knowledge of the certifying Party: (i) this Development Agreement is in full force and effect and a binding obligation of the Parties; (ii) this Development Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments; and, (iii) the requesting Party is not in default in the performance of its obligations under this Development Agreement, or if in default, describing therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such estoppel certificate, or give a written detailed response explaining why it will not do so, within sixty (60) days following the receipt of each such request. Each Party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. A certificate provided by City establishing the status of this Development Agreement with respect to the Subject Property or any portion thereof shall be in recordable form and may be recorded at the expense of the recording Party.

ARTICLE VI. INDEMNITY.

Section 6.01. Indemnification from Construction, Improvement, Operation, and Maintenance Claims. Developer agrees to indemnify, defend with counsel selected by City and hold harmless City and its elected and appointed boards, commissions, officers, employees, independent contractors and agents (collectively, "**City Indemnitees**") from any and all liabilities, claims, demands, and losses, including for personal injury, death, and property damage, costs and expenses, including attorney's and expert's fees (collectively, "**Liabilities**") which may arise directly or indirectly as a result of any actions or inactions by Developer, or any actions or inactions of Developer's contractors, subcontractors, agents, or employees, in connection with the construction, improvement, operation, or maintenance of the Subject Property or the Project during the Term of this Agreement. Provided, however, that Developer shall have no indemnification obligation under this Section 6.01 with respect to the gross negligence or willful misconduct of City, or any of the City Indemnatee(s) regarding the construction, improvement, operation or maintenance of the Subject Property and/or the use of any Public Improvement after the time it has been dedicated to and accepted by City or another public entity (except in and to the extent provided for in an improvement agreement or maintenance bond(s)). Notwithstanding anything to the contrary in the foregoing, Developer's indemnifications under this Section 6.01 are subject to the assignment, assumption and release

provisions of Article VIII below. The foregoing indemnification obligations shall survive the expiration or termination of this Agreement.

Section 6.02. Cooperation and Indemnification of City in Event of Legal Challenge to This Agreement, City actions or Approvals. In the event of any Third Party Lawsuit, then the Parties agree to the following:

(a) The Parties agree to cooperate in defending against the action or proceeding, with such cooperation efforts governed by Section 10.09 below;

(b) Developer is solely responsible for its own costs and any costs incurred by City for such defense subject to the limitations set forth in Section 10.09 below;

(c) Developer shall indemnify, defend with counsel selected by City and hold harmless City, and the City Indemnitees from any and all Liabilities subject to the limitations set forth in Section 10.09 below;

(d) Neither Developer nor City shall settle any action or proceeding on grounds that include non-monetary relief or admissions of liability without written consent of the other Party. City agrees to not settle any action based upon monetary relief without the written consent of Developer, unless City is solely liable and agrees to pay such monetary relief; and

(e) The provisions of this Section 6.02 shall survive the termination of this Development Agreement for a period of five (5) years thereafter.

ARTICLE VII. NO AGENCY, JOINT VENTURE, OR PARTNERSHIP.

The Monterey Bay Shores Resort is a private undertaking of Developer. Neither Party is acting as the agent of the other in any respect hereunder. Each Party is an independent contracting entity with respect to the terms and provisions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership, joint venture, or joint enterprise between the Parties to this Agreement, and shall provide City copy of a fully executed Assignment and Assumption Agreement.

ARTICLE VIII. SALE, ASSIGNMENT, OR TRANSFER.

Section 8.01. Approval of Sale, Assignment, or Transfer. The Parties acknowledge and agree that the Project will likely be developed by different entities. Accordingly, Developer shall, in its sole discretion, have the right to sell, assign, or transfer this Agreement, and any and/or all of its rights, duties, and obligations hereunder, to any person or entity ("**Assignee**") at any time during the Term, however, shall be required to obtain City's reasonable consent of such assignment, and: (i) Developer has paid City any and all fees or amounts due to City arising out of this Agreement, the processing of Approvals, or the development of the property to be assigned, and (ii) Developer provides to the City Planning Manager an express written assignment by Developer and assumption by the Assignee of such assignment. Said Assignment and Assumption Agreement shall be in a form approved by the City Manager. Developer shall provide City written notice at least thirty (30) days in advance of any sale, assignment, or transfer of this Agreement.

ARTICLE IX. **NOTICES.**

Unless this Agreement expressly provides otherwise, any notice, demand, or communication required hereunder between City and Developer shall be in writing, and may be given either personally, by overnight delivery, or by registered or certified mail (return receipt requested), to the address specified below:

Sand City:

Sand City
Attn: City Manager
1 Pendergrass Way
Sand City, CA 93955

With copies to:

Sand City City Attorney
1 Pendergrass Way
Sand City, CA 93955

New Dawn Equity Partners, LLC

New Dawn Equity Partners, LLC
Attn: Security National Guaranty, Inc., Managing Partner
P.O. Box 1056
Santa Rosa, CA 95402

With copies to:

New Dawn Equity Partners LLC
95 Third Street, 2nd Fl.
San Francisco, CA 94103

With copies to:

Steven Kaufmann Esq
NOSSAMAN
777 South Figueroa Street, 34th Fl.
Los Angeles, CA 90017

A Party may change its address listed above by giving the other Party written notice in accordance with this Article IX at least (ten) 10 days before the change in address becomes effective. Unless this Agreement expressly provides otherwise, a notice shall be deemed effective on the day it is given if given personally, on the next business day following the date of deposit for overnight delivery, and three (3) business days following the date of mailing if given by registered or certified mail (return receipt requested).

ARTICLE X. **MISCELLANEOUS.**

Section 10.01. Capitalized Terms. The capitalized terms used throughout this Agreement shall have the meaning assigned to them herein or as otherwise apparent from the context in which they are used.

Section 10.02. No Third Party Beneficiary Rights. This Agreement is not intended nor shall it be construed to create any third party beneficiary rights in any person or entity that is not a Party to this Agreement.

Section 10.03. Governing Law. Interpretation of Agreement. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any action to enforce or interpret this Agreement shall be brought in the Superior Court of California, Monterey County or, in the case of any federal claims, in the United States District Court, Central District of California.

Section 10.04. Severability. If any term of this Agreement, or its application to any situation, is held invalid or unenforceable in whole or in part for any reason, in a final judgment that is no longer subject to rehearing, review or appeal by a court of competent jurisdiction, then the invalid term is severed, and the remaining parts of this Agreement, and the application of any part of this Agreement to other situations, shall continue in full force and effect unless an essential purpose of this Agreement would be defeated by the loss of the invalid or unenforceable provisions, in which case either Party may terminate this Agreement by providing written notice thereof to the other.

Section 10.05. Covenants Running with the Land. Except as otherwise provided in this Agreement, all of the provisions, rights, terms covenants, and obligations contained in this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, Assignees, representatives, lessees and all other persons acquiring the Subject Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the terms and provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws, including, without limitation, California Civil Code section 1468. Each covenant to do, or refrain from doing, some act on the Subject Property, or with respect to the Subject Property: (i) is for the benefit of the Subject Property and is a burden upon the Subject Property; (ii) runs with the Subject Property; and (iii) is binding upon each Party and each successive owner during its ownership of the Subject Property or any portion thereof, and shall be a benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in the Subject Property.

Section 10.06. Further Acts. Each Party shall execute and deliver any and all additional documents and instruments, and perform such further acts, that the executing, delivering, or performing Party determines, in its reasonable discretion, to be necessary or proper to achieve the purposes of this Agreement.

Section 10.07. Counterparts. This Agreement, and any and all amendments and supplements to it, may be executed in counterparts, and all counterparts together shall be construed as one document.

Section 10.08. Recordation of Agreement. Not later than ten (10) days after the Parties enter into this Agreement, the City Clerk of Sand City shall cause this Agreement to be recorded in the Official Records of Monterey County. Developer shall reimburse City for the cost to record this Agreement within thirty (30) days after Developer receives City's written request for reimbursement.

Section 10.09. Cooperation in the Event of Legal Challenge.

(a) **In General.** In the event of any Third Party Lawsuit, the Parties agree to cooperate in defending the Third Party Lawsuit in accordance with the terms of this Section 10.09. The Parties shall keep each other informed of all developments relating to such defense, subject only to confidentiality requirements that may prevent the communication of such information. The obligations of this Section 10.09 shall survive the expiration or termination of this Agreement for a period of five (5) years.

(b) **Meet and Confer.** If a Third Party Lawsuit is filed, upon receipt of the petition or complaint, the Parties shall have twenty (20) days to meet and confer regarding the merits of such Third Party Lawsuit to determine whether they will jointly defend against the Third Party Lawsuit, which period may be extended by the Parties' mutual agreement so long as it does not adversely and materially impact any litigation deadlines. City and Developer shall mutually commit to meet all required litigation timelines and deadlines. If City and Developer agree jointly to defend the Third Party Lawsuit, they shall expeditiously enter a joint defense agreement, which shall include, among other things, provisions regarding the preservation of confidential communications. The City Manager is authorized to negotiate and enter such joint defense agreement in a form reasonably acceptable to the City Attorney and Developer's attorneys. Such joint defense agreement shall also provide that any proposed settlement of a Third Party Lawsuit shall be subject to City's and Developer's approval, each in its reasonable discretion. If the terms of the proposed settlement would constitute an amendment or modification of this Agreement, the settlement shall not become effective unless and until such amendment or modification is approved by Developer, and by City in accordance with Applicable Laws, and City reserves its full legislative discretion with respect thereto.

(c) **Defense Election.** If, after meeting and conferring, the Parties mutually agree (each in its sole discretion) to defend against the Third Party Lawsuit, then the following shall apply:

(i) For the purposes of cost-efficiency and coordination, the Parties shall first consider defending the Third Party Lawsuit with common counsel and under terms of a joint representation agreement mutually acceptable to City and Developer (each in its sole discretion), at Developer's sole cost and expense.

(ii) If the Parties cannot reach timely and mutual agreement on a joint counsel, and Developer continues to elect (in its sole discretion) to defend against the Third Party Lawsuit, then:

(A) Developer may, in its sole discretion, elect to be represented by the legal counsel of its choice;

(B) City may, in its sole discretion, elect to be separately represented by the City Attorney (and/or outside legal counsel of its choice) in any such action or proceeding with the reasonable costs of such representation to be paid by Developer. City reserves its right to protect City's interests, and City shall make good faith efforts to maximize coordination and minimize its City Attorney and any outside legal costs (for example, minimizing filing separate briefs, and duplication of effort to the extent feasible);

(C) Developer shall reimburse City, within twenty (20) business days following City's written demand therefor, which may be made from time to time during the course of such litigation, all necessary and reasonable costs incurred by City in connection with

the Third Party Lawsuit, including City's administrative, outside legal fees and costs, and court costs.

For any Third Party Lawsuit which Developer has elected to defend under this Section Developer shall indemnify, and hold harmless City pursuant to Developer's indemnity obligations under Article VI above.

(d) **Developer Election Not To Defend.** If, after meeting and conferring, Developer elects, in its sole and absolute discretion, not to defend against the Third Party Lawsuit, it shall deliver written Notice to the City regarding such decision. If Developer elects not to defend, City has the right, but not the obligation, in its sole discretion to proceed to defend against the Third Party Lawsuit with the costs of such representation to be paid by Developer. In the alternative, if Developer and City both elect not to defend against the Third Party Lawsuit, Developer shall remain obligated to indemnify and hold City harmless as set forth in Article VI above.

(e) **Waiver.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or waiver of a subsequent breach of the same or any other provision of this Agreement.

Section 10.10. Bankruptcy. The obligations of this Development Agreement are not dischargeable in bankruptcy.

Section 10.11. Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the representative legal entities of Developer and City.

In witness whereof, the Parties have entered into this Agreement as of the Effective Date.

DEVELOPER:

NEW DAWN EQUITY PARTNERS, LLC

By: _____

Print: _____

Title: _____

Date: _____

THE CITY:

SAND CITY

By: _____

Print: _____

Title: _____

Date: _____

Exhibits

Exhibit A – Legal Description of the Subject Property

Exhibit B – Map of the Subject Property

Exhibit C – Vesting Tentative Map

EXHIBIT A. Legal Description of the Subject Property.

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LEGAL DESCRIPTION

9-11.1¢!

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF S! b5 /l¢,, COUNTY OF a hb¢9w9, STATE OF / ! [Chwbl! AND IS DESCRIBED AS FOLLOWS

That portion of Rancho Noche Buena and Monterey City Lands Tract No 1 in County of Monterey, State of California, being a portion of that certain 86 75 acre tract of land conveyed in the Deed by T A Work, et ux, to Mrs E Roberts, dated May 16, 1921 and recorded in Volume 13, Page 444, Official Records of Monterey County, described as follows

Beginning at a 4" x 4" post standing at northeasterly corner of the above mentioned 86 75 acre tract of land and in the westerly boundary of that certain strip of land 100 feet wide as conveyed in the Deed by David Jacks to Monterey Railroad Company, dated May 1, 1880 and recorded in Volume Z, Page 472, of Deeds, Monterey County Records (now known as the right of way of the Southern Pacific Railroad, Monterey Branch) and from which point of beginning the S P R R Engineer's Station 594 + 60 0 - C C T 2 - 1/2 in centerline of tract bears

S 60° 10' E, 50 3 feet, thence along westerly boundary of said 100 foot strip,

(1) Southerly, 1570 feet, a little more or less, to a 4" x 4" post marked "AT 1386 6" "SPRR LINE" from which SPRR Engineer's Station 610 + 51 0 CC T2 in centerline of tract bears S 63° 21' E, 611 feet, thence leave said westerly boundary and running

(2) N 53° 06' W., 1386 6 feet (at 765 6 feet to a 4" x 4" post marked "A+ 621 0" "LINE", at 1243 1 feet a 4" x 4" post marked "AT 143 5" "LINE" "WP") to a post m the mean high water line of Monterey Bay, thence along mean high water of Monterey Bay,

(3) N 32° 08 1/2' E, 1500 0 feet to a post in the northerly boundary of said 86 75 acre tract, thence along said northerly boundary up middle of canyon,

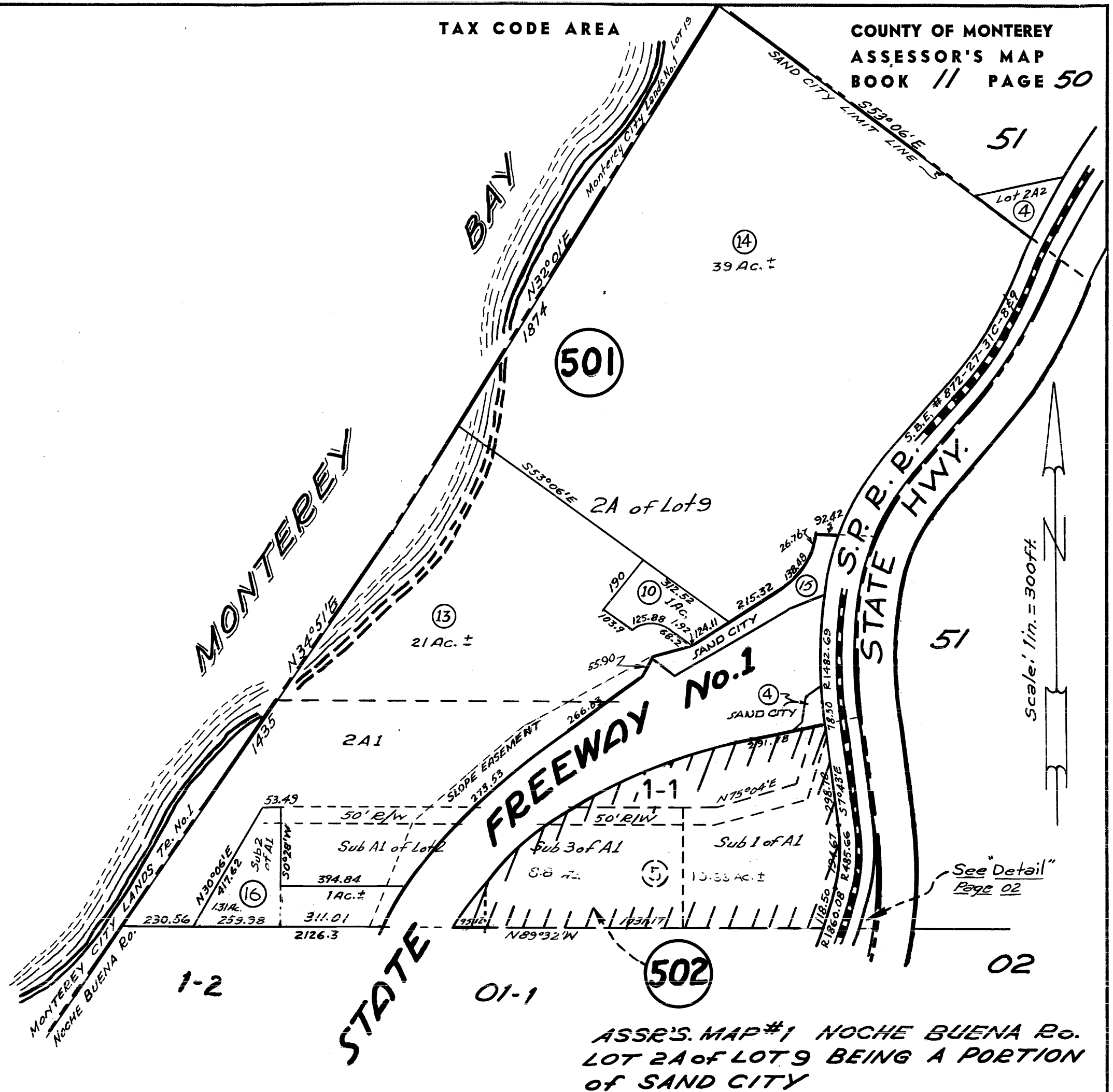
(4) S 53° 06' E, 1115 0 feet (at 132 6 feet a 4" x 4" post marked "AT 132 6" WP" at 523.8 feet to a 4" x 6" post marked "AT 523 8" at 905 0 feet a 4" x 4" fence post), to the point of beginning Courses all true, declination of magnetic needle being 17° 30' East

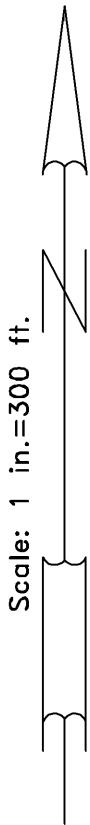
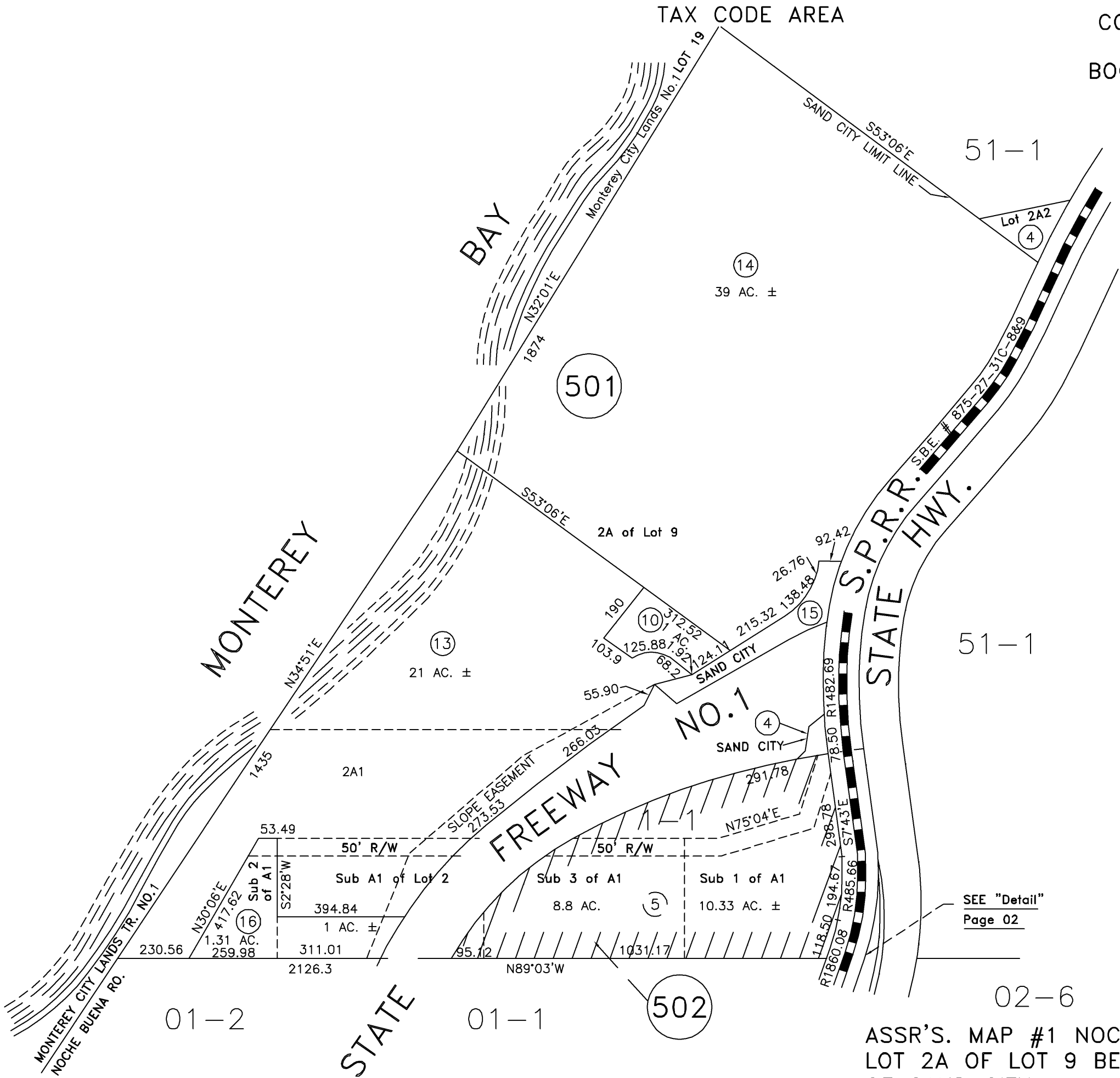
EXCEPT THEREFROM all that certain real property described in the Final Order of Condemnation issued out of the Superior Court of the State of California for the County of Monterey, Case No 55706, entitled, The People of the State of California, acting by and through the Department of Public Works, plaintiff, vs Bank of America National Trust and Savings Association, et al, defendants, recorded April 1, 1966 in Reel 455, Page 620, Official Records of Monterey County

APN 011-501-014тллл

EXHIBIT B. Map of the Subject Property.

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ASSR'S. MAP #1 NOCHE BUENA RO.
LOT 2A OF LOT 9 BEING A PORTION
OF SAND CITY

Exhibit C – Vesting Tentative Map

6484165.3

CITY OF SAND CITY

RESOLUTION SC 15-78, 2015

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY
APPROVING A MODIFIED VESTING TENTATIVE MAP AND ASSOCIATED
FINDINGS OF A RESPONSIBLE AGENCY PURSUANT TO THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT FOR THE MONTEREY BAY SHORES
RESORT DEVELOPMENT CONSISTENT WITH THE CONDITIONS AND
REQUIREMENTS OF THE CALIFORNIA COASTAL COMMISSION'S
COASTAL DEVELOPMENT PERMIT (CDP) A-3-SNC-98-114**

WHEREAS, acting on an application submitted by the property owner, Security National Guaranty, Inc. ("**Applicant**"), the City Council of Sand City ("**City**") acted by Resolution SC 98-05 to approve a Vesting Tentative Subdivision Map ("**VTM**") for the subdivision of a vacant parcel of land containing approximately 39.04 acres located south of property formerly known as the Fort Ord Military Reservation, north of property owned by the Monterey Peninsula Regional Park District and westerly of State Highway 1; and

WHEREAS, the property subject of this subdivision is identified by the Monterey County Assessor as APN 011-501-014 the "**Project Site**"; and,

WHEREAS, at the time the VTM was approved, the Council also acted to conditionally approve a Coastal Development Permit authorizing the development of a recreational resort project on the Project Site commonly referred to as Monterey Bay Shores (the "**Original Project**"); and,

WHEREAS, the City Council's approval of the Coastal Development Permit for the Original Project was appealed to the California Coastal Commission (the "**Coastal Commission**"); and,

WHEREAS, the Coastal Commission accepted the appeal and took jurisdiction over the Coastal Development Permit for the Monterey Bay Shores project. The appeal process continued for approximately 15 years. During that time, the Coastal Commission denied a Coastal Development Permit for the Monterey Bay Shores project on two occasions and both denials were overturned by the courts; and,

WHEREAS, during the Original Project's appeal process with the California Coastal Commission, the Applicant redesigned and reduced the size of the City-approved Original Project to address concerns expressed by the Coastal Commission and Commission staff, leading to the City's adoption of an Addendum and Errata of the Addendum to the 1998 Final EIR for the Original Project showing that the redesign, and the circumstances under which a then-proposed vesting tentative map with a larger development footprint and similar unit count to the redesigned Project, would have no new significant

environmental effects or substantial increase in the severity of significant effects identified in the EIR, and,

WHEREAS, the revisions to the EIR set forth in the Addendum and Errata of the Addendum were approved by the City Council of Sand City on January 20, 2009 via City Resolution SC 09-06 (2009); and

WHEREAS, The Coastal Commission approved the Monterey Bay Shores reduced project on April 11, 2014, adopted findings of approval on August 15, 2014, and issued Coastal Development Permit A-3-SNC-98-114 with 22 Special Conditions (the “**CDP**”) on November 9, 2015, which authorizes the construction of a 368-unit mixed-use residential and visitor-serving development encompassing the following uses: 1) a 184-room hotel; 2) 92 visitor serving (rental program) condominium units; 3) 92 residential condominium units, 4) auxiliary facilities including restaurants, conference rooms, swimming pools, gardens, wellness spa, surface and underground parking, resort trails and vista points and other commercial auxiliary facilities; 5) open space, public access trails, public parking, and recreation area; and 6) restored and stabilized dune habitat (the “**Reduced Project**”); and

WHEREAS, as indicated on the Reduced Project’s modified vesting tentative map (the “**Modified VTM**”), the project associated division of land would produce three primary parcels, Parcel 1, Parcel 2 and Parcel 3; and

WHEREAS, Parcel 1 shown on the Coastal Commission approved Modified VTM consists of 12.496 acres, containing the 184 room hotel, restaurants, conference facilities, spa, parking, trails, and 92 visitor serving condominium hotel units (fee ownership units in a rental program and restricted use). The 92 visitor serving condominium units within Parcel 1 could, in part, be converted to standard operating hotel units subject to the terms and conditions of the CDP. The general location and number of condominium units are identified on Sheets 1 (notes), Sheet 3 (schedule), and Sheet 9 (map). The location and dimensions of each condominium unit will be depicted on a Condominium Plan which will be subject to review and approval by the City Engineer; and,

WHEREAS, Parcel 2 shown on the Coastal Commission approved Modified VTM consists of 9.884 acres, containing the 92 residential condominium units, common areas, parking, public parking and beach access, water well and storage tanks. The general location and number of condominium units are identified on Sheets 1 (notes), Sheet 3 (schedule), and Sheet 9 (map). The location and dimension and dimensions of each condominium unit will be depicted on a Condominium Plan which will be subject to review and approval by the City Engineer; and,

WHEREAS, Parcel 3 shown on the Coastal Commission approved Modified VTM is the seaward parcel containing the resort and public pathways, beach access, vista points/decks, and beach stairs/ladder; and,

WHEREAS, following recordation of the Final Subdivision Map, the property owner will record a Condominium Plan showing the location and dimensions of the separate interest condominium units and the common areas. The property owner will also record a declaration of covenants, conditions and restrictions (“**CC&R’s**”) concerning ownership and operation of the separate condominium units and common areas consistent with the CDP and the Final Subdivision Map. The Condominium Plan will be subject to review and approval by the City Engineer. The CC&R’s will be subject to review and approval by the City Attorney; and,

WHEREAS, the Coastal Commission assumed *de novo* jurisdiction over the Coastal Development Permit, which incorporated the vesting tentative map originally approved by the City, during the Original Project’s appeal process, making the Coastal Commission the Lead Agency on the Project and the City a Responsible Agency for the Project for the purposes of the California Environmental Quality Act (“**CEQA**”), where the Coastal Commission’s Staff Report, Findings, and Revised Findings provide a full and detailed evaluation of the potential environmental effects of the Reduced Project, including hazards (coastal and geologic hazards, sea-level rise, and bluff-top edge erosion/retreat), visual resources, natural resources, traffic and circulation, lower-cost visitor-serving facilities, public access and recreation, and public services whereby the Coastal Commission Staff Report serves as the functional equivalent of an EIR (sometimes called a Substitute Environmental Document), in accordance with CEQA; and

WHEREAS, modifications to the Original Project’s VTM are required to make the VTM consistent with the CDP; and

WHEREAS, the Reduced Project’s Modified VTM, incorporating the conditions of approval established by the Coastal Commission upon issuance of the CDP on November 9, 2015, is found to be consistent with 1) the Sand City General Plan and all applicable policies and programs contained therein and 2) the City’s Local Coastal Program that designates the Project Site as 1) Visitor Serving Commercial (CZ-VSC), Visitor-Serving Residential (VZ-VS-R2), Medium Density Residential (CZ-R2), and Public Recreation (CZ-PR) where uses allowed in the aforementioned districts may be intermixed on the Project Site provided the proportion of uses relative to the specified acreage in the LCP Land Use Plan is not increased; and

WHEREAS, approval of the Reduced Project’s Modified VTM would not itself result in any physical environmental effects, given the Coastal Commission’s approval of the Reduced Project and CDP issuance; and

WHEREAS, upon review by the City Engineer and City Planner of the Reduced Project’s Modified VTM, designed to be compliant with the Coastal Commission’s CDP Conditions of Approval is found to be sufficiently complete and compliant with the Sand City Municipal Code Title 17 and the Subdivision Map Act with

additional City conditions and minor corrections that do not conflict with the Conditions of Approval of the Reduced Project's CDP.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Sand City that the Modified VTM for the Monterey Bay Shores Resort project, dated as October 21, 2013, noted as having been last updated on August 17, 2015, and stamped "Approved" by the California Coastal Commission on November 4, 2015 is attached hereto as Resolution Exhibit A and incorporated herein by reference, is hereby adopted and approved subject to (1) the City conditions of approval listed below; and (2) the Coastal Development Permit (A-3-SNC-98-114) conditions of approval established by the California Coastal Commission on November 9, 2015 by the Issuance of Coastal Development Permit CDP A-3-SNC-98-114, as attached hereto as Resolution Exhibit B and incorporated herein by reference, based upon the findings of fact set forth hereinabove and the findings of fact attached hereto as Resolution Exhibit C and incorporated by reference as if fully set forth herein.

City Conditions of Approval:

1. All future final maps, parcel maps, condominium plans, and improvement plans/construction documents for the project shall be prepared in accordance with City codes, standards, and requirements, and the Subdivision Map Act.
2. Clearly show and label the City of Sand City and City of Seaside municipal boundary limits, Cal-trans Highway Right-of-Way Limits, and any other adjacent jurisdiction/agency limits. Label the southbound (SB) and northbound (NB) Highway 1 freeway on-ramps.
3. Add a legend defining all existing and proposed features including line types, symbols, hatching, proposed improvements, note callouts, and so forth. Add a list of abbreviations defining every abbreviation used in maps and/or plans.
4. Clearly identify the bearings, distances, and curve data of the proposed parcel division line separating the new Parcels 1 and 2.
5. Clearly identify the estimated timing and phasing of the proposed development, including site and land development, roads and utilities, vertical construction and all other improvements. Proposed project phasing shall be subject to review and approval by the City's by the City's Planning, Building, Engineering, and Fire Departments, as well as the corresponding Utility Agencies with jurisdiction over the proposed utility infrastructure.
6. The size, capacity, and location of all proposed utility infrastructure and connections to, from, and within the project shall be subject to review and approval by the City's Engineering Department and/or respective Utility

Agency with jurisdiction over said utility, prior to final approval of improvement plans and/or construction documents.

7. Note 2 on Sheet TM-1 of the modified VTM states that “the Monterey Bay Shores Vesting Tentative Map subdivides the 39.2 acre Parcel APN No 001-501-014 into Three Separate Parcels”. However, the title map and the site parcel map show that parcels 1, 2, and 3 are 12.496 acres, 9.884 acres, and 16.665 acres in size, respectively; whereby the sum of parcels 1, 2, and 3 is therefore 39.045 acres. In addition, the correct APN should be shown as 011-501-014. Correct this information on all future final maps, parcel maps, condominium plans and improvement plans/construction documents.
8. Note 6 on Sheet TM-2 of the modified VTM notes “Public Parking Lot (46 spaces total), Permeable Pavement/Pavers”. This shall be revised to read “permeable pavement or permeable concrete” in accordance with the CDP.
9. Note 9 on Sheet TM-2 of the modified VTM notes a “Beach Access Trail”, which shall be revised to read “Public Beach Access Trail”.
10. All road sections shown on Sheet TM-8 of the modified VTM indicate a pavement section of two inches (2") of AC on six inches (6") of AB. All road sections should be based on recommendations contained in the site specific geotechnical investigation report and traffic index values. All road sections shall be revised to read “Asphalt Concrete Section, Aggregate Base Section, and Subgrade Compaction shall be per the recommendations contained in the Geotechnical Investigation entitled (Title of Report), dated (Date of Report), prepared by (Name of Licensed Geotechnical Engineer).
11. Storm Water Infrastructure and Water Quality Measures: All project post-construction storm water infrastructure and water quality measures shall adhere to Special Condition 1(o) Storm Water and Drainage of the approved CDP A-3-SNC-98-114 and Title 13.05 of the Sand City Municipal Code. The applicant shall submit a Storm Water Control Plan including design calculations and details for review and approval by the City’s Planning and Engineering Departments, prior to issuance of grading and/or building permits or the commencement of any construction activities on the subject property. The applicant shall submit construction plans for storm water infrastructure and water quality measures for review and approval by the City’s Planning and Engineering Departments, prior to issuance of a grading and/or building permit or the commencement of any construction activities on the subject property. All project post-construction storm water infrastructure and water quality measures shall be constructed in conformance with the City Engineer approved Storm Water Control Plan, and completed to the satisfaction of the City Engineer prior to issuance of any certificates of occupancy for the project, or section thereof.
12. Agreement Regarding Storm Water Infrastructure and Water Quality Measures: Prior to issuance of any building permits, the applicant shall

enter into an agreement with the City for long-term maintenance of all storm water infrastructure and water quality measures. The agreement will include a deed restriction for protection of post-construction storm water infrastructure and water quality control measures. The agreement shall specify that storm water infrastructure and water quality measures within each parcel shall not be removed, relocated, covered, or hampered in any way so as to prevent their intended function and to provide for ongoing maintenance and verification of maintenance by the Owner and the Owner's successors in interest. The agreement shall also provide for right of entry by designated City staff for the purposes of inspection of the installed storm water infrastructure and water quality measures. The agreement shall further identify that any costs associated with the long-term maintenance of storm water infrastructure and water quality measures shall be the responsibility of the property owner of that parcel at the time when the maintenance is performed. The provisions in the legal agreement shall run with the land and the document shall be recorded with the Monterey County Recorder. The City shall provide a draft agreement to the application. The final agreement shall be subject to review and approval by the City's Planning and Engineering Departments and the City Attorney prior to recording with the County.

13. **Public Improvements:** All public right-of-way improvements required by the project shall be designed and constructed per City standards, and shall be completed to the satisfaction of the City Engineer prior to issuance of any certificates of occupancy. Improvement plans shall be submitted to the City Engineer for review and approval prior to the issuance of building permits and/or prior to the start of any construction of said public improvements. All roadway, grading, drainage, and utility improvements shall be designed by a Civil or Professional Engineer licensed in the State of California, and subject to review and approval by the City Engineer.
14. **Plans Examination:** Improvement plans/construction documents for the project shall be reviewed and approved by the City's Planning, Building, Engineering, and Fire Departments, as well as the Seaside County Sanitation District, California-American Water (Cal-Am), the Monterey Peninsula Water Management District, and the Monterey County Department of Health for issuance of permits from these departments/agencies. All requirements of the aforementioned departments/agencies made during plan review shall be implemented to the satisfaction of the representatives/inspectors of each Department/Agency, prior to the issuance of building permits for the project and prior to the commencement of construction activities on the site.
16. **Encroachment Permits:** Encroachment permits shall be obtained from the City prior to initiating any construction work within the City right-of-way. All work covered by the encroachment permit shall be subject to review and approval of the City Engineer. All fees required for the encroachment permit(s) shall be paid prior to issuance of the encroachment permit(s).

17. **Soil/Geotechnical Report:** The applicant shall submit a geotechnical evaluation report prepared by a California Certified Geologist or geotechnical engineer with all improvement plan submissions. The report shall include geotechnical evaluation for all necessary aspects of the project and shall indicate the suitability of the land for the proposed development. The report shall ensure that the project is designed in accordance with the most current standards of the City's Building Codes, and by incorporation, the California Building Code. The report shall also include a City approved soils infiltration test to confirm that the proposed stormwater infrastructure and water quality control measures will function as designed. Recommendations of said report shall be integrated into the project design.
18. **Air District:** Requirements of the Monterey Bay Unified Air Pollution Control Agency (MBUAPCA), applicable to the construction of the proposed project, shall be implemented to the satisfaction of the MBUAPCA.
19. **Cultural Resources.** Improvement plans/construction documents shall include the following language:

"If archeological and/or paleontological resources (i.e. fossils) are discovered during construction, work shall be halted within fifty feet (50') of the find until a qualified professional archeologist/paleontologist can evaluate said find. The Sand city Planning Department shall be notified. If the find is determined to be significant, then appropriate mitigation measures shall be formulated and implemented to the satisfaction of the City."
20. **Street Access:** In no instance shall construction activities impede vehicular traffic or public access on public streets. Any temporary closures of public streets and/or sidewalks to accommodate construction activities shall be coordinated with, and subject to, the requirements of the City's Police and Engineering Departments, prior to implementing any street closures.
21. All construction activities shall adhere to Special Condition 2 "Construction Plan" of the approved CDP A-3-SNC-98-114 and Title 13.05 "Storm Water Management" of the Sand City Municipal Code.
22. **Materials/Equipment:** Materials and/or equipment necessary to construct the approved project shall not be stored and/or parked within any public right-of-way or on private property beyond the limits of this project unless otherwise authorized by the appropriate City representative. Security/construction fencing shall be implemented if deemed necessary by the Building Inspector and/or other City Department inspector(s). In no instance shall material and equipment that may cause pollution to storm water be permitted to enter or discharge to the City storm drain system. Best Management Practices (BMPs) for property control of materials and equipment and to prevent storm water pollution are required by the City's NPDES (National Pollutant

Discharge Elimination System) storm water permit and City Municipal Code Chapter 13.05 regarding Storm Water Management.

23. Any construction signs placed on-site shall be in accordance with the California Coastal Commission issued CDP A-3-SNC-98-114. In any instance where the aforementioned CDP does not address an intended sign, then the Sand City Municipal Code Title 18 shall apply.
24. During all phases of construction, the developer and/or contractor(s) for the project shall employ Best Management Practices (BMPs) for erosion and sediment control, prevention of non-storm water discharges, and implement good housekeeping and waste management practices to protect the water quality as required by (CDP) A-3-SNC-98-114, the City's NPDES storm water permit and Sand City Municipal Code Chapter 13.05 regarding Storm water Management, and the State of California Construction General Permit, as applicable. The applicant shall submit a Storm Water Pollution Prevention Plan (SWPPP), or equivalent to the satisfaction of the City Engineer, indicating proper storm water management, control and BMPs implemented during all phases of construction; and shall all be subject to review and approval by the City's Engineering and Building Departments prior to issuance of grading/and/or building permits.
25. The Applicant agrees, as a condition of approval and certification of the modified VTM for the Project, to hold harmless, defend, and indemnify the City of Sand City and its officials at the Applicant's sole expense against any action brought as a result of the approval of the amended vesting tentative map and environmental review for the Project. The applicant will reimburse the City for any court costs and attorney's fees that the City may be required by a court to pay as a result of such action. The City may, at its sole discretion, participate in the defense of any such action, but such participation shall not relieve the applicant of its obligations under this condition."
26. Following recordation of the Final Subdivision Map, the property owner shall record a Condominium Plan showing the location and dimensions of the separate interest condominium units and the common areas. The property owner shall also record a declaration of covenants, conditions and restrictions ("CC&R's") concerning ownership and operation of the separate condominium units and common areas consistent with the CDP and the Final Subdivision Map. The Condominium Plan shall be subject to review and approval by the City Engineer. The CC&R's shall be subject to review and approval by the City Attorney.
27. The applicant may obtain a rough grading (and excess sand disposal) permit consistent with the Coastal Commission approved conceptual grading plan dated August 18, 2015 and approved by the Coastal Commission on November 2, 2015 and the construction plan approved by the Coastal Commission on November 4, 2015, prior to recording the Final

Subdivision Map and subject to the approval of the City's Planning and Engineering Departments prior to issuance of said grading permit.

28. In accordance with Sand City Municipal Code Title 17, the modified VTM, as conditionally approved by the City, shall confer vested rights to proceed with development and construction of the project in accordance with the Subdivision Map Act for a minimum of two (2) years.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council of the City of Sand City hereby finds, since the Coastal Commission's approval of this Reduced Project and its Modified VTM, that there have been no substantial changes with respect to the circumstances under which the Reduced Project and the Modified VTM are to be undertaken, which would require revision of the final environmental documents due to the involvement of new significant environmental impacts not already identified and considered by the City of Sand City and the Coastal Commission. Additionally, the City Council finds that there is no feasible alternative or feasible mitigation measure within the City's jurisdiction to impose that would substantially lessen or avoid any significant effect to the project as approved by the Coastal Commission. To the extent not considered by the Coastal Commission, the City Council hereby reasserts and adopts its environmental findings and its Statement of Overriding Considerations, as more thoroughly identified in the CEQA Findings of Fact, attached hereto and incorporated herein as Resolution Exhibit D, as if set forth fully herein.

PASSED AND ADOPTED by the City Council of Sand City this 15th day of December, 2015, by the following vote:

AYES: Council Member Blackwelder, Carbone, Hubler, Kruper, Pendergrass
NOES: None
ABSENT: None
ABSTAIN: None

ATTEST:



Linda K. Scholink, City Clerk

APPROVED:



David K. Pendergrass, Mayor

**AGENDA ITEM
8B.**

**Approve a Resolution Establishing the
Fiscal Year 2026-2027 Appropriations Limit
Pursuant to Article XIII B of the California
Constitution**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council Members
FROM: Jennifer Pope, Finance Manager
SUBJECT: Resolution Setting the Appropriations Limit for FY 2026-2027
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

California law (Article XIII B of the CA Constitution) places a limit on how much money local governments, including the City, can spend each year from certain tax revenues. This limit is based on the previous year's spending limit and is adjusted annually to account for changes in population and inflation, as required by state laws passed through Proposition 4 (1979) and Proposition 111 (1990).

Under the California Constitution and state law, the City must calculate and officially set this spending limit every fiscal year.

The City has made the calculations and supporting documents available to the public, as required by law. The spending limit for Fiscal Year 2025–2026 was set at \$19,477,509. For Fiscal Year 2026–2027, the limit has been recalculated at \$20,281,930 based on the required inflation and population growth factors.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

There is no fiscal impact.

RECOMMENDATION:

Approve a resolution setting the Appropriations Limit for Fiscal Year 2026-2027.

ATTACHMENTS:

1. Resolution
2. Appropriation Calculation (Exhibit A)
3. Price Factor and Population Information Letter
4. Annual Percentage Change Monterey County

**CITY OF SAND CITY
RESOLUTION SC 26-____, 2026**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY ESTABLISHING THE FISCAL
YEAR 2026-2027 APPROPRIATIONS LIMIT PURSUANT TO ARTICLE XIII B OF THE
CALIFORNIA CONSTITUTION**

WHEREAS, Article XIII B of the California Constitution requires local governments, including the City of Sand City, to establish an annual appropriations limit based on the prior year's limit, adjusted for changes in population and inflation as required by Proposition 4 (1979) and Proposition 111 (1990); and

WHEREAS, California Government Code Section 7900 et seq. requires the City to calculate and adopt an appropriations limit each fiscal year; and

WHEREAS, the City has completed the required calculations and has made the supporting documentation available to the public in accordance with California Government Code Section 7910; and

WHEREAS, the appropriations limit for Fiscal Year 2025–2026 was established at \$19,477,509, and the appropriations limit for Fiscal Year 2026–2027 has been calculated at \$20,281,930, as shown in Exhibit A attached hereto and incorporated by this reference;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sand City hereby establishes the Fiscal Year 2026–2027 appropriations limit at \$20,281,930.

PASSED AND ADOPTED, at a regular meeting of the City Council of the City of Sand City, this XX day of June 2026 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:

DATED: _____

Kerry Lindstrom, City Clerk

EXHIBIT A

**CITY OF SAND CITY
APPROPRIATIONS LIMIT CALCULATION
FISCAL YEAR 2026-2027**

A. LAST YEAR'S LIMIT \$19,477,509

B. ADJUSTMENT FACTORS

1. Sand City Population Growth Ratio = $\frac{-0.78 + 100}{100}$ = .9922

2. Inflation Ratio (Per Capita Income) = $\frac{4.95 + 100}{100}$ = 1.0495

C. Annual Ratio (increase) = 1.0495 x .9922 = 1.0413

D. THIS YEAR'S LIMIT (FY 2026-2027)
(\$19,477,509 X 1.0413 = \$20,281,930) \$20,281,930

May 1, 2026

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2026, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2026–27. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2026–27 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. [California Revenue and Taxation Code section 2228](#) provides additional information regarding the appropriations limit. [Article XIII B, section 9\(C\) of the California Constitution](#) exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2026.** Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s Erika Li
Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2026–27 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2026-27	4.95

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2026–27 appropriation limit.

2026–27:

Per Capita Cost of Living Change = 4.95 percent
Population Change = -0.14 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.95 + 100}{100} = 1.0495$

Population converted to a ratio: $\frac{-0.14 + 100}{100} = 0.9986$

Calculation of factor for FY 2026–27: $1.0495 \times 0.9986 = 1.0480$

FISCAL YEAR 2026-27
Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2025 to January 1, 2026, and Total Population January 1, 2026

City	County	Percent Change 25-26	Population Minus Exclusions 1-1-25	Population Minus Exclusions 1-1-26	Total Population 1-1-26
Carmel-By-The-Sea	Monterey	-0.42	3,115	3,102	3,102
Del Rey Oaks	Monterey	-0.45	1,546	1,539	1,539
Gonzales	Monterey	-0.30	8,423	8,398	8,398
Greenfield	Monterey	1.78	20,552	20,918	20,918
King City	Monterey	0.87	14,245	14,369	14,369
Marina	Monterey	1.67	22,938	23,322	23,322
Monterey	Monterey	-0.17	24,127	24,087	27,504
Pacific Grove	Monterey	-0.53	14,974	14,894	14,894
Salinas	Monterey	-0.57	160,784	159,866	159,866
Sand City	Monterey	-0.78	384	381	381
Seaside	Monterey	-0.36	26,438	26,342	31,681
Soledad	Monterey	0.29	20,434	20,494	27,065
Unincorporated	Monterey	-0.46	104,061	103,582	103,716
Incorporated	Monterey	-0.08	317,960	317,712	333,039
County Total	Monterey	-0.17	422,021	421,294	436,755

**AGENDA ITEM
8C.**

**Receive an Informational Report on the
City of Sand City's Vacancies, Recruitment,
and Retention Efforts Pursuant to
Government Code Section 3502.3.**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Audrey Cray, Administrative Services Manager
SUBJECT: City Vacancies Report Pursuant to Assembly Bill 2561
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

Governor Newsom signed Assembly Bill 2561 (AB 2561) into law on September 22, 2024, amending the Meyers-Milias-Brown Act (MMBA). AB 2561 added California Government Code Section 3502.3, which requires public agencies to hold a public hearing at least one per fiscal year to report on vacancy rates, recruitment status, and retention efforts.

AB 2561 also provides that if vacancy rates in any recognized employee bargaining unit exceed 20% of positions, agencies must provide further specified information if requested by the bargaining unit. Further, AB 2561 requires agencies to provide an opportunity to bargaining units to present their perspectives at the hearing.

Recruitment and retention of staff is important to the City of Sand City, and City Council has committed to offering competitive pay and benefits in order to be successful in recruiting and retention efforts. The City prioritizes a positive workplace culture and investment in staff development and training, along with competitive compensation packages commensurate with other local agencies. The City has only one represented bargaining group, the Police Officers Association, representing ten (10) full time equivalent positions (FTEs). Additionally, the City has twelve (12) unrepresented employees and one (1) part-time retired annuitant. This report provides data on City employment vacancies as of June 1, 2026.

Vacancies

Position vacancies may occur for various reasons, including retirements, resignations, terminations, or due to the approval of a new position. When vacancies occur, the City Manager and City's Administrative Services Manager works with the affected department to fill the position(s) to maintain operations; ensure continued quality, efficient services to the community; and to reduce the need for overtime. Total vacancies by bargaining group as of June 1, 2026, are listed in the chart below.

Employee Bargaining Group	Total Number of Vacancies	Vacancy Rate
POA	1*	8.3%
Unrepresented	0	0%

*This vacant position is a new Police Officer position, approved by City Council on December 16, 2026. The City is currently in the background process with a final candidate.

Recruitment and Retention of Staff

The City employs various recruitment strategies including posting vacancies on the City's website as well as industry specific job boards such as Government Jobs; reaching out to known potential candidates in the area; and advertising open positions on the City's social media platforms. For professional and high-level positions, the City has worked with a recruiting firm in the past.

The City also employs various strategies for retaining existing staff, including maintaining competitive compensation; investing in staff training and development; regular engagement with and recognition of staff. The City prioritizes making staff feel appreciated, supported and valued in the organization. The City's retention rate for 2025 was 100%.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

RECOMMENDATION:

Receive the informational report on the City of Sand City's Vacancies, Recruitment, and Retention efforts pursuant to Government Code Section 3502.3.

ATTACHMENTS:

1. Assembly Bill 2561



AB-2561 Local public employees: vacant positions. (2023-2024)

SHARE THIS:



Date Published: 09/23/2024 09:00 PM

Assembly Bill No. 2561

CHAPTER 409

An act to add Section 3502.3 to the Government Code, relating to public employment.

[Approved by Governor September 22, 2024. Filed with Secretary of State
September 22, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2561, McKinnor. Local public employees: vacant positions.

Existing law, the Meyers-Milias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations and to consider fully presentations that are made by the employee organization on behalf of its members before arriving at a determination of policy or course of action.

This bill would, as specified, require a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year, and would entitle the recognized employee organization to present at the hearing. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the bill would require the public agency, upon request of the recognized employee organization, to include specified information during the public hearing. By imposing new duties on local public agencies, the bill would impose a state-mandated local program. The bill would also include related legislative findings.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares as follows:

- (a) Job vacancies in local government are a widespread and significant problem for the public sector affecting occupations across wage levels and educational requirements.
- (b) High job vacancies impact public service delivery and the workers who are forced to handle heavier workloads, with understaffing leading to burnout and increased turnover that further exacerbate staffing challenges.
- (c) There is a statewide interest in ensuring that public agency operations are appropriately staffed and that high vacancy rates do not undermine public employee labor relations.

SEC. 2. Section 3502.3 is added to the Government Code, to read:

3502.3. (a) (1) A public agency shall present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year.

(2) If the governing board will be adopting an annual or multiyear budget during the fiscal year, the presentation shall be made prior to the adoption of the final budget.

(3) During the hearing, the public agency shall identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

(b) The recognized employee organization for a bargaining unit shall be entitled to make a presentation at the public hearing at which the public agency presents the status of vacancies and recruitment and retention efforts for positions within that bargaining unit.

(c) If the number of job vacancies within a single bargaining unit meets or exceeds 20 percent of the total number of authorized full-time positions, the public agency shall, upon request of the recognized employee organization, include all of the following information during the public hearing:

- (1) The total number of job vacancies within the bargaining unit.
- (2) The total number of applicants for vacant positions within the bargaining unit.
- (3) The average number of days to complete the hiring process from when a position is posted.
- (4) Opportunities to improve compensation and other working conditions.

(d) This section shall not prevent the governing board from holding additional public hearings about vacancies.

(e) The provisions of this section are severable. If any provision of this section or its application is held invalid, the invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(f) For purposes of this section, "recognized employee organization" has the same meaning as defined in subdivision (a) of Section 3501.

SEC. 3. The Legislature finds and declares that Section 2 of this act, which adds Section 3502.3 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

It is in the public interest, and it furthers the purposes of paragraph (7) of subdivision (b) of Section (3) of Article I of the California Constitution, to ensure that information concerning public agency employment is available to the public.

SEC. 4. No reimbursement shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other law.

**AGENDA ITEM
9A.**

**Approve a Resolution Adopting the City of
Sand City's Budget for the Fiscal Year
2026-2027**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council Members
FROM: Vibeke Norgaard, City Manager; Jennifer Pope, Finance Manager;
Audrey Cray, Administrative Services Manager
SUBJECT: Approval of Proposed Fiscal Year 2026-2027 Budget
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

In accordance with Section 2.50.070(H) of the Sand City Municipal Code, staff has prepared and submitted the proposed Fiscal Year 2026-2027 Budget for City Council review and consideration. The annual budget serves as the City's primary financial planning document and establishes the framework for monitoring municipal services, funding capital projects, and advancing the City Council's strategic priorities for the upcoming fiscal year.

The proposed FY 2026-2027 Budget was developed through a collaborative process involving all City departments. It reflects the City Council's priorities and staff's continued commitment to maintaining the City's long-term fiscal health and preserving essential City services while advancing the City Council goals. Departments reviewed operational needs, anticipated projected expenditures, staffing requirements, and ongoing contractual obligations in developing the budget. Staff also evaluated historical revenue performance, projected inflation, and labor and benefit costs in preparing the proposed budget.

On May 28, 2026, the proposed budget was reviewed and recommended for approval by the City's Budget Committee. The proposed budget reflects a cautious and conservative approach to revenue forecasting while continuing to prioritize municipal services, infrastructure maintenance, public safety and implementation of the City Council's goals as outlined in the capital improvement plan.

CITY BUDGET SUMMARY (Revenue & Expenses)				
Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Increase or Decrease
Operating Revenue	\$11,887,688	\$11,701,302	\$12,362,829	\$661,527
Non Operating Revenue	\$1,440,152	\$4,797,082	\$6,392,570	\$1,595,488
TOTAL REVENUE	\$13,327,840	\$16,498,384	\$18,755,399	\$2,257,015
Operating Expenditures	\$8,330,237	\$10,002,760	\$10,299,854	\$297,094
Non Operating Expenditures	\$2,055,628	\$4,797,082	\$8,455,545	\$3,658,463
TOTAL EXPENDITURE	\$10,385,865	\$14,799,842	\$18,755,399	\$3,955,557
DIFFERENCE	\$2,941,975	\$1,698,542	\$0	-\$1,698,542

Budget Overview

The proposed FY 2026–2027 budget totals approximately \$18.8 million in both revenues and expenditures.

Total Revenues: \$18.8 million

- \$12.4 million in operating revenues
- \$6.4 million in special projects and grants

Total Expenditures: \$18.8 million

- \$10.3 million in operating expenditures
- \$8.5 million in capital improvements and special projects

CITY BUDGET SUMMARY (Operating & Non-Operating)				
Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Increase or Decrease
Operating Revenue	\$11,887,688	\$11,701,302	\$12,362,829	\$661,527
Operating Expenditures	\$8,330,237	\$10,002,760	\$10,299,854	\$297,094
Surplus/Deficit	\$3,557,451	\$1,698,542	2,062,975	364,433
Non-Operating Revenue				
Grants	\$587,082	\$2,683,332	\$6,292,545	\$3,609,213
General Fund Reserves for CIP	\$0	\$380,875	\$0	-\$380,875
Special Projects	\$853,070	\$144,520	\$100,025	-\$44,495
Total Non-Operating Revenue	\$1,440,152	\$3,208,727	\$6,392,570	\$3,183,843
Non-Operating Expenditures				
Capital Outlay	\$111,617	\$1,843,600	\$1,089,000	-\$754,600
Capital Projects	\$1,413,643	\$2,364,318	\$6,617,545	\$4,253,227
Special Projects	\$530,368	\$589,164	\$749,000	\$159,836
Total Non-Operating Expenditures	\$2,055,628	\$4,797,082	\$8,455,545	\$3,658,463
Surplus/Deficit	-\$615,476	-\$1,588,355	-\$2,062,975	-\$474,620
Total Op and Non-Op Surplus/Deficit	\$2,941,975	\$110,187	\$0	-\$110,187

Operating Budget

The proposed operating budget includes a projected operating surplus of \$2.1 million. This surplus along with grant funding is proposed to fund FY 2026-2027 Capital Improvement Projects (CIP) and special projects.

CITY OPERATING BUDGET SUMMARY				
Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Increase or Decrease
Operating Revenue	\$11,887,688	\$11,701,302	\$12,362,829	\$661,527
Operating Expenditures	\$8,330,237	\$10,002,760	\$10,299,854	\$297,094
Surplus/Deficit	\$3,557,451	\$1,698,542	2,062,975	\$364,433

Operating Revenue:

Proposed operating revenue for FY 2026-2027 is approximately \$12.4 million, an increase of \$661,527 from Fiscal Year 2025-2026.

While economic conditions remain uncertain, the budget reflects modest and conservative revenue growth. Key projected increases include:

- Higher Sales and Use Tax revenue
- Growth in Transaction and Use Tax revenue
- Increased Transient Occupancy Tax revenue following the opening of the Marriott Hotel
- Increased interest earnings
- Higher lease revenue

These increases are partially offset by projected decreases in revenue, including:

- Decreased Public Works revenue (RMRA funding)
- Lower CERBT disbursement request for FY 2026-2027
- Reduced refund from the Successor Agency for Administrative services costs

Operating Revenue Budget Summary					
Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Difference	% Change
OPERATING REVENUES					
Property Taxes	\$152,632	\$142,038	\$143,368	\$1,330	1%
Sales/Use Taxes	\$3,702,087	\$3,726,034	\$3,787,369	\$61,335	2%
Transaction Tax	\$4,656,785	\$4,704,441	\$4,748,729	\$44,288	1%
TOT Tax	\$93,014	\$500,000	\$1,234,878	\$734,878	147%
Franchise Fees/Users Tax	\$450,082	\$370,000	\$372,920	\$2,920	1%
Business License	\$673,446	\$750,200	\$751,280	\$1,080	0%
Planning Revenues	\$13,329	\$15,100	\$14,405	-\$695	-5%
Building Revenues	\$29,339	\$27,150	\$27,150	\$0	0%
Police Revenues	\$226,687	\$214,603	\$217,345	\$2,742	1%
Public Works Revenues	\$222,936	\$87,182	\$78,520	-\$8,662	-10%
Interest	\$679,540	\$546,000	\$586,250	\$40,250	7%
Leases	\$47,395	\$48,000	\$80,395	\$32,395	67%
ROPS Residual	\$239,227	\$225,000	\$225,000	\$0	0%
Misc. Revenues	\$694,189	\$338,554	\$88,220	-\$250,334	-74%
Cal-Am	\$7,000	\$7,000	\$7,000	\$0	0%
TOTAL OPERATING REVENUE	\$11,887,688	\$11,701,302	\$12,362,829	\$661,527	6%

Operating Expenditures:

The proposed operating expenditure budget for FY 2026-2027 is approximately \$10.3 million, an increase of \$297,094 from the previous year. Overall, the increase is attributed to rising personnel-related costs and operational expenses, partially offset by reductions across several departments and programs.

Key cost increases include:

- Addition of one FTE police officer
- Addition of one FTE public works maintenance worker

- Increase in CalPERS unfunded accrued liability
- See Monterey Membership
- Utility costs
- Higher salaries and benefits for multiple City Departments

The budget also includes several reductions in expenditures including:

- Lower contracted services for the City Council, Finance, and Public Works Department
- Reduced equipment purchases for City Council and Police Department
- Decreased CalPERS employee payment obligations
- Lower liability insurance costs
- Completion of the Façade Improvement Program
- Reduced Police Department overtime expenses

Operating Expenditure Budget Summary					
Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Difference	% Change
OPERATING EXPENSES					
City Council	\$135,031	\$205,042	\$157,234	-\$47,808	-23%
Administration	\$825,758	\$968,433	\$993,567	\$25,134	3%
Finance	\$525,829	\$590,858	\$539,634	-\$51,224	-9%
Attorney	\$239,887	\$386,250	\$386,250	\$0	0%
Planning	\$530,936	\$715,082	\$779,912	\$64,830	9%
Building	\$71,324	\$154,949	\$154,950	\$1	0%
Police	\$3,483,094	\$4,057,561	\$4,160,481	\$102,920	3%
Fire	\$354,578	\$364,150	\$373,255	\$9,105	3%
Public Works/Engineering	\$961,642	\$1,177,324	\$1,291,370	\$114,046	10%
Parks	\$36,981	\$66,384	\$36,480	-\$29,904	-45%
Government Buildings	\$76,219	\$88,315	\$87,280	-\$1,035	-1%
Community Outreach/Economic Development	\$177,130	\$243,346	\$236,036	-\$7,310	-3%
Non-Departmental	\$911,828	\$985,066	\$1,103,405	\$118,339	12%
TOTAL FOR OPERATING EXPENSES	\$8,330,237	\$10,002,760	\$10,299,854	\$297,094	3%

Non-Operating Budget

CITY NON-OPERATING BUDGET SUMMARY				
Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Increase or Decrease
Non-Operating Revenue				
Grants	\$587,082	\$2,683,332	\$6,292,545	\$3,609,213
General Fund Reserves for CIP	\$0	\$380,875	\$0	-\$380,875
Special Projects	\$853,070	\$144,520	\$100,025	-\$44,495
Total Non-Operating Revenue	\$1,440,152	\$3,208,727	\$6,392,570	\$3,183,843
Non-Operating Expenditures				
Capital Outlay	\$111,617	\$1,843,600	\$1,089,000	-\$754,600
Capital Projects	\$1,413,643	\$2,364,318	\$6,617,545	\$4,253,227
Special Projects	\$530,368	\$589,164	\$749,000	\$159,836
Total Non-Operating Expenditures	\$2,055,628	\$4,797,082	\$8,455,545	\$3,658,463
Surplus/Deficit	-\$615,476	-\$1,588,355	-\$2,062,975	-\$474,620

Non-Operating Revenue:

Non-operating revenues, including grants and special project funding, are projected to increase by \$3.2 million compared to FY 2025-2026.

The increase is largely due to grant funding obtained by staff. The budgeted grant funding includes the following:

- Monterey Peninsula Water Management District (\$1,011,970)
- California State Water Resources Control Board (\$2,386,770)
- Transportation Agency of Monterey County (\$2 million)
- Association for Bay Area Governments (\$1.9 million)

Special project revenue is also included in non-operating revenue. This includes reimbursement agreements for development projects and projected West End Celebration revenue.

Staff is applying for additional funding opportunities that may be received during FY 2026-2027. If awarded, those funds will be incorporated through a mid-year budget amendment.

Non-Operating Revenue Budget Summary				
Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Difference
NON-OPERATING REVENUE				
Grants	\$587,082	\$2,683,332	\$6,292,545	\$3,609,213
Environmental Enhancement	\$439,956	\$0	\$0	\$0
General Fund Reserve (CIP)	\$0	\$380,875	\$0	-\$380,875
Special Project Revenues	\$413,114	\$144,520	\$100,025	-\$44,495
TOTAL NON-OP REVENUE	\$1,440,152	\$3,208,727	\$6,392,570	\$3,183,843

Non-Operating Expenditures:

Non-operating expenditures are projected to increase by approximately \$3.7 million from FY 2025-2026.

The increase is primarily due to major Capital Improvement Project's that are expected to progress during FY 2026-2027 including:

- West End Storm Water Improvements
- Multi-use Bike Trail
- Coastal Trail
- Affordable Housing/Art Park Improvements
- Pavement Management Program
- Public Works Yard Improvements

It also includes capital outlay and special projects including:

- Police Department Capital Outlay
 - Records Management Software
 - Utility Task Vehicle
 - Tasers
- City Hall safety improvements for the lobby and front desk
- The General Plan Update
- East Dunes Citywide ITP

Non-Operating Expenditure Budget Summary				
Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Difference
NON-OPERATING EXPENSES				
Capital Outlay	\$111,617	\$1,843,600	\$1,089,000	-\$754,600
Capital Projects	\$1,413,643	\$2,364,318	\$6,617,545	\$4,253,227
Special Projects	\$530,368	\$589,164	\$749,000	\$159,836
TOTAL NON-OP EXPENSES	\$2,055,628	\$4,797,082	\$8,455,545	\$3,658,463

Conclusion

The proposed FY 2026-2027 Budget reflects a balanced and fiscally responsible financial plan that maintains essential municipal services, addresses operational and infrastructure needs, and supports the City Council's strategic priorities.

FISCAL IMPACT:

The proposed FY 2026-2027 budget includes total revenues of approximately \$18.8 million and total expenditures of approximately \$18.8 million.

RECOMMENDATION:

Staff recommend approval of the Proposed Fiscal Year 2026-2027 Budget.

ATTACHMENTS:

1. Resolution
2. Proposed Fiscal Year 2026-2027 Budget

**CITY OF SAND CITY
RESOLUTION SC 26- __, 2026**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY ADOPTING THE CITY OF
SAND CITY'S BUDGET FOR THE FISCAL YEAR 2026-2027**

WHEREAS, the Budget and Personnel Committee has recommended that the proposed FY 2026-2027 Budget (attached) be considered for adoption by the City Council; and

WHEREAS, the Budget and Personnel Committee and the City Council of Sand City have reviewed the proposed Fiscal Year (FY) 2026-2027 Budget; and

WHEREAS, the City Council recognizes that the FY 2026–2027 Budget may require amendments or adjustments during the fiscal year to address operational needs, revenue changes, or other fiscal considerations; and

WHEREAS, changing economic conditions and other unforeseen circumstances may affect City revenues and expenditures during the fiscal year; and

WHEREAS, the City Council finds that the proposed FY 2026–2027 Budget provides an appropriate financial framework for the continued operation of City services and implementation of the City's capital improvement program for the upcoming fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sand City as follows:

1. The Fiscal Year 2026-2027 Budget, attached hereto, is hereby adopted.
2. City staff is authorized and directed to implement and administer City operations in accordance with the adopted FY 2026-2027 Budget and the financial policies and guidelines contained therein.

PASSED AND ADOPTED by the Sand City Council on this ____ day of June 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:

DATED: _____

Kerry Lindstrom, City Clerk

CITY OPERATING BUDGET SUMMARY

Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Increase or Decrease
Operating Revenue	\$11,887,688	\$11,701,302	\$12,362,829	\$661,527
Operating Expenditures	\$8,330,237	\$10,002,760	\$10,299,854	\$297,094
Surplus/Deficit	\$3,557,451	\$1,698,542	2,062,975	\$364,433

CITY NON-OPERATING BUDGET SUMMARY

Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Increase or Decrease
Non-Operating Revenue				
Grants	\$587,082	\$2,683,332	\$6,292,545	\$3,609,213
General Fund Reserves for CIP	\$0	\$380,875	\$0	-\$380,875
Special Projects	\$853,070	\$144,520	\$100,025	-\$44,495
Total Non-Operating Revenue	\$1,440,152	\$3,208,727	\$6,392,570	\$3,183,843
Non-Operating Expenditures				
Capital Outlay	\$111,617	\$1,843,600	\$1,089,000	-\$754,600
Capital Projects	\$1,413,643	\$2,364,318	\$6,617,545	\$4,253,227
Special Projects	\$530,368	\$589,164	\$749,000	\$159,836
Total Non-Operating Expenditures	\$2,055,628	\$4,797,082	\$8,455,545	\$3,658,463
Surplus/Deficit	-\$615,476	-\$1,588,355	-\$2,062,975	-\$474,620

Total Surplus/Deficit Operating and Non-Operating	\$2,941,975	\$110,187	\$0	-\$110,187
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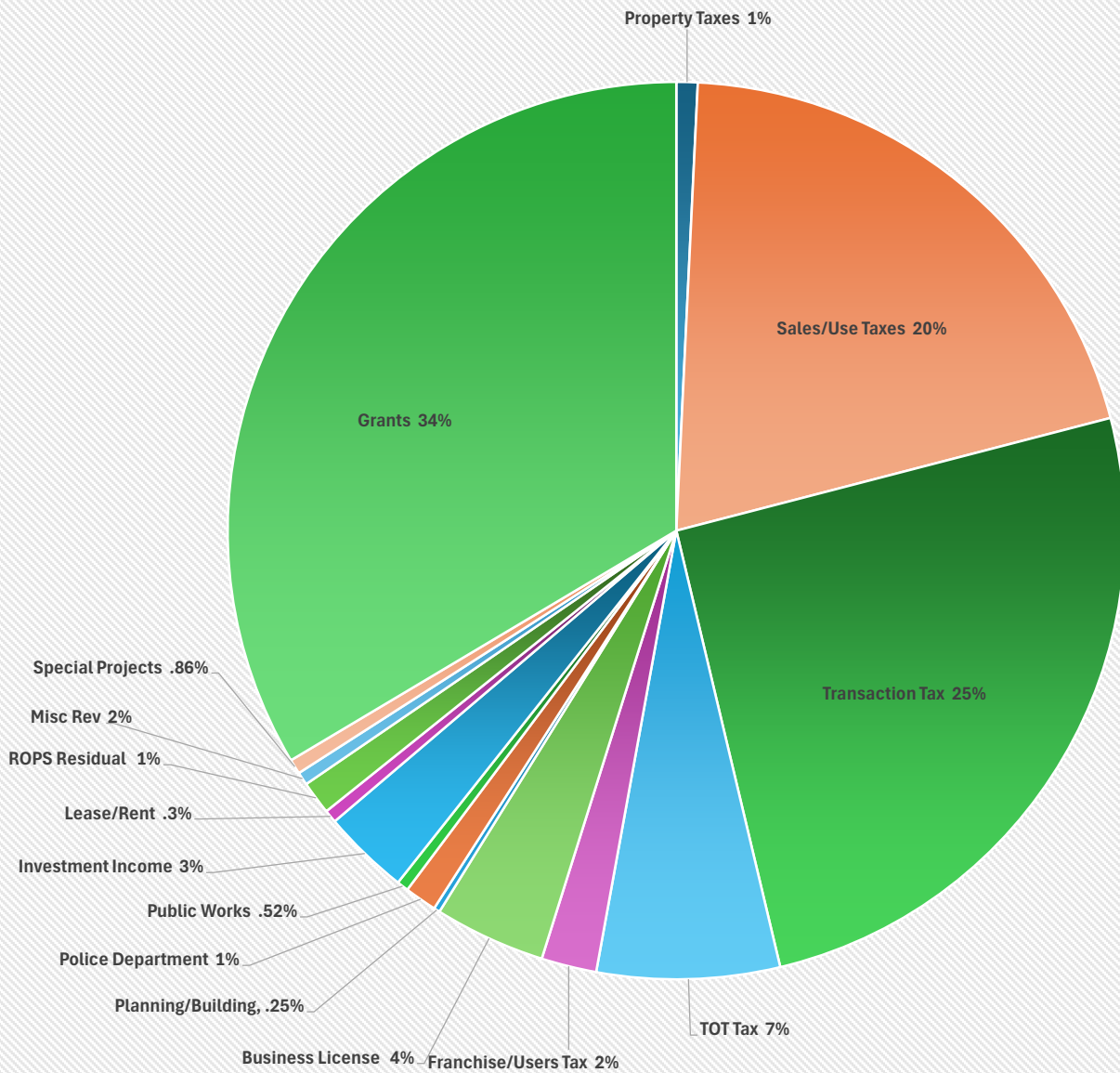
City Revenue Budget Summary

Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Difference
OPERATING REVENUES				
Property Taxes	\$152,632	\$142,038	\$143,368	\$1,330
Sales/Use Taxes	\$3,702,087	\$3,726,034	\$3,787,369	\$61,335
Transaction Tax	\$4,656,785	\$4,704,441	\$4,748,729	\$44,288
TOT Tax	\$93,014	\$500,000	\$1,234,878	\$734,878
Franchise Fees/Users Tax	\$450,082	\$370,000	\$372,920	\$2,920
Business License	\$673,446	\$750,200	\$751,280	\$1,080
Planning Revenues	\$13,329	\$15,100	\$14,405	-\$695
Building Revenues	\$29,339	\$27,150	\$27,150	\$0
Police Revenues	\$226,687	\$214,603	\$217,345	\$2,742
Public Works Revenues	\$222,936	\$87,182	\$78,520	-\$8,662
Interest	\$679,540	\$546,000	\$586,250	\$40,250
Leases	\$47,395	\$48,000	\$80,395	\$32,395
ROPS Residual	\$239,227	\$225,000	\$225,000	\$0
Misc. Revenues	\$694,189	\$338,554	\$88,220	-\$250,334
Cal-Am	\$7,000	\$7,000	\$7,000	\$0
SUBTOTAL OPERATING REVENUE	\$11,887,688	\$11,701,302	\$12,362,829	\$661,527
NON-OPERATING REVENUE				
Grants	\$587,082	\$2,683,332	\$6,292,545	\$3,609,213
Environmental Enhancement	\$439,956	\$0	\$0	\$0
General Fund Reserve (CIP)	\$0	\$380,875	\$0	-\$380,875
Special Project Revenues	\$413,114	\$144,520	\$100,025	-\$44,495
SUBTOTAL NON- OPERATING REVENUE	\$1,440,152	\$3,208,727	\$6,392,570	\$3,183,843
TOTAL REVENUE	\$13,327,840	\$14,910,029	\$18,755,399	\$3,845,370

City of Sand City						
Recommended Revenue Budget FY 2026 - 2027						
Account	Dept	Account Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Prior Year Difference
NON DEPARTMENTAL						
4005	000	Curr Prop Taxes	\$ 91,398	\$ 82,543	\$ 82,543	\$ -
4006	000	RPTTF Residual	\$ 239,227	\$ 225,000	\$ 225,000	\$ -
4008	000	SA Admin Fees Reimbursement	\$ 152,156	\$ 75,000	\$ -	\$ (75,000)
4010	000	Prior Year Prop	\$ 903	\$ 1,000	\$ 1,000	\$ -
4012	000	Vehicle License Fee	\$ 44,133	\$ 44,345	\$ 45,675	\$ 1,330
4013	000	MBASIA Claims	\$ 2,321	\$ 10,534	\$ -	\$ (10,534)
4015	000	SB 813	\$ 11,943	\$ 14,000	\$ 14,000	\$ -
4020	000	Prop Tax Transf	\$ 3,956	\$ -	\$ -	\$ -
4025	000	Utility Users Tax	\$ 275,856	\$ 220,000	\$ 226,600	\$ 6,600
4030	000	Sales/Use Tax	\$ 3,702,087	\$ 3,726,034	\$ 3,787,369	\$ 61,335
4032	000	Transaction Tax	\$ 4,656,785	\$ 4,704,441	\$ 4,748,729	\$ 44,288
4033	000	State CASP Fee	\$ -	\$ -	\$ 1,080	\$ 1,080
4034	000	TOT Tax	\$ 93,014	\$ 500,000	\$ 1,234,878	\$ 734,878
4035	000	Cable Franchise	\$ 4,003	\$ 5,000	\$ 5,000	\$ -
4040	000	Refuse Franchise	\$ 86,681	\$ 65,000	\$ 70,000	\$ 5,000
4041	000	AB939/SB1383	\$ -	\$ 12,500		\$ (12,500)
4042	000	CalAm Franchise Fee	\$ -	\$ 8,500	\$ 11,000	\$ 2,500
4045	000	PG & E Gas	\$ 3,979	\$ 4,000	\$ 4,120	\$ 120
4050	000	PG & E Electric	\$ 48,663	\$ 40,000	\$ 41,200	\$ 1,200
4055	000	Business License	\$ 673,446	\$ 750,000	\$ 750,000	\$ -
4060	000	Business License Late Fee	\$ -	\$ 200	\$ 200	\$ -
4340	000	HOPTR Tax	\$ 299	\$ 150	\$ 150	\$ -
4350	000	Seaside Sanitation	\$ 30,900	\$ 15,000	\$ 15,000	\$ -
4410	000	Int. General	\$ 140,427	\$ 60,000	\$ 250	\$ (59,750)
4411	000	OPEB Interest	\$ -	\$ 500	\$ 500	\$ -
4412	000	Pro Equity MM Interest	\$ 160	\$ 45,000	\$ 100,000	\$ 55,000
4413	000	Housing Interes	\$ 15,343	\$ 500	\$ 500	\$ -
4420	000	Int. LAIF	\$ 523,610	\$ 400,000	\$ 475,000	\$ 75,000
4450	000	TVI CD Interest	\$ -	\$ 40,000	\$ 10,000	\$ (30,000)
4500	000	West End Revenue	\$ 29,380	\$ 49,500	\$ 30,000	\$ (19,500)
4504	000	Art Park Events	\$ 200	\$ 500	\$ 500	\$ -
4505	000	Developer Reimbursement	\$ -	\$ -	\$ 20,000	\$ 20,000
4529	000	MST SURF Proj	\$ 255,792	\$ 30,000	\$ 15,000	\$ (15,000)
4530	000	S of Tioga Reim	\$ 97,935	\$ 45,000	\$ 30,000	\$ (15,000)
4533	000	CalAm Reimbursement - Wells	\$ -	\$ 5,000	\$ 5,000	\$ -
4550	000	Copies Fee	\$ -	\$ 20	\$ 20	\$ -
4703	000	Housing Account	\$ 25,000	\$ -	\$ -	\$ -
4705	000	City Property Sales	\$ 6,250	\$ -	\$ -	\$ -
4710	000	Mitigation	\$ -	\$ 1,500	\$ 1,500	\$ -
4729	000	MBASIA/Fitness/Safety/HR	\$ 9,460	\$ 15,000	\$ 15,000	\$ -
4730	000	MISC Rev	\$ 259,996	\$ 25,000	\$ 5,000	\$ (20,000)
4732	000	Reimbursements	\$ 42,372	\$ 20,000	\$ 5,000	\$ (15,000)
4736	000	US Bank CalCard	\$ 1,109	\$ 1,000	\$ 1,200	\$ 200
4740	000	Rental Income	\$ 47,395	\$ 48,000	\$ 80,395	\$ 32,395
4771	000	CERBT Disbursement	\$ 204,785	\$ 205,000	\$ 75,000	\$ (130,000)
4833	000	CAL AM Lease	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
DEPARTMENT TOTAL			\$ 11,787,964	\$ 11,501,767	\$ 12,140,409	\$ 638,642
COMMUNITY DEVELOPMENT/PLANNING						
4106	500	Tree Permits	\$ -	\$ 100	\$ 200	\$ 100
4116	500	STR Application	\$ 957	\$ 2,875	\$ 2,875	\$ -
4120	500	Coastal Permit	\$ 1,575	\$ 1,575	\$ 1,700	\$ 125
4125	500	CUP	\$ 4,200	\$ 4,600	\$ 4,600	\$ -
4126	500	Temporary CUP	\$ 1,300	\$ 1,300	\$ 1,300	\$ -
4145	500	Site Permits	\$ 3,319	\$ 1,050	\$ 1,100	\$ 50
4155	500	Design Review	\$ 50	\$ 700	\$ 720	\$ 20
4156	500	Sign Permit	\$ 528	\$ 550	\$ 550	\$ -
4159	500	CEQA Fees	\$ 350	\$ 350	\$ 360	\$ 10
4160	500	Special Events Permits/Other Fees	\$ 1,050	\$ 1,000	\$ 1,000	\$ -
4219	500	Parking Permits	\$ -	\$ 1,000	\$ -	\$ (1,000)
DEPARTMENT TOTAL			\$ 13,329	\$ 15,100	\$ 14,405	\$ (695)
BUILDING						
4115	501	Building Permits	\$ 14,633	\$ 13,500	\$ 13,500	\$ -
4164	501	STR Inspection	\$ 1,766	\$ 3,150	\$ 3,150	\$ -
4165	501	Plan Check Fees	\$ 12,940	\$ 10,500	\$ 10,500	\$ -
DEPARTMENT TOTAL			\$ 29,339	\$ 27,150	\$ 27,150	\$ -

City of Sand City						
Recommended Revenue Budget FY 2026 - 2027						
Account	Dept	Account Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Prior Year Difference
PUBLIC SAFETY						
4069	601	CLEP Grant	\$ 194,664	\$ 180,000	\$ 185,400	\$ 5,400
4210	601	City Fines	\$ 2,679	\$ 3,000	\$ 3,000	\$ -
4211	601	Vehicle release	\$ 105	\$ 500	\$ 500	\$ -
4221	601	Sand City Parking	\$ 8,430	\$ 7,500	\$ 5,000	\$ (2,500)
4325	601	Motor Vehicle	\$ 95	\$ 500	\$ 500	\$ -
4330	601	Prop 172	\$ 417	\$ 500	\$ 495	\$ (5)
4335	601	Post Reimburse	\$ 8,077	\$ 4,100	\$ 4,100	\$ -
4515	601	Dog Licensing	\$ -	\$ 100	\$ 100	\$ -
4524	601	Asset Forfeitur	\$ -	\$ 500	\$ 500	\$ -
4525	601	Unclaimed Property	\$ -	\$ 3	\$ -	\$ (3)
4560	601	Special Police Reports	\$ 260	\$ 400	\$ 250	\$ (150)
4836	601	CSA74-Grant EMS	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
DEPARTMENT TOTAL			\$ 217,227	\$ 199,603	\$ 202,345	\$ 2,742
PUBLIC WORKS						
4150	700	Building Development Fees	\$ -	\$ 500	\$ 515	\$ 15
4160	700	Engineering Fees	\$ 21,697	\$ 20,000	\$ 20,600	\$ 600
4205	700	CA Code Fines	\$ 974	\$ 750	\$ 773	\$ 23
4305	700	Gas Tax Funds (HUTA)	\$ 17,178	\$ 15,988	\$ 16,207	\$ 219
4302	700	Measure X	\$ 172,009	\$ 40,000	\$ 40,425	\$ 425
4306	700	Road Maintenance Rehab (RMRA)	\$ 11,078	\$ 9,944	\$ -	\$ (9,944)
DEPARTMENT TOTAL			\$ 222,936	\$ 87,182	\$ 78,520	\$ (8,662)
GRANTS						
4605	802	Grant - Street Sweeper	\$ -	\$ 200,000	\$ -	\$ (200,000)
4606	802	CA Emerging Tech Fund (CETF)	\$ -	\$ 10,000	\$ -	\$ (10,000)
4608	802	REAP Grant	\$ 39,445	\$ 13,732	\$ -	\$ (13,732)
4609	802	PLHA Grant	\$ 217,508	\$ 100,169	\$ -	\$ (100,169)
4611	802	Coastal Trail Coastal Conservancy/CDBG	\$ 209,544	\$ 333,456	\$ 219,805	\$ (113,651)
4612	802	Multi Use Trail - MBARD/AMBAG Grant	\$ -	\$ 274,500	\$ 674,000	\$ 399,500
4613	802	Cannabis Grant	\$ 76,535	\$ 20,000	\$ -	\$ (20,000)
4682	802	Prop 1 SW IRWM - Catalina	\$ 44,050	\$ 405,418	\$ 1,011,970	\$ 606,552
4683	802	PROP 1 SW - Contra Costa	\$ -	\$ 1,326,057	\$ 4,386,770	\$ 3,060,713
DEPARTMENT TOTAL			\$ 587,082	\$ 2,683,332	\$ 6,292,545	\$ 3,609,213
GENERAL FUND RESERVE (CIP)						
		General Fund Reserve for CIP	\$ -	\$ 380,875	\$ -	\$ (380,875)
GF RESERVE TOTAL			\$ -	\$ 380,875	\$ -	\$ (380,875)
ENVIRONMENTAL ENHANCEMENT						
4755	000	Environmental Enhancement Fees	\$ 439,956	\$ -	\$ -	\$ -
ENVIRONMENTAL ENHANCEMENT TOTAL			\$ 439,956	\$ -	\$ -	\$ -
EDGEWATER HABITAT						
4706	502	Habitat Revenue	\$ 30,000	\$ 15,000	\$ -	\$ (15,000)
4410	000	Edgewater Account Intertest	\$ 7	\$ 20	\$ 25	\$ 5
HABITAT TOTAL			\$ 30,007	\$ 15,020	\$ 25	\$ (14,995)
GRAND TOTAL EXPENDITURES			\$ 13,327,840	\$ 14,910,029	\$ 18,755,399	\$ 1,161,501

Proposed FY 2026-2027 Revenue Budget



City Expenditure Budget Summary

Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Budget Difference
OPERATING EXPENSES				
City Council	\$135,031	\$205,042	\$157,234	-\$47,808
Administration	\$825,758	\$968,433	\$993,567	\$25,134
Finance	\$525,829	\$590,858	\$539,634	-\$51,224
Attorney	\$239,887	\$386,250	\$386,250	\$0
Planning	\$530,936	\$715,082	\$779,912	\$64,830
Building	\$71,324	\$154,949	\$154,950	\$1
Police	\$3,483,094	\$4,057,561	\$4,160,481	\$102,920
Fire	\$354,578	\$364,150	\$373,255	\$9,105
Public Works/Engineering	\$961,642	\$1,177,324	\$1,291,370	\$114,046
Parks	\$36,981	\$66,384	\$36,480	-\$29,904
Government Buildings	\$76,219	\$88,315	\$87,280	-\$1,035
Community Outreach/Economic Development	\$177,130	\$243,346	\$236,036	-\$7,310
Non-Departmental	\$911,828	\$985,066	\$1,103,405	\$118,339
SUBTOTAL FOR OPERATING EXPENSES	\$8,330,237	\$10,002,760	\$10,299,854	\$297,094
NON-OPERATING EXPENSES				
Capital Outlay	\$111,617	\$1,843,600	\$1,089,000	-\$754,600
Capital Projects	\$1,413,643	\$2,364,318	\$6,617,545	\$4,253,227
Special Projects	\$530,368	\$589,164	\$749,000	\$159,836
SUBTOTAL NON-OPERATING EXPENSES	\$2,055,628	\$4,797,082	\$8,455,545	\$3,658,463
TOTAL EXPENSES	\$10,385,865	\$14,799,842	\$18,755,399	\$3,955,557

City of Sand City						
Proposed Expenditure Budget FY 2026 - 2027						
Account	Dept	Account Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Prior Year Difference
NON DEPARTMENTAL						
5105	000	Health Benefits	\$ 1,321	\$ 639	\$ 658	\$ 19
5107	000	Health Benefits - Retirees	\$ 197,668	\$ 181,011	\$ 186,441	\$ 5,430
5109	000	CalPERS Annual Survivor	\$ -	\$ 1,708	\$ 1,759	\$ 51
5112	000	CA SUI/EDD	\$ (130)	\$ -	\$ -	\$ -
5113	000	EAP Program	\$ 1,925	\$ 1,862	\$ 1,918	\$ 56
5200	000	CalPERS Unfunded Accrued Liability	\$ 490,756	\$ 585,715	\$ 660,011	\$ 74,296
5301	000	Maintenance/Service Contracts	\$ 6,337	\$ 15,450	\$ 15,450	\$ -
5307	000	Technical Support	\$ 17,662	\$ 20,600	\$ 20,600	\$ -
5313	000	Computer Software & Maintenance Contracts	\$ -	\$ 7,500	\$ 7,500	\$ -
5401	000	Municipal Code Updates	\$ 1,245	\$ 8,500	\$ 8,500	\$ -
5402	000	Memberships Public Agencies	\$ 8,616	\$ 11,845	\$ 11,845	\$ -
5403	000	Memberships Voluntary	\$ 8,957	\$ 10,300	\$ 42,000	\$ 31,700
5404	000	Arts Committee	\$ -	\$ 10,300	\$ 10,000	\$ (300)
5405	000	Advertising	\$ 24,420	\$ 20,600	\$ 20,600	\$ -
5406	000	Dues/Subscriptions/Publications	\$ 2,377	\$ 2,000	\$ 2,000	\$ -
5409	000	GASB/CalPERS Admin Fees	\$ 2,100	\$ 900	\$ 900	\$ -
5410	000	Trainings/Meetings	\$ 1,123	\$ 1,200	\$ 1,200	\$ -
5417	000	Donations	\$ 6,000	\$ 14,000	\$ 6,000	\$ (8,000)
5421	000	Miscellaneous Expense	\$ 9,230	\$ 8,000	\$ 10,000	\$ 2,000
5422	000	AICP Crime Ins	\$ 1,381	\$ 1,453	\$ 1,453	\$ -
5424	000	Bank Charges	\$ 94	\$ 515	\$ 515	\$ -
5427	000	Claims Payments	\$ 29,785	\$ 5,000	\$ -	\$ (5,000)
5502	000	Equipment Maintenance	\$ 331	\$ 1,030	\$ 1,030	\$ -
5503	000	Auto Maintenance	\$ 1,400	\$ 3,605	\$ 3,605	\$ -
5600	000	Office Phones	\$ 1,397	\$ 1,000	\$ 1,000	\$ -
5601	000	Utilities	\$ 51,377	\$ 32,651	\$ 45,000	\$ 12,349
5605	000	Internet Service/Web/TV	\$ 4,286	\$ 9,270	\$ 9,270	\$ -
5700	000	Office Supplies	\$ 13,180	\$ 20,000	\$ 20,000	\$ -
5705	000	Equipment Purchases	\$ 2,936	\$ 5,150	\$ 5,150	\$ -
5707	000	Computer Equipment	\$ 26,054	\$ 3,090	\$ 9,000	\$ 5,910
5908	000	Claims Cost	\$ -	\$ 172	\$ -	\$ (172)
DEPARTMENT TOTAL			\$ 911,828	\$ 985,066	\$ 1,103,405	\$ 118,511
CITY COUNCIL						
5000	100	Salaries	\$ 44,650	\$ 61,100	\$ 63,000	\$ 1,900
5004	100	Auto Allowance	\$ 2,400	\$ 2,400	\$ 2,400	\$ -
5006	100	Fitness Pay	\$ 7,050	\$ 6,100	\$ 6,600	\$ 500
5102	100	Dental	\$ 4,766	\$ 4,940	\$ 4,403	\$ (537)
5103	100	Vision	\$ 792	\$ 731	\$ 670	\$ (61)
5106	100	Pers EE Portion Paid by Employer	\$ 1,244	\$ 2,488	\$ 2,350	\$ (138)
5108	100	CalPERS Employer	\$ 5,557	\$ 6,316	\$ 5,991	\$ (325)
5110	100	Deferred Compensation	\$ 17,577	\$ 14,375	\$ 18,000	\$ 3,625
5111	100	FICA/Medicare	\$ 1,892	\$ 2,401	\$ 2,652	\$ 251
5300	100	Contract Services	\$ -	\$ 38,000	\$ -	\$ (38,000)
5406	100	Dues/Subscriptions/Publications	\$ 1,622	\$ 2,060	\$ 2,060	\$ -
5410	100	Trainings/Meetings	\$ 28,697	\$ 25,000	\$ 25,000	\$ -
5411	100	Elections	\$ 1,490	\$ -	\$ 3,500	\$ 3,500
5419	100	Liability Insurance	\$ 3,215	\$ 5,088	\$ 2,703	\$ (2,385)
5421	100	Misc Expense	\$ -	\$ 500	\$ 500	\$ -
5423	100	Workers Compensation Insurance	\$ 7,031	\$ 10,469	\$ 9,315	\$ (1,154)
5600	100	Office Phones	\$ 4,041	\$ 3,000	\$ 3,000	\$ -
5703	100	Council Meeting	\$ 295	\$ 1,030	\$ 1,030	\$ -
5705	100	Equipment Purchases	\$ 1,284	\$ 16,984	\$ 2,000	\$ (14,984)
5707	100	Computer Equipment	\$ 1,428	\$ 2,060	\$ 2,060	\$ -
DEPARTMENT TOTAL			\$ 135,031	\$ 205,042	\$ 157,234	\$ (47,808)
ADMINISTRATION						
5000	200	Salaries	\$ 476,645	\$ 513,156	\$ 559,098	\$ 45,942
5004	200	Auto Allowance	\$ 3,300	\$ 3,600	\$ 3,600	\$ -
5006	200	Fitness Pay	\$ 2,925	\$ 3,600	\$ 4,200	\$ 600
5009	200	Paid Time Off	\$ 29,067	\$ 15,450	\$ 20,000	\$ 4,550
5012	200	Over Time Pay	\$ 75	\$ -	\$ -	\$ -
5100	200	L.T.D.	\$ 4,224	\$ 3,808	\$ 3,700	\$ (108)
5102	200	Dental	\$ 6,857	\$ 7,089	\$ 7,557	\$ 468
5103	200	Vision	\$ 1,029	\$ 989	\$ 1,053	\$ 64
5104	200	Life Ins.	\$ 486	\$ 432	\$ 600	\$ 168
5105	200	Health Benefits	\$ 68,069	\$ 71,279	\$ 80,000	\$ 8,721
5106	200	PERS EE Portion Paid by ER	\$ -	\$ 42,016	\$ 14,057	\$ (27,959)

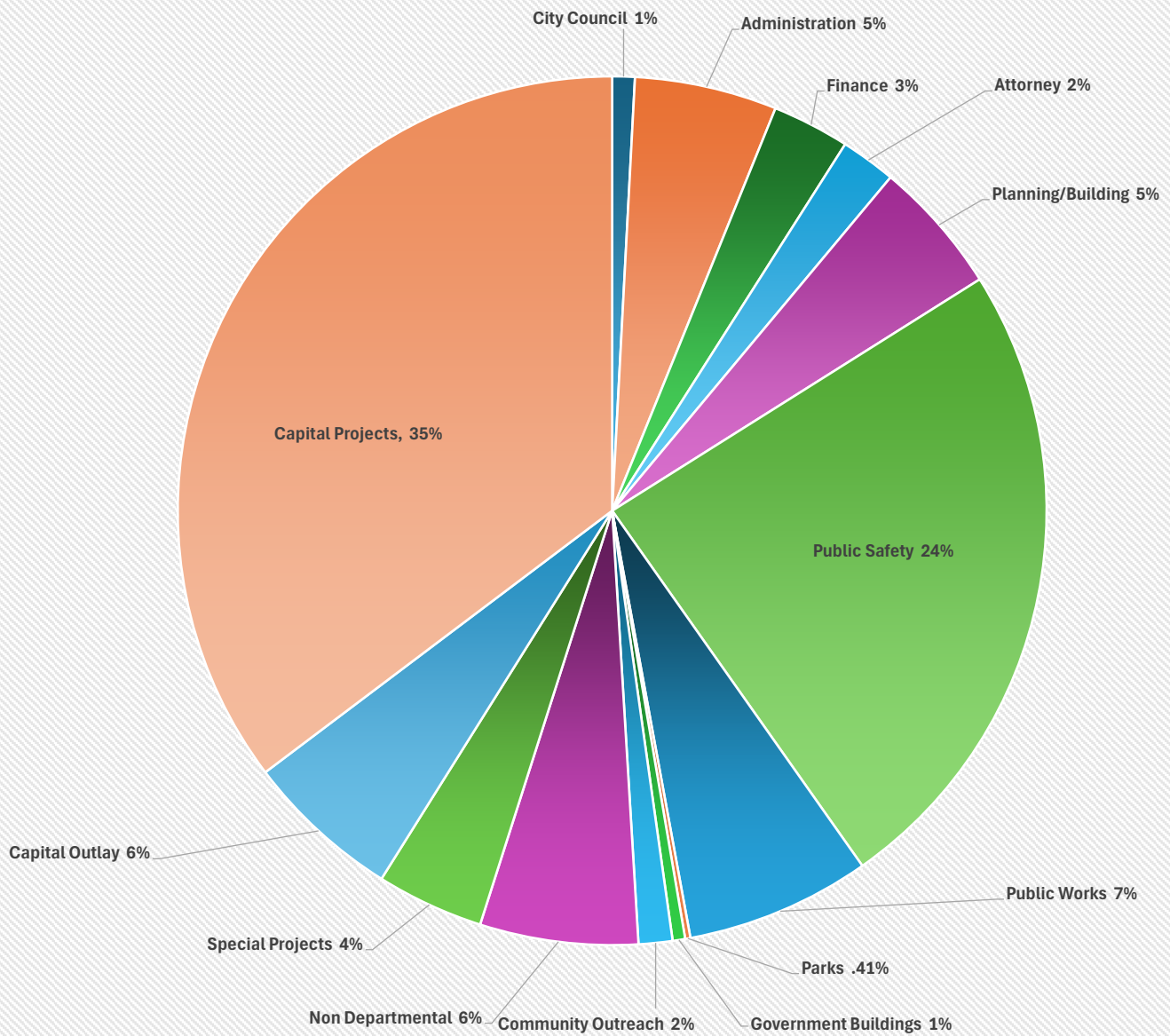
City of Sand City							
Proposed Expenditure Budget FY 2026 - 2027							
			FY 24/25	FY 25/26	FY 26/27	Prior Year	
Account	Dept	Account Description	Actuals	Amended Budget	Proposed Budget	Difference	
5108	200	CalPERS Employer	\$ 32,574	\$ 44,470	\$ 51,878	\$ 7,408	
5110	200	Deferred Compensation	\$ 9,000	\$ 10,795	\$ 10,800	\$ 5	
5111	200	FICA/Medicare	\$ 7,128	\$ 7,937	\$ 7,945	\$ 8	
5300	200	Contract Services	\$ 54,215	\$ 72,830	\$ 72,830	\$ -	
5301	200	Maintenance/Service Contracts	\$ 11,757	\$ 5,846	\$ -	\$ (5,846)	
5305	200	ADP/SHREDDING	\$ 1,261	\$ 2,652	\$ 2,652	\$ -	
5313	200	Computer Software & Maintenance Contracts	\$ -	\$ -	\$ 7,900	\$ 7,900	
5403	200	Membership Voluntary	\$ -	\$ 390	\$ 750	\$ 360	
5406	200	Dues/Subscriptions/Publications	\$ 7,080	\$ 5,665	\$ 5,665	\$ -	
5410	200	Trainings/Meetings	\$ 21,374	\$ 30,000	\$ 30,000	\$ -	
5419	200	Liability Insurance	\$ 26,420	\$ 38,634	\$ 22,877	\$ (15,757)	
5423	200	Workers Compensation Insurance	\$ 57,773	\$ 77,220	\$ 78,830	\$ 1,610	
5600	200	Office Phones	\$ 2,288	\$ 1,545	\$ 1,545	\$ -	
5705	200	Equipment Purchases	\$ 510	\$ 1,030	\$ 1,030	\$ -	
5707	200	Computer Equipment	\$ 1,701	\$ 8,000	\$ 5,000	\$ (3,000)	
DEPARTMENT TOTAL			\$ 825,758	\$ 968,433	\$ 993,567	\$ 25,134	
FINANCE							
5000	300	Salaries	\$ 206,970	\$ 234,203	\$ 241,605	\$ 7,402	
5006	300	Fitness Pay	\$ 3,825	\$ 3,600	\$ 3,600	\$ -	
5012	300	Overtime Pay	\$ 75	\$ -	\$ -	\$ -	
5100	300	Long Term Disability	\$ 1,825	\$ 2,240	\$ 2,446	\$ 206	
5102	300	Dental	\$ 4,916	\$ 4,526	\$ 4,827	\$ 301	
5103	300	Vision	\$ 725	\$ 636	\$ 702	\$ 66	
5104	300	Life Ins.	\$ 468	\$ 431	\$ 480	\$ 49	
5105	300	Health Benefits	\$ 37,984	\$ 37,983	\$ 39,122	\$ 1,139	
5106	300	PERS EE Portion Paid by ER	\$ -	\$ 41,260	\$ 14,045	\$ (27,215)	
5108	300	CalPERS Employer	\$ 36,998	\$ 29,330	\$ 28,489	\$ (841)	
5110	300	Deferred Compensation	\$ 7,900	\$ 7,194	\$ 7,200	\$ 6	
5111	300	FICA/Medicare	\$ 4,398	\$ 3,962	\$ 3,136	\$ (826)	
5300	300	Contract Services	\$ 21,600	\$ 23,500	\$ 5,000	\$ (18,500)	
5304	300	Audit	\$ 65,355	\$ 67,000	\$ 59,500	\$ (7,500)	
5307	300	Technical Support	\$ 553	\$ 515	\$ 750	\$ 235	
5308	300	HDL/BL/PROP/SAL	\$ 25,754	\$ 37,132	\$ 35,000	\$ (2,132)	
5313	300	Computer Software & Maintenance Contracts	\$ 62,834	\$ 26,780	\$ 27,000	\$ 220	
5406	300	Dues/Subscriptions/Publications	\$ 428	\$ 1,000	\$ 1,000	\$ -	
5410	300	Trainings/Meetings	\$ 3,996	\$ 15,000	\$ 15,000	\$ -	
5419	300	Liability Insurance	\$ 12,219	\$ 16,862	\$ 10,511	\$ (6,351)	
5423	300	Workers Compensation Insurance	\$ 26,720	\$ 33,704	\$ 36,221	\$ 2,517	
5705	300	Equipment Purchases	\$ -	\$ 2,000	\$ 2,000	\$ -	
5707	300	Computer Equipment	\$ 286	\$ 2,000	\$ 2,000	\$ -	
DEPARTMENT TOTAL			\$ 525,829	\$ 590,858	\$ 539,634	\$ (51,224)	
ATTORNEY							
5300	400	Contract Services/Legal Services	\$ 239,887	\$ 386,250	\$ 386,250	\$ -	
DEPARTMENT TOTAL			\$ 239,887	\$ 386,250	\$ 386,250	\$ -	
COMMUNITY DEVELOPMENT/PLANNING							
5000	500	Salaries	\$ -	\$ 112,771	\$ 157,827	\$ 45,056	
5006	500	Fitness Pay	\$ -	\$ 700	\$ 1,800	\$ 1,100	
5100	500	L.T.D.	\$ -	\$ 368	\$ 1,410	\$ 1,042	
5102	500	Dental	\$ -	\$ 915	\$ 1,468	\$ 553	
5103	500	Vision	\$ -	\$ 148	\$ 351	\$ 203	
5104	500	Life Ins.	\$ -	\$ 144	\$ 240	\$ 96	
5105	500	Health Benefits	\$ -	\$ 17,410	\$ 19,000	\$ 1,590	
5107	500	HEALTH-RETIREEES	\$ 3,455	\$ -	\$ -	\$ -	
5108	500	CalPERS Employer	\$ -	\$ 8,976	\$ 19,823	\$ 10,847	
5110	500	Deferred Compensation	\$ -	\$ 3,211	\$ 3,600	\$ 389	
5111	500	FICA/Medicare	\$ -	\$ 1,898	\$ 2,590	\$ 692	
5300	500	Contract Services	\$ 504,628	\$ 510,383	\$ 510,383	\$ -	
5313	500	Computer Software & Maintenance Contracts	\$ -	\$ 500	\$ 4,500	\$ 4,000	
5306	500	IWORQ	\$ 1,701	\$ 1,701	\$ 3,700	\$ 1,999	
5355	500	Façade Program	\$ 20,000	\$ 9,800	\$ -	\$ (9,800)	
5405	500	Advertising/Noticing	\$ 293	\$ -	\$ 10,000	\$ 10,000	
5410	500	Trainings/Meetings	\$ 177	\$ 5,000	\$ 10,000	\$ 5,000	
5419	500	Liability Insurance	\$ -	\$ 12,518	\$ 6,651	\$ (5,867)	
5423	500	Workers Compensation Insurance	\$ -	\$ 25,021	\$ 22,919	\$ (2,102)	
5600	500	Office Phones	\$ 682	\$ 618	\$ 650	\$ 32	
5707	500	Computer Equipment	\$ -	\$ 3,000	\$ 3,000	\$ -	

City of Sand City						
Proposed Expenditure Budget FY 2026 - 2027						
Account	Dept	Account Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Prior Year Difference
DEPARTMENT TOTAL			\$ 530,936	\$ 715,082	\$ 779,912	\$ 64,830
BUILDING/CODE COMPLIANCE						
5300	501	Contract Services	\$ 66,725	\$ 150,000	\$ 150,000	\$ -
5306	501	IWORQ	\$ 4,599	\$ 4,599	\$ 4,600	\$ 1
5600	501	Office Phones	\$ -	\$ 350	\$ 350	\$ -
DEPARTMENT TOTAL			\$ 71,324	\$ 154,949	\$ 154,950	\$ 1
POLICE DEPARTMENT						
5000	601	Salaries	\$ 1,435,406	\$ 1,723,145	\$ 1,850,752	\$ 127,607
5003	601	Reserves	\$ 27,457	\$ 33,099	\$ 29,605	\$ (3,494)
5005	601	Special Skills	\$ 188,247	\$ 5,314	\$ 1,200	\$ (4,114)
5006	601	Fitness Pay	\$ 8,400	\$ 15,636	\$ 13,200	\$ (2,436)
5007	601	Uniform Allow.	\$ 9,745	\$ 9,000	\$ 10,000	\$ 1,000
5008	601	PD Education	\$ 71,769	\$ 72,320	\$ 87,840	\$ 15,520
5009	601	Paid Time Off	\$ 143,116	\$ 150,000	\$ 187,044	\$ 37,044
5010	601	Holiday	\$ 3,171	\$ 22,300	\$ 23,490	\$ 1,190
5012	601	Overtime	\$ 132,015	\$ 215,000	\$ 150,000	\$ (65,000)
5014	601	Advance Disability Payment	\$ 29,065	\$ -	\$ -	\$ -
5017	601	Shift Differential	\$ 12,028	\$ 20,738	\$ 23,607	\$ 2,869
5018	601	Service Awards	\$ 3,000	\$ 500	\$ 2,500	\$ 2,000
5100	601	L.T.D.	\$ 6,320	\$ 5,872	\$ 6,256	\$ 384
5102	601	Dental	\$ 22,429	\$ 23,685	\$ 28,471	\$ 4,786
5103	601	Vision	\$ 3,226	\$ 3,247	\$ 3,608	\$ 361
5104	601	Life Ins.	\$ 2,394	\$ 2,373	\$ 2,880	\$ 507
5105	601	Health Benefits	\$ 248,233	\$ 310,858	\$ 346,783	\$ 35,925
5106	601	Pers EE Portion Paid by Employer	\$ 3,327	\$ 7,080	\$ 12,815	\$ 5,735
5108	601	CalPERS Employer	\$ 366,539	\$ 367,540	\$ 379,306	\$ 11,766
5110	601	Deferred Compensation	\$ 44,400	\$ 43,161	\$ 46,800	\$ 3,639
5111	601	FICA/Medicare	\$ 29,733	\$ 29,204	\$ 37,253	\$ 8,049
5112	601	CA SUI/EDD	\$ 133	\$ -	\$ -	\$ -
5119	601	Longevity	\$ -	\$ 116,173	\$ 122,752	\$ 6,579
5300	601	Contract Services	\$ 32,500	\$ 45,000	\$ 50,000	\$ 5,000
5301	601	Maintenance/Service Contracts (NGEN for PD)	\$ 24,436	\$ 22,938	\$ 24,017	\$ 1,079
5307	601	Technical Support	\$ 18,845	\$ 20,600	\$ 22,400	\$ 1,800
5309	601	Animal Reg/Vet	\$ 2,695	\$ 5,150	\$ 5,305	\$ 155
5310	601	Criminal Justice Information System	\$ 50,241	\$ 45,000	\$ 46,350	\$ 1,350
5311	601	911 Center Operations	\$ 45,192	\$ 51,301	\$ 52,840	\$ 1,539
5312	601	Arrests/Investigations	\$ 16,239	\$ 10,300	\$ 12,500	\$ 2,200
5313	601	Computer Software & Maintenance Contracts	\$ 16,297	\$ 22,145	\$ 26,500	\$ 4,355
5406	601	Dues/Subscriptions/Publications	\$ 3,039	\$ 4,630	\$ 5,300	\$ 670
5410	601	Trainings/Meetings	\$ 12,530	\$ 20,000	\$ 20,600	\$ 600
5412	601	Employment Screen	\$ 2,451	\$ 3,605	\$ 2,500	\$ (1,105)
5413	601	SRU Annual Fee	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
5419	601	Liability Insurance	\$ 118,890	\$ 153,610	\$ 86,802	\$ (66,808)
5420	601	Rental Payments	\$ 6,935	\$ 6,180	\$ 7,325	\$ 1,145
5423	601	Workers Compensation Insurance	\$ 259,977	\$ 307,032	\$ 299,110	\$ (7,922)
5425	601	EOC Expenses	\$ 5,000	\$ 5,150	\$ 5,000	\$ (150)
5502	601	Equipment Maintenance	\$ -	\$ 5,305	\$ 5,305	\$ -
5503	601	Auto Maint.	\$ 12,463	\$ 23,340	\$ 24,000	\$ 660
5505	601	Auto Detailing	\$ 732	\$ 3,193	\$ 3,193	\$ -
5600	601	Office Phones	\$ 10,517	\$ 12,731	\$ 10,000	\$ (2,731)
5604	601	WiFi	\$ 3,441	\$ 3,183	\$ 3,183	\$ -
5605	601	Internet/Web/TV	\$ 2,801	\$ 3,289	\$ 3,289	\$ -
5701	601	Police Supplies	\$ 4,263	\$ 6,684	\$ 7,000	\$ 316
5702	601	Auto Fuel	\$ 18,810	\$ 25,462	\$ 25,462	\$ -
5704	601	Bullet Proof Vests	\$ -	\$ 4,738	\$ 4,738	\$ -
5705	601	Equipment Purchases	\$ 10,704	\$ 15,450	\$ 16,000	\$ 550
5706	601	Range Fees/SUP	\$ 805	\$ 10,300	\$ 10,600	\$ 300
5707	601	Computer Equipment	\$ 8,138	\$ 40,000	\$ 10,000	\$ (30,000)
DEPARTMENT TOTAL			\$ 3,483,094	\$ 4,057,561	\$ 4,160,481	\$ 102,920
FIRE DEPARTMENT						
5300	602	Fire Contract	\$ 354,578	\$ 364,150	\$ 373,255	\$ -
DEPARTMENT TOTAL			\$ 354,578	\$ 364,150	\$ 373,255	\$ -
PUBLIC WORKS						
5000	700	Salaries	\$ 256,347	\$ 294,886	\$ 376,469	\$ 81,583
5005	700	Special Skills	\$ 11,680	\$ -	\$ -	\$ -
5006	700	Fitness Pay	\$ 3,000	\$ 3,000	\$ 3,000	\$ -

City of Sand City						
Proposed Expenditure Budget FY 2026 - 2027						
Account	Dept	Account Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Prior Year Difference
5007	700	Uniform Allow.	\$ 2,229	\$ 1,537	\$ 1,583	\$ 46
5009	700	Paid Time Off	\$ -	\$ 19,441	\$ 20,000	\$ 559
5012	700	Overtime	\$ 2,034	\$ 3,090	\$ 3,000	\$ (90)
5100	700	L.T.D.	\$ 2,741	\$ 2,740	\$ 3,673	\$ 933
5102	700	Dental	\$ 7,661	\$ 5,810	\$ 6,192	\$ 382
5103	700	Vision	\$ 1,140	\$ 813	\$ 813	\$ -
5104	700	Life Ins.	\$ 612	\$ 432	\$ 720	\$ 288
5105	700	Health Benefits	\$ 50,645	\$ 50,643	\$ 56,510	\$ 5,867
5106	700	Pers EE Portion Paid by Employer	\$ 4,104	\$ 17,435	\$ 32,058	\$ 14,623
5108	700	CalPERS Employer	\$ 51,989	\$ 40,474	\$ 44,617	\$ 4,143
5110	700	Deferred Compensation	\$ 9,100	\$ 8,400	\$ 14,400	\$ 6,000
5111	700	FICA/Medicare	\$ 4,526	\$ 5,360	\$ 6,894	\$ 1,534
5119	700	Longevity	\$ -	\$ 14,667	\$ 15,331	\$ 664
5300	700	Contract Services	\$ 88,617	\$ 79,310	\$ 82,500	\$ 3,190
5406	700	Dues/Subscriptions/Publications	\$ 691	\$ 1,030	\$ 1,030	\$ -
5408	700	Permits/Licenses	\$ 8,442	\$ 10,609	\$ 10,609	\$ -
5410	700	Trainings/Meetings	\$ 2,648	\$ 5,150	\$ 5,150	\$ -
5414	700	Adopt A Highway	\$ 4,200	\$ 4,635	\$ 4,635	\$ -
5419	700	Liability Insurance	\$ 18,475	\$ 24,490	\$ 14,518	\$ (9,972)
5423	700	Workers Compensation Insurance	\$ 40,400	\$ 48,951	\$ 50,026	\$ 1,075
5502	700	Equipment Maintenance	\$ 21,267	\$ 10,300	\$ 10,300	\$ -
5503	700	Auto Maintenance	\$ 15,461	\$ 15,450	\$ 15,450	\$ -
5504	700	Pest control	\$ 1,080	\$ 1,545	\$ 1,545	\$ -
5506	700	Stormwater Maintenance	\$ -	\$ 21,218	\$ 21,218	\$ -
5507	700	Street Lighting	\$ 29,624	\$ 30,900	\$ 30,900	\$ -
5508	700	Street Maintenance	\$ 22,158	\$ 51,338	\$ 51,338	\$ -
5509	700	Urban Runoff	\$ 7,713	\$ 51,000	\$ 51,000	\$ -
5600	700	Office Phones	\$ 2,105	\$ 1,751	\$ 1,751	\$ -
5602	700	Refuse/Trash	\$ 5,877	\$ 5,000	\$ 2,500	\$ (2,500)
5605	700	Internet/Web/TV	\$ 2,193	\$ 2,750	\$ 2,750	\$ -
5701	700	Supplies	\$ 12,901	\$ 16,480	\$ 16,480	\$ -
5702	700	Auto Fuel	\$ 8,424	\$ 10,300	\$ 11,000	\$ 700
5705	700	Equipment Purchase	\$ 300	\$ 5,150	\$ 5,150	\$ -
5707	700	Computer Equipment	\$ -	\$ 2,575	\$ 2,575	\$ -
5708	700	Equipment Rental	\$ 825	\$ 1,545	\$ 1,545	\$ -
5709	700	Street Signs	\$ 8,001	\$ 8,240	\$ 8,240	\$ -
5770	700	Computer Equipment	\$ 260	\$ 500	\$ 5,400	\$ 4,900
DEPARTMENT TOTAL			\$ 709,470	\$ 878,945	\$ 992,870	\$ 113,925
PARKS						
5300	701	Contract Services	\$ 25,446	\$ 28,840	\$ 20,000	\$ (8,840)
5511	701	Park/Landscape Improvements	\$ 7,839	\$ 15,914	\$ -	\$ (15,914)
5501	701	Parks Maintenance	\$ 877	\$ 2,575	\$ 2,575	\$ -
5502	701	Equipment Maintenance	\$ 610	\$ 2,575	\$ 2,575	\$ -
5603	701	Irrigation/Landscape	\$ -	\$ 5,150	\$ -	\$ (5,150)
5701	701	Park Supplies	\$ 1,465	\$ 5,150	\$ 5,150	\$ -
5705	701	Equipment Purchases	\$ 744	\$ 6,180	\$ 6,180	\$ -
DEPARTMENT TOTAL			\$ 36,981	\$ 66,384	\$ 36,480	\$ (29,904)
ENGINEERING						
5300	702	Contract Services	\$ 245,056	\$ 291,000	\$ 291,000	\$ -
5420	702	Storage Rental	\$ 7,116	\$ 7,379	\$ 7,500	\$ 121
DEPARTMENT TOTAL			\$ 252,172	\$ 298,379	\$ 298,500	\$ 121
GOVERNMENT BUILDINGS						
5415	703	Security/Alarms	\$ 5,512	\$ 10,300	\$ 10,000	\$ (300)
5418	703	Fire/Theft Insurance	\$ 48,425	\$ 51,500	\$ 50,000	\$ (1,500)
5500	703	Building Maintenance	\$ 21,452	\$ 26,000	\$ 26,780	\$ 780
5700	703	Office Supplies	\$ 830	\$ 515	\$ 500	\$ (15)
DEPARTMENT TOTAL			\$ 76,219	\$ 88,315	\$ 87,280	\$ (1,035)
COMMUNITY OUTREACH						
5302	502	West End	\$ 73,627	\$ 97,850	\$ 100,000	\$ 2,150
5405	502	Advertising	\$ 3,110	\$ 10,300	\$ 5,000	\$ (5,300)
5410	502	Trainings/Meetings	\$ 264	\$ 1,000	\$ 1,100	\$ 100
5416	502	City Events	\$ 29,506	\$ 42,436	\$ 42,436	\$ -
5500	502	Building Maintenance	\$ 3,758	\$ 6,684	\$ 6,750	\$ 66
5510	502	Park Maintenance	\$ 6,410	\$ 4,326	\$ -	\$ (4,326)

City of Sand City						
Proposed Expenditure Budget FY 2026 - 2027						
Account	Dept	Account Description	FY 24/25 Actuals	FY 25/26 Amended Budget	FY 26/27 Proposed Budget	Prior Year Difference
6002	502	Bike Trail Elec	\$ 455	\$ 750	\$ 750	\$ -
6207	502	Mural Program	\$ 60,000	\$ 80,000	\$ 80,000	\$ -
DEPARTMENT TOTAL			\$ 177,130	\$ 243,346	\$ 236,036	\$ (7,310)
CAPITAL OUTLAY/PROJECTS						
6000	900	Storm Water Improvements - Catalina	\$ 40,558	\$ 405,418	\$ 1,011,970	\$ 606,552
6000	900	Storm Water Improvements - Contra Costa	\$ 80,335	\$ 1,326,056	\$ 4,386,770	\$ 3,060,714
6000	704	Capital Outlay - Streets	\$ -	\$ 1,464,500	\$ 483,000	\$ (981,500)
6000	601	Capital Outlay - Police Department	\$ 91,617	\$ 152,000	\$ 90,000	\$ (62,000)
6000	700	Capital Outlay - Public Works	\$ -	\$ 177,100	\$ 500,000	\$ 322,900
6001	902	Capital Project - Coastal Trail	\$ 225,673	\$ 195,000	\$ 344,805	\$ 149,805
6002	902	Capital Project - Bike Trail	\$ 226,165	\$ 237,675	\$ 674,000	\$ 436,325
6003	902	Capital Project - Affordable Housing - Art Park	\$ 840,912	\$ 200,169	\$ 200,000	\$ (169)
6000	902	Capital Outlay - City Hall Imp	\$ 20,000	\$ 50,000	\$ 16,000	\$ (34,000)
DEPARTMENT TOTAL			\$ 1,525,260	\$ 4,207,918	\$ 7,706,545	\$ 3,498,627
SPECIAL PROJECTS						
6100	000	S of Tioga Reimbursements	\$ 120,465	\$ 45,000	\$ 30,000	\$ (15,000)
6101	000	MST SURF Reimbursements	\$ 222,385	\$ 30,000	\$ 15,000	\$ (15,000)
6102	000	R2 - Developer Reimbursements	\$ 525	\$ 358	\$ -	\$ (358)
6201	800	Digital Records	\$ 734	\$ -	\$ 20,000	\$ 20,000
6203	800	Housing Element	\$ 89,226	\$ 85,000	\$ 34,000	\$ (51,000)
6204	800	General Plan	\$ -	\$ 250,000	\$ 500,000	\$ 250,000
6205	800	Retail Cannabis	\$ 51,741	\$ 20,000	\$ -	\$ (20,000)
6206	800	Website - REAP 2.0 Grant	\$ 39,455	\$ 8,806	\$ -	\$ (8,806)
6207	800	East Dunes City Wide ITP	\$ -	\$ 100,000	\$ 100,000	\$ -
DEPARTMENT TOTAL			\$ 524,531	\$ 539,164	\$ 699,000	\$ 159,836
EDGEWATER HABITAT						
6211	800	North of Playa Habitat Conservation	\$ 5,837	\$ 50,000	\$ 50,000	\$ -
DEPARTMENT TOTAL			\$ 5,837	\$ 50,000	\$ 50,000	\$ -
TOTALS			\$ 10,385,865	\$ 14,799,842	\$ 18,755,399	\$ 3,955,557

Proposed FY 2026-2027 Expenditure Budget



**AGENDA ITEM
9B.**

**Approve a Resolution Accepting a \$13,500
Grant from the Monterey Bay Air
Resources District; Authorizing the
Purchase of Polaris 2024-2026 Ranger XP
Kinetic, Zero-Emission UTV**



City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: David Honda, Chief of Police
SUBJECT: Acceptance of the Monterey Bay Air Resources District Zero-Emission Utility Terrain Vehicle Program Grant and Approval for the Purchase of City Electric Vehicle Utility Terrain Vehicle
DATE: June 2, 2026

BACKGROUND/DISCUSSION:

The City operates and maintains a Utility Terrain Vehicle (UTV) that is utilized by the Police Department and Public Works Department for the purposes of patrolling the beaches and ocean front areas, encampment clean-ups, medical emergencies, and prisoner transport.

The UTV -- a Polaris/Ranger Crew 900-6 EPS (2015); Serial Number 0120497477634 with a Gasoline, 4-stroke, fuel injected, engine (ICE) -- has reached the end of its predicted life. The two most recent UTV maintenance service reports from 2023 and 2024 show significant wear and rust due in part to the harsh environment (sand and ocean water) the UTV is operated in. The verbal report from the service worker at Hollister Powersports in 2024 stated there was significant damage from rust and recommended the UTV be replaced.

The replacement of the City UTV was identified in the City Capital Improvement Plan (CIP) for Fiscal Years 23/24 through 27/28. The CIP allotted \$35,000 for the replacement in Fy 26-27. In anticipation of this replacement, in April 2026, the SCPD applied to the Monterey Bay Air Resources District (MBARD) for the Zero-Emission Utility Terrain Vehicles Grant Program (ZEUs) Grant Program. On May 8, 2026, the SCPD application was approved by MBARD and the grant was awarded to the City in an amount not to exceed \$13,500.00 to assist in replacing the aging ICE UTV with a new zero-emission electric vehicle (EV).

The purpose of this MBARD project is to provide the grantee with an incentive to retire baseline equipment, specifically equipment with an internal combustion engine (ICE), in order to realize emission reductions. If approved, Staff would purchase the vehicle in the 26-27 fiscal year.

In 2025, Sand City applied for assistance from Central Coast Community Energy (3CE) to develop a plan to achieve 100% fleet electrification by 2035. The City has recently made

great strides towards this goal with its recent purchase of an EV street sweeper and approval of a hybrid city vehicle. The purchase of an EV UTV will bring the city one step closer to that goal to fully electrifying the City's fleet.

The MBARD approved replacement vehicle is the following:

- Make: Polaris
- Model: Ranger XP Kinetic Premium, Zero-Emission
- Year: 2024-2026 Series
- Engine: EV – all electric

The Polaris Ranger XP Kinetic Premium EV can receive a charge from multiple types of power sources, which include the following:

- 120V home wall outlet
- 240V home wall outlet
- J1772 Level 1 (120V) public charging stations
- J1772 Level 2 (240V) public charging stations

Utilizing the 120V home wall outlet can take an estimated ten (10) hours to reach a full battery charge and five (5) hours with the 240V home wall outlet. Although charge can take up to ten hours, this allows staff to utilize existing power sources without additional attachments or significant infrastructure upgrades and associated costs.

Polaris brand was only the manufacturer with a model that had an EV UTV which met the City Public Works and Police requirements for sufficient clearance and traction in the sandy beach environment, side-by-side seating, increased engine horsepower, extended distance per charge, utility bed, and charging source flexibility.

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:

The current cost for the EV UTV is \$39,012.80. The funding approved by MBARD is an amount not to exceed \$13,500.00. The balance the City would be responsible for after the grant reimbursement is \$25,512.80. Staff is requesting approval for up to \$42,000 to address potential cost increases since the quote was obtained as it expires on June 3, 2026 and there is potential for price increases due to current national economic challenges. The cost for the UTV was included in the FY 2026-2027 budget which will be brought to Council for approval on June 2, 2026.

RECOMMENDATION:

Staff recommends the City Council authorize the City Manager to:

- Accept the ZEUs Program Grant contract between MBARD and the City of Sand City Police Department;
- Execute the purchase of the Polaris Ranger XP Kinetic described above not to exceed the amount of \$42,000.00 offset by the MBARD reimbursement of \$13,500.00.

ATTACHMENTS:

1. Resolution
2. MBARD ZEUs Grant Contract

**CITY OF SAND CITY
RESOLUTION SC 26-____, 2026**

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY ACCEPTING A \$13,500.00 GRANT
FROM THE MONTEREY BAY AIR RESOURCES DISTRICT; AUTHORIZING THE
PURCHASE OF POLARIS 2024-2026 RANGER XP KINETIC, ZERO-EMISSION UTV**

WHEREAS, the Police Department and Public Works Department operates and maintains a Utility Terrain Vehicle (UTV) with an internal combustion engine (ICE) for the purposes of patrolling beach and ocean front areas, encampment clean-ups, medical emergencies, and prisoner transport;

WHEREAS, the current City UTV was purchased in 2015 and has reached its end of serviceable life based upon the evaluation of age, condition, miles/hours, maintenance costs and repairs;

WHEREAS, staff applied for a Zero-Emission Utility Terrain Vehicle (ZEUs) Program grant from the Monterey Bay Air Resources District (MBARD) to assist with the purchase of new zero-emission UTV;

WHEREAS, the MBARD awarded the grant to the Sand City Police Department in May 2026 in an amount not to exceed \$13,500.00;

WHEREAS, the Police Department recommends replacing the existing UTV with a Polaris Ranger XP Kinetic Premium, Zero-Emission, UTV resulting in improved air quality, reduced noise, and alignment with the City's sustainability goals; and

WHEREAS, the total cost of the Ranger XP Kinetic Premium UTV is quoted at \$35,709.65

WHEREAS, on June 3, 2025, the City Council approved a five-year Capital Improvement Plan that included \$35,000 in FY 2026/27 for the purchase of a replacement UTV;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby (1) authorize the purchase of 2024-2026 Polaris Ranger XP Kinetic Premium, Zero-Emission, UTV in the amount not to exceed \$42,000; (2) authorize the City manager to sign the grant agreement with MBARD.

PASSED AND ADOPTED by the City Council of the City of Sand City this ____, day of ____, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:

DATED: _____

Kerry Lindstrom, City Clerk

Carl Moyer Program
Zero-Emission Utility Terrain Vehicles (ZEUs) Program
Grant Contract
between the
Monterey Bay Air Resources District
and
[Sand City Police Department](#)

1) Project Description

The purpose of this Project is to provide Grantee an incentive to retire Baseline Equipment and use in its place the Grant-Funded Equipment, in order to realize emission reductions. The Monterey Bay Air Resources District (MBARD) hereby agrees to reimburse [Sand City Police Department](#) (Grantee) for eligible costs to replace a [2015 Polaris Ranger Crew XP900, 68 hp, 4-Stroke Fuel-Injected Gasoline UTV](#) owned and operated by Grantee with a [NEW 2024 Polaris Ranger XP Kinetic Premium, Zero-Emission UTV](#), or equivalent as approved by MBARD, in an amount not to exceed **\$ 13,500.00** in Carl Moyer Program (CMP) funds. The contract will be implemented using the 2024 California Air Resources Board (CARB) CMP Guidelines. The Contract Term includes two time frames: the Project Implementation Phase and the Project Completion Phase, as defined below. The Contract expires at the end date of the [3-year](#) Project Completion Phase, unless terminated pursuant to the conditions of this Contract.

Definitions:

- a) Annual Use: Annual equipment operation measured in hours and specified in this Contract. The Annual Use is used to calculate the cost-effectiveness of emission reductions for the Grant-Funded Equipment.
- b) Annual Use Report: A form used to report Annual Use of Grant-Funded Equipment. Grantee is required to submit Annual Use Reports through the Project Life. A link to the online reporting form is emailed annually to the Grantee in January and must be completed by the Grantee in accordance with this Contract.
- c) Baseline Engine/Equipment: Any vehicle, engine, motor, and/or equipment to be repowered, replaced, and/or retrofitted.
- d) Contract: This document between the Grantee and MBARD, including attachments and amendments, specifying all rights and obligations of the parties.
- e) Effective date: Date this Contract is signed by both parties.
- f) Grant-Funded Equipment: Any vehicle, motor, and/or equipment to be purchased and reimbursed under this Contract.
- g) Payback Formula: The fraction of the grant amount to be returned to MBARD based on the pro-rated time remaining of the 3-year Project Life at the time the equipment is

- removed from service or is sold by the Grantee.
- h) Project: An activity or action(s) associated with Grantee's performance that is funded in accordance with the terms of this Contract.
 - i) Project Completion Phase: The Project Completion Phase begins as of the Effective Date and ends on the purchase date of the Grant-Funded Equipment. All Grant-Funded Equipment shall be ordered, delivered and installed during this phase.
 - j) Project Implementation Phase/Project Life: . The Project Life is **3 years from the purchase date of the Grant-Funded Equipment**. Grantee shall operate and maintain Grant-Funded Equipment according to the terms of this Contract for the duration of the Project Life.
 - k) Term: The term includes the Project Completion Phase and the Project Implementation Phase. The Contract expires at the end of the Term.

2) General Agreements

- A. CARB is an intended third-party beneficiary of this Contract and has the right to enforce the terms of the Contract at any time during the Contract term to ensure emission reductions are obtained.
- B. Both parties shall sign this Contract before Grantee may incur any reimbursable expenses.
- C. The Project Completion Phase shall extend for **90 days**, beginning on the Effective Date. All Grant-Funded Equipment shall be ordered, delivered and installed during the Project Completion Phase, as verified by the Reimbursement Request.
- D. Grantee shall submit a Request for Reimbursement using an online form upon completion of the recycling of the Baseline Equipment and the purchase of the Replacement Equipment. The form is available on the program webpage at <https://www.mbard.org/zeus-program>.
- E. Grantee may request an extension of the Project Completion Phase by emailing MBARD Planning Division staff prior to the expiration of the Project Completion Phase. The Project Completion Phase date may be amended for no more than 90 days.
- F. MBARD, in its sole discretion, may extend the Project Completion Phase. Unless the Project Completion Phase is extended in writing by MBARD, any obligation to reimburse any costs incurred by the Grantee under this Contract shall lapse and become void on the date the Project Completion Phase ends.
- G. Funded Projects shall comply with CARB's CMP and supplemental guidelines approved by CARB for the full Term and Grantee will meet the following conditions:
 - 1. Certify that Grantee's equipment/vehicle complies with all applicable federal, state, and local air quality rules and regulations at the time both parties sign this Contract.
 - 2. Maintain compliance with all applicable federal, state, and local air quality rules and regulations for the full contract Term.
- H. Throughout the Term, project emission reductions must not be used to generate credits or compliance extension, including under any federal or state emission averaging

banking and trading program, and must be excluded when determining regulatory compliance. Any emission reductions generated by the purchased UTV will not be used as marketable emission reduction credits, to offset any emission reduction obligation of any person or entity, or to generate a compliance extension or extra credit for determining regulatory compliance.

- I. All Projects funded by MBARD must conform to the Equal Employment Opportunity Guidelines adopted by MBARD. Failure to follow these guidelines may result in termination of the Contract at MBARD Board of Directors' discretion. Current guidelines are available from MBARD upon request.
- J. Projects co-funded with CMP and other public funds must meet all requirements of the contributing programs. Grantees from non-public entities must provide at least 15 percent of the CMP eligible costs from non-public sources.

3) Grantee Responsibilities

- A. The person signing this Contract affirms his or her legal authority to bind Grantee to the terms of this Contract.
- B. Grantee may not order or make a payment on Grant-Funded Equipment prior to the Effective Date. Dealers ordering equipment/vehicle before the Effective Date assume all financial risk and are in no way ensured the availability of program funds to cover the engine or equipment costs.
- C. Grantee may obtain financing to assist in the purchase of Grant-Funded Equipment. Documentation of financing must be provided to MBARD.
- D. By signing the Contract, Grantee understands and agrees to operate the Grant-Funded Equipment according to the terms of the Contract and to cooperate with MBARD and CARB in implementation, monitoring, enforcement, and other efforts to ensure emission benefits are real, quantifiable, surplus and enforceable.
- E. The Grantee shall not sell or gift Grant-Funded Equipment without prior written consent of MBARD. If Grantee elects to sell or gift the equipment before the end of the Term, Grantee shall be responsible for reimbursing MBARD based on the payback formula defined in Section 1.g of this contract.
- F. Within 30 days of selling the Grant-Funded Equipment, the Grantee shall provide a letter identifying the purchaser of the equipment, the hour meter readings at the time of the sale, and a copy of the Bill of Sale or other equivalent document.
- G. The Grantee shall not assign benefits, delegate duties or obligations to render performance, or assign payment of funds associated with this Contract to any other party, without prior written consent of MBARD.
- H. Grantee hereby acknowledges and agrees that the purchase of Grant-Funded Equipment is an informed and voluntary act and that both MBARD and CARB have made no representation or guarantee regarding quality, condition, safety, or proposed use of any Grant-Funded Equipment purchased or installed under this Contract.
- I. Baseline Equipment are required to be destroyed at an MBARD-verified salvage yard at

which time a Certificate of Destruction is issued by authorized salvage yard staff, along with photographs taken of the destroyed engine and equipment. Any variation in this requirement will be determined on a case-by-case basis; however, at a minimum MBARD staff shall verify that the existing equipment is rendered permanently unusable and irreparable per the current MBARD CARB Grant Programs Policies and Procedures Manual.

- J. Grant-Funded Equipment must serve the same function and perform the same work as the Baseline Equipment.
- K. Grantee shall install, maintain, and operate Grant-Funded Equipment in accordance with the manufacturer's specifications and intended use for the duration of the Project Life.
- L. Grantee shall operate Grant-Funded Equipment at least 75% of the time in California.
- M. Grantee agrees that MBARD, CARB, or their designee(s) at any time during the term of this Contract may:
 - 1. Conduct a fiscal audit of the project.
 - 2. Inspect the Grant-Funded Equipment and associated records.
 - 3. Enforce this Contract's terms.
- N. Grantee must maintain and retain the Project records for at least two years (2) after Contract expiration or three years (3) after final grant payment, whichever is later.
- O. Grantee shall not tamper with any Grant-Funded Equipment. Grantee will not make or allow any modifications to the vehicle systems, including motor and other hardware, the addition of auxiliary power sources, or changes to the software calibrations during the life of the grant.
- P. Grantee agrees to maintain an hour meter on the Grant-Funded Equipment for the duration of the Project Life. If such hour meter device fails, Grantee shall immediately notify MBARD and promptly repair or replace the meter. During any lapse in meter operation, Grantee shall be responsible for validating any use not recorded by the meter until a new one is installed.
- Q. If the final invoice amount is less than the amount in the price quote, the grant-funding amount will be re-calculated and may be reduced.
- R. Grantee shall submit Annual Use Report of Grant-Funded Equipment to MBARD for the duration of the Project Life.
 - 1. Grantee shall report annual equipment use, percent of time operated in California and any major repairs or modifications, malfunctions, or conditions that resulted in low use of the equipment.
 - 2. Grantee shall submit the required annual reporting through MBARD's online reporting system by the due date listed on the form, typically the first Friday of March.
 - 3. The first Annual Use Report shall cover use from the date of purchase of the Replacement Equipment through December 31 of the same calendar year.

4. Noncompliance with the reporting requirements may necessitate an on-site audit of the Grant-Funded Equipment in this Contract. Grantees with reports that are more than six (6) months late will not be granted any additional grant funds and may be prohibited from participating in other MBARD grant programs until all reports are submitted.
- S. In the event Grantee petitions for relief under bankruptcy law, Grantee shall notify MBARD within five days (5) of such filing.
- T. Grantee shall provide MBARD with information regarding all liens or loans affecting the Grant-Funded Equipment and Baseline Equipment existing as of the Effective Date. Grantee shall not encumber the Grant-Funded Equipment or the Baseline Equipment without the written permission of MBARD.
- U. Grantee shall defend, indemnify, and hold MBARD, its officers, agents, employees and volunteers harmless from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert witness fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of responsibilities required of Grantee by this Contract, or which are related in any way to Grant-Funded Equipment purchased or installed under this Contract.

4) MBARD Rights and Responsibilities

- A. In consideration of Grantee's performance under this Contract, MBARD shall reimburse eligible expenses invoiced by Grantee in accordance with the Terms of this Contract, said reimbursement being limited to the maximum grant amount specified on page 1 of this Contract.
- B. MBARD shall monitor Grantee implementation of the project for the duration of the Project Life.
- C. MBARD staff shall respond promptly to any Grantee questions regarding this Contract.
- D. MBARD shall pay Grant Invoices after verification that all Grant-Funded Equipment is purchased and operational and the baseline equipment has been destroyed in accordance with this Contract.
- E. MBARD shall make payment within 45 days of MBARD's approval of reimbursement documents.
- F. If the Grantee is found to be non-compliant with these Contract requirements, MBARD and/or CARB may cancel the Contract, withhold payment, or demand that Grantee reimburse to MBARD all or a portion of the grant amount, based on the payback formula defined herein, or may seek relief by any remedies available under law. MBARD may consider unforeseen circumstances beyond Grantee's control in determining repercussions for non-compliance.

5) Special Conditions

The following summarizes any special conditions applicable to this Contract:

- A. Failure to meet any Contract obligations may disqualify Grantee from receiving future grant funds.

6) Severability

If any clause or term of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the Contract shall remain in full force and effect.

7) Entire Contract

- A. This Contract, including attachments and amendments, contains the entire Contract and all rights and obligations of the parties.
- B. Any amendment to this Contract may be proposed in writing by either party and shall be signed and dated by both parties before it becomes effective. Oral representations by either party or their representatives shall have no binding force or effect.

8) Termination

- A. MBARD may terminate this Contract immediately, without notice, and at its sole discretion should any of the following occur:
 - 1. Assignment of any benefits of this Contract, or delegation of any duties due under this Contract to a third party;
 - 2. Bankruptcy, or dissolution of Grantee; or
 - 3. If Grantee is a sole proprietor, death of Grantee.
- B. MBARD may terminate this Contract for no reason or any reason with ten (10) days written notice to Grantee should any of the following occur:
 - 1. Breach, or failure to abide by any term or condition of this Contract;
 - 2. Failure by Grantee to perform duties and responsibilities due in a timely, professional, or competent manner; or
 - 3. Failure by Grantee to make reasonable progress toward implementing this Contract.

9) Stop Work Notice

- A. MBARD may issue a Stop Work Notice which would require Grantee to stop work within three (3) working days, should any of the following occur:
 - 1. Failure by Grantee to perform duties and responsibilities due in a timely, professional or competent manner;
 - 2. Failure by Grantee to make reasonable progress toward implementing this Contract.
- B. Upon receipt of a Stop Work Notice from MBARD, Grantee shall stop work on all activities for which grant funding was reimbursable by the notice's stop-work date.
- C. If so specified in the Stop Work Notice, Grantee shall be permitted to incur eligible expenditures through the Stop Work Notice date to maintain air quality emissions reductions.

10) Notices and Contact Information

All notices, invoices, or correspondence between the parties to this Contract shall be sent using the addresses shown below, which may be changed only by prior written notice to the other party. Change of contact must be provided within 30 days of the change.

MBARD Contact Information:

Monterey Bay Air Resources District
Attention: [Samantha Ream](#)
24580 Silver Cloud Court
Monterey, CA 93940
[\(831\) 264-5980](tel:(831)264-5980)
sream@mbard.org

Grantee Contact Information:

[Michael Mount](#)
Sand City Police Department
1 Pendergrass Way
Sand City, CA 93955
[\(831\) 262-6132](tel:(831)262-6132)
mmount@sandcitypd.org

11) Signature

I certify that I have disclosed to MBARD all other public funds that I have applied for or received for this project.

The undersigned authorized representatives of the parties to this Contract do hereby agree to abide by all the terms and conditions of this Contract.

For Grantee:

For MBARD:

Vibeke Norgaard
City Manager
City of Sand City

Richard A. Stedman
Air Pollution Control Officer
MBARD

Date: _____

Date: _____

Grantee is a(n) (check one):

- ☐ Individual
☒ Corporation or other business entity

12) Attachments

The attachment on the following page(s) is incorporated as part of this Contract:

A. Price Quote

Document Details

Title	UTV2607M - Sand City Police Department Grant Contract
File Name	UTV2607M - Sand City Police Department Grant Contract.pdf
Document ID	108f2c85941943c495b0f14c507316bd
Fingerprint	d5401b5d4cadb6d4c047f1d6fa62b43c
Status	In Process

Document History

Document Created	Document Created by Monterey Bay Air Resources District (mbard@mbard.org) Fingerprint: d5401b5d4cadb6d4c047f1d6fa62b43c	May 08 2026 08:22AM America/Los_Angeles
Document Sent	Document Sent to David Honda (dhonda@sandcitypd.org)	May 08 2026 08:22AM America/Los_Angeles