



Special/Regular Meeting Agenda
City Council

Mark Turner - Mayor
Rene Spring - Mayor Pro Tem
Gino Borgioli - Council Member
Marilyn Librers - Council Member
Yvonne Martínez Beltrán - Council Member

Wednesday, June 7, 2023 5:00 PM

Council Chamber Building
17555 Peak Avenue, Morgan Hill, CA 95037

Morgan Hill City Council meetings are held in person with the option for the public to attend in-person or by teleconference/video conference. Information on how the public may observe and participate in the meeting is located below.

MEETING PARTICIPATION AND PUBLIC COMMENT

City Council meetings will be live-streamed on Channel 17, the City's website, and the City's Facebook page.

Those members of the community that would like to participate in the meetings remotely may do so by joining virtually at: <https://bit.ly/MHCityCouncilMeeting> or by calling (669) 900-9128, then enter the webinar id: 873 3200 8380#. Public comment may be provided in the following ways:

- Provide public comment in-person
- Join the City Council meeting virtually via the link above. When public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes (YOU MUST BE RUNNING THE MOST CURRENT VERSION OF ZOOM TO BE UNMUTED)
- Join virtually by calling the number above, dial *9 to raise your hand, and be called upon to speak for up to 3 minutes
- Public comment in writing may be submitted via email to ccpubliccomment@morganhill.ca.gov or by mail to the City Clerk at 17575 Peak Avenue, Morgan Hill, CA 95037. Please email your comments to the City Clerk no later than 3:00 p.m. on Tuesday (the day before the City Council meeting) for your comments to be submitted to the members of the City Council with sufficient

time to review the comments. You may continue to provide written comments up to noon on Wednesday (the day of the meeting) although Council Members may not have sufficient time to review them before the meeting. Public comments submitted to the City Clerk after 12:00 p.m. the day of the meeting will be provided to the City Council as time allows.

Written comments WILL NOT be read aloud during the City Council Meeting. Please note that written comments are posted on the City's website, so do not include any personal information you do not want to be posted on the web.

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 5:00 pm for the purpose of conducting a closed session.

SPECIAL MEETING

5:00 p.m. closed session

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

CLOSED SESSION

Conference with Labor Negotiators

Authority: Pursuant Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney; Michael Horta, Human Resources Director; Dat Nguyen, Finance Director; Edith Ramirez, Assistant City Manager, Development Services

Employee Organization: Morgan Hill Police Officers Association; AFSCME Local 101 Morgan Hill; Community Service Officers Association; Employees Covered under Management Resolution #21-050

OPPORTUNITY FOR PUBLIC COMMENT

SILENT INVOCATION

ADJOURN TO CLOSED SESSION

REGULAR MEETING

6:00 p.m.

PLEDGE OF ALLEGIANCE

PROCLAMATIONS

Proclaiming the month of June as LGBTQ+ Pride Month

RECOGNITIONS

Certificate of Recognition from Senator John Laird's office to the City of Morgan Hill for the City's efforts to support our LGBTQ+ community.

Certificate of Recognition awarded to Les Taylor for her volunteer efforts supporting the City's Youth Action Council.

Certificate of Recognition awarded to the Parent Family for their volunteer efforts maintaining the Magical Bridge of Morgan Hill Playground for all visitors.

PRESENTATIONS

Morgan Hill Library Presentation

CITY COUNCIL REPORTS

Council Member Spring

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

This opportunity for public comment is for items that are not on the agenda. If you would like to make comments on an item that is on the agenda, please wait until we get to that item to offer your comments. Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject

matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. Public comment is intended for comments. Questions posed during public comment are not generally answered. If you have questions, please send them to the City Clerk at ccpubliccomment@morganhill.ca.gov to receive a response. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

1. **ACCEPT GALVAN PARK RESTROOM REPLACEMENT PROJECT IN THE AMOUNT OF \$143,604**

Recommendation:

1. Accept as complete the Galvan Park Restroom Replacement Project;
2. Authorize the City Engineer to sign the Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

2. **ADOPT ORDINANCE NO. 2346, NEW SERIES ENACTING SECTION 9.04.055 (CARRYING OF FIREARMS IN SENSITIVE PLACES) OF CHAPTER 9.04 (WEAPONS) OF TITLE 9 (PUBLIC PEACE, MORALS AND WELFARE) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING THE PROHIBITION OF CARRYING FIREARMS IN SENSITIVE PLACES**

Recommendation:

Waive the reading, adopt Ordinance No. 2346, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

3. **ADOPT RESOLUTION ESTABLISHING THE GANN (PROPOSITION 4) APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24**

Recommendation:

Adopt Resolution establishing the Gann (Proposition 4) appropriations limit for Fiscal Year 2023-24.

4. **APPROVE MICROSOFT ENTERPRISE AGREEMENT**

Recommendation:

1. Approve the purchase of three-year Microsoft Office 365, Windows Server, and SQL Database Licensing from Dell Marketing, LLP in the amount of \$411,126, plus a 10% contingency for any additional growth; and
2. Authorize the City Manager to execute and administer a Microsoft Enterprise Agreement for the licensing of Microsoft products and services with Dell through 2026 with subsequent renewal subject to budget appropriation.

5. **APPROVE PROFESSIONAL SERVICES AGREEMENT WITH KENNEDY/JENKS CONSULTANTS FOR THE EAST DUNNE AVENUE HILLSIDE WATER RESERVOIR PROJECT**

Recommendation:

1. Approve a professional services agreement with Kennedy/Jenks Consultants to complete the design for the East Dunne Avenue Hillside Water Reservoir project not to exceed \$240,187.
2. Authorize the City Manager to execute all documents and make minor modifications as necessary in order to consummate the transaction.

6. **APPROVE REVISIONS TO CITY COUNCIL POLICY CP-94-04, THE CITY'S INVESTMENT POLICY**

Recommendation:

Approve revisions to City Council Policy CP-94-04, the City's Investment Policy.

7. **APPROVE THE MAY 3, 2023 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the May 3, 2023 City Council Meeting Minutes.

8. **AWARD 2023 PAVEMENT REHABILITATION PROJECT TO MCKIM CORPORATION IN THE AMOUNT OF \$3,948,023**

Recommendation:

1. Approve 2023 Pavement Rehabilitation Project plans and specifications;
2. Award contract to McKim Corporation for the 2023 Pavement Rehabilitation Project in the amount of \$3,948,023;
3. Authorize expenditure of construction contingency not to exceed \$394,802; and
4. Authorize the City Manager to execute and administer the construction contract with McKim Corporation.

9. AWARD BUTTERFIELD FIRE STATION PROJECT TO LARRY S. KENT, INC. DBA KENT CONSTRUCTION IN THE AMOUNT OF \$7,956,553

Recommendation:

1. Adopt resolution amending the Fiscal Year 2022-23 Budget and appropriating an additional \$2,250,000 to fund the Butterfield Fire Station Project;
2. Authorizing an interfund loan to Public Safety Facilities Impact Fund (315) of \$7,750,000 from Local Drainage Impact Fund (303) (\$5,750,000), Park Maintenance Fund (302) (\$1,000,000), and Public Facilities Fund (347) (\$1,000,000);
3. Approve the Butterfield Fire Station Plans and Specifications;
4. Award contract to Larry S. Kent, Inc. DBA Kent Construction in the amount of \$7,956,553;
5. Authorize expenditures of construction contingency funds not to exceed \$795,655; and
6. Authorize the City Manager to execute and administer the construction contract with Larry S. Kent, Inc. DBA Kent Construction.

10. AWARD FISHER BASIN EXPANSION PROJECT TO GALEB PAVING, INC. IN THE AMOUNT OF \$2,568,800

Recommendation:

1. Approve Fisher Basin Expansion Project plans and specifications;
2. Award contract to Galeb Paving Inc. for the Fisher Basin Expansion Project in the amount of \$2,568,800;
3. Authorize expenditure of construction contingency funds not to exceed \$385,320; and
4. Authorize the City Manager to execute and administer the construction contract with Galeb Paving Inc.

11. AWARD JACKSON OAKS WATER MAIN PROJECT TO SUBTERRA CONSTRUCTION, INC. IN THE AMOUNT OF \$642,100

Recommendation:

1. Approve the Jackson Oaks Water Main Project Plans and Specifications;
2. Award contract to SubTerra Construction, Inc. for the Jackson Oaks Water Main Project in the amount of \$642,100;
3. Authorize the expenditure of construction contingency funds not to exceed \$96,315; and
4. Authorize the City Manager to execute and administer the construction contract with SubTerra Construction, Inc.

12. RATIFY CITY POSITIONS ON PENDING LEGISLATION

Recommendation:

1. Ratify the City's position on pending legislation, Assembly Bill 33 (Bains) Fentanyl Addiction and Overdose Prevention Task Force;
2. Ratify the City's position on pending legislation, Assembly Bill 367 (Maienschein) Controlled substances: enhancements;
3. Ratify the City's position on pending legislation, Assembly Bill 474 (Rodriguez) State Threat Assessment Center: transnational criminal organizations;
4. Ratify the City's position on pending legislation, Assembly Bill 955 (Petrie-Norris) Controlled substances; and
5. Ratify the City's position on pending legislation, Assembly Bill 742 (Jackson) Law enforcement: police canines.

13. RECEIVE MONTHLY BUDGET UPDATE AND APRIL 2023 FINANCIAL AND INVESTMENT REPORTS

Recommendation:

Accept and file report.

PUBLIC HEARINGS

14. ADOPT RESOLUTION ORDERING ANNUAL ASSESSMENTS AND RELATED ACTIONS FOR CITY OF MORGAN HILL LANDSCAPE ASSESSMENT DISTRICT NUMBER 1

Recommendation:

1. Open and close the Public Hearing; and
2. Adopt resolution confirming Fiscal Year (FY) 2023-24 annual assessments and ordering the levy of assessments for the District.

OTHER BUSINESS

15. APPROVE VILLA MIRA MONTE CONCEPTUAL SITE MASTER PLAN

Recommendation:

Approve the Villa Mira Monte Conceptual Site Master Plan Design.

16. APPROVE AGREEMENT WITH HEXAGON TRANSPORTATION CONSULTANTS, INC. FOR DEVELOPMENT OF A TRANSPORTATION MASTER PLAN

Recommendation:

1. Authorize the City Manager to execute and administer an agreement with Hexagon Transportation Consultants, Inc. for the development of a Transportation Master Plan at a total cost of \$893,960; and
2. Adopt a resolution to amend the FY 2022-23 Budget to appropriate \$393,960 from Traffic Impact Fund (309), with the Long Range Planning Fund (207) contributing \$100,000 of that appropriation.

17. APPROVE UPDATE TO THE CITY'S DONATION POLICY

Recommendation:

Accept changes to the City's Donation Policy

18. PROVIDE DIRECTION TO STAFF ON PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEM

Recommendation:

Determine if the majority of the City Council wants the following item agendized at a future meeting for discussion:

Considering implementing term limits for City Council and/or Commission members.

FUTURE COUNCIL INITIATED AGENDA ITEMS

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the City Council less than 72 hours prior to an open meeting, will be made available for public inspection at the City Clerk's Counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Council on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council Chambers and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Council, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the City Council on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the City Council.

Persons interested in proposing an item for the City Council agenda should contact a member of the City Council who may plan an item on the agenda for a future City Council meeting. Should your comments require Council action, your request may be placed on the next appropriate agenda. Council discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the City Council, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of City Council Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email cityclerk@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email cityclerk@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

SUSTAINABLE MORGAN HILL



Vision

To sustain a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.



Choose Morgan Hill

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.



City Council Ongoing Priorities

- Enhancing Public Safety and Quality of Life
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining and Enhancing Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advocating for Local, Regional, and State Legislative Initiatives



2022-2023 Strategic Priorities

- Fiscal Sustainability
- Affordable Housing and Homelessness
- Community Outreach, Engagement, and Messaging
- Economic Development
- Transportation



These strategic priorities were established prior to the COVID-19 pandemic. In light of recent events, we recognize that all of these goals and priorities will be viewed through the lens of recovering from the global pandemic, and we will continue to have equity, public health, and financial responsibility in mind.



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

ACCEPT GALVAN PARK RESTROOM REPLACEMENT PROJECT IN THE AMOUNT OF \$143,604

RECOMMENDATION(S)

1. Accept as complete the Galvan Park Restroom Replacement Project;
2. Authorize the City Engineer to sign the Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community

2022-2023 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

REPORT NARRATIVE:

On January 11, 2023, the Galvan Park Restroom Replacement Project was awarded to 101 Builders, Inc. in the amount of \$143,350 with an authorized contingency of \$21,503. The project resulted in the demolition of the existing restroom, grading, new foundation, flatwork, utility connection(s), and assembly of the new prefabricated restroom (See Attachment 1 for Vicinity Map).

The project began on February 3, 2023 and was substantially completed in May 2023. One change order was authorized in the amount of \$254 due to minor additional work and contract deducts (Attachment 2). The final construction contract with 101 Builders, Inc. is \$143,604. Staff recommends accepting this project as it is complete in accordance with the plans and specifications. By accepting this project, the City Clerk will file a Notice of Completion for this project (Attachment 3).

Previously, the City Council approved the purchase of a prefabricated restroom with Exeloo Corporation for Galvan Park. By completing this project prior to June 30, 2023 along with the purchase of the prefabricated restroom, the City will be eligible to receive a grant reimbursement through the County of Santa Clara's Community Development Block Grant (CDBG) of \$300,000. Staff will submit all necessary paperwork to the County pending project acceptance by City Council.

COMMUNITY ENGAGEMENT:

Inform

Prior to and during construction, staff provided weekly updates on social media and the City website. Additional outreach by contractor through letters was also provided.

ALTERNATIVE ACTIONS:

Accepting the project in accordance with the contract documents is a required process and enables the City to release any retained funds owed to the contractor per California Public Contract Code Section 7107.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On June 15, 2022 - City Council adopted the FY22-23 to FY27-28 CIP Budget.

On November 2, 2022 - City Council approved a contract with Exeloo Corporation for the Purchase of a Self-Cleaning Restroom at Galvan Park.

On January 11, 2023 - City Council awarded Galvan Park Restroom Replacement Project to 101 Builders, Inc.

FISCAL AND RESOURCE IMPACT:

The final contract amount for the Galvan Park Restroom Replacement Project is \$143,604. The project was awarded to 101 Builders, Inc. in the amount of \$143,350 with an authorized contingency of \$21,503 (Total of \$164,853). The project is funded in the FY22-23 Budget.

In addition to the contract amount for installation, the City separately purchased the restroom building for \$231,738, bringing the total cost for the restroom purchase and installation to \$375,342. Once the project is accepted, staff will be submitting a reimbursement of up to \$300,000 through the County of Santa Clara Community Development Block Grant (CDBG). Remaining funding for the project was funded by the Quimby Park Fund (375).

CEQA (California Environmental Quality Act):

Categorical Exemption

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15302 of CEQA Guidelines (Existing Facilities), as the project consisted of the removal and replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced.



County of Santa Clara, Sanborn



**Engineering and Utilities Department
CIP Engineering Division**

Document Path: G:\R-14\PROJ\Agustin\GIS\Galvan Park Restroom.mxd

GALVAN PARK RESTROOM REPLACEMENT PROJECT



0 90 180 360 540 720

Feet

CIP Contract Acceptance Funding Closeout Statement

Project:	Galvan Park Restroom Replacement Project		
Project No:	118020		
Date of Project Award:	11-Jan-23	Project Award Amount:	
Funding Source:	F375	Contingency Authorized:	
Date of Project Acceptance:	7-Jun-23	Total Authorized:	
		Actual Base Contract Spent:	

Change Orders			
	Description	Date	Council Approval Req'd? (Y/N)
C.O. #1:	Miscellaneous Changes	15-May-23	N
			Total C.O.:

Additional Appropriations		
Source	Amount	Date
None		

	Total Construction Amount (Base Contract plus CO's):
Construction Fund Balance:	\$21,248.62

\$143,350
\$21,503
\$164,853
\$143,350

\$254.38
\$254.38

\$143,604.38

Recording Requested By:
The City of _____

When Recorded Mail To:

<name, title>
<street address>
<city, state and zip>

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§ 6103, 27383

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

NOTICE OF COMPLETION
Civil Code §§ 8182, 8184, 9204, and 9208

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is the agent of the owner of the Project described below.
2. Owner's full name is City of Morgan Hill ("City")
3. City's address is 17575 Peak Avenue Morgan Hill, CA 95037
4. The nature of City's interest in the Project is:
XX Fee Ownership ___ Lessee ___ Other: _____
5. Construction work on the Project performed on City's behalf is generally described as follows:
Removal and Installation of Prefabricated restroom at Galvan Park
6. The name of the original Contractor for the Project is: 101 Builders, Inc.
7. The Project was accepted as complete on: May 23, 2023
8. The Project is located at: 17666 Crest Avenue Morgan Hill, CA 95037.

Verification: In signing this document, I, the undersigned, declare under penalty of perjury under the laws of the State of California that I have read this notice, and I know and understand the contents of this notice, and that the facts stated in this notice are true and correct.

Date and Place

Signature

Name and Title

*EXEMPT FROM NOTARY ACKNOWLEDGMENT REQUIREMENTS PER
GOVERNMENT CODE § 27287 AND CIVIL CODE § 920*

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Kim Mancera, Deputy City Clerk

APPROVED BY: City Manager

ADOPT ORDINANCE NO. 2346, NEW SERIES ENACTING SECTION 9.04.055 (CARRYING OF FIREARMS IN SENSITIVE PLACES) OF CHAPTER 9.04 (WEAPONS) OF TITLE 9 (PUBLIC PEACE, MORALS AND WELFARE) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING THE PROHIBITION OF CARRYING FIREARMS IN SENSITIVE PLACES

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2346, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Supporting our Youth, Seniors, and Entire Community

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

Enhancing Diversity and Inclusiveness

Advocating for Local, Regional, and State Legislative Initiatives

2022-2023 Strategic Priorities

Fiscal Sustainability

Affordable Housing and Homelessness

Community Outreach, Engagement, and Messaging

Economic Development

Transportation

Guiding Documents

Public Safety Master Plan

REPORT NARRATIVE:

On May 3, 2023, the City Council introduced Ordinance No. 2346 New Series, by the following roll call vote: AYES: Borgioli, Libreros, Martinez Beltran, Spring, Turner; NOES: None; ABSTAIN: None; ABSENT: None.

In response to the U.S. Supreme Court's recent decision in *New York State Rifle & Pistol Association v. Bruen*, staff recommends that Council adopt an ordinance that would ban the carrying of firearms in an initial round of "sensitive places" where the Supreme Court has deemed such bans presumptively lawful. Sensitive places under the proposed ordinance include government offices, schools, courthouses, and polling places.

COMMUNITY ENGAGEMENT:

This report serves to inform the community of the ordinance Prohibiting Possession of Firearms in Sensitive Places. Additionally, staff has reached out to the Superintendent of Morgan Hill Unified School District regarding the prohibition on firearms in schools.

ALTERNATIVE ACTIONS:

The Council can choose not to adopt the presented ordinance, which would allow those who obtain a permit to carry firearms outside the home to carry a firearm in any public location.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On March 8, 2023, the City Council adopted a CCW application fee.

On May 3, 2023, the City Council introduced Ordinance No. 2346 New Series.

FISCAL AND RESOURCE IMPACT:

There is no current fiscal impact on the City at this time for the approval of the sensitive places ordinances.

CEQA (California Environmental Quality Act):

Not a Project.

This entails organizational or administrative activities of governments and will not result in direct or indirect physical changes in the environment.

ORDINANCE NO. 2346, NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL ENACTING SECTION 9.04.055 (CARRYING OF FIREARMS IN SENSITIVE PLACES) OF CHAPTER 9.04 (WEAPONS) OF TITLE 9 (PUBLIC PEACE, MORALS AND WELFARE) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING THE PROHIBITION OF CARRYING FIREARMS IN SENSITIVE PLACES

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS
FOLLOWS:

SECTION 1. New section 9.04.055 is hereby added to Chapter 9.04 (Weapons) of Title 9 (Public Peace, Morals, and Welfare) to read as follows:

9.04.055 Carry of Firearms in Sensitive Places

- A. Purpose and intent. The purpose of this section is to protect sensitive places that have traditionally been subject to restrictions on carrying or possessing firearms, consistent with the Supreme Court’s guidance in *N.Y. State Rifle & Pistol Ass’n v. Bruen* (2022), 142 S. Ct. 2111; to protect health, life, and property within the city; and to preserve the order and security of the City, its inhabitants, and its visitors.
- B. Prohibition. Except as otherwise provided by federal or state law, no person shall carry a firearm in any sensitive place unless they are subject to an exemption under subsection (d) of this section. This prohibition applies to persons licensed to carry a concealed firearm.
- C. For the purposes of this section, “sensitive place” means any of the following:
 - i. Any building owned by or under the control of city, county, state, or federal government for the purpose of government administration.
 - ii. Any polling place while voting is occurring.
 - iii. Any school. For the purposes of this section, “school” includes all institutions that provide preschool, elementary, secondary, post-secondary, technical, or trade or vocational education, and includes all athletic facilities, offices, cafeterias and eating establishments, health care facilities, research facilities, parking lots, and shared rooms and common areas of dormitories thereof. “School” does not include a private residence at which education is provided for children who are all related to one another by blood, marriage, or adoption.
- D. Exemptions. This section shall not apply to:

- i. A federal, state, or local law enforcement officer when such person is authorized to carry a concealed weapon or a loaded firearm under state law or under 18 U.S.C. Section 926B or any successor legislation;
- ii. An honorably retired officer or agent of a law enforcement agency, when authorized to carry a concealed or loaded weapon under state law or 18 U.S.C. Section 926C;
- iii. A security guard or messenger of a financial institution, a guard of a contract carrier operating an armored vehicle, a licensed private investigator, a patrol operator, an alarm company operator, or security guard, when such persons are authorized by applicable state or federal law to carry a firearm and when such persons are engaged in the exercise of their official duties;
- iv. A person bringing or transporting an unloaded firearm onto city property to exchange, transfer, or relinquish it to law enforcement, in compliance with any city operated, approved, or sponsored program to purchase, exchange, or otherwise obtain voluntary relinquishment of firearms;
- v. A person lawfully possessing an unloaded firearm in the locked trunk of, or inside a locked container in, a motor vehicle.
- vi. A hunter with a valid hunting license when going to or returning from a legal hunting expedition; provided, however, that when transiting through any area where firearms are prohibited, any firearm is safely stored in a locked container or otherwise secured using a firearm safety device as defined by California Penal Code Section 16540 or any successor legislation.

SECTION 2. Severability. Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

SECTION 3. Effective Date; Posting. This Ordinance shall take effect on the 31st day following adoption. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 3RD DAY OF MAY 2023, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 7th DAY OF JUNE 2023, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

☐ **CERTIFICATE OF THE CITY CLERK** ☐

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2346, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 7th day of June 2023.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Monica Delgado, Budget Manager

APPROVED BY: City Manager

ADOPT RESOLUTION ESTABLISHING THE GANN (PROPOSITION 4) APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24

RECOMMENDATION(S)

Adopt Resolution establishing the Gann (Proposition 4) appropriations limit for Fiscal Year 2023-24.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Protecting the Environment and Preserving Open Space and Agricultural Land

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

Preserving our Community History

Enhancing Diversity and Inclusiveness

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Fiscal Sustainability

Affordable Housing and Homelessness

Community Outreach, Engagement, and Messaging

Economic Development

Transportation

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

Climate Action Plan

Communications, Outreach, and Engagement Plan

Economic Blueprint

Fire Services Standards of Coverage

GIS Strategic Plan

Morgan Hill 2035 General Plan

Public Safety Master Plan

Storm Drain Master Plan

Vision Zero
 Water System Master Plan
 Wastewater System Master Plan

REPORT NARRATIVE:

The Gann appropriations limitation imposed by Propositions 4 (1979) and later amended by Proposition 111 (1990) creates a restriction on the amount of government revenue which may be appropriated in any fiscal year. Not all revenues are restricted by the Gann Limit, only those that are defined as “proceeds of taxes.” Additional appropriations to the budget funded by non-tax sources, such as charges for services, restricted revenues or grants, are not affected by the Appropriations Limit. Each year the City Council must adopt, by resolution, an 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 population factor for January 1, 2023 based on the greater annual population change for the City or the County, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2023-24.

The State of California Department of Finance annually provides the California per capita personal income change percentage for purposes of calculating the Gann Limit. For fiscal year 2023-24, California per capita personal income increased by 4.44%. The County’s population decline is -0.25% versus the City's population decline of -0.67%. Therefore, the calculation for the fiscal year 2023-24 Gann Limit is based on the percentage change in California per capita personal income and the County's population decline. The attachment details the calculation of the Gann Limit for fiscal year 2023-24.

COMMUNITY ENGAGEMENT:

Inform.

Public notice of the Council meeting to adopt the Gann limit was properly noticed in the Morgan Hill Times on May 19, 2023.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On June 15, 2022, the Council adopted FY 2022-23 and 2023-24 Budgets.
 On May 3, 2023, the Council adopted Midcycle Budget Amendments.

FISCAL AND RESOURCE IMPACT:

There's no fiscal impact associated with adopting the City's Gann Limit.

CEQA (California Environmental Quality Act):

Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF CITY OF MORGAN
HILL ADOPTING THE FISCAL YEAR 2023-24
APPROPRIATIONS LIMIT**

WHEREAS, the City of Morgan Hill Fiscal Year 2022-23 and 2023-24 Operating Budget was adopted on June 15, 2022;

WHEREAS, in accordance with the State Revenue and Taxation Code Section 7910, the City of Morgan Hill's 2023-24 fiscal year General Fund appropriations limit is \$152,934,412 as shown on Schedule A;

WHEREAS, in accordance with the State Revenue and Taxation Code Section 7910, the appropriations for the 2023-24 fiscal year, as shown on Schedule B, which are subject to the appropriations limit as set forth in Article XIII B of the California Constitution, do not exceed the limit as stated above;

WHEREAS, the annual adjustment factors that were selected to calculate the 2023-24 fiscal year limit were: 1) California Per Capita Personal Income adjustment factor of 1.0444; and 2) County Population Growth factor of 0.9975;

BE IT FURTHER RESOLVED that the City Council of the City of Morgan Hill does hereby approve and adopt the City of Morgan Hill Appropriations Limit and Appropriations Limit Adjustment Factors for Fiscal Year 2023-24.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of June, 2023 by the following vote.

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ATTEST:

APPROVED:

MICHELLE BIGELOW, CITY CLERK

MARK TURNER, MAYOR

• CERTIFICATION •

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____ adopted by the City Council at a Regular Meeting held on June 7, 2023.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL

DATE: _____

MICHELLE BIGELOW, City Clerk

SCHEDULE A

**CITY OF MORGAN HILL
SPENDING LIMIT CALCULATION
FISCAL YEAR 2023-24**

APPROPRIATIONS SUBJECT TO LIMIT

Fiscal Year 2023-24 General Fund Revenues	\$53,338,814
Less Non Proceeds of Tax	<u>14,215,012</u>
Total appropriations subject to limits	<u><u>\$39,123,802</u></u>

APPROPRIATIONS LIMIT

Fiscal year 2022-23 appropriations limit	\$146,799,795
Plus Change Factor:	
A. Cost of living adjustment - CPI	1.0444
B. Population Adjustment	0.9975
Total Change Factor	1.0418
Increase in appropriations limit	<u>6,134,617</u>
FISCAL YEAR 2023-24 APPROPRIATIONS LIMIT	<u>152,934,412</u>
Remaining appropriations capacity	113,810,610
Available capacity as a percent of appropriations limit	<u><u>74%</u></u>

NOTES

- A. Cost of living adjustment is based on percentage change in California per capita income.
B. Population adjustment is based on the greater of annual population change for the
 City of Morgan Hill or Santa Clara County.

SCHEDULE B

**CITY OF MORGAN HILL
SPENDING LIMIT CALCULATION
FISCAL YEAR 2023-24**

REVENUE SOURCE	PROCEEDS OF TAX	NON PROCEEDS OF TAX	TOTALS
Property Tax	\$ 18,509,500		\$ 18,509,500
Sales Tax	12,218,967		12,218,967
Transient Occupancy Tax	2,800,000		2,800,000
Franchise Revenue	3,385,800		3,385,800
Property Transfer Tax	510,000		510,000
Public Safety Sales Tax	455,000		455,000
Business License / Other Permits	253,975		253,975
Motor Vehicle in Lieu	40,800		40,800
Transfer from Fund 202 Street Fund Gax Tax	949,760		949,760
Fines and Penalties		70,894	70,894
Use of Money and Property		1,686,119	1,686,119
Other Revenue / Other Agencies		954,398	954,398
Police and Fire Fees		633,189	633,189
Current Service Charges General Govt.		8,573,312	8,573,312
Transfers		2,297,100	2,297,100
Total	\$ 39,123,802	\$ 14,215,012	\$ 53,338,814
Percentage of Total	73%	27%	100.00%

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

spring andrews, Information Technology Director

APPROVED BY: City Manager

APPROVE MICROSOFT ENTERPRISE AGREEMENT

RECOMMENDATION(S)

1. Approve the purchase of three-year Microsoft Office 365, Windows Server, and SQL Database Licensing from Dell Marketing, LLP in the amount of \$411,126, plus a 10% contingency for any additional growth; and
2. Authorize the City Manager to execute and administer a Microsoft Enterprise Agreement for the licensing of Microsoft products and services with Dell through 2026 with subsequent renewal subject to budget appropriation.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Fiscal Sustainability

Guiding Documents

GIS Strategic Plan

Morgan Hill 2035 General Plan

Public Safety Master Plan

Water System Master Plan

Wastewater System Master Plan

REPORT NARRATIVE:

In 2017, the City modernized its legacy on-premise email system to Microsoft's cloud-based subscription services, which provides remote access to email, significantly larger email boxes, centralized electronic document discovery and retention capabilities, and additional enhanced functionality. Approving this Microsoft Enterprise Agreement (Agreement), the City would renew its Microsoft services under one contract and leverage cost savings associated with utilizing the State purchasing contract.

After reviewing available authorized providers, staff recommends entering into an Enterprise License Agreement with Microsoft for the purchase and subsequent renewal of Microsoft software licensing for a three-year contractual term.

The pricing and vendor were selected through a cooperative purchasing mechanism (Section 3.04.180 of the Morgan Hill Municipal Code). This leverages volume discount pricing through vendors qualified for resale off the California State Microsoft contract, otherwise known as "The Riverside Contract."

COMMUNITY ENGAGEMENT:

Inform

This report serves to inform the community of the recommended action to approve a Microsoft Enterprise Agreement.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council previously approved the initial three-year Microsoft Enterprise Agreement on May 3, 2017 and then in 2020.

FISCAL AND RESOURCE IMPACT:

The recommended agreement will be an annual cost of \$137,042 for fiscal years 2023-24, 2024-25, 2025-26. These costs are subject to yearly auditing and true-up by Microsoft. The amount for FY 2023-24 has been included in the adopted budget. The amounts for the two subsequent years will be included in future budgets.

CEQA (California Environmental Quality Act):

Not a CEQA Project. This action will not have a direct or indirect impact on the environment.



Dell Customer Confidential

Quotation

Sam Andrews
sam.andrews@dell.com
512.720.4469

Customer: City of Morgan Hill**Contract:** Riverside County EA PSA-0001524**Microsoft Enterprise Agreement (EA) #:** TBD/Renewal of 5539154 - expires 5/31/2023**Date of Issue:** 5/17/2023**Quote Expires:** 6/15/2023

PLEASE SEE IMPORTANT TERMS AND CONDITIONS AT THE BOTTOM OF THIS QUOTATION

Section 1- Licenses and Software Assurance					
Product Description	Mfg#	Quantity	Unit Price	Ext. Price	
SQL Server Standard Core ALng SA 2-cores	7NQ-00292	12	\$624.22		\$7,490.64
Win Server DC Core ALng SA 16-cores	9EA-00273	10	\$989.92		\$9,899.20
Win Server DC Core ALng SA 2-core	9EA-00278	4	\$123.79		\$495.16
					\$0.00
Annual Payment Section 1:					\$17,885.00
Section 2- Monthly Subscriptions					
Product Description	Mfg#	Quantity	Months	Unit Price	Ext. Price
<i>Enterprise Online Services Products</i>					
M365 G3 Unified FUSL GCC Sub Per User	AAD-34704	300	12	\$31.50	\$113,400.00
					\$0.00
<i>Additional Online Services Products</i>					
Exchange Online P2 GCC Sub Per User	3NS-00003	75	12	\$5.95	\$5,355.00
Visio P2 GCC Sub Per User	P3U-00001	3	12	\$11.17	\$402.12
					\$0.00
Annual Payment Section 2:					\$119,157.12
Notes:					
Microsoft Enterprise Agreement (EA) Master#: 7799072			Total Annual Payment Yr 1		\$137,042.12
Microsoft Enterprise Agreement (EA) Enrollment#: Future/TBD			Total Annual Payment Yr 2		\$137,042.12
Expiring Enrollment# 7799072 (expires on 6/30/2022)			Total Annual Payment Yr 3		\$137,042.12
			Total of 3 years of Payments		\$411,126.36

Notes:

- | | |
|--|---|
| 1) Customer's purchase is subject to Dell's Terms and Conditions of Sale found at www.dell.com , unless Customer has a separate purchase agreement with Dell. | 4) All product descriptions and prices are based on latest information available and are subject to change without notice or obligation. |
| 2) Sales/use tax is based on the "ship to" address on your invoice. Please indicate your taxability status on your purchase order. If exempt, Customer must have an Exemption Certificate on file. | 5) All prices are based on Net 30 Terms. If not shown, shipping, handling, taxes, and other fees will be added at the time of order, where applicable. |
| 3) If you have a question re: your tax status, please contact your Dell ASAP Software inside sales representative listed above. Shipments to California: for certain products, a State Environmental Fee of up to \$10 per item may be applied to your invoice. Prices do not reflect this fee unless noted. For more information, refer to www.dell.com/environmentalfee . | 6) Customer understands and acknowledges that all warranties, representations and returns are subject to the manufacturer, publisher or distributor guidelines. |

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

David Gittleson, Associate Engineer

APPROVED BY: City Manager

APPROVE PROFESSIONAL SERVICES AGREEMENT WITH KENNEDY/JENKS CONSULTANTS FOR THE EAST DUNNE AVENUE HILLSIDE WATER RESERVOIR PROJECT

RECOMMENDATION(S)

1. Approve a professional services agreement with Kennedy/Jenks Consultants to complete the design for the East Dunne Avenue Hillside Water Reservoir project not to exceed \$240,187.
2. Authorize the City Manager to execute all documents and make minor modifications as necessary in order to consummate the transaction.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2022-2023 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Morgan Hill 2035 General Plan

Water System Master Plan

REPORT NARRATIVE:

The East Dunne Hillside Water Reservoir Project is included in the Water Master Plan and the FY 22/24 Capital Improvement Program. The project will construct an 850,000 gallon steel water tank adjacent to East Dunne Avenue on the hillside (Exhibit A).

In February 2016, Kennedy/Jenks Consultants (KJ) began designing the 850,000 gallon East Dunne Hillside Water Reservoir for a cost of \$390,278. Over the course of the design, three amendments were issued to modify the scope of work, increase the contract amount and extend the contract duration. Although the total contract amount with KJ was \$526,074, only \$444,221 was actually spent. The design was completed in December 2018. However, staffing levels and funding to construct the project were not

in place, so the project was put on hold.

KJ's original scope of work included: preparation of CEQA studies, design plans and specifications, and construction estimates for an above ground tank, access roadway, retaining walls, pipe connections and future connections, drainage and landscaping.

With this new contract, (Exhibit B) KJ will update the plans to current building codes and city standards, add a storm water detention basin, and modify the East Dunne Booster station to leave in place the existing pumps/piping to the Jackson reservoirs to preserve the existing system for redundancy purposes. This will provide two options to fill the two Jackson Reservoirs. Should the supply pipe fail or require repairs, there would now be a back-up supply line. There is currently no back-up pipe in place.

This project is phase 4 of a multi-phased program to improve fire protection, water system redundancy and enhance domestic water supply for the eastern side of the City.

Phase 1 replaced the Jackson Oaks Booster Station Project located at Oak Canyon Drive. Phase 2 drilled a new well at the existing Jackson Well site, and Phase 3 installed a 16" water main under East Dunne Avenue that connects the existing E. Dunne Booster Station with the new East Dunne Avenue Hillside Water Reservoir Project that shall be constructed in the current phase of the project. Future phases include the E. Dunne Hillside Water Reservoir Booster Station (to be located at this new reservoir site), and the Upper E. Dunne Ave. Water Main Project that will connect the new booster station at the then existing E. Dunne Avenue Water Reservoir with the existing Holidays Reservoirs.

Staff recommends that the KJ contract be approved so the design can be completed and the project bid in early 2024 with construction to commence in the summer.

COMMUNITY ENGAGEMENT:

Inform

Staff has provided presentations on the project to the communities of Jackson Oaks and Holiday Lake Estates multiple times since 2015 to provide updates on the status of the project. Staff will continue community engagement for the new water reservoir as the design plans are completed.

ALTERNATIVE ACTIONS:

The Council could elect not to move forward with the design and provide staff with alternate direction. Not moving forward would halt progress on the project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On January 20, 2016, City Council approved a Professional Service Agreement with Kennedy/Jenks Consultants to design the East Dunne Avenue Reservoir project for \$390,278.

On August 24, 2016, City Council approved a Second Amendment with Kennedy/Jenks Consultants for a total contract price of \$526,074.

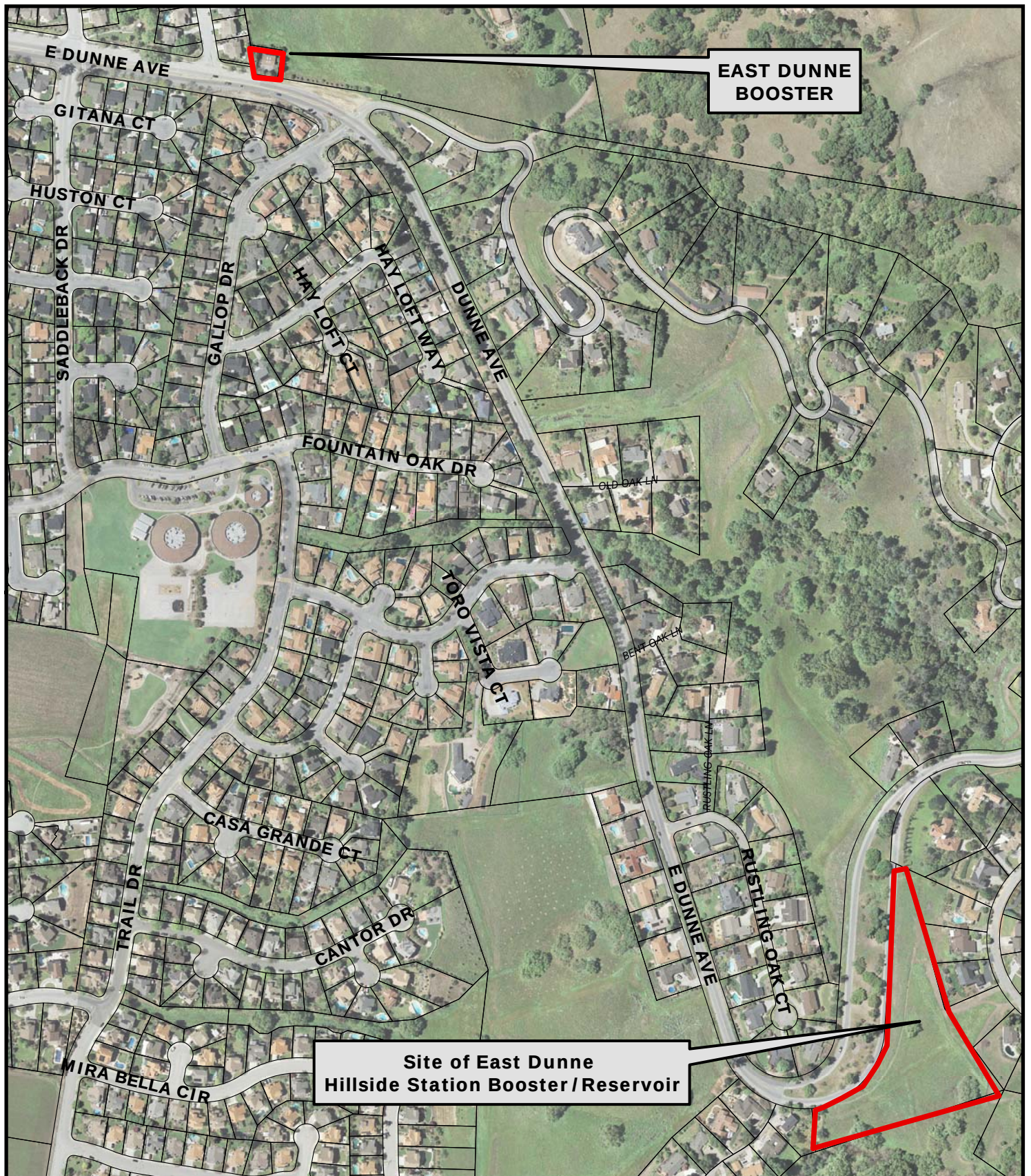
FISCAL AND RESOURCE IMPACT:

Funding to complete the design is budgeted in the FY 2023-24 Capital Budget from CIP #610A18 – Holiday Lake Improvements, utilizing Water Capital Project Funds (653).

CEQA (California Environmental Quality Act):

Project

An Initial Study (IS) and draft Mitigated Negative Declaration (MND) was prepared by Geier & Geier Consulting, Inc. in November 2016. The IS and MND will be updated, finalized, and adopted prior to Council's consideration of the award of the construction contract.



CITY OF MORGAN HILL

**Engineering Division
Community Development Agency**

Path: G:\R-14\PROJ\GIS\Marks\SITE MAPS\SiteMap_EDunne_HillsideReservoir.mxd

SITE MAP East Dunne Hillside Station Booster / Reservoir



0 87.5 175 350 525 700
Feet

CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS

Kennedy/Jenks Consultants

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Kennedy/Jenks Consultants a California corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority**. This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.

2. **Term of Agreement**. This Agreement shall cover services rendered from the Effective Date of this Agreement until June 7, 2024 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.

3. **Scope of Service**. The services to be performed by CONSULTANT shall be to complete the PS&E package for the construction of the East Dunne Reservoir Project as further described in **Exhibit A**.

4. **Compensation**. CONSULTANT shall be compensated as follows:

4.1. **Amount**. \$240,187.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed Two Hundred Forty Thousand One Hundred Eighty Seven dollars and shall be billed based on the rate and basis set forth in **Exhibit B**. If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement, and provided further that in no event shall such maximum compensation allowed for the term exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code, unless otherwise authorized by City Council.

4.2. **Billing**. CONSULTANT shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 13 Notices. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

5. **Termination**. CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such

termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT. The City Manager of CITY is authorized to terminate this Agreement, in whole or in part, on behalf of CITY.

- 5.1. **Non-Appropriations.** Notwithstanding anything contained in this Agreement to the contrary, if insufficient funds are appropriated, or funds are otherwise unavailable in the budget for CITY for any reason whatsoever in any fiscal year, for payments due under this Agreement, CITY will immediately notify CONSULTANT of such occurrence, and this Agreement shall terminate after the last day during the fiscal year for which appropriations shall have been budgeted for CITY or are otherwise available for payments.

6. **Performance of Work.** CONSULTANT represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by CONSULTANT in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the CONSULTANT'S profession. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this Agreement and all applicable federal, state, and local laws. CONSULTANT shall perform all work and services under this Agreement in conformance with the time schedule set forth on Exhibit C, "Schedule of Performance," attached hereto and incorporated herein by this reference. CITY'S City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement. If CONSULTANT desires to leave or store any of CONSULTANT'S equipment at a CITY site while CONSULTANT is performing work or service pursuant to this Agreement, CONSULTANT will first obtain the consent of CITY'S City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at CONSULTANT'S sole risk.

7. **Insurance Requirements.** CONSULTANT shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of CONSULTANT, including its subcontractors, employees, and agents, relating to, or arising from, the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by City. CONSULTANT further understands that the CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to CONSULTANT, at any time as deemed necessary to protect the interests of the CITY.

7.1. **Insurance Types and Amounts.**

- 7.1.1. **Commercial General Liability (CGL).** CONSULTANT shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

- 7.1.2. Automobile Liability. CONSULTANT shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if CONSULTANT does not own automobiles, then CONSULTANT shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.3. Workers' Compensation Insurance and Employer's Liability. CONSULTANT shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If CONSULTANT is self-insured, CONSULTANT shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.
- 7.1.4. Pollution (Environmental) Liability. If the performance of CONSULTANT'S work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, CONSULTANT shall procure and maintain Pollution Liability covering the CONSULTANT'S liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.5. Professional Liability.
- 7.1.5.1. If the performance of CONSULTANT'S work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), CONSULTANT shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CONSULTANT maintains a claims-made policy, CONSULTANT shall provide written evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.
- 7.1.5.2. If the performance of CONSULTANT'S work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers,

hardware engineers, or other systems consultants), CONSULTANT shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.6. Sexual Abuse/Molestation Liability (SML): If the performance of CONSULTANT'S work or service under this Agreement involves contact with minors, CONSULTANT shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars (\$200,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.2. **Endorsements**. CONSULTANT shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

7.2.1. General Liability and pollution liability (when pollution liability applies).

7.2.1.1. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds. The General Liability endorsement must be at least as broad as ISO Form CG 20 10 for ongoing operations.

7.2.1.2. "Waiver of Rights of Subrogation" - The insurer waives the right of subrogation against the City of Morgan Hill and CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and

7.2.1.3. "Primary and Non-Contributing" - Insurance shall be endorsed to be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance. The General Liability endorsement must be at least as broad as ISO Form CG 20 01.

7.2.2. Workers Compensation.

If the performance of CONSULTANT'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, CONSULTANT'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

7.3. **Qualification of Insurers**. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.

7.4. **Certificates**. CONSULTANT shall furnish CITY of Morgan Hill with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the CONSULTANT'S

agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 7. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

8. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. **Compliance with Law.**

9.1. CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon any basis prohibited by State or Federal law, including but not limited to, race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

9.2. Compliance with Wage and Hour Laws: Consultant, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state, and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

Final Judgments, Decisions, and Orders: For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time to appeal has expired. Relevant investigatory government agencies include: the federal Department of Labor, the California Division of Labor Standards Enforcement, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

Prior Judgments against CONSULTANT and/or its Subcontractors: BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT CONSULTANT OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that CONSULTANT or an subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or CONSULTANT learns of such a judgment, decision, or order that was not previously disclosed, CONSULTANT shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision, or order. CONSULTANT and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision, or order within five (5) days of satisfying the final judgment, decision, or order. The City reserves the right to require CONSULTANT to enter into an agreement with the City regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where CONSULTANT or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or government agency, the City reserves the right to withhold payment to CONSULTANT until such judgment, decision or order has been satisfied in full.

Material Breach: Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

Notice to City Related to Wage Theft Prevention: Notice provided to the City Attorney as required under this Section shall be addressed to: City Attorney, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

10. **Independent Contractor.** CONSULTANT is an independent contractor and not an agent or employee of CITY.
11. **Confidentiality.** All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.
12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
13. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

Don Barraza, P.E.
Kennedy/Jenks Consultants
303 Second Street, Suite 300 South
San Francisco, CA 94107

Address of CITY is as follows:

Development Service Center	with a copy to:
David Gittleson P.E.	City Clerk
City of Morgan Hill	City of Morgan Hill
17575 Peak Avenue	17575 Peak Avenue
Morgan Hill, CA 95037	Morgan Hill, CA 95037

14. **Licenses, Permits and Fees.** CONSULTANT shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes, and regulations of the federal, state, and local government.

15. **Consultant's Proposal.** If applicable, this Agreement shall include CONSULTANT'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

16. **Maintenance of Records.**

16.1. **Maintenance.** CONSULTANT shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. CONSULTANT shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then CONSULTANT shall retain said records until such action is resolved.

16.2. **Access to and Audit of Records.** The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONSULTANT and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

16.3. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT for work performed under this Agreement shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

17. **Familiarity with Work.** By executing this Agreement, CONSULTANT represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

18. **Time of Essence.** Time is of the essence in the performance of this Agreement.

19. **No Assignment.** Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be

void and, at CITY'S option, shall terminate this Agreement effective as of the date of such attempted assignment.

20. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

21. **Defense and Indemnification.**

- 21.1. **Defense and Indemnification for Design Professional Services.** Consistent with California Civil Code Section 2782.8, for design professional services to be performed under this agreement by a design professional, as that term is defined under said Section 2782.8, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors in performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement ("CLAIM") to the extent of CONSULTANT'S proportionate percentage of fault.
- 21.2. **Defense and Indemnification for Non-Design Professional Services.** For all services performed under this agreement not covered by Section 21.1 above, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").
- 21.3. **Exceptions.** CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence, active negligence, or willful misconduct of the CITY.
- 21.4. **Not limited by insurance.** The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by CONSULTANT.
- 21.5. **Right to Offset.** CITY shall have the right to offset against any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT'S failure to pay CITY promptly any indemnification arising under this Section (21) and any amount due CITY from CONSULTANT arising from CONSULTANT'S failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

21.6. **Interpretation.** This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the CONSULTANT to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

22. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified, or provisions waived, only by a subsequent mutual written agreement executed by CITY and CONSULTANT. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

23. **Governing Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

24. **Interpretation.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

25. **Preservation of Agreement.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.

26. **Binding Agreement.** Notwithstanding the provisions of Section 19 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of CONSULTANT in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

27. ☒ **Data Sharing.** This Agreement requires access by CONSULTANT to CITY'S Geographic Information System (GIS) DATA for CONSULTANT to perform the work. CITY agrees to provide the GIS DATA to CONSULTANT solely for the purpose of performance of contracted work with the CITY upon the terms and conditions specified in Exhibit D, incorporated herein by this reference.

28. **Electronic Signatures.** Unless otherwise prohibited by law or CITY policy, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the CITY.

[Signatures on Next Page]

29. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

City Clerk/Deputy City Clerk

City Manager

Michelle Bigelow
Print Name

Christina J. Turner
Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

Kennedy/Jenks Consultants

City Attorney

By: Jamie E. Kolkey, PE

Donald A. Larkin
Print Name

Vice President and Operations Manager
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President

Date: _____

Date: May 22, 2023

By: Gerard P. Cavaluzzi

Corporate Secretary

Print Name and Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: May 22, 2023

EXHIBIT A
SCOPE OF SERVICES



303 Second Street, Suite 300 South
San Francisco, California 94107
415-243-2150
FAX: 415-896-0999

4 May 2023

Mr. David Gittleson, P.E.
Associate Engineer
Utilities & Engineering Department
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, California 95037

Subject: Proposal for Design Engineering Services
East Dunne Hillside Water Reservoir and Booster Pump Station

Dear David:

Kennedy Jenks Consultants (Kennedy Jenks) is pleased to submit this proposal to provide professional services for the design of the East Dunne Hillside Water Reservoir and modifications to the E. Dunne Booster Pump Station.

It is understood that the engineering services will be performed as a new professional services agreement between Kennedy Jenks and the City of Morgan Hill (City). An understanding and background of the pump station, pipelines, and reservoir project requirements, scope of work, assumptions, summary of tasks to be performed by the City, basis of compensation, schedule and terms and conditions are included below.

Understanding and Background

This proposal is based on conversations with City staff and Kennedy Jenks' past work associated with development of the E. Dunne Hillside Water Reservoir site and the E. Dunne Booster Pump Station Modifications. The City will review and provide input on the pump station configuration and confirm the design flowrate.

We understand that the E. Dunne Hillside Water Reservoir project, Kennedy Jenks completed bid documents for in December 2018, requires several design updates to bring the documents up to current codes and coordinate with the additional elements outlined within the scope of work contained in this proposal.

We will also review the previous design modifications of the E. Dunne Booster Pump Station in response to City input regarding control of the pump station pressure zones in the lower E. Dunne area.

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We have based our proposal on review of the preliminary E. Dunne Hillside Reservoir pipeline alignment discussed with the City during the 2022 Interim Pipeline Project, and previous utility research, survey and borehole logs from geotechnical investigations at the East Dunne Hillside Water Reservoir site. This proposal is also based on updates outlined in the Theory of Operations Preliminary Report from Akel Engineering Group, Inc. (Akel) dated March 2023. The proposal does not include an update of the previous geotechnical investigation; however, this may be required by the local building official.

We understand that the City would like one (1) set of construction documents prepared to include both the E. Dunne Hillside Reservoir and associated pipelines and the E. Dunne Pump Station Modifications.

Scope of Work

Kennedy Jenks will provide professional design services required to update the previously completed designs of the E. Dunne Booster Pump Station modifications and the E. Dunne Hillside Water Reservoir, working closely with City staff. Kennedy Jenks will provide electronic files of design plans in AutoCAD format and one full-sized set of drawings on mylar. Deliverables such as specifications will generally be furnished in electronic format using MS Word or Adobe PDF format. Our work is organized in two (2) phases as described below:

Phase 1 – Project Management, Meetings and Quality Control

Task 1.1 – Project Management

Subtask 1.1.1 – Project Administration

Kennedy Jenks will set up the project within Kennedy Jenks' accounting system, prepare subconsultant agreements, and issue a Project Initiation Plan to Kennedy Jenks's design team, outlining the scope and budget, and develop a baseline schedule. Kennedy Jenks will provide management and oversight of in-house project personnel and subconsultants throughout the project and will review and monitor project budget and progress on a regular basis. Kennedy Jenks will also prepare and maintain a Major Decisions Log (MDL) that documents the City's major decisions related to the Project.

Kennedy Jenks will prepare and implement a Hazard Appraisal & Recognition Plan (HARP) for the work. If a Kennedy Jenks employee needs to visit the site, where field investigation activities are ongoing, they will implement the requirements of the HARP.

Subtask 1.1.2 – Project Status Reporting

Kennedy Jenks will prepare and submit monthly invoices electronically to the City in accordance with the Agreement. Invoices will be prepared and submitted electronically on a monthly basis. Monthly project progress status updates will be prepared and delivered to the City to support the monthly invoices prepared.

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Task 1.1 Deliverables:

1. Major Decisions Log updates (electronic, Adobe Acrobat format)
2. Monthly invoices (electronic, Adobe Acrobat format)
3. Monthly Progress Status Update (electronic, Adobe Acrobat format)

Task 1.2 – Meetings

It is anticipated that the kickoff meeting will address still undefined elements of the project associated with the E. Dunne Booster Pump Station modifications and E. Dunne Hillside Water Reservoir. It is anticipated that the design review meetings will address all elements of the project. Kennedy Jenks will prepare for and participate in the following meetings with the City. The meetings are estimated to have a 2-hour maximum duration (excluding travel and time for preparation of materials) and will be attended by up to three (3) Kennedy Jenks staff.

1. Kick-off meeting – to be held in person at City office
2. 60% Design Review Meeting – to be held virtually
3. 90% Design Review meeting – to be held virtually

Kennedy Jenks will also prepare for, and participate, in up to three (3) progress coordination meetings or conference calls with City staff during the project. Each progress meeting is anticipated to have a 1-hour duration (excluding time for preparation of materials) and will be attended by up to two (2) Kennedy Jenks staff.

The meetings are detailed in the following subtasks:

Subtask 1.2.1 – Kick-off Meeting

Kennedy Jenks will prepare for, attend, and facilitate the kick-off meeting with the City, and Kennedy Jenks team members. Client stakeholders, planned roles and responsibilities, project scope, schedule, budget, project controls processes, deliverables, workshops, key deliverable dates and milestones, and key technical issues will be discussed. Kennedy Jenks will prepare and submit a meeting agenda and notes following the meeting.

Subtask 1.2.2 – Design Review Meetings

Kennedy Jenks will conduct workshop-type meetings with the City during the Project to efficiently communicate design concepts and facilitate decisions to keep the project on schedule. The planned meetings will occur at two (2) milestone points as follows:

1. 60% Design Review Meeting
2. 90% Design Review meeting

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Subtask 1.2.3 – Progress Meetings

Kennedy Jenks will prepare for, attend, and conduct up to three (3) virtual progress coordination meetings or conference calls that will include a review of progress, discussion of items requiring feedback, list of outstanding issues requiring resolution, status of scope, schedule and budget, and review of risks. Kennedy Jenks will prepare and submit meeting agendas and meeting notes for the progress meetings.

Task 1.3 - Quality Assurance and Quality Control

Each deliverable will receive a quality control review prior to submission to the City from a senior Kennedy Jenks engineer, not directly associated with the project.

Subtask 1.3.1 – In-house C&CR Meeting

Kennedy Jenks will conduct an in-house Concept and Criteria Review (C&CR) meeting early in the project to obtain focused technical input from senior Kennedy Jenks staff based on their experience from other similar projects. The C&CR meeting will be attended by up to six (6) key project team members.

Subtask 1.3.2 – Project Deliverables Reviews

The Construction Document Submittals (e.g. 60%, 90%, 100%), and other deliverables will be reviewed. Reviews will be performed by senior Kennedy Jenks staff and will include inter-discipline coordination checks.

Phase 2 – E. Dunne Hillside Water Reservoir & One Bid Package

The East Dunne Hillside Water Reservoir project Kennedy Jenks completed bid documents for in December 2018 requires several design updates including the following:

- Building code review updates;
- California Department of Public Health (CDPH) Department of Drinking Water (DDW) distribution Reservoir Permit;
- Revise alignment of 16-inch water reservoir inlet and 10-inch water reservoir outlet to be outside of the E. Dunne roadway. City is to provide as-builts of Phase 1 Interim Pipelines Project for point of connection information;
- Revise 16-inch storm drain alignment;
- Removal of proposed 6-inch sewer line and fire hydrant;
- East Dunne Booster Pump Station Modification; and

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- Development of a stormwater design that meets the Stormwater Management Guidance Manual (Manual) requirements, including PR1-4. To meet these requirements and based on discussions with the City, Kennedy Jenks proposes the use of a biofiltration basin with an outfall near the south/southeast corner of the property. A conceptual layout is provided as an enclosure herein. Because of the steepness of the hillside, either one taller retaining wall or two shorter retaining walls may be needed to construct the basin. Vehicle access to the biofiltration basin will not be provided. However, pedestrian access will be provided for routine maintenance.

Additionally, Kennedy Jenks has already provided mechanical and electrical engineering associated with providing new pumps at the E. Dunne Booster Pump Station to deliver water to the E. Dunne Hillside Reservoir. The design proposed in the scope assumes that all three (3) of the pump systems at the E. Dunne Booster Pump Station will be available. The Holiday pumps 1 series will be left in operation for a backup system.. The design proposed in the scope will allow the new reservoir to supply fire flow to all three (3) of the lower Holiday pressure zones.

The engineering effort associated with providing control strategies for the instrumentation and controls for pumps to be replaced within the E. Dunne Booster Pump Station will be performed under this task. The design referenced in the Theory of Operations Preliminary Report from Akel (March 2023) increases the design condition of the Holiday Zone 2 pumps (the '3' series pumps) from 360 gpm @ 140 ft TDH to a design condition of 450 gpm @ 380 ft TDH. Satisfying the Akel's Master Plan Report criteria would require significant re-design of the E. Dunne Booster Pump Station and is not included in this proposal.

Section 3.0 of Akel's Theory of Operations Preliminary Report (Phase 1 Improvements) includes additional projects covering the construction and modification of pressure reducing valve stations to modify water distribution to the pressure zones in the lower E. Dunne area (Projects 1-B and 1-D) and underground water main installation from the E. Dunne Booster Pump Station to Thomas Grade Drive (part 2 of Project 1-A). However, this proposal does not include any engineering effort for those projects. If lower E. Dunne pressure zone facilities must be modified or the proposed revisions to the E. Dunne Booster Pump Station design require a new generator installation, additional effort and budget will be required to produce the additional drawings and specifications required. The existing day tank, the fuel piping between the engine generator and the day tank, and the exhaust system will have to be evaluated for re-use or replacement.

Based on past experience, permits from the Bay Area Air Quality Management District (BAAQMD) for generator modifications and new generators require engineering support. As stated in the assumption above, Kennedy Jenks has not provided effort for coordinating with Bay Area AQMD for revising the permit for the E. Dunne Booster Pump Station.

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Task 2.1 – E. Dunne Reservoir 60% Drawings, Specifications and OPCC

Based on the design criteria established in the previous 2018 drawings (excluding the design of a new sewer line and fire hydrant), Kennedy Jenks will prepare a 60% design submittal package for the booster pump station modifications, reservoir and associated pipelines (shown on sheet C-07) for City review. Kennedy Jenks will prepare general drawings, site grading, structural drawings, plan and profile drawings for the pipelines (at a scale of 1"=30' horizontal and 1"=5' vertical), various details, landscape plans, cathodic protection drawings, electrical single line diagrams; and partial conduit and wire schedules, and erosion and sedimentation control. The design is based on Kennedy Jenks preparing up to 76 drawings (listed at the end of the scope of work) to be included in the Contract Documents. Drawings will be prepared using AutoCAD 2018 format. Drawings will be set up with 24" x 36" format for reduction to half scale 12"x18" size for submittal and bidding purposes.

Kennedy Jenks will prepare an updated list of technical specifications (based on those prepared in 2018) required for the work for the 60% design.

Kennedy Jenks will perform quantity take-offs from the 60% design drawings and prepare an OPCC update (AACE Class 3).

A workshop with City staff will be held to discuss the 60% design and any critical issues as provided in Task 1.2.

Task 2.1 Deliverables:

1. 60% Design Drawings (Electronic, Adobe pdf format)
2. 60% Design Specifications (Electronic, Adobe pdf format)
3. Class 3 OPCC (Electronic, Adobe pdf format)

Task 2.2 – E. Dunne Reservoir 90% Drawings, Specifications, OPCC and Schedule

Kennedy Jenks will incorporate responses to the City's review comments on the 60% Design package and advance the 60% design drawings to the 90% design level for City review. The 90% phase will consist of further detailed design and refinement of the project elements to produce a complete set of drawings. Inter-disciplinary and intra-disciplinary coordination will be completed. Kennedy Jenks will coordinate with PG&E for the service application for the new East Dunne Hillside Water Reservoir and Booster Pump Station Modifications as soon as authorization from the City is provided.

Kennedy Jenks will incorporate the responses to comments on both submitted and the proposed list of specifications from the 60% design review and prepare 90% design level specifications. The technical specifications will be prepared using Kennedy Jenks' standard Construction Specifications Institute (CSI) 2004 format, modified for the project.

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Kennedy Jenks will update the quantity take-offs from the 90% design drawings and prepare an OPCC (AACE Class 2) for the 90% design.

Kennedy Jenks will prepare a conceptual construction schedule broken down to define the major components of work. The conceptual schedule will likely contain the following elements:

- Shop drawing submittals for reservoir, pumps, electrical gear, valves, piping, and shoring
- Fabrication of pumps, pipes, fittings and electrical gear
- Structural/reservoir construction, startup and testing
- Restoration
- Pipeline construction
- Pipe connections
- Pipe testing

Task 2.2 Deliverables:

1. 90% Design Drawings (Electronic, Adobe pdf format)
2. 90% Design Specifications (Electronic, Adobe pdf format)
3. Class 2 OPCC (Electronic, Adobe pdf format)
4. Conceptual Construction Schedule (Electronic, Adobe pdf format)
5. PG&E Service Application
6. AQMD Permit Application for Generator

Task 2.3 – E. Dunne Reservoir 100% Drawings, Specifications, OPCC and Schedule

Kennedy Jenks will incorporate the responses to the comments from the 90% design review and prepare final 100% design drawings that will be stamped and signed for bid. Following review of the 90% design specifications by the City, Kennedy Jenks will address final comments and prepare final 100% technical specifications that will be stamped and signed for bid. The Bidding and Contract Documents will be prepared using the City's standard General Requirements and bidding forms and supplemental requirements. It is assumed that the City will prepare the front-end documents (Division 0) for KJ to include in the Bid Package.

Task 2.3 Deliverables:

1. 100% Bid Ready Design Drawings (Electronic, Adobe pdf format and Mylar)
2. 100% Bid Ready Design Specifications (Electronic, Adobe pdf format)
3. Class 2 OPCC (Electronic, Adobe pdf format)
4. Final Construction Schedule (Electronic, Adobe pdf format)
5. PG&E Service Application
6. AQMD Permit Application for Generator

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Task 2.4– Reservoir Building Permit

A building permit will be required from the City Building Department. Kennedy Jenks has assumed that the City will prepare the building permit application. However, Kennedy Jenks will assist the City in responding to written permit review comments received from the Building Department.

Task 2.5 – California Division of Drinking Water (DDW) Distribution Reservoir, Pump Stations, and Pipeline Permit

Kennedy Jenks will assist the City in completing and filling a permit application with the California State Water Resources Control Board Division of Drinking Water (DDW) for the installation/operation of the project and in responding to written permit review comments received from the DDW.

Task 2.5 Deliverables:

1. DDW Reservoir Permit Application
2. DDW Pump Station Permit Application

Phase 3 – As-Needed Design Contingency (Optional)

Kennedy Jenks will provide as-needed design contingency during the project as requested and authorized by the City. Services may include assistance with additional design services, additional design based on unforeseen site conditions, and additional site visits or meetings. An allowance of up to \$25,000 is reserved for this task,

Phase 4 – Bid Assistance

Kennedy Jenks will provide answers to written questions submitted to the City by bidders and provided in writing to Kennedy Jenks. Contract requirements which are changed as a result of questions and answers will be included in addenda. It is assumed that Kennedy Jenks will prepare up to two (2) addenda. It is assumed that the City will distribute all addenda.

Kennedy Jenks (two staff members) will attend one pre-bid meeting via conference call. The City is assumed to prepare the pre-bid meeting agenda and meeting minutes.

Kennedy Jenks will review the bid results for the two lowest construction bid packages received and provide a recommendation to the City concerning award of the contract.

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4 May 2023
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Assumptions

The following assumptions were developed when preparing the Scope of Work, schedule, and estimated cost for the project.

1. One (1) set of construction documents will be prepared to include the E. Dunne Hillside Reservoir, the E. Dunne Pump Station Modifications, and the new pipeline segments. Construction documents will include the City's Project Manual including General Conditions.
2. It is assumed that the utility, survey, and geotechnical investigations performed for the previously completed E. Dunne Hillside Reservoir project will be utilized for this final design.
3. This proposal does not include an update of the previous geotechnical investigation; however, this may be required by the local building official.
4. The City's front end (Division 0) specifications will be prepared by the City. The front ends will be incorporated into Kennedy Jenks' standard specifications for the Divisions 1 through 17. Drawings will be bound separately. This proposal is based on the Division 0 specifications utilized by the City in 2018. If updates have been made since then, additional budget will be required to update KJ's specifications.
5. All pipelines will be installed by open cut; trenchless designs or methods are not required.
6. No cathodic protection will be required for buried pipelines.
7. Kennedy Jenks will assist the City with information to complete the building permit forms prepared by the City. Kennedy Jenks assumes all information will be submitted in either 8.5x11 or 12x18 and 24x36 formats.
8. The project design work will require approximately five (5) months to complete, assuming the City takes no more than two (2) weeks to review each design submittal. It is assumed that the kickoff meeting will be performed within one (1) week of Notice-to-Proceed.
9. The design budget is based on Kennedy Jenks preparing up to 76 drawings for the E. Dunne Hillside Water Reservoir and Booster Pump Station modifications (preliminary drawing list enclosed at the end of the proposal).
10. The design of piping improvements associated with the modification of the E. Dunne Booster Pump Station discharge piping under this scope shall not extend beyond 10 ft of the building envelope.
11. Kennedy Jenks's schedule and compensation are based on providing the above services for a period of 5 months. If the schedule is extended beyond this period and project management funds are exhausted, a written request will be provided for additional funds.
12. Assumptions related to the construction, startup and operations assistance for the project will be developed when that phase is authorized.
13. A surge analysis for the lower zones served by E. Dunne Pump Station is not included in the scope of work.
14. With regards to the East Dunne Hillside Water Reservoir, all work (including pipeline connection points) is assumed to be within the roadway.

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15. It is assumed that all proposed stormwater facilities in the East Dunne Hillside Water Reservoir site will be located within City property and/or the right-of-way.
16. It is assumed that the sewer pipeline is no longer included within the East Dunne Hillside Water Reservoir site.
17. Per direction of the City, no fire hydrant is required near the East Dunne Hillside Water Reservoir site.
18. Updates to the landscaping plans for the East Dunne Hillside Water Reservoir site are assumed to not be required.
19. Bid assistance will be provided per Phase 4. It is assumed the City will run the pre-bid meeting and prepare the agenda and meeting minutes.
20. Engineering services during construction is not included within this scope of work.
21. Potholing at the pump station site or along the pipeline alignment to locate existing underground structures and utilities is not included.
22. The designing of any relocations for utilities or other facilities are not included.
23. Assistance with CEQA document update and/or other environmental permits are not included. The City is responsible for identifying any required CEQA updates.

Tasks Performed by City

The following tasks will be performed by the City:

1. Provide all readily available background documentation for the pump station and pipeline to Kennedy Jenks for review.
2. Provide input and confirm the flowrate(s) for all pump stations.
3. Provide operational information such as the maximum and minimum water surface elevations in the East Dunne and Holiday Lake reservoirs.
4. Provide as-built documentation of the existing water pipelines for tie-ins including record drawings.
5. Prepare and submit reservoir permit applications and any applicable fees; interface with the building department and drinking water department as required.
6. Review Kennedy Jenks' submittals within two-weeks of receipt and provide a single, consolidated set of comments on each submittal.
7. Participate in decision-making and provide a best-faith effort to make key decisions in a timely manner.
8. Monitor and manage communications with the residents and stakeholders including any public outreach efforts.

Basis of Compensation

We propose that compensation for our services be on a time and expense reimbursement basis in accordance with the January 1, 2023 Schedule of Charges. Payments will be made monthly based on invoices, which describe services and list actual costs and expenses. Based on our estimate of services for our proposed tasks, we propose a fee budget of \$248,769 for the design

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of the reservoir, pipelines and booster pump station. This amount will not be exceeded without prior written authorization from the City. Construction period services for the reservoir, pipelines and booster pump station will be defined, budgeted, and authorized later.

A summary of the proposed budget by phase is provided below. The budget may be increased, if necessary, to provide additional services requested by the City.

Phase	Estimated Fee Budget
Phase 1 – Project Management, Meetings and Quality Control	\$29,200
Phase 2 – E. Dunne Hillside Water Reservoir and Booster Pump Station	\$189,569
Phase 3 – Design Contingency (Optional)	\$25,000
Phase 4 – Bid Assistance	\$5,000
Phases 1- 4 Total (Including Optional)	\$248,769
Interim Pipelines Project Remaining Contract Amount	\$8,582
Total Amended Contract Amount (Including Optional)	\$240,187

Schedule

Kennedy Jenks proposes to complete the overall scope of work described above in accordance with the general schedule described in the assumptions above.

Terms and Conditions

This proposal is based on current projections of staff availability and costs and, therefore, is valid for 90 days following the date of this letter. Unless noted otherwise the terms and conditions of the Service Agreement for Design Professionals for the East Dunne Hillside Water Reservoir Project between Kennedy Jenks and the City dated 11 February 2016 are acceptable for use in a new agreement. If this proposal meets with your approval, please forward a new service agreement for design professionals for this work.

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If you have any questions regarding our proposal, please contact Don Barraza at (415) 243-2483 or Rachel Druffel-Rodriguez at (858) 676-7532.

Very truly yours,

KENNEDY/JENKS CONSULTANTS, INC.



Jamie E. Kolkey, P.E.
Operations Manager



Donald L. Barraza, P.E.
Principal Engineer



Rachel Druffel-Rodriguez, P.E.
Project Manager

AUTHORIZATION:

City of MORGAN HILL

By: _____
(Signature)

(Print Name)

Title: _____

Date: _____

Enclosure

1. Preliminary List of Drawings
2. East Dunne Hillside Water Reservoir Proposed Stormwater Updates

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Preliminary List of Drawings

<u>SHEET</u>	<u>DRAWING</u>	<u>DRAWING TITLE</u>
--------------	----------------	----------------------

GENERAL

1	G-1	TITLE SHEET, SHEET INDEX, VICINITY MAP AND LOCATION MAP
2	G-2	PROJECT GENERAL NOTES AND DESIGN CRITERIA
3	G-3	GENERAL NOTES, SYMBOLS AND LEGEND
4	G-4	ABBREVIATIONS
5	G-5	TITLE 22 DISTRIBUTION RESERVOIR REGULATIONS

CIVIL

6	C-1	EXISTING SITE PLAN AND CONTRACTOR STORAGE AREA
7	C-2	SITE PLAN AND HORIZONTAL CONTROL
8	C-3	RESERVOIR SITE AND ACCESS ROAD GRADING PLAN
9	C-4	RESERVOIR ACCESS ROAD PROFILE
10	C-5	RESERVOIR PAD GRADING PLAN
11	C-6	RESERVOIR SITE DRAINAGE PLAN
12	C-7	RESERVOIR SITE PIPING PLAN
13	C-8	RESERVOIR PAD ENLARGED SITE PIPING PLAN
14	C-9	16" WATER (INLET) PIPING PLAN AND PROFILE
15	C-10	10" WATER (INLET) PIPING PLAN AND PROFILE
16	C-11	12" WATER (OUTLET) PIPING PLAN AND PROFILE
17	C-12	16" STORM DRAIN PIPING PLAN AND PROFILE
18	C-13	WATER TIE-IN DETAILS
19	C-14	STORM DRAIN INLET STRUCTURE PLAN AND SECTIONS
20	C-15	BIOFILTRATION BASIN AND OUTLET STRUCTURE DETAILS
21	C-16	WATER DETAILS
22	C-17	STORM DRAIN AND SANITARY SEWER DETAILS
23	C-18	RESERVOIR ACCESS ROAD DETAIL
24	C-19	RESERVOIR ACCESS ROAD SECTIONS
25	C-20	FENCING AND PAVING DETAILS
26	C-21	DRAINAGE DETAILS
27	C-22	EROSION CONTROL DETAILS

LANDSCAPE

28	L-1	IRRIGATION NOTES
29	L-2	IRRIGATION PLAN - I

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30	L-3	IRRIGATION PLAN - II
31	L-4	IRRIGATION DETAILS - I
32	L-5	IRRIGATION DETAILS - II
33	L-6	IRRIGATION DETAILS - III
34	L-7	PLANTING PLAN - I
35	L-8	PLANTING PLAN - II
36	L-9	PLANTING DETAILS - I
37	L-10	PLANTING DETAILS - II

STRUCTURAL

38	S-1	STRUCTURAL GENERAL NOTES
39	S-2	STRUCTURAL SPECIAL INSPECTION AND TESTING SCHEDULE
40	S-3	WELDED STEEL TANK ORIENTATION PLAN
41	S-4	WELDED STEEL TANK TYPICAL CROSS SECTION
42	S-5	WELDED STEEL TANK PIPE CONNECTION DETAILS
43	S-6	WELDED STEEL TANK SHELL MANWAY AND PIPE CONNECTION DETAILS
44	S-7	WELDED STEEL TANK EXTERIOR AND INTERIOR LADDER SECTIONS AND DETAILS
45	S-8	WELDED STEEL TANK ROOF ACCESS PLATFORM, HATCH AND VENT DETAILS
46	S-9	WELDED STEEL TANK RINGWALL FOUNDATION AND MISCELLANEOUS DETAILS
47	S-10	WELDED STEEL TANK TYPICAL DETAILS
48	S-11	RESERVOIR SITE AND RETAINING WALL SECTION
49	S-12	WALL KEY PLAN
50	S-13	ROADWAY RETAINING WALL FLATTENED WALL ELEVATION - I
51	S-14	ROADWAY RETAINING WALL FLATTENED WALL ELEVATION - II
52	S-15	UPPER SOIL NAIL WALL FLATTENED WALL ELEVATION
53	S-16	LOWER SOIL NAIL WALL FLATTENED WALL ELEVATION
54	S-17	ROADWAY RETAINING WALL TRANSVERSE SECTIONS
55	S-18	SOIL NAIL WALL RETAINING WALL TRANSVERSE SECTIONS
56	S-19	SOIL NAIL WALL RETAINING WALL TRANSVERSE SECTION
57	S-20	CONCRETE GRAVITY RETAINING WALLS STRUCTURAL DETAILS
58	S-21	SOIL NAIL WALLS STRUCTURAL NOTES AND DETAILS
59	S-22	SOIL NAIL AND GRAVITY RETAINING WALLS STRUCTURAL DETAILS
60	S-23	SOIL NAIL WALLS AND RETAINING WALLS STRUCTURAL DETAILS

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CATHODIC PROTECTION

61	CP-1	CATHODIC PROTECTION PLAN, SECTION, SCHEMATIC AND DETAILS
62	CP-2	CATHODIC PROTECTION DETAILS

MECHANICAL

63	M-1	EAST DUNNE BOOSTER PUMP STATION - EXISTING PIPING PLAN
64	M-2	EAST DUNNE BOOSTER PUMP STATION - MODIFIED PIPING PLAN

ELECTRICAL

65	E-1	EAST DUNNE HILLSIDE WATER RESERVOIR - ELECTRICAL OVERALL SITE PLAN
66	E-2	EAST DUNNE HILLSIDE WATER RESERVOIR - ELECTRICAL SINGLE LINE DIAGRAM AND PANELBOARD SCHEDULE MODIFICATIONS
67	E-3	EAST DUNNE HILLSIDE WATER RESERVOIR - ELECTRICAL RESERVOIR PLAN
68	E-4	EAST DUNNE BOOSTER PUMP STATION - ELECTRICAL OVERALL SITE PLAN
69	E-5	EAST DUNNE BOOSTER PUMP STATION - ELECTRICAL SINGLE LINE DIAGRAM AND ELEVATION MODIFICATIONS
70	E-6	EAST DUNNE BOOSTER PUMP STATION - ELECTRICAL CONTROL SCHEMATIC
71	E-7	EAST DUNNE BOOSTER PUMP STATION - ELECTRICAL CONDUIT BLOCK DIAGRAM
72	E-8	EAST DUNNE BOOSTER PUMP STATION - ELECTRICAL CONDUIT AND CABLE SCHEDULE
73	E-9	EAST DUNNE BOOSTER PUMP STATION - ELECTRICAL SITE PLAN EAST DUNNE PUMP STATION

INSTRUMENTATION

74	I-1	PROCESS AND INSTRUMENTATION DIAGRAM – EAST DUNNE RESERVOIR
75	I-2	EAST DUNNE BOOSTER PUMP STATION - NETWORK BLOCK DIAGRAM
76	I-3	EAST DUNNE BOOSTER PUMP STATION - PROCESS AND INSTRUMENTATION DIAGRAM – EAST DUNNE PUMP STATION

Preliminary List of Specifications

DIVISION 1: GENERAL REQUIREMENTS

01010 Summary of the Work and Contract Considerations
01040 Coordination and Project Requirements
01140 Environmental Protection
01190 Seismic Requirements
01300 Submittals
01500 Construction Facilities and Temporary Controls
01650 Facility Startup
01700 Contract Closeout

DIVISIONS 2 THROUGH 17: TECHNICAL SPECIFICATIONS

DIVISION 2: SITEWORK

02085 Precast Concrete Utility Vaults
02100 Site Preparation and Plant Protection
02200 Site Preparation
02301 Earthwork
02485 Soil Nail Wall
02510 Water System Piping and Accessories
02530 Sewers
02630 Drainage
02700 Paving and Surfacing
02810 Irrigation
02820 Fences and Gates
02900 Planting

DIVISION 3: CONCRETE

03100 Concrete Formwork and Formwork Accessories
03150 Concrete Joints and Accessories
03200 Concrete Reinforcement, Reinforcement Supports, and Anchor Bolts
03300 Concrete Mixtures, Handling, Placing and Constructing
03330 Concrete Curing and Protection
03350 Concrete Finishes

DIVISION 9: FINISHES

09960 High Performance Coatings

DIVISION 11: EQUIPMENT

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11001 General Equipment and Mechanical Requirements
11002 Electric Motor Drives
11003 Disinfection
11211 Centrifugal Water Pumps DIVISION 13: SPECIAL CONSTRUCTION

13113 Impressed Current Cathodic Protection System for Interior of Water Storage Reservoir
13211 Welded Steel Tank

DIVISION 15: MECHANICAL

15135 Seismic-Controlled Electric Valve Actuator

DIVISION 16: ELECTRICAL

16010 General Electrical Requirements
16110 Conduit, Raceways and Fittings
16120 Low Voltage Wire and Cable
16124 Signal Cable
16130 Boxes
16155 Motor Starters
16180 Overcurrent Protective Devices
16402 Underground Electrical Work and Service
16450 Electrical Grounding
16500 Lighting
16955 Control Devices

DIVISION 17: INSTRUMENTATION AND CONTROLS

17010 Instrumentation and Controls, General Requirements
17140 Level Measurement
17150 Pressure Measurement
17200 Miscellaneous Field Instruments
17330 Programmable Logic Controller
17330A Control Strategies
17510 Panels

EXHIBIT B
SCHEDULE OF COMPENSATION RATES

Client/Address: City of Morgan Hill
17575 Peak Avenue
Morgan Hill, California 95037

Contract/Proposal Date: May 4, 2023

Schedule of Charges

Date: May 4, 2023

PERSONNEL COMPENSATION

Classification	Hourly Rate
Engineer-Scientist-Specialist 1.....	\$140
Engineer-Scientist-Specialist 2.....	\$170
Engineer-Scientist-Specialist 3.....	\$190
Engineer-Scientist-Specialist 4.....	\$205
Engineer-Scientist-Specialist 5.....	\$225
Engineer-Scientist-Specialist 6.....	\$250
Engineer-Scientist-Specialist 7.....	\$275
Engineer-Scientist-Specialist 8.....	\$295
Engineer-Scientist-Specialist 9.....	\$310
Senior CAD-Designer	\$175
CAD-Designer	\$160
Senior CAD-Technician	\$145
CAD-Technician	\$130
Project Assistant.....	\$135
Administrative Assistant.....	\$115
Aide.....	\$90

In addition to the above Hourly Rates, an Associated Project Cost charge of \$9.74 per hour will be added to Personnel Compensation for costs supporting projects including telecommunications, software, information technology, internal photocopying, shipping, and other support activity costs related to the support of projects

Direct Expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work, will be at cost plus ten percent for items such as:

- Maps, photographs, 3rd party reproductions, 3rd party printing, equipment rental, and special supplies related to the work.
- Consultants, soils engineers, surveyors, contractors, and other outside services.
- Rented vehicles, local public transportation and taxis, travel and subsistence.
- Project specific telecommunications and delivery charges.
- Special fees, insurance, permits, and licenses applicable to the work.
- Outside computer processing, computation, and proprietary programs purchased for the work.

Reimbursement for vehicles used in connection with the work will be at the federally approved mileage rates or at a negotiated monthly rate.

If prevailing wage rates apply, the above billing rates will be adjusted as appropriate.

Overtime for non-exempt employees will be billed at one and a half times the Hourly Rates specified above.

Rates for professional staff for legal proceedings or as expert witnesses will be at rates one and one-half times the Hourly Rates specified above.

Excise and gross receipts taxes, if any, will be added as a direct expense.

The foregoing Schedule of Charges is incorporated into the agreement for the services provided, effective May 4, 2023 through December 31, 2023. After December 31, 2023, invoices will reflect the Schedule of Charges currently in effect.

EXHIBIT C
SCHEDULE OF PERFORMANCE

Design to be completed by June 7, 2024.

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Dat Nguyen, Finance Director

APPROVED BY: City Manager

APPROVE REVISIONS TO CITY COUNCIL POLICY CP-94-04, THE CITY'S INVESTMENT POLICY

RECOMMENDATION(S)

Approve revisions to City Council Policy CP-94-04, the City's Investment Policy.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

2022-2023 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

Best practices in municipal finance recommend investment policies be reviewed annually or at a minimum, the internal treasury staff should conduct a review annually. An update in the investment policy is warranted if staff's review results in a material change in policy due to either a change in statute or a change in the City's investment objectives. Finance continues to monitor changes to the California Government Code regarding investment parameters and allowable investments that may impact the City's investment policy. The redlined version of the City's investment policy is attached for review and approval. The proposed changes to the investment policy would increase the allowable investments in California Cooperative Liquid Assets Securities System Class (CLASS) from a maximum of 5% of the portfolio to 10% and add U.S. Bank Investment Services as an authorized firm to conduct investment transactions with the City. In December 2022, U.S. Bank completed its acquisition of MUFG Union Bank, which UnionBanc Investment Services was part of. Adding U.S. Bank Investment Services allows the City to continue investment relationships with the current brokers. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies with total investments having grown to about \$0.5 billion with 69 California public agencies participating. The City is a member of the California Class and Christina Turner, the City's City Manager, serves as chairperson on its board of trustees. Increasing the allowable investment amount in the California Class would allow the City to optimize interest earnings while maximizing safety and liquidity. Expanding the list of allowable investments would allow the City more options as we look to increase the City portfolio's short-term returns, while

maintaining the City's investment objectives of safety, liquidity, and yield. The proposed revisions to the City's investment policy have been reviewed and approved by the City's Treasurer.

COMMUNITY ENGAGEMENT:

Inform

Finance periodically renders to City Council for review and approval any changes to the investment policy at a public meeting. In addition, the City's investment policy is available on the City's website.

ALTERNATIVE ACTIONS:

City Council could decide not to update the policy.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council approved the last revision to its investment policy in August 2022.

FISCAL AND RESOURCE IMPACT:

Updating and maintaining the City's investment policy is a part of the Finance Department's on-going work-plan. There is no additional cost associated with the approval of the Investment Policy.

CEQA (California Environmental Quality Act):

Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

POLICY NUMBER: CP-94-04

TITLE: INVESTMENT POLICY

EFFECTIVE DATE: June 8, 1988

REVISED DATE: June 7, 2023; August 17, 2022; May 6, 2020; July 20, 2016; July 15, 2015; January 26, 2011; September 26, 2007; June 15, 1994

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CITY OF MORGAN HILL
Statement of Investment Policy

SCOPE

The City of Morgan Hill's (the City's) Investment Policy (the Policy) applies to all funds under the control of the City and includes the general revenues of the City, Successor Agency to the former Morgan Hill Redevelopment Agency (Agency), enterprise fund revenues, and proceeds of bond sales, debt service revenues, and trust funds in the custody of the City.

For simplicity, this Policy shall refer to "City" even when it applies to the Agency, except that the City and Agency shall be distinguished whenever the role of the City Council or Agency Board is described, whenever the role of the City Manager or Executive Director is described, or whenever the role of the City Treasurer or Director of Finance is described.

INVESTMENT OBJECTIVES

The City's funds shall be invested in accordance with all applicable City policies and codes, State statutes, Federal regulations, and bond covenants, and in a manner designed to accomplish the following objectives, which are listed in priority order:

A. Safety of Principal

Safety of principal is the City's foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to minimize capital losses by avoiding credit risk and market risk, as defined below:

1. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only the highest quality securities (see authorized investments) and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flows.
2. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio so that securities mature at the same time that major cash outflows occur, thus eliminating the need to sell securities prior to maturity. It is explicitly recognized, however, that in a diversified portfolio, occasional measured losses may occur, and must be considered within the context of the overall investment return.

B. Liquidity

Liquidity is the second most important objective of the investment program. The investment portfolio shall remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements.

C. Yield

The City portfolio shall be invested to attain a market average rate of return through economic cycles, as long as it does not diminish the superior objectives of safety and liquidity. The market rate of return is defined as the average return on the 1-year U.S. Treasury Bill. Whenever possible, and after the objectives of safety of principal and liquidity have been met, a yield higher than the market rate of return shall be sought.

DELEGATION OF AUTHORITY FOR CITY FUNDS

The City Council has appointed the City Treasurer responsible for undertaking investment transactions on behalf of the City. Unless specifically designated by the City Council, the only officials authorized to undertake investment transactions on behalf of the City are the City Treasurer, Finance Director, and City Manager. The City Manager or designee, as applicable, shall review all investment purchases before they occur. The City Treasurer and the Finance Director will observe, review, and react to the changing conditions that affect the investment portfolio. They will meet on a regular basis to discuss current market conditions, future trends and how each of these affects the investment portfolio and the City.

The City Treasurer, Finance Director and City Manager shall develop and maintain administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

DELEGATION OF AUTHORITY FOR AGENCY FUNDS

The Agency Board has appointed the Director of Finance responsible for undertaking investment transactions on behalf of the Agency. Unless specifically designated by the Agency Board, the only officials authorized to undertake investment transactions on behalf of the Agency are the Director of Finance and Agency Executive Director. The Executive Director or designee, as applicable, shall review all investment purchases before they occur. The Director of Finance and Executive Director will observe, review, and react to the changing conditions that affect the investment portfolio. They will meet on a regular basis to discuss current market conditions, future trends and how each of these affects the investment portfolio and the Agency.

The Director of Finance and Executive Director shall develop and maintain administrative procedures and internal controls, consistent with this Policy, for the operation of the Agency's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the Agency.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any larger personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales, and shall avoid transactions that might impair public confidence in the City's ability to govern effectively.

EVALUATION OF INVESTMENTS

The standard of prudence to be used for managing the City's investment program is California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

City investment officers acting in accordance with this Policy and the "prudent person" standard and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that substantial deviations from expectations are reported by the City Treasurer or by the Director of Finance (for the Agency) to the City Manager or Executive Director, as applicable, within three days of discovery. Mutually agreeable remedial action will be taken by the City Treasurer and City Manager (for the City) or by the Director of Finance and Executive Director (for the Agency) and reported to the City Council or Agency Board, as applicable, at their next regularly scheduled meeting.

SELECTION OF BROKER/DEALERS

The City Treasurer (for the City) and Director of Finance (for the Agency) shall jointly maintain a list of broker/dealers approved for investment purposes, and it shall be the policy jointly of the City and the Agency to purchase securities only from those brokers and the firms they represent. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code.

To be eligible, a firm must meet at least one of the following criteria:

1. be recognized as Primary Dealers by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure, or
2. report voluntarily to the Federal Reserve Bank of New York, or
3. qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

The City Treasurer (for the City) and Director of Finance (for the Agency) will select broker/dealers on the basis of their expertise in public cash management and their ability to provide service to the account(s). Each authorized broker/dealer shall submit and annually update an approved Broker/Dealer Information Request form that includes the firm's most recent financial statements.

The City Treasurer (for the City) and Director of Finance (for the Agency) shall determine if the broker/dealers are adequately capitalized, make markets on securities appropriate to the City's needs and are recommended by managers of portfolios similar to the City's. The City Treasurer (for the City) or Director of Finance (for the Agency) shall submit findings and recommendations to the City Council or Agency Board, as applicable. The City Council and Agency Board will determine which broker/dealers will be authorized to trade with the City as part of their annual review of this Policy,

In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's or Agency's portfolio, authorized broker/dealers shall attest in writing that they have read and understand this Policy.

AUTHORIZED INVESTMENTS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. The City has further limited the types of allowable securities to those shown in the following list:

- A. United States Treasury Bills and Notes with maturities not exceeding five years from the date of trade settlement. There is no limitation on the percentage of the portfolio which can be invested in this category.
- B. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable and step-up securities, with a final maturity not exceeding five years from the date of trade settlement issued by the following only: the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA or Fannie Mae), the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), the Tennessee Valley Authority (TVA), and the Government National Mortgage Association (GNMA, but only if the security is backed by the full faith and credit of the U.S. government). Although there is no percentage limitation of the dollar amount or percentage of the portfolio that can be invested in these issuers, the "prudent person" rule shall apply for any single agency name.
- C. The Local Agency Investment Fund (LAIF), established by the State Treasurer for the benefit of local agencies and identified under Government Code Section 16429.1, is authorized up to the maximum amount pursuant to California Government Code Section 16429.1
- D. Inactive deposits with Banks and Savings and Loans with a branch within California that has a rating of at least A-1 or the equivalent from a nationally recognized statistical rating organization (NRSRO), and has an equity to total assets ratio of at least 4%. All deposits

shall be secured in accordance with Sections 53651 and 53652 of the California Government Code and comply with Schedule I (Policy Statement of Collateralized Time Deposits) attached. If deposits are not collateralized, the maximum placed at any one institution will be \$250,000. The maximum amount of collateralized inactive deposits placed at any one institution shall not constitute more than 10% of the total assets of the institution or \$2,000,000, whichever is less, and shall not exceed the total shareholders' equity of the issuing institution.

- E. Money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 that (1) are “no-load” (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in the applicable California statutes and (4) have a rating of at least AAAM or the equivalent by at least two NRSROs. The aggregate investment in money market funds shall not exceed 20% of the City’s total portfolio. The City shall use only those money market funds consisting of investments considered prudent in nature for any fiduciary.
- F. Certificates of Deposit (CD) is authorized up to the maximum Federal Deposit Insurance Corporation (FDIC) legal limit amount per FDIC-insured institution.

INVESTMENT POOLS

The Local Agency Investment Fund (LAIF) is authorized under provisions in Section 16429.1 of the California Government Code. The City's participation in the pool was previously approved by the City Council and Agency Board.

The California Cooperative Liquid Assets Securities System Class (CLASS) is authorized under provisions in Section 53601(p) of the California Government Code, California public agencies may invest in shares of beneficial interest issued by a joint powers authority.

City Council review and approval is required prior to investment in any other local government investment pool or joint powers authority.

SAFEKEEPING OF SECURITIES

The City Treasurer (for the City) and the Director of Finance (for the Agency) shall select one or more banks to provide safekeeping and custodial services for the City. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities, except non-negotiable Certificates of Deposit, Money Market Funds and LAIF, purchased by the City will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by the City shall be held in the Federal Reserve System in a customer account for the custodian bank which will name the City as “customer.”

All DTC eligible securities shall be held in the custodian bank’s DTC participant account and the custodian bank shall provide evidence that the securities are held for the City as “customer.”

DIVERSIFICATION

The City will diversify its investments by security type and investment to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. With the exception of bond reserve funds, bond escrow funds, and any other funds approved by the City Council, at all times at least 50% of the total portfolio shall mature in three years or less; at least 30% of the total portfolio shall mature in two years or less; and at least 20% of the portfolio shall mature in one year or less.

MAXIMUM MATURITIES

The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, as approved by the City Council or Agency Board, as applicable, and otherwise allowed by law, the City will not directly invest in securities maturing more than five years from the date of trade settlement. Bond reserve funds, bond escrow funds, and any other funds approved by the City Council or Agency Board, as applicable, may be invested in securities exceeding five years if the maturities of such investments are made to coincide as nearly as possible with the expected use of the funds. The weighted average final maturity of the investment portfolio shall not exceed two and one-half years.

PERFORMANCE BENCHMARKS

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the investment portfolio shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the investment portfolio’s weighted average effective maturity. When comparing the performance of the investment portfolio, all fees involved with managing it shall be included in the computation of its rate of return net of fees.

BOND PROCEEDS

Proceeds of bond sales and debt service reserve funds and other bond-related monies (or funds) may be invested in any investments authorized under both California Government Code Section 53600, et. seq. and the applicable bond covenants related to a bond sale. Securities authorized by a bond covenant that are not authorized by this Policy will only be used if they are specifically approved by the City Council or Agency Board, as applicable. Unless otherwise approved by the City Council or Agency Board, as applicable, all securities will be held in third-party safekeeping with the bond trustee, and all delivery-versus-payment rules will apply. Fees will be collected annually to compensate for administration costs.

COMPETITIVE TRANSACTIONS

All investment transactions shall be conducted competitively with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction, except when purchasing new issue securities, and their bid or offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the City Treasurer (for the City) or the Director of Finance (for the Agency) will document quotations for comparable or alternative securities.

REPORTING REQUIREMENTS

The City Treasurer (for the City) and Director of Finance (for the Agency) shall render, at least quarterly, reports of investment activity to the City Council and Agency Board within 30 days following the end of the quarter. Each report will include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs managed by contracted parties;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with the investment policy or an explanation for non-compliance; and
5. A statement of the City's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

INVESTMENT POLICY REVIEW

The City Treasurer (for the City), working with the Director of Finance (for the Agency), shall periodically review and make recommendations regarding the City's Investment Policy to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Amendments to this Investment Policy shall be approved by the City Council.

CITY OF MORGAN HILL
POLICY STATEMENT ON COLLATERALIZED TIME DEPOSITS
SCHEDULE I

Before the City Treasurer can place a time deposit with a local bank or savings and loan, the following criteria must be met:

1. The bank must provide the City with an executed copy of the "Contract for Deposit for Moneys" as specified in Section 53649 of the California Government Code.
2. The interest rate on the Time Certificate of Deposit must be competitive with rates offered by other banks and savings and loans and must exceed the interest rate for treasury bills for a similar maturity period.
3. For investments less than \$250,000, FDIC insurance will be sufficient without requiring any collateral to be pledged with the Federal Reserve to secure the public fund deposit.
4. For investments exceeding \$250,000, there may be a waiver of collateral for the first \$250,000 deposited, and all of the funds placed on deposit must be collateralized by 110% of U.S. Treasury or Federal Agency securities, or by 150% of mortgages having maturities less than five years in accordance with Section 53652 of the California Government Code. The City must receive confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged must be maintained at a current market value 10% greater than the dollar amount of the deposit.
5. The City must be given a current audited financial statement for the financial year just ended as well as the most recent quarterly statement of financial condition. The financial reports must both include a "statement of financial condition" as well as an "income statement" depicting current and prior year operations.
6. The City will not place a fund deposit for more than \$2,000,000, or 10% of the assets of the institution, whichever is less.
7. The City must receive a certificate of deposit which specifically expresses the terms governing the transaction, (i.e., the period of time, name of depositor, interest rate, etc.).
8. All time certificates must have a maturity period not exceeding two years from the date of deposit with quarterly payments of interest based upon the stated interest rate.
9. The City must also receive a letter from the comptroller and/or treasurer of the bank at the time the deposit is made, that there is no known pending financial disclosure or public announcement of an adverse financial event involving the bank or savings and loan, nor is there any knowledge that a conflict of interest situation exists with any City official, officer or employee at the time the bank is receiving this deposit. The City has a fiduciary responsibility to make prudent investment of public funds, and to assure its investment practices are absent of any financial inducement or conflict in interest whatsoever.
10. Time deposits will only be made with qualified banks and savings and loans having branch office locations within Santa Clara County. However, time deposits with a bank or savings

and loan must be centralized at one designated office location rather than making separate deposits with each branch office.

CITY OF MORGAN HILL
POLICY CRITERIA FOR SELECTING BROKER/DEALERS
SCHEDULE II

1. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code.

To be eligible, a firm must meet at least one of the following criteria:

1. be recognized as Primary Dealers by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure, or
2. report voluntarily to the Federal Reserve Bank of New York, or
3. qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

The City Treasurer (for the City) and Director of Finance (for the Agency) will select broker/dealers on the basis of their expertise in public cash management and their ability to provide service to the account(s). Each authorized broker/dealer shall submit and annually update an approved Broker/Dealer Information Request form that includes the firm's most recent financial statements.

The City Treasurer (for the City) and Director of Finance (for the Agency) shall determine if the broker/dealers are adequately capitalized, make markets on securities appropriate to the City's needs and are recommended by managers of portfolios similar to the City's. The City Treasurer (for the City) or Director of Finance (for the Agency) shall submit his findings and recommendations to the City Council or Agency Board, as applicable. As part of their periodic review of the Investment Policy, the City Council and Agency Board will determine which broker/dealers will be authorized to trade with the City.

In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's or Agency's portfolio, authorized broker/dealers shall attest in writing that they have read and understand a copy of this Policy.

2. The net capital position of the firm shall be in excess of \$100 million.
3. The intent of the City Treasurer (for City) and Director of Finance (for Agency) is to enter into a long-term relationship. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
5. The firm must provide an active secondary market for the securities it sells.
6. The firm must specify the types of securities it specializes in and will be made available for the City's account.
7. It is important that the firm provide related services that will enhance the account relationship which could include:

- a) An active secondary market for its securities.
 - b) Internal credit research analysis on commercial paper, banker's acceptances and other securities it offers for sale.
 - c) Be willing to trade securities on the City's portfolio.
 - d) Be capable of providing market analysis, economic projections, newsletters.
 - e) Provide market education on new investment products, security spread relationships, graphs, etc.
- 8. The firm must be willing to provide annual financial statements.
 - 9. If requested, the firm must be willing to provide a list of local government clients or other references, particularly those client relationships established within the State of California.
 - 10. The City is prohibited from the establishment of a broker/dealer account for the purpose of holding the City's securities. All securities must be subject to delivery at the City's custodial bank.
 - 11. Without exception, all transactions are to be conducted on a "delivery vs. payment" basis.
 - 12. The broker/dealer shall be headquartered or have a branch office in California. The City will not conduct security transactions with any firm located out of state.
 - 13. The broker/dealer must have been in operation for more than 5 years.
 - 14. No business relationship shall be established with firms primarily engaged in the sale of "exotic" products. Exotic means "unusually high yields," no ready secondary market, "high price volatility" on the security.
 - 15. The firm must be registered with the State of California's regulatory agency.
 - 16. No broker/dealer or security firm shall be selected who has made a political contribution to the City Treasurer or any member of the City Council or Agency Board or to any candidate for these offices.

Broker/Dealer Questionnaire

Name of Firm:

Address:

Telephone No.:

Primary representative

Manager

Name:

Title:

Telephone No:

1. Are you a recognized primary dealer in Government securities?

() Yes

() No

2. If so, how long has your firm been a primary dealer?
_____ years.

3. Are you a retail or institutional broker?

4. What was your firm's total volume in U. S. Government and agency securities trading last year?

Firm-wide \$ _____

Your office \$ _____

5. Which instruments are offered regularly by your trading desk?

() T-bills

() BA's (domestic)

() T-notes and bonds

() BA's (foreign)

() Agencies (specify)

() Commercial Paper

FFCB, FHLB, FNMA () Bank C. D.'s

FHLMC, SLMA, TVA, GNMA _____ () S & L C. D.'s

WORLD BANK

() Repurchase Agreements

() Medium Term Corporate Notes

() Reverse Repurchase
Agreements

() Mutual Funds (eligible for public
investment)

6. Identify all personnel who will be trading with or quoting securities to the City.

Name

Title

Phone

7. Please identify your most directly comparable City/Local Agency clients in our geographical area.

Entity

Contact Person

Phone

Client Since

8. Is there anything in your background in the government securities business that makes you stand-out above the rest? Why should the City of Morgan Hill deal with you?
9. Have any of your public sector clients ever sustained a loss on a securities transaction arising from a misunderstanding or misrepresentation of the risk characteristics of a particular instrument? If so, please explain.
10. Has any public sector client ever claimed in writing that your firm was responsible for investment losses? Explain.
11. Has your firm consistently complied with the Federal Reserve's capital adequacy guidelines? Include certified documentation of your capital adequacy as measured by Federal Reserve standards.
12. Please provide certified financial statements and other statements regarding your firm's capitalization.
13. Please include samples of research reports that your firm regularly supplies to public sector clients.

14. Are you a Broker instead of a Dealer (i.e., you DO NOT own positions of securities)?
15. What reports, transactions, confirmations and paper trail would the City receive?
16. What training information would you provide to our employees and investment officers?
17. How many and what percentage of your transactions failed last month? Last year?
18. What portfolio information do you require from clients?

--CERTIFICATION--

I hereby certify that I have personally read the City of Morgan Hill's Investment Policy and the California Government Codes pertaining to the investments of the City of Morgan Hill, and have implemented reasonable procedures and a system of controls designed to preclude imprudent investment activities arising out of transactions conducted by our firm on behalf of the City of Morgan Hill, considering the City's investment objectives, strategies and risk constraints. We pledge to exercise due diligence in informing the City Treasurer and staff of all foreseeable risks associated with financial transactions conducted with our firm. I attest to the accuracy of our responses to the above questionnaire.

NOTE: Completion of this questionnaire is only part of the City of Morgan Hill's Certification process and DOES NOT guarantee that the applicant will be approved to do business with the City.

SIGNED
(Account Representative)

SIGNED
(Countersigned by Company President or person in charge of government securities operations.)

DATED

CITY OF MORGAN HILL
FIRMS AUTHORIZED TO CONDUCT INVESTMENT TRANSACTIONS
SCHEDULE III

The City is authorized to conduct investment security transactions with the following investment firms and broker/dealers, many of which are designated by the Federal Reserve as primary government dealers. Security transactions with firms other than those appearing on this list are prohibited.

A. Firms designated by the Federal Reserve as Primary Government Dealers:

Bank of Nova Scotia, New York Agency
BMO Capital Markets Corp.
BNP Paribas Securities Corp.
Barclays Capital Inc.
Cantor Fitzgerald & Co.
Citigroup Global Markets Inc.
Credit Suisse Securities (USA) LLC
Daiwa Capital Markets America Inc.
Deutsche Bank Securities Inc.
Goldman, Sachs & Co.
HSBC Securities (USA) Inc.
Jefferies & Company, Inc.
J.P. Morgan Securities, LLC
Merrill Lynch, Pierce, Fenner & Smith, Inc.
Mizuho Securities USA, Inc.
Morgan Stanley Smith Barney
Nomura Securities International, Inc.
RBC Capital Markets, LLC
RBS Securities Inc.
Societe Generale, New York Branch
TD Securities (USA) LLC
UBS Securities, LLC
Wells Fargo Securities, LLC

B. Other authorized firms:

D. A. Davidson and Company
Fundamental Capital Markets
Morgan Keegan & Company, Inc.
UnionBanc Investment Services
[U.S. Bank Investment Services](#)

CITY OF MORGAN HILL
Authorized Investments Ranked by Authority and Degree of Risk
~~August 17, 2022~~June 7, 2023

SCHEDULE IV

AUTHORIZED INVESTMENTS	DIVERSIFICATION	PURCHASE RESTRICTIONS
U.S. TREASURY BILLS & NOTES	No Limit	No Limit
DREYFUSS TREASURY CASH MANAGEMENT FUND	No Limit	No Limit
U.S. GOVERNMENT AGENCIES AND GOVERNMENT SPONSORED ENTERPRISES	No Limit	No Limit
LOCAL AGENCY INVESTMENT FUND	No Limit	Maximum Set by Gov't Code
CALIFORNIA CLASS	Max 105% of portfolio	No Limit
TIME DEPOSITS	Max 5% of portfolio	Max \$2 million per institution Collateral = 110% to 150%
MONEY MARKET MUTUAL FUNDS	Max 20% of portfolio	No Limit
REPURCHASE AGREEMENTS	Not Authorized	Not Authorized
BANKERS' ACCEPTANCES	Not Authorized	Not Authorized
COMMERCIAL PAPER	Not Authorized	Not Authorized
MEDIUM-TERM CORPORATE NOTES	Not Authorized	Not Authorized
NEGOTIABLE CD'S	Max 5% of portfolio	Up to FDIC insured legal limit per FDIC insured institution
REVERSE REPURCHASE AGREEMENTS	Not Authorized	Not Authorized
ASSET BACKED SECURITIES	Not Authorized	Not Authorized
STATE & LOCAL INDEBTEDNESS	Not Authorized	Not Authorized

GLOSSARY

AGENCY: Debt issued by an agency of the federal government that is explicitly guaranteed by the full faith and credit of the United States government. The Government National Mortgage Association (GNMA or Ginnie Mae), is an example of an agency issuer.

ASKED: The price at which securities are offered. (The price at which a firm will sell a security to an investor.)

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: One one-hundredth of a percent (i.e., 0.01%).

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.)

BROKER: A broker brings buyers and sellers together for a commission. A broker does not take a position.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for its own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury Bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FANNIE MAE (FNMA): FNMA was chartered under the Federal National Mortgage Association Act in 1938. The corporation's purpose is to purchase and securitize mortgages in order to ensure that funds are consistently available to the institutions that lend money to home buyers. It is the largest single provider of residential mortgage funds in the United States. On September 7, 2008, Fannie Mae was placed into conservatorship of the FHFA. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions (e.g. S&L's, Small business firms, students, farmers, farm cooperatives, and exporters).

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A Federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL INSTRUMENTALITY SECURITY: Debt issued by a government sponsored enterprise that carries an implicit guarantee of the United States government. Examples of instrumentality issuers include the Federal National Mortgage Association (FNMA or Fannie Mae), the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), the Federal Home Loan Banks (FHLB), and the Federal Farm Credit Bank (FFCB).

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C.; 12 regional banks and about 5,700 commercial banks are member of the system.

GINNIE MAE (GNMA): GNMA was created by the United States Federal

Government through a 1968 partition of the Federal National Mortgage Association to provide guarantees on mortgage-backed securities (MBS) backed by federally insured or guaranteed loans. Ginnie Mae securities are the only MBS that are backed by the full faith and credit of by the United States government.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL: A local government investment pool is an investment option offered to public entities for the aggregate investment of public funds from political subdivisions. The funds are placed in the custody of the manager, frequently a State Treasurer, for investment and reinvestment. These pools are investments tools that offer safety with a competitive yield and their managers are vested with a public trust that the pool will maintain liquidity, diversity, and follow the investment pool's guidelines.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MARKET REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

OFFER: The price asked by a seller of securities. (When you are buying securities,

you ask for an offer.) See “Asked” and “Bid”.

OPEN MARKET OPERATIONS:

Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit. Sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called “legal list”. In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity; on a bond, the current income return.

REPURCHASE AGREEMENT (RP or REPO): a holder of securities sells these securities to an investor with an agreement to purchase them at a fixed date. The security

“buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three month, six months or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: Intermediate-term coupon bearing U.S. Treasury securities having initial maturities of from one year to ten years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD or YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



City Council

Meeting Minutes

Mark Turner - Mayor
Rene Spring - Mayor Pro Tem
Gino Borgioli - Council Member
Marilyn Librers - Council Member
Yvonne Martinez Beltran - Council Member

Wednesday, May 3, 2023 6:00 PM

Council Chamber Building
17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

Mayor Turner called the City Council meeting to order at 6:00 pm.

ROLL CALL ATTENDANCE

Deputy City Clerk Kim Mancera called the roll.

PRESENT	Rene Spring, Gino Borgioli, Yvonne Martinez Beltran, Mark Turner, Marilyn Librers
ABSENT	None

DECLARATION OF POSTING AGENDA

Deputy City Clerk Kim Mancera declared the posting of the agenda.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITION

Certificate of Recognition awarded to Michael Greymont for his outstanding volunteer

services and his success in bringing prestigious swim meets for both youth and adults to the Morgan Hill Dennis Kennedy Aquatics Center which has enhanced our Community's aquatics legacy

PROCLAMATIONS

The month of May as Affordable Housing Month
The month of May as Water Safety Month
The month of May as National Older Americans Month
The month of May as Wildfire Awareness Month
The week of May 21 - 27, 2023 as Public Works Week
May 15, 2023 as Peace Officers Memorial Day and the week of May 14 - 20, 2023 as National Police Week

PRESENTATIONS

YAC Presentation - Asset #18
YAC Graduation Recognitions
PG&E Presentation

Public comment opened at 7:22 pm.
John McKay was called to speak.
There being no further requests to speak, public comment closed.

CITY COUNCIL REPORTS

Council Member Borgioli shared that he attended the Water Commission quarterly meeting where they provided an update on the drought and discussed water conservation. He also attended the Joint Water Resources Committee meeting in Gilroy where they discussed recycled water. He stated that Morgan Hill is working on accessing the pipeline from Gilroy in order to create a program for recycling water.

CITY MANAGER'S REPORT

City Manager Christina Turner recommended that item 4 be continued to the next regular City Council meeting. She invited the community to attend the Health and Wellness Resource Fair on Saturday, May 6, 2023, from 10:00 am to 1:00 pm, held at the Community and Cultural Center Outdoor Amphitheater. She invited the community to the Morgan Hill Open Streets event on May 13, 2023, on Monterey Road between Main Avenue and 4th Street. She also announced that the annual pride flag-raising ceremony will take place on Thursday, June 1, 2023, at 6:00 pm at the Civic Center Plaza.

CITY ATTORNEY'S REPORT

None.

OTHER REPORTS

None.

PUBLIC COMMENT

Public comment opened at 7:31 pm. There being no requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Council Member Martinez Beltran
AYES:	Mayor Pro Tem Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Council Member Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved

by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

Time estimate for Consent Calendar: 1 - 10 minutes

MOTION:

Approving consent items 2, 3, and 5 through 7.

RESULT:	Passed
MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Borgioli
AYES:	Mayor Pro Tem Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Council Member Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

2. **APPROVE CONSULTANT AGREEMENT WITH GRIFFIN STRUCTURES, INC. IN THE AMOUNT OF \$115,000 FOR MASTER PLANNING AND PHASING OF IMPROVEMENTS AT THE CORPORATION YARD**

Recommendation:

Authorize the City Manager to execute and administer a consultant agreement with Griffin Structures, Inc. for Master Planning and Phasing of improvements at the Corporation Yard.

3. **APPROVE SECOND AMENDMENT TO THE AGREEMENT FOR COUNTYWIDE HOUSEHOLD HAZARDOUS WASTE COLLECTION PROGRAM**

Recommendation:

Authorize the City Manager to execute the Second Amendment to the Agreement for the Countywide Household Hazardous Waste Collection Program.

5. **APPROVE THE APRIL 19, 2023 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the April 19, 2023 City Council Meeting Minutes

6. **INITIATE ANNUAL ASSESSMENT PROCESS FOR LANDSCAPE ASSESSMENT DISTRICT NUMBER 1**

Recommendation:

Adopt resolutions approving the following actions:

1. Initiate the proceedings for the levy of assessments for Fiscal Year 2023-24;
2. Approve the Engineer's Annual Report and the proposed assessment levy; and
3. Declare the City Council's intention to levy the assessments in the District and to set the Public Hearing date for June 7, 2023.

7. REAPPOINT FOUR (4) COMMISSIONERS TO THE PLANNING COMMISSION

Recommendation:

Reappoint Commissioners Joseph Mueller, Liam Downey, Wanye Tanda, and Paul Lake to the Planning Commission with terms ending June 1, 2027.

ITEM PULLED FOR DISCUSSION

1. ADOPT A RESOLUTION DECLARING THE END OF LEVEL 4 WATER SUPPLY SHORTAGE

Recommendation:

Adopt a resolution declaring the end of the Level 4 Water Supply Shortage.

Public Services Director Chris Ghione and Environmental Program Administrator Tanya Carothers answered questions.

Public comment opened at 7:43 pm. There being no requests to speak, public comment closed.

MOTION:

Approving the recommended action.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Council Member Martinez Beltran
AYES:	Mayor Pro Tem Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Council Member Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

The meeting recessed at 7:44 pm and reconvened at 7:52 pm.

ITEM PULLED FROM THE AGENDA

4. APPROVE UPDATE TO THE CITY'S DONATION POLICY

Recommendation:

Accept changes to the City's Donation Policy

Item continued to the next regular City Council Meeting.

PUBLIC HEARINGS

8. APPROVE SOLID WASTE MANAGEMENT RATE ADJUSTMENT FOR 2023

Recommendation:

Adopt resolution approving an adjustment in the maximum allowable solid waste charges effective July 1, 2023.

Environmental Program Administrator Tanya Carothers provided a report and presentation.

The public hearing opened at 8:10 pm. There being no requests to speak, the public hearing closed.

MOTION:

Approving the recommended action.

RESULT:	Passed
MOVER:	Council Member Librers
SECONDER:	Mayor Pro Tem Spring
AYES:	Mayor Pro Tem Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Council Member Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

OTHER BUSINESS

9. ACCEPT THE MORGAN HILL POLICE DEPARTMENT'S ANNUAL MILITARY EQUIPMENT USE REPORT

Recommendation:

Accept the Morgan Hill Police Department's Annual Military Equipment Use Report.

Captain Mario Ramirez and Police Chief Shane Palsgrove provided a report and presentation.

Public comment opened at 8:29 pm. There being no requests to speak, public comment closed.

Report Received.

10. **ADOPT ORDINANCE PROHIBITING POSSESSION OF FIREARMS IN SENSITIVE PLACES**

Recommendation:

1. Open/Close the Public Hearing; and
2. Waive the First and Second Reading; and
3. Introduce ordinance prohibiting the carrying of firearms in sensitive places

Captain Mario Ramirez and Chief Shane Palsgrove provided a report and presentation.

Public comment opened at 8:42 pm. There being no requests to speak, public comment closed.

MOTION:

Waiving the first and second readings of the ordinance.

RESULT:	Passed
MOVER:	Mayor Pro Tem Spring
SECONDER:	Council Member Borgioli
AYES:	Mayor Pro Tem Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Council Member Librers
NAYS:	None
ABSTAIN:	None
ABSENT:	None

MOTION:

Introducing the ordinance.

RESULT:	Passed
MOVER:	Mayor Pro Tem Spring
SECONDER:	Council Member Martinez Beltran
AYES:	Mayor Pro Tem Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Council Member Librers
NAYS:	None
ABSTAIN:	None

ABSENT:	None
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11. RECEIVE MONTHLY BUDGET UPDATE AND CITY MANAGER AUTHORITY REPORT; ADOPT FISCAL YEAR 2022-23 AND 2023-2024 MID-CYCLE BUDGET AMENDMENTS, INCLUDING COMMUNITY FUNDING RECOMMENDATIONS; APPROVE A FIVE-YEAR AGREEMENT WITH CAL FIRE; DELEGATE THE AUTHORITY TO THE CITY MANAGER TO MAKE ALL FUTURE EQUIPMENT REPLACEMENT PURCHASES AS APPROVED IN THE BUDGET; AND APPROVE AN UPDATE TO ELECTRIC VEHICLE CHARGING STATION USER FEES

Recommendation:

1. Accept and file the monthly financial and investment report;
2. Adopt resolution authorizing changes to the adopted Fiscal Year (FY) 2022-23 and 2023-24 budgets;
3. Approve the FY 2023-24 Community Funding recommendations;
4. Authorize the City Manager to enter into a five-year agreement with the California Department of Forestry and Fire Protection (CAL FIRE) to provide fire and emergency medical response services effective July 1, 2023 through June 30, 2028;
5. Delegate the authority to the City Manager to make all future vehicle and equipment purchases as approved in the adopted budget; and
6. Approve an update to the City's electric vehicle (EV) charging station user fees and delegate the authority to the City Manager to update all future EV user fee schedules.

Budget Manager Monica Delgado provided a report and presentation.

Public comment opened at 9:14 pm. The following people were called to speak:

Nick Gaich

Brian Sullivan

Mathew Stein

Delia Gomez (Zoom)

Tracy Wingrove (Zoom)

There being no further requests to speak, public comment closed.

MOTION:

Approving the recommended actions.

RESULT:	Passed
MOVER:	Council Member Borgioli
SECONDER:	Mayor Pro Tem Spring
AYES:	Mayor Pro Tem Spring, Council Member Borgioli, Council Member Martinez Beltran, Mayor Turner, Council Member Librers

NAYS:	None
ABSTAIN:	None
ABSENT:	None

12. PROVIDE DIRECTION TO STAFF ON PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEMS

Recommendation:

Determine if the majority of the City Council wants the following items agendized at a future meeting for discussion:

1. Managing and counting 'abstain' votes by City Council Members;
2. Considering a noise ordinance to address rooster noises in urban neighborhoods;
3. Charging credit card fees on all City services; and
4. Considering an ordinance prohibiting smoking in multi-unit properties.

City Manager Christina Turner provided a report.

Public comment opened at 9:50 pm. The following people were called to speak:

Doug Muirhead

Judy Scovel

Bryan Lack

Jodi Johnson

There being no further requests to speak, public comment closed.

The City Council voted 5-0 to direct staff to bring back an item regarding managing and counting 'abstain' votes by City Council Members. Ayes: 5 (Turner, Spring, Librers, Borgioli, Martinez Beltran), Noes: 0.

The City Council voted 3-2 to direct staff to bring back an item considering a noise ordinance to address rooster noises in urban neighborhoods. Ayes: 3 (Turner, Spring, Borgioli), Noes: 2 (Librers, Martinez Beltran)

The City Council voted 4-1 to direct staff to bring back an item regarding charging credit card fees on all City services. Ayes: 4 (Turner, Spring, Librers, Borgioli), Noes: 1 (Martinez Beltran)

The City Council voted 5-0 to direct staff to bring back an ordinance considering prohibiting smoking in multi-unit properties. Ayes: 5 (Turner, Spring, Librers, Borgioli, Martinez Beltran), Noes: 0

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Librers requested a discussion on our policy regarding cut-off time for public comment supplements.

Council Member Martinez Beltran requested a discussion on festival safety and fencing, a discussion on capital improvements and maintenance, and a discussion on community promotion funds.

Council Member Spring requested a discussion on fee structures for room rentals at the Community and Cultural Center and a discussion on term limits for Council Members and Commissioners.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 10:09 pm.

Minutes Prepared by:

Kim Mancera, Deputy City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

AWARD 2023 PAVEMENT REHABILITATION PROJECT TO MCKIM CORPORATION IN THE AMOUNT OF \$3,948,023

RECOMMENDATION(S)

1. Approve 2023 Pavement Rehabilitation Project plans and specifications;
2. Award contract to McKim Corporation for the 2023 Pavement Rehabilitation Project in the amount of \$3,948,023;
3. Authorize expenditure of construction contingency not to exceed \$394,802; and
4. Authorize the City Manager to execute and administer the construction contract with McKim Corporation.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2022-2023 Strategic Priorities

Fiscal Sustainability

Transportation

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

REPORT NARRATIVE:

The City conducts a significant pavement rehabilitation project to improve the pavement conditions within the City and 2023 is not an exception. The 2023 Pavement Rehabilitation Project includes the resurfacing of the following streets:

La Crosse Drive

La Rena Court

La Roda Court

La Mirada Court

La Porte Court

La Prenda Court

La Escuela Court
 Descansa Court
 El Pajaro Court
 La Mesa Court
 La Sierra Court
 La Honda Court
 La Jolla Court
 La Mar Court
 La Bella Court
 East Middle Avenue between Monterey Road to Railroad Tracks
 Main Avenue between Monterey Road to Butterfield Boulevard
 Oak View Circle
 Oak View Court

The project's scope of work is described as follows but not limited to: Pavement Milling and Filling, Hot Mix Asphalt Concrete Overlay, Full Depth Asphalt Concrete Pavement Repairs, Crack Sealing, Replacement of all Existing Traffic Delineation and Markings, Utility Adjustments, Traffic Signal Loop Removal and Restoration, and all related work within the City Limits.

The plans and specifications were completed in April, 2023 and the bid opening was held on May 3, 2023. Three (3) bids were received and are as listed below:

McKim Corporation	\$3,948,022.99
Graniterock Company	\$3,961,184.00
O'Grady Paving, Inc.	\$5,027,336.15

McKim Corporation's bid amount of \$3,948,022.99 is approximately 31% higher than the engineer's estimate of \$3,025,000. The low bidder, McKim Corporation, is an experienced public contractor with many years of paving construction experience. Staff recommends the award of the contract to McKim Corporation in the amount of \$3,948,023. Due to unforeseen conditions for paving work, staff is requesting a ten (10) percent construction contingency for this project (\$394,802). This project is scheduled to start in July 2023 and be completed by October 2023.

The plans and specifications are available for review on the City's webpage under the Government tab and Community Projects site: <https://www.morgan-hill.ca.gov/1436/Project-Plans-Specifications-and-Bid-Res>.

COMMUNITY ENGAGEMENT:

Due to the nature of paving projects, there will be possible roadway closures or reroutes for nearby residences and business owners. The Project Engineer, contractor and other staff members will maximize our communication efforts prior to and during the construction of the project through citywide emails, social media posts, and routine updates on the website. Updates will be made frequently to inform the community of impacts, roadway closures and possible interruptions that may arise due to construction.

ALTERNATIVE ACTIONS:

City Council may elect to reject all bids for this pavement rehabilitation project and direct staff to rebid the project. Rebidding the project would require City Council award and approval in July for the work to occur and be completed in 2023. Alternatively, the City Council may reject all bids and delay project construction to the summer of 2024. Staff does not recommend either of these alternatives as this project was competitively bid with three bids received by the City. Furthermore, it will be unlikely to result in any significant savings and will delay the project for a minimum of three months.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- On June 15, 2022, the City Council adopted the FY2022-23 through 2027-28 Capital Improvement Program Project Budget.
- On April 19, 2023, the City Council received an Update Regarding Pavement Rehabilitation Planning.

FISCAL AND RESOURCE IMPACT:

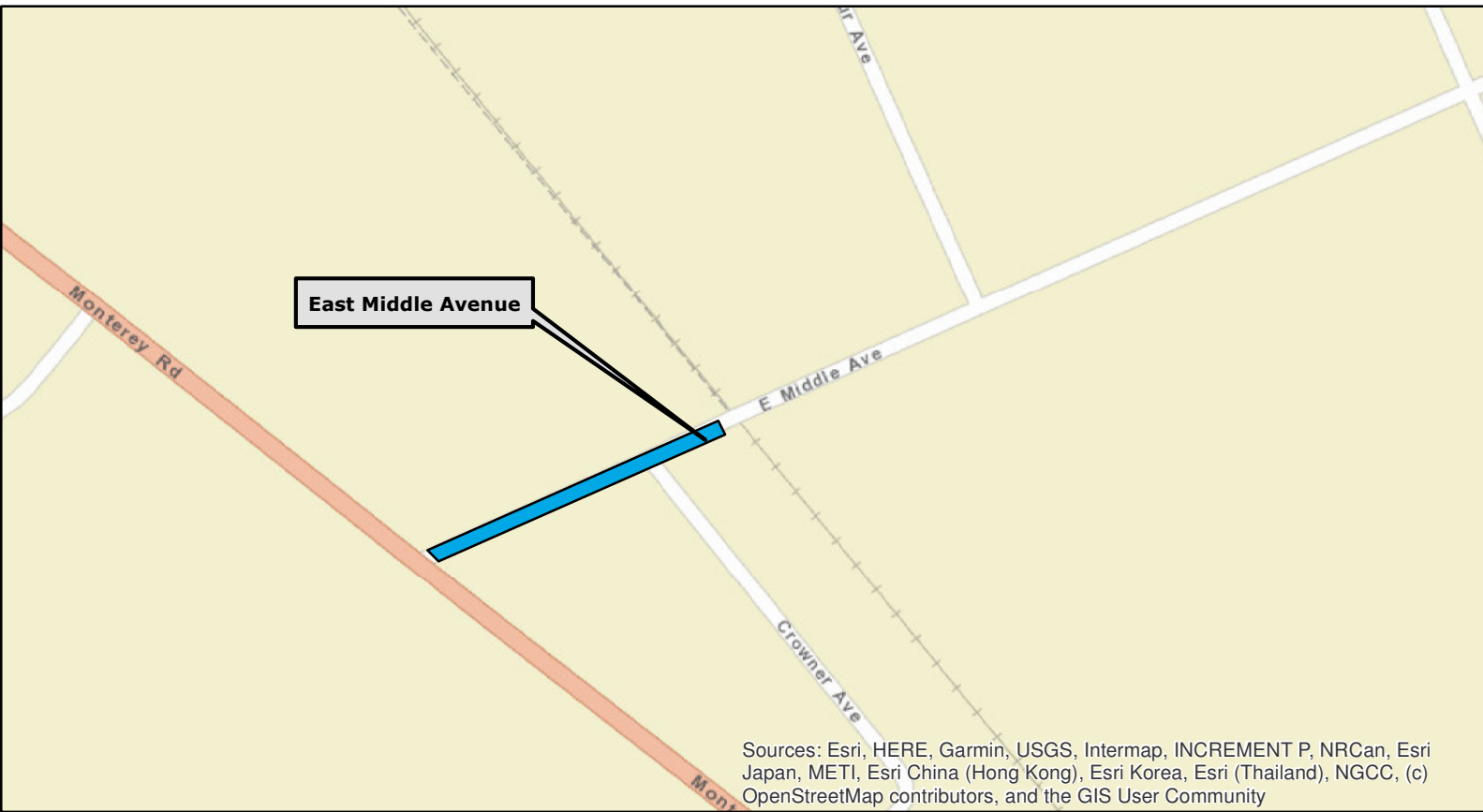
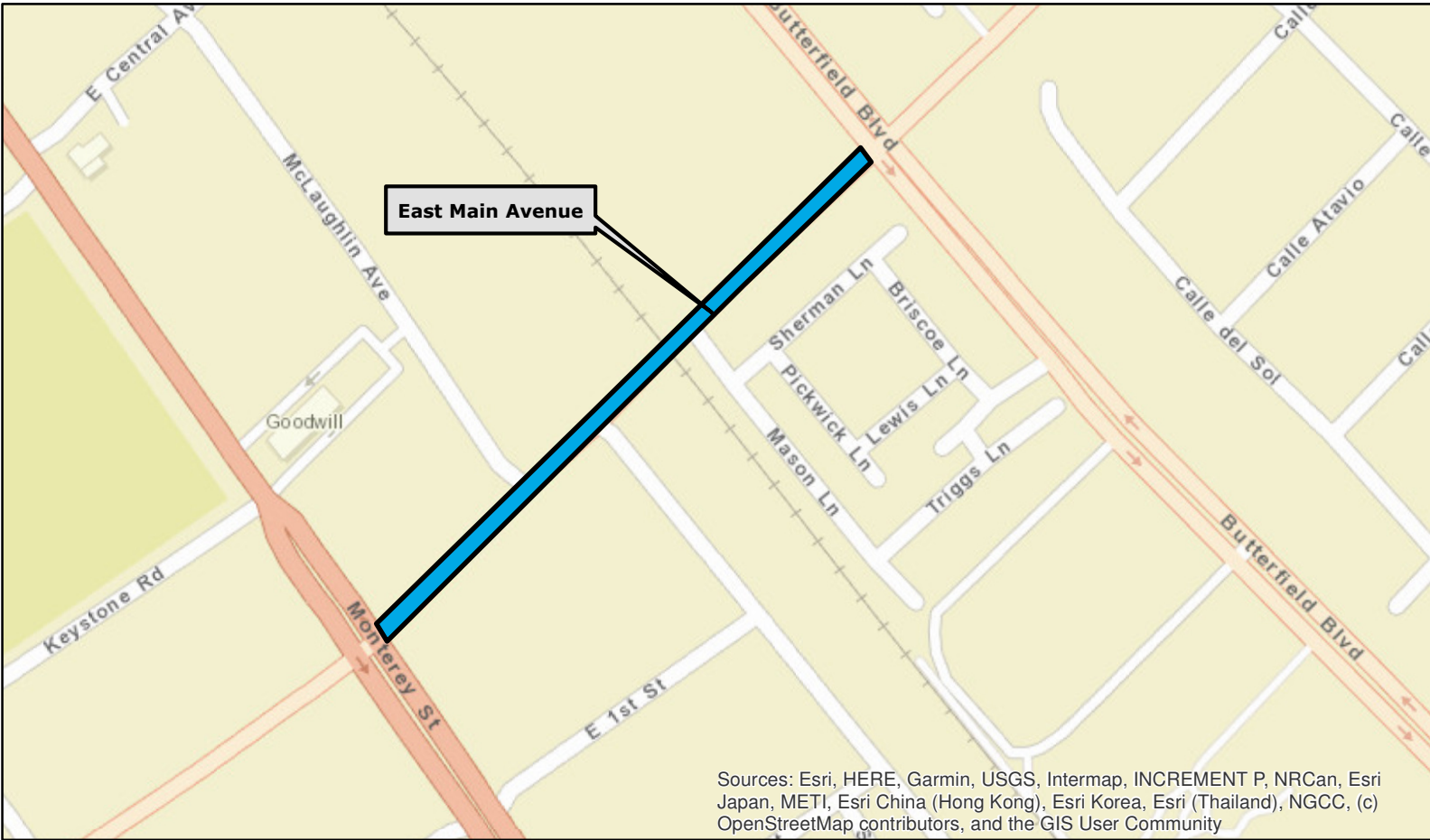
If approved, the total authorization for this project shall be \$4,342,825, which includes a 10% contingency of \$394,802. There are sufficient funds within the adopted FY2022-23 and FY2023-24 budgets for this project.

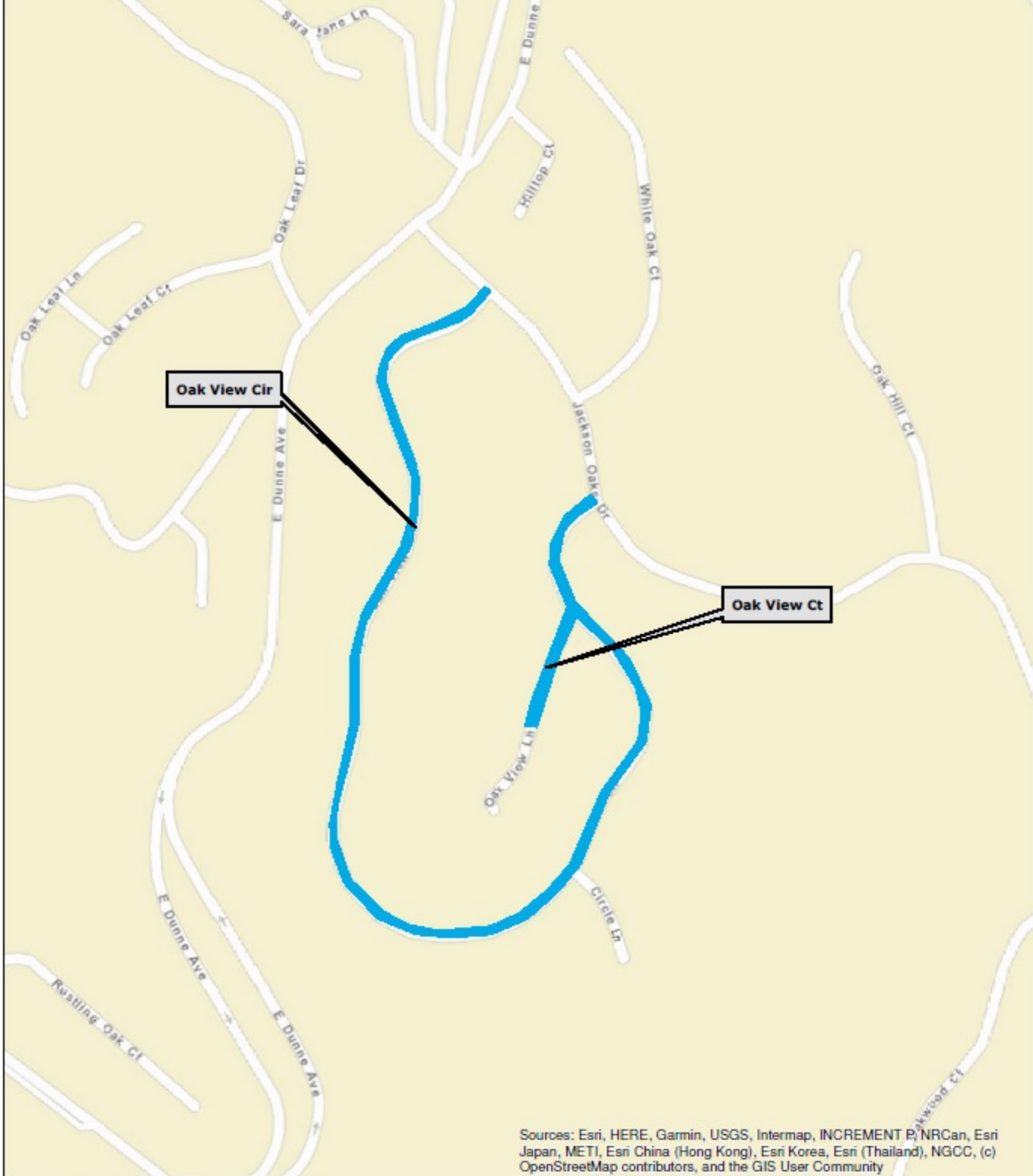
CEQA (California Environmental Quality Act):**Categorical Exemption**

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities), as the subject work involves the repair, maintenance, or minor alteration of existing City facilities involving negligible or no expansion of use of those facilities.



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community





CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

AWARD BUTTERFIELD FIRE STATION PROJECT TO LARRY S. KENT, INC. DBA KENT CONSTRUCTION IN THE AMOUNT OF \$7,956,553

RECOMMENDATION(S)

1. Adopt resolution amending the Fiscal Year 2022-23 Budget and appropriating an additional \$2,250,000 to fund the Butterfield Fire Station Project;
2. Authorizing an interfund loan to Public Safety Facilities Impact Fund (315) of \$7,750,000 from Local Drainage Impact Fund (303) (\$5,750,000), Park Maintenance Fund (302) (\$1,000,000), and Public Facilities Fund (347) (\$1,000,000);
3. Approve the Butterfield Fire Station Plans and Specifications;
4. Award contract to Larry S. Kent, Inc. DBA Kent Construction in the amount of \$7,956,553;
5. Authorize expenditures of construction contingency funds not to exceed \$795,655; and
6. Authorize the City Manager to execute and administer the construction contract with Larry S. Kent, Inc. DBA Kent Construction.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2022-2023 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Fire Services Standards of Coverage

Morgan Hill 2035 General Plan

Public Safety Master Plan

REPORT NARRATIVE:

Background

In the Public Safety Master Plan and Fire Standards of Coverage documents, it was

recommended that a third fire station be designed and constructed. In the dissolution of the former Redevelopment Agency (RDA), a settlement agreement allowed the City to retain the property on Butterfield Boulevard (former location of the skatepark and community garden) for the construction of the recommended third fire station (Attachment 1 - Vicinity Map). Furthermore, the agreement requires that construction of fire station related facilities on the property be completed by August 2024 in order for the City to retain the property.

On December 1, 2021, City Council approved an agreement with Jeff Katz Architects (now known as COAR Design Group) to begin the design of the Butterfield Fire Station Project. Upon the execution of the agreement, COAR Design Group held a kick-off meeting to further understand the needs from both Cal Fire and the City's perspective.

During the preliminary design process, the project budget and the August 2024 completion date were identified as the two main project challenges. While the initial conceptual design yielded a fire station with most of the requested amenities, the construction cost estimate of \$11 million exceeded the funds available to build the fire station. COAR Design Group and staff held subsequent meetings to discuss cost savings for building type, size, needs, amenities, and scheduling for the project. The result was a final conceptual design that was presented to the City Council at a construction cost of \$7.5 million, excluding solar and microgrid systems.

On November 2, 2022, City Council approved the conceptual design for the Butterfield Fire Station Project and COAR Design Group proceeded with the design development and construction document preparation for the project.

Bids Received

The plans and specifications were completed in March 2023 and the project was advertised for bidding starting April 7, 2023. The scope of work for this project includes but is not limited to: Site demolition of existing flatwork and existing landscaping, installation and construction of a new 6,065 square feet single story stucco finished wood framed fire station, surrounding site work and ADA parking upgrades. Due to budget constraints, the best course of bidding on this project is through a base bid and multiple additive alternatives. The base bid is to construct the Butterfield Fire Station with five additives to further enhance the project. The description of the five additive alternatives is as follows:

- Additive Alternate #1 - Covered Parking Lot
- Additive Alternative #2 - Solar on Building
- Additive Alternative #3 - Solar on Parking Lot
- Additive Alternative #4 - Concrete Hose Drying Rack
- Additive Alternate #5 - Microgrid System

The bid opening was held on May 11, 2023 and one bid was received:

	Larry S. Kent, Inc. DBA Kent Construction
Base Bid	\$ 6,854,875
Alternate #1: Covered Parking Lot	\$ 156,046
Alternate #2: Solar On Building	\$ 214,276
Alternate #3: Solar on Parking Lot	\$ 229,028
Alternate #4: Concrete Hose Drying Rack	\$ 28,092
Alternate #5: Micro Grid System	\$ 474,236
Subtotal	\$ 7,956,553

The bid proposal received was structured such that the lowest responsible base bid was the lowest responsible bidder. During the bidding process, there were three to four general contractors with a strong interest in this project. It is possible that project schedule concerns and workforce constraints led to one bid proposal at the bid opening. The apparent lowest responsible bidder and only bidder was Larry S. Kent, Inc. DBA Kent Construction.

Kent Construction's base bid of \$6,854,875 is approximately 9 percent lower than the engineer's estimate of \$7.5 million. Kent Construction is an experienced contractor with many years of experience in construction. Staff recommends the award of this project with Additive Alternates #1, #2, #3, #4, and #5 for a total of \$7,956,553. It is important to note that the alternatives supporting the development of solar and a microgrid system will reduce energy needs, resulting in reduced energy costs of over \$10,000 annually. The project is scheduled to begin in July 2023 and is expected to be complete by July 2024, assuming no significant delays.

The plans and specifications are available for review on the City's webpage under the Government tab and Community Projects site: <https://www.morgan-hill.ca.gov/1436/Project-Plans-Specifications-and-Bid-Res>.

COMMUNITY ENGAGEMENT:

Inform

There have been previous discussions and engagement regarding the Public Safety Master Plan and Standards of Coverage. The City Council has discussed this project at Council workshops, budget workshops, and other meetings. During construction, staff will be providing regular updates through media, social media, and the City's website.

ALTERNATIVE ACTIONS:

City Council may elect not to award the project to Larry S. Kent, Inc. DBA Kent Construction and direct staff to re-bid the project in hopes of obtaining lower bid proposals. However, this does not ensure that lower bid proposals will be received at the time of the re-bid. Additionally, re-bidding the project will cause a minimum delay of four months.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- February 22, 2017 - City Council received and reviewed Public Safety Master Plan.
- December 4, 2019 - City Council received and reviewed the Hazard Risk Assessment and Standards of Coverage Study.
- December 1, 2021 - City Council authorized the City Manager to execute and administer an agreement with Jeff Katz Architecture for the design of the Butterfield Fire Station Project.
- November 2, 2022 - City Council approved conceptual design for the Butterfield Fire Station Project
- March 15, 2023 - City Council approved acceptance of a grant from Silicon Valley Clean Energy for \$500,000 to be used towards the project, specifically as an all electric fire station demonstration site.

FISCAL AND RESOURCE IMPACT:

If approved as recommended, the contract amount for the construction portion of this project with Larry S. Kent, Inc. DBA Kent Construction is \$7,956,553. Additionally, staff is requesting a 10% construction contingency for this project in the amount of \$795,655 for a construction contract total cost of \$8,752,208. Including other project expenses such as project administration, inspections, permit fees, furnishings, fixtures, equipment, the grant funded demonstration area, and other construction related expenses, the overall total project cost for construction is \$10.25 million.

There is currently \$8.0 million appropriated and available for construction of the facility within the current budget within the Public Facilities Safety Fund (315). An additional appropriation of \$2.25 million is necessary to fund the project.

The City has always projected the need to borrow money to construct the Fire Station. There is currently approximately \$2.5 million in available funds within the Public Safety Facilities Impact Fund (315) for the third fire station construction. Therefore, staff is proposing an interfund loan of \$7.75 million from the following areas: Local Drainage Impact Fund (303) - \$5.75 million, Park Maintenance Fund (302) - \$1.0 million, and Public Facilities Fund (347) - \$1.0 million. Use of these funds for loans will be reduced should the contingency not be expended or should additional revenue come into the Public Safety Impact Fund during construction.

City staff recently received the Silicon Valley Clean Energy Decarbonization Grant Program in the amount of \$500,000 for this project to employ decarbonization efforts through electrification of a public facility and educating the community about the benefits and ultimate goals of this effort. These funds shall be available via reimbursement and associated expenses are included in the \$10.25 million project cost.

CEQA (California Environmental Quality Act):

Categorical Exemption

The City engaged Raney Planning & Management to evaluate the proposed Butterfield Boulevard Fire Station Project to determine whether the proposed project is exempt from review under CEQA. This review (Attachment 2) concluded the project does qualify for a Class 32 exemption for infill development.



Engineering and Utilities Department
CIP Engineering Division

Document Path: G:\R-14\PROJ\Agustin\GIS\Butterfield Fire Station.mxd

BUTTERFIELD FIRE STATION PROJECT



0 80 160 320 480 640 Feet

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City of Morgan Hill
Development Services Department



Butterfield Boulevard Fire Station Project
Categorical Exemption Memorandum

May 2023

Prepared by



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APPENDICES

Appendix A: Air Quality and Greenhouse Gas Modeling Results

Appendix B: Phase I Environmental Site Assessment

A. INTRODUCTION AND SUMMARY

In July 2016, the City of Morgan Hill adopted the 2035 General Plan,¹ as well as an associated Environmental Impact Report (EIR) for the updated General Plan.² The General Plan EIR is a program EIR, prepared pursuant to Section 15168 of the California Environmental Quality Act (CEQA) Guidelines (Title 14, California Code of Regulations [CCR], Sections 15000 *et seq.*). The General Plan EIR analyzed full implementation of the General Plan and identified measures to mitigate the significant adverse impacts associated with the General Plan.

Section 21084 of the Public Resources Code (PRC) requires the CEQA Guidelines to include a list of classes of projects which have been determined not to have a significant effect on the environment and which shall, therefore, be exempt from the provisions of CEQA. In response to that mandate, the Secretary of the Natural Resources Agency has found that several classes of projects listed in Article 19 do not have a significant effect on the environment and, thus, are declared to be categorically exempt from the requirement for the preparation of environmental documents.

The purpose of this Memorandum is to evaluate the Butterfield Boulevard Fire Station Project (proposed project) to determine whether the proposed project is exempt from review under CEQA. As will be demonstrated below, the proposed project can be considered exempt from CEQA, consistent with CEQA Guidelines Section 15332, In-Fill Development Projects. In addition, none of the exceptions to categorical exemptions specified by CEQA Guidelines Section 15300.2 are applicable to the proposed project.

B. PROJECT DESCRIPTION

The following provides background information on the proposed project, as well as a description of the project site's current location and setting, the proposed project components, and discretionary actions required for the project.

Project Background

In November 2018, a Standards of Coverage Study (SOC) was commissioned by the cities of Morgan Hill, Gilroy, and the South County Fire Protection District.³ The SOC included a three-year historical assessment of emergency types, as well as an analysis of the risk of incident types occurring on the community, current resource deployment in the South County, and the ability to deliver adequate staffing to meet rapidly escalating incidents throughout the South County. The SOC also included evaluation of potential future changes to the allocation of facilities, personnel, and delivery models. As discussed within the SOC, only 75 percent of the City's public road network is currently reachable within 4:00 minutes of travel time without traffic congestion, and only 30 percent is reachable within the 8:00-minute Effective Response Force (ERF) travel time without congestion. One of the City's primary takeaways of the analysis included in SOC was the need for a third fire station within the City of Morgan Hill, and confirmation that the proposed location of the facility on Butterfield Boulevard and Diana Avenue to be an appropriate location. As shown in Table 23 of the SOC, constructing the proposed fire station was assumed to improve 4:00-minute first-due travel time coverage by seven percent, and 8:00-minute ERF travel time coverage by almost 63 percent. As a result, the proposed project has been included within the City's most recent Capital Improvement Program (CIP).

¹ City of Morgan Hill. *2035 General Plan, City of Morgan Hill*. Adopted July 2016.

² City of Morgan Hill. *Morgan Hill 2035 Final Environmental Impact Report*. Adopted July 2016.

³ City of Gilroy, City of Morgan Hill, and South Santa Clara County Fire District. *Standards of Coverage Assessment*. November 14, 2019

Project Location and Setting

The approximately 0.91-acre project site, identified by Assessor's Parcel Number (APN) 726-15-072, is located at 17285 Butterfield Boulevard in the City of Morgan Hill, California (see Figure 1 and Figure 2). The project site is currently undeveloped, consisting primarily of ruderal grasses as well as an existing concrete slab, which was previously used as a community garden.

Surrounding existing land uses include single-family residences to the north, across Butterfield Boulevard; the Santa Clara County Superior Courthouse and associated parking lot to the east; the Courthouse Plaza Garden, Caltrain railroad tracks, Railroad Park, and multi-family residences to the south; and the Morgan Hill Caltrain Station and associated park-and-ride lot to the northwest. The City of Morgan Hill designates the project site as Public Facilities and the site is zoned Public Facilities (PF).

Project Components

The proposed project would include construction of a 5,800-square foot (sf) fire station (see Figure 3). The fire station would include office space and a fire engine garage with four high-speed overhead coiling doors. The maximum height of the proposed fire station building would be 21.5 feet (see Figure 4). The fire station would be staffed by three full-time employees per day, with the possibility for four employees to be present on-site three days a week if the City Deputy Fire Marshal needs a facility outside City Hall.

Fire engines would exit the station garage by way of a new driveway off of Butterfield Boulevard and would return to the garage by way of an existing driveway off of Butterfield Boulevard, located east of the proposed fire station. Butterfield Boulevard north of the fire engine exit would be painted to include "Keep Clear" roadway markings, which would allow for the safe exit of fire engines from the project site. Site access for personal vehicles would be provided by the existing Butterfield Boulevard driveway and an on-site staff parking lot with a total of six parking stalls would be provided south of the fire station. In addition, the proposed project would include new striping within the existing park-and-ride parking lot to the northwest of the site to provide five public parking spaces, including one van-accessible, Americans with Disabilities Act (ADA)-compliant space. An ADA-compliant ramp would be constructed from the park-and-ride parking lot to the existing sidewalk along Butterfield Boulevard in order to provide pedestrian access to the fire station.

Landscaping improvements, including new trees, shrubs, grasses, vines, and ground cover would be provided throughout the project site. Plant selection would be in accordance with Section 18.64.060 (General landscape requirement) of the Morgan Hill Municipal Code, which requires that a minimum of 90 percent of plants and trees be drought-tolerant, with the City preferring native plants adapted to the local climate. It should be noted that the project site does not currently contain any existing trees.

Water and sewer service for the proposed project would be provided by the City through connections to existing pipelines within Butterfield Boulevard. Stormwater runoff within the project site would be directed into three proposed bioretention areas located throughout the site. Electricity service for the proposed project would be provided by Pacific Gas & Electric Company (PG&E) by way of existing electrical infrastructure in the project vicinity. The project would not use natural gas, as natural gas is prohibited in all new construction, pursuant to Morgan Hill Municipal Code Chapter 15.63.

Figure 1
Regional Project Location



Figure 2
Project Vicinity Map



Figure 3 Conceptual Site Plan

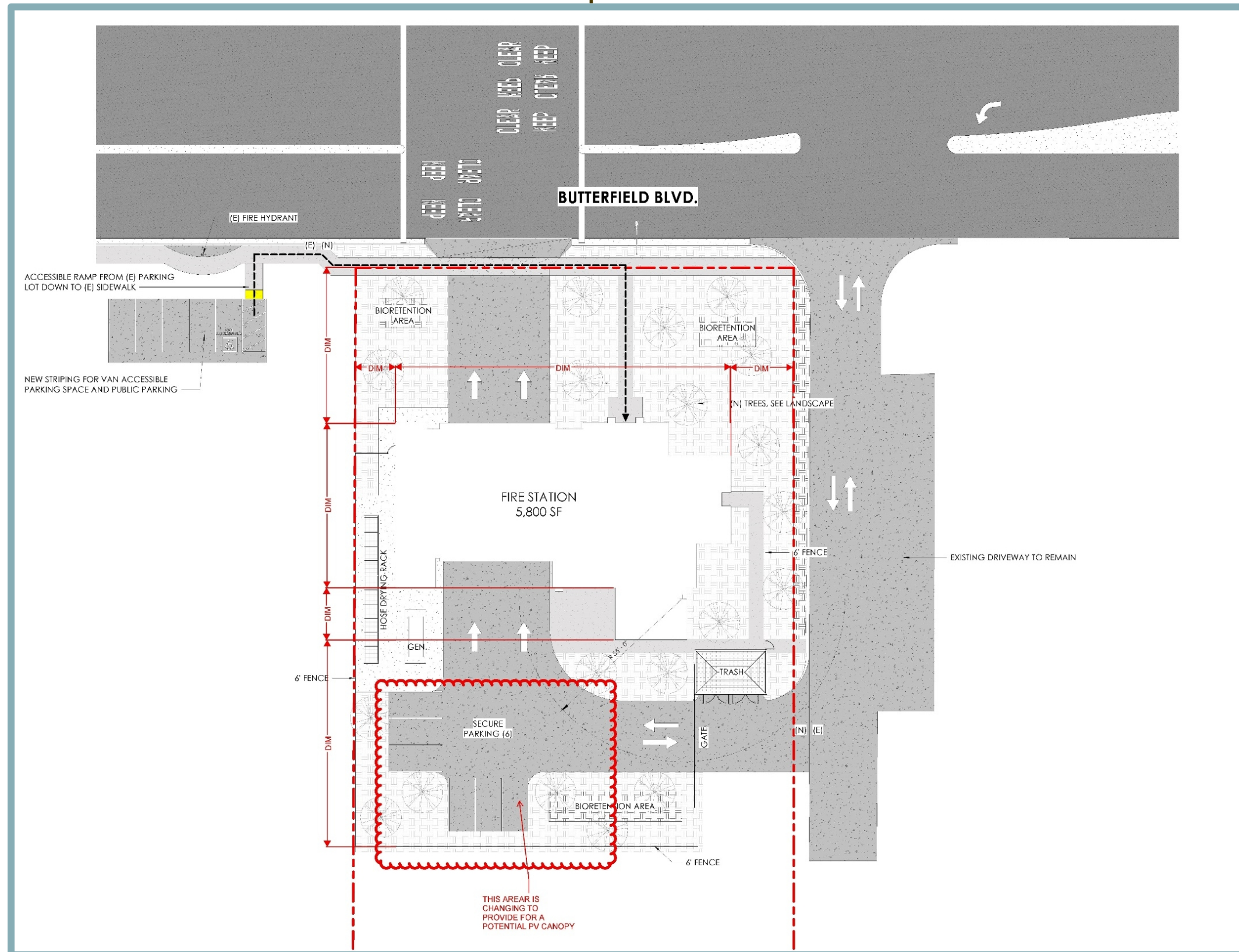


Figure 4
Building Elevations Plan



Requested/Required Entitlements

The proposed project would require the City's approval of the following discretionary entitlement:

- Design Permit.

The purpose of the Design Permit is to allow the City to review all development, signs, buildings, structures, and other facilities in order to further enhance the City's appearance, as well as the usefulness of the proposed project.

C. DISCUSSION

The following section contains substantial evidence showing that the proposed project can be considered exempt from CEQA and is not subject to any of the exceptions set forth in Section 15300.2 of the CEQA Guidelines. As demonstrated in the analysis below, the proposed project qualifies for exemption under CEQA Guidelines Section 15332, Class 32.

In-Fill Development Project Exemption

Article 19 of the CEQA Guidelines, Sections 15300 through 15333, includes a list of classes of projects that have been determined to not have a significant effect on the environment, and are therefore exempt from CEQA. Section 15332 of the CEQA Guidelines provides a categorical exemption for infill development projects that meet the following criteria:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- (b) The proposed development occurs within the city limits on a project site of no more than five acres substantially surrounded by urban uses.
- (c) The project site has no value as habitat for endangered, rare or threatened species.
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- (e) The site can be adequately served by all required utilities and public services.

The applicability of the above criteria to the proposed project is described in the following sections.

Criterion 15332(a): General Plan and Zoning Consistency

The City of Morgan Hill General Plan designates the project site as Public Facilities and the site is zoned PF. The Public Facilities designation is applied to land used by public or quasi-public agencies and organizations including the City, hospitals, utility companies, and the Morgan Hill Unified School District. This designation allows a maximum Floor Area Ratio (FAR) of 0.5. The proposed project would include development of a 5,800-sf fire station on the approximately 0.91-acre project site, for a FAR of 0.15. As such, the project would be consistent with the land use designation and the maximum allowable FAR.

With regard to zoning, according to Section 18.28.010 of the City's Municipal Code, the purpose of the PF zoning district is to provide a location for schools, governmental offices, parks and recreational facilities, fire and police stations, utilities, and other public and quasi-public facilities to serve the community. The proposed project would be consistent with the PF zoning designation and would comply with the development standards established for the PF district pursuant to Section 18.28.030 of the Municipal Code.

The proposed project would also comply with applicable General Plan policies and zoning regulations adopted for the purpose of avoiding and/or mitigating adverse environmental effects, as demonstrated in this Memorandum.

Based on the above, the proposed project meets Criterion 15332(a).

Criterion 15332(b): Project Location, Size, and Context

The project site is comprised of approximately 0.91 acre within the City limits and is bound by Butterfield Boulevard to the northeast. As discussed, the site is surrounded by existing development on all sides. Therefore, the proposed project meets the provisions of Criterion 15332(b).

Criterion 15332(c): Endangered, Rare, or Threatened Species

The project site is located within the boundaries of the Santa Clara Valley Habitat Plan (SCVHP) permit area. The SCVHP was developed through a partnership between Santa Clara County, the cities of San José, Morgan Hill, and Gilroy, the Santa Clara Valley Water District (SCVWD), the Santa Clara Valley Transportation Authority (VTA), the U.S. Fish and Wildlife Service (USFWS), and the California Department of Fish and Wildlife (CDFW). The SCVHP provides a framework for promoting the protection and recovery of natural resources, including endangered species, while streamlining the permitting process for planned development, infrastructure, and maintenance activities, and allows participating member agencies, including the City of Morgan Hill, to receive endangered species permits for activities and projects they conduct and those under their jurisdiction. Take authorization is provided through the SCVHP for 18 Covered Species and includes conservation measures to protect Covered Species, as well as a conservation strategy designed to mitigate impacts on covered species and contribute to the recovery of the species in the study area.

Pursuant to the Santa Clara Valley Habitat Agency Geobrowser, the entirety of the project site consists of Urban - Suburban land cover.⁴ As set forth by Morgan Hill Municipal Code Section 18.132.050, compliance with the SCVHP requires payment of fees according to the Fee Zone designation of the property, payment of nitrogen deposition fees related to the number of anticipated car trips resulting from the development, and any surcharge fees that are required based on site-specific impacts to sensitive habitats or sensitive species. The Urban - Suburban land cover is not subject to SCVHP land cover fees. In addition, pursuant to the Geobrowser Property Report for the project site, fee zones and/or survey areas are not identified for the project site related to sensitive habitats or species. However, the project would be subject to payment of nitrogen deposition fees.

The project site currently consists of ruderal grasses and an existing concrete slab, which was previously used as a community garden. Given the disturbed nature of the project site and surrounding area, the site does not provide habitat value for endangered, rare, or threatened plant or wildlife species. In addition, surface waters and wetlands do not occur on-site, which further prevents the site's ability to provide necessary habitat for endangered, rare, or threatened species. Furthermore, the project site does not currently contain any existing trees, and, therefore, the project site does not provide nesting habitat for protected birds and raptors.

Overall, through the required payment of all applicable fees, the proposed project would be consistent with the SCVHCP, and based on its existing setting and surrounding existing uses, the project site does not provide habitat value for endangered, rare, or threatened plant or wildlife species. Therefore, the proposed project meets the provisions of Criterion 15332(c).

⁴ Santa Clara Valley Habitat Agency. *Habitat Agency Geobrowser*. Available at: <http://www.hcpmaps.com/habitat/>. Accessed October 2022.

Criterion 15332(d): Traffic, Noise, Air Quality, and Water Quality

The following sections present analysis regarding potential effects related to traffic, noise, air quality, and water quality resulting from implementation of the proposed project.

Traffic

Pursuant to the Governor's Office of Planning and Research (OPR), certain projects would be presumed to have a less-than-significant effect on Vehicle Miles Travelled (VMT) due to project size, project location, or project type.⁵ Specifically, OPR recommends that projects that generate less than 110 trips per day may be considered to have less-than-significant VMT impacts. It should be noted that this analysis focuses on employee trips, rather than VMT generated by fire truck trips. Pursuant to Senate Bill (SB) 743 and the CEQA Guidelines, VMT from heavy truck trips is not required; rather, the focus should be on automobile and light truck use. Given that the proposed project would house between three and four full-time employees daily, the proposed project would be expected to generate approximately six to eight average daily trips by employees. Thus, because the proposed project would not generate more than 110 daily trips, the project meets the OPR screening criteria for small projects, and a VMT analysis for the proposed project is not required.

Based on the above, the proposed project would result in a less-than-significant effect related to VMT.

Noise

Sensitive receptors in the project vicinity would be limited to the single-family residences located approximately 155 feet to the north of the project site, across Butterfield Boulevard, and the multi-family residences located approximately 500 feet to the south, past the Courthouse Plaza Garden and across the Caltrain railroad tracks, Railroad Park, and Depot Street. During operation, the primary sources of noise associated with the proposed project would be sirens, routine firehouse activities, and vehicle traffic noise generated on local roadways.

Pursuant to General Plan Policy SSI-8.5 of the City's General Plan, noise level increases resulting from traffic associated with new projects is considered significant if: a) the noise level increase is 5 dBA DNL or greater, with a future noise level of less than 60 dBA DNL, or b) the noise level increase is 3 dBA DNL or greater, with a future noise level of 60 dBA DNL or greater. In addition, Section 18.76.090 of the Morgan Hill Municipal Code establishes maximum noise level standards for stationary noise sources. Such standards do not apply to noise generated by vehicle traffic in the public right-of-way or noise from temporary construction, demolition, and vehicles that enter and leave the site of the noise-generating use (e.g., construction equipment, trains, trucks).

As shown in Table 4.11-7 of the General Plan EIR, existing (2016) traffic conditions along the segment of Butterfield Boulevard between Main Avenue and Dunne Avenue produced noise levels of 72.3 community noise equivalent level decibels (CNEL dBA) at a distance of 50 feet from the roadway centerline. The General Plan EIR determined that, upon buildout of the General Plan, Butterfield Boulevard between Main Avenue and Dunne Avenue would generate traffic noise levels of 73.2 CNEL dBA at a distance of 50 feet from the roadway centerline, or a 0.9 dBA increase attributable to buildout of the General Plan. Therefore, based on the thresholds included in General Plan Policy SSI-8.5, traffic noise level increases along Butterfield Boulevard between Main Avenue and Dunne Avenue were determined to be less than significant. Given that the project is consistent with the site's existing land use and zoning designations, traffic noise level

⁵ Governor's Office of Planning and Research. *Technical Advisory on Evaluation Transportation Impacts in CEQA*. December 2018.

increases associated with public facilities, such as the proposed fire station, on the project site have been previously anticipated by the City and were considered in the analysis included in the General Plan EIR. As such, the project would not result in traffic noise level increases beyond what has been analyzed in the General Plan EIR, and traffic noise attributable to the proposed project would be considered less than significant.

Routine firehouse activities that have the potential to generate stationary noise on the project site include gear checks and daily fire truck maintenance, which may include washing and cleaning the truck as well as changing/updating mechanical equipment. However, such tasks are usually performed during daytime hours inside the fire station bay and do not include the use of emergency sirens. In addition, pursuant to Section 8.28.030 of the City's Municipal Code, fire sirens and stationary fire alarms are exempt from City noise regulations. Noise at the project site would also be generated by on-site vehicle operations, including driving along the internal driveways and parking lot noise at the southern end of the site. However, on-site vehicle circulation noise would be shielded from residential receptors to the north by the proposed fire station itself. Therefore, operational noise attributable to the proposed project would be minimal.

During construction, the project would result in short-term noise level increases in the project vicinity. However, the Morgan Hill Municipal Code does not specify any short-term construction noise level limits. In addition, Chapter 8.28 of the Morgan Hill Municipal Code prohibits construction activities between 8:00 PM and 7:00 AM, Monday through Friday, and between 6:00 PM and 9:00 AM on Saturdays. Construction activities may not occur on Sundays or federal holidays. Construction activities related to the proposed project would include the use of sound-dampening equipment such as mufflers, air-inlet silencers, shrouds, shields, or other noise-reducing features where appropriate.

Air Quality

The City of Morgan Hill is located in the San Francisco Bay Area Air Basin (SFBAAB), which is under the jurisdiction of the Bay Area Air Quality Management District (BAAQMD). The SFBAAB area is currently designated as a nonattainment area for State and federal ozone, State and federal fine particulate matter 2.5 microns in diameter ($PM_{2.5}$), and State respirable particulate matter 10 microns in diameter (PM_{10}) ambient air quality standards (AAQS). The SFBAAB is designated attainment or unclassified for all other AAQS.

In compliance with regulations, due to the nonattainment designations of the area, the BAAQMD periodically prepares and updates air quality plans that provide emission reduction strategies to achieve attainment of the AAQS, including control strategies to reduce air pollutant emissions through regulations, incentive programs, public education, and partnerships with other agencies. The current air quality plans are prepared in cooperation with the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG).

The most recent federal ozone plan is the 2001 Ozone Attainment Plan, which was adopted on October 24, 2001 and approved by the California Air Resources Board (CARB) on November 1, 2001. The plan was submitted to the U.S. Environmental Protection Agency (USEPA) on November 30, 2001 for review and approval. The most recent State ozone plan is the 2017 Clean Air Plan, adopted on April 19, 2017. The 2017 Clean Air Plan was developed as a multi-pollutant plan that provides an integrated control strategy to reduce ozone, PM, toxic air contaminants (TACs), and greenhouse gases (GHGs). Although a plan for achieving the State PM_{10} standard is not required, the BAAQMD has prioritized measures to reduce PM in developing the control strategy for the 2017 Clean Air Plan. The control strategy serves as the backbone of the BAAQMD's current PM control program.

The aforementioned air quality plans contain mobile source controls, stationary source controls, and transportation control measures to be implemented in the region to attain the State and federal AAQS within the SFBAAB. Adopted BAAQMD rules and regulations, as well as thresholds of significance, have been developed with the intent to ensure continued attainment of AAQS, or to work towards attainment of AAQS for which the area is currently designated nonattainment, consistent with applicable air quality plans. For development projects, BAAQMD establishes significance thresholds for emissions of the ozone precursors reactive organic gases (ROG) and oxides of nitrogen (NO_x), as well as for PM₁₀, and PM_{2.5}, expressed in pounds per day (lbs/day) and tons per year (tons/yr). The thresholds are listed in Table 1. Thus, by exceeding the BAAQMD's mass emission thresholds for operational emissions of ROG, NO_x, or PM₁₀, a project would be considered to conflict with or obstruct implementation of the BAAQMD's air quality planning efforts.

Table 1 BAAQMD Thresholds of Significance			
Pollutant	Construction	Operational	
	Average Daily Emissions (lbs/day)	Average Daily Emissions (lbs/day)	Maximum Annual Emissions (tons/year)
ROG	54	54	10
NO _x	54	54	10
PM ₁₀ (exhaust)	82	82	15
PM _{2.5} (exhaust)	54	54	10
<i>Source: BAAQMD, CEQA Guidelines, May 2017.</i>			

Emissions of particulate matter can be split into two categories: fugitive emissions and exhaust emissions. The BAAQMD thresholds of significance for exhaust PM emissions are presented in Table 1. The BAAQMD does not maintain quantitative thresholds for fugitive emissions of PM₁₀ or PM_{2.5}; rather, BAAQMD requires all projects within the district's jurisdiction to implement Basic Construction Mitigation Measures (BCMMs) related to dust suppression. The BCMMs include the following:

1. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
2. All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
3. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
4. All vehicle speeds on unpaved roads shall be limited to 15 mph.
5. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
6. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to five minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of CCR). Clear signage shall be provided for construction workers at all access points.
7. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator.
8. Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action

within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.

The proposed project's construction and operational emissions were quantified using the web-based California Emissions Estimator Model (CalEEMod) version 2022.1 – a statewide model designed to provide a uniform platform for government agencies, land use planners, and environmental professionals to quantify air quality emissions, including GHG emissions, from land use projects. The model applies inherent default values for various land uses, including construction data, trip generation rates, vehicle mix, trip length, average speed, etc. However, where project-specific data is available, such data should be input into the model. Accordingly, the proposed project's modeling was updated to assume that construction would commence in June 2023 and take place over approximately one year. In addition, the model accounted for the approximately 8,700-sf concrete slab that would be demolished as part of project construction.

The proposed project's estimated emissions associated with construction and operations are provided below. All CalEEMod results are included as Appendix A to this Memorandum.

Construction Criteria Pollutant Emissions

According to the CalEEMod results, the proposed project would result in maximum construction criteria air pollutant emissions as shown in Table 2. The proposed project's construction emissions would be below the applicable thresholds of significance.

Although thresholds of significance for mass emissions of fugitive dust PM₁₀ and PM_{2.5} have not been identified by the City of Morgan Hill or BAAQMD, the proposed project's estimated fugitive dust emissions have been included for informational purposes. All projects within the jurisdiction of the BAAQMD are required to implement all of the BAAQMD's BCMs. The proposed project's required implementation of the BAAQMD's BCMs listed above for the project's construction activities, would help to further minimize construction-related emissions.

Table 2 Maximum Construction Emissions (lbs/day)			
Pollutant	Proposed Project Emissions	Threshold of Significance	Exceeds Threshold?
ROG	1.82	54	NO
NO _x	17.6	54	NO
PM ₁₀ *	0.83	82	NO
PM _{2.5} *	0.77	54	NO
Note: * Denotes emissions from exhaust only. BAAQMD does not have adopted thresholds for fugitive PM emissions.			
Source: CalEEMod, October 2022 (see Appendix A).			

Because the proposed project would be below the applicable thresholds of significance for construction emissions, project construction would not result in a significant air quality impact.

Operational Criteria Pollutant Emissions

According to the CalEEMod results, the proposed project would result in maximum operational criteria air pollutant emissions as shown in Table 3. The proposed project's operational emissions would be below the applicable thresholds of significance. As such, the proposed project would not result in a significant air quality impact during operations.

Table 3
Unmitigated Maximum Operational Emissions

Pollutant	Proposed Project Emissions		Threshold of Significance		Exceeds Threshold?
	lbs/day	tons/yr	lbs/day	tons/yr	
ROG	0.64	0.09	54	10	NO
NO _x	0.37	0.05	54	10	NO
PM ₁₀ *	0.01	<0.005	82	15	NO
PM _{2.5} *	0.01	<0.005	54	10	NO

Note:

* Denotes emissions from exhaust only. BAAQMD does not have adopted thresholds for fugitive PM emissions.

Source: CalEEMod, October 2022 (see Appendix A).

Greenhouse Gas Emissions

On April 20, 2022, the BAAQMD Board of Directors adopted new thresholds of significance for GHG emissions. The GHG thresholds are qualitative and address recent climate change legislation, including SB 32. According to the new thresholds of significance, a project must either include specific project design elements (e.g., exclude use of natural gas, achieve a specific reduction in project-generated VMT below the regional average) or be consistent with a local GHG reduction strategy that meets the criteria pursuant to State CEQA Guidelines Section 15183.5(b).⁶ In December of 2021, the City of Morgan Hill adopted a Climate Action Plan (CAP); however, the City's CAP does not qualify as a local GHG reduction strategy under CEQA Guidelines Section 15183.5(b). Therefore, the City has determined that the BAAQMD thresholds of significance are appropriate for the proposed project, and the following analysis focuses on the new BAAQMD GHG thresholds related to specific project design elements.

According to the BAAQMD's thresholds of significance, in order to find a less-than-significant GHG impact, projects must include, at a minimum, the following project design elements:

- The project will not include natural gas appliances or natural gas plumbing (in both residential and nonresidential development);
- The project will not result in any wasteful, inefficient, or unnecessary energy usage as determined by the analysis required under CEQA Section 21100(b)(3) and Section 15126.2(b) of the State CEQA Guidelines;
- The project will achieve a reduction in project-generated vehicle miles traveled (VMT) below the regional average consistent with the current version of the California Climate Change Scoping Plan (currently 15 percent) or meet a locally adopted SB 743 VMT target, reflecting the recommendations provided in the OPR's Technical Advisory on Evaluating Transportation Impacts in CEQA; and
- The project will achieve compliance with off-street electric vehicle requirements in the most recently adopted version of CALGreen Tier 2.

In order to be consistent with the first criterion, the proposed project is required to include all electric appliances and plumbing. Natural gas is prohibited in all new construction within the City, effective March 1, 2020, pursuant to City Ordinance No. 2306. Therefore, the proposed project would not include the use of natural gas appliances or natural gas plumbing and, thus, would comply with the first criterion.

⁶ Bay Area Air Quality Management District. *CEQA Thresholds for Evaluating the Significance of Climate Impacts From Land Use Projects and Plans*. April 2022.

Regarding the second criterion, the proposed project would comply with all applicable federal, State, and local regulations regarding energy use during both project construction and project operations, such as the California Green Building Standards Code and the Building Energy Efficiency Standards. Requirements of the CALGreen Code that would be applicable to the proposed project include, but are not limited to, the following measures:

- Compliance with relevant regulations related to future installation of Electric Vehicle charging infrastructure;
- Indoor water use consumption is reduced through the establishment of maximum fixture water use rates;
- Outdoor landscaping must comply with the California Department of Water Resources' Model Water Efficient Landscape Ordinance (MWELO), or a local ordinance, whichever is more stringent, to reduce outdoor water use;
- Diversion of 65 percent of construction and demolition waste from landfills; and
- Mandatory use of low-pollutant emitting interior finish materials such as paints, carpet, vinyl flooring, and particle board.

Adherence to the most recent CALGreen Code and the Building Energy Efficiency Standards would ensure that the proposed structure would consume energy efficiently through the incorporation of such features as door and window interlocks, direct digital controls for HVAC systems, and high efficiency outdoor lighting. In addition, all construction equipment and operation thereof would be regulated by the CARB In-Use Off-Road Diesel Vehicle Regulation. The In-Use Off-Road Diesel Vehicle Regulation is intended to reduce emissions from in-use, off-road, heavy-duty diesel vehicles in California by imposing limits on idling, requiring all vehicles to be reported to CARB, restricting the addition of older vehicles into fleets, and requiring fleets to reduce emissions by retiring, replacing, or repowering older engines, or installing exhaust retrofits. Required compliance with applicable standards and regulations would ensure that energy use associated with the proposed project would not be wasteful, inefficient, or unnecessary.

With respect to the third criterion, as discussed above, pursuant to the OPR, certain projects are presumed to have a less-than-significant effect on VMT due to project size, project location, or project type. Specifically, OPR recommends that projects that generate less than 110 trips per day may be considered to have less-than-significant VMT impacts. Given that the proposed project would house between three and four full-time employees daily, the proposed project would be expected to generate approximately six to eight average daily trips by employees, and would meet the OPR screening criteria for small projects. Therefore, based on the recommendations provided in the OPR's Technical Advisory on Evaluating Transportation Impacts in CEQA, VMT associated with the proposed project would be less than significant.

With respect to the fourth criterion, the proposed project would be subject to the nonresidential requirements set forth in the CALGreen standards. The proposed project would include six new on-site parking spaces. Based on the Tier 2 CALGreen standards, nonresidential uses with between zero and nine total parking spaces are required to provide one EV capable on-site space. The proposed project would include one on-site EV capable space.⁷ Therefore, the proposed project would comply with the nonresidential Tier 2 CALGreen standards.

Based on the above, the proposed project would not conflict with the BAAQMD's GHG thresholds of significance and, thus, would not conflict with the State's latest climate legislation.

⁷ Yat Cho, Senior Project Manager, Morgan Hill Engineering and Utilities Department. Personal communication [email] with Nick Pappani, Vice President, Raney Planning and Management, Inc. October 19, 2022.

Air Quality Conclusion

As discussed above, the proposed project is not anticipated to result in short-term construction-related or long-term operational emissions of air quality pollutants that would be considered to have the potential to result in significant effects on the environment.

Water Quality

Project construction activities such as grading, excavation, and trenching for site improvements would result in the disturbance of on-site soils. The exposed soils have the potential to affect water quality in two ways: 1) suspended soil particles and sediments transported through runoff; or 2) sediments transported as dust that eventually reach local water bodies. Spills or leaks from heavy equipment and machinery, staging areas, or building sites also have the potential to enter runoff. Typical pollutants include, but are not limited to, petroleum and heavy metals from equipment and products such as paints, solvents, and cleaning agents, which could contain hazardous constituents. Sediment from erosion of graded or excavated surface materials, leaks or spills from equipment, or inadvertent releases of building products could result in water quality degradation if runoff containing the sediment or contaminants should enter receiving waters in sufficient quantities. Impacts from construction-related activities would generally be short-term and of limited duration.

Pursuant to Morgan Hill Municipal Code Chapter 13.30 (Urban Storm Water Quality Management and Discharge Control), the project applicant would be required to submit a sediment and erosion control plan to the City of Morgan Hill Land Development Engineering Division prior to the approval of improvement plans and issuance of building permits. The plan(s) must conform to City standards to prevent significant sediment and soil erosion during construction and include the standards and guidelines found in the California Stormwater Quality Association (CASQA) *Stormwater Best Management Practice Handbook*. Compliance with Chapter 13.30 of the Municipal Code would ensure that construction of the proposed project would not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality during project construction.

Currently, the project site contains approximately 8,700 sf of impervious surfaces in the form of a concrete slab located in the northeast corner of the project site. Following completion of construction activities, the proposed areas of disturbance would include approximately 38,000 sf of impervious surfaces, which could contribute incrementally to the degradation of downstream water quality during storm events. During the dry season, vehicles and other urban activities may release contaminants onto the impervious surfaces, where they would accumulate until the first storm event. During the initial storm event, or first flush, the concentrated pollutants would be transported through stormwater runoff from the site to the stormwater drainage system and eventually a downstream waterway. Typical urban pollutants that would likely be associated with the proposed project include sediment, pesticides, oil and grease, nutrients, metals, bacteria, and trash. In addition, stormwater runoff could cause soil erosion if not properly addressed and provide a more lucrative means of transport for pollutants to enter the waterways.

The proposed project would be subject to all regional and local water quality regulations. In order to meet water quality objectives for the region, the City of Morgan Hill, City of Gilroy, and County of Santa Clara have prepared and are implementing a Revised Regional Storm Water Management Plan (SWMP). The SWMP incorporates the efforts of the City of Morgan Hill, the City of Gilroy, and the unincorporated portion of Santa Clara County, within the watershed of the Pajaro River and Monterey Bay, to meet the Phase II Storm Water Permit requirements for small municipal separate storm sewer systems (MS4s). The Upper Pajaro River Watershed is located

within the jurisdiction of the Central Coast Regional Water Quality Control Board (CCRWQCB). The City of Morgan Hill implements the SWMP through an extensive program that entails: 1) the establishment of SWMP goals for the City; 2) public education and outreach; 3) public involvement and participation; 4) illicit discharge control; 5) construction site storm water runoff control; 6) post-construction stormwater management in development; and 7) pollution prevention. For construction activities, the SWMP presents BMPs that are required for the control of storm water runoff quality during construction.

With regard to potential adverse effects to water quality during operations, the proposed project would be managed in accordance with Resolution R3-2013-0032 issued by the CCRWQCB. This resolution formally adopts post-construction stormwater management requirements for development projects in the Central Coast Region. The requirements identify 10 Watershed Management Zones (WMZs) in the covered area, and specify stormwater management requirements for each zone, depending on the size of the development project. Because the project site is located in an area classified as WMZ-1, the proposed project would be required to include site design and runoff features to limit the amount of runoff from the project site, as well as on-site water quality treatment to reduce pollutant loads in the stormwater runoff using a Low Impact Development (LID) treatment system such as biofiltration. As part of the proposed project, three bioretention basins would be constructed throughout the project site. All on-site stormwater would be directed to the bioretention basins.

According to Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) 06085C0444H, the project site is within Zone X, which is defined as a 0.2 percent annual chance flood hazard area.⁸ As part of ensuring post-construction flows do not result in flooding and/or water quality impacts, the proposed project would be required to comply with applicable requirements set forth by the CCRWQCB, which regulates the City of Morgan Hill's stormwater discharges through an National Pollutant Discharge Elimination System (NPDES) Phase II MS4 General Permit (State Water Resources Control Board Water Quality Order No. 2013-0001-DWQ; NPDES General Permit No. CAS000004).

In addition, the proposed project would be required to comply with the permanent stormwater pollution prevention measures set forth in Chapter 18.140 (Post Construction Stormwater Pollution Prevention) of the City's Municipal Code. In accordance with Chapter 18.140, the proposed project would be required to prepare a stormwater runoff management plan that shows compliance with the design standards set forth in Section 18.140.040 (Design standards and selection of best management practices), and implement Best Management Practices (BMPs) to the satisfaction of the City.

The final design of the proposed drainage system would be reviewed and approved by the City of Morgan Hill Land Development Engineering Division, which would ensure that the proposed drainage system complies with all applicable regional and local standards, including those set forth in Chapter 18.140 of the Morgan Hill Municipal Code, as well as requirements pertaining to the incorporation of sufficient permanent stormwater treatment control BMPs. Therefore, water quality standards or waste discharge requirements would not be violated, and water quality would not be degraded as a result of operations of the proposed project.

⁸ Federal Emergency Management Agency. *Flood Map Service Center*. Available at: <https://msc.fema.gov/portal/home>. Accessed October 2022.

Conclusion

Based on the above, the proposed project would not result in any significant effects related to traffic, noise, air quality, or water quality. Thus, the project meets Criterion 15332(d).

Criterion 15332(a): Utilities and Public Services

Water and sewer service for the proposed development would be provided by the City through new connections to existing infrastructure within Butterfield Boulevard. Given the presence of existing utilities in the immediate project vicinity, the proposed project would not require substantial off-site utility improvements. In addition, given that the proposed project is consistent with the site's current General Plan land use and zoning designations, increases in demand on existing utilities and public services associated with the project have been previously anticipated in the General Plan and accounted for in local planning efforts. Thus, the site would be adequately served by all required utilities and public services.

Exceptions to Categorical Exemptions analysis

Even if a project is ordinarily exempt under any of the potential categorical exemptions, CEQA Guidelines Section 15300.2 provides specific instances where exceptions to otherwise applicable exemptions apply. Exceptions to a categorical exemption apply in the following circumstances:

- (a) Location. Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.
- (b) Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.
- (c) Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.
- (d) Scenic Highways. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.
- (e) Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.
- (f) Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

The following analysis addresses whether any of the exceptions to the CEQA exemption apply to the proposed project.

Criterion 15300.2(a): Location

CEQA exemptions 3, 4, 5, 6, or 11, are qualified by consideration of where the project is to be located. Given that the proposed project qualifies for exemption under CEQA Guidelines Section 15332, Class 32, an exception to the exemption under CEQA Guidelines Section 15300.2(a) does not apply to the proposed project.

Criterion 15300.2(b): Cumulative Impact

Pursuant to CEQA Section 15300.2(b), in applying this exception, the cumulative impact must result from “successive projects of the same type in the same place.” Both the “same type” and “same place” limitations restrict the scope of this exception.⁹ The project site is located within a residential and commercial area, which is mostly developed.

Because the proposed project is consistent with the project site’s General Plan land use and zoning designations, cumulative impacts associated with buildout of the project site have been previously anticipated by the City and analyzed in the General Plan EIR. As discussed above, the project would not require substantial off-site utility upsizing or other related improvements with the potential to result in cumulatively considerable impacts. Thus, the project does not include any unique features that would result in new or more severe cumulative impacts beyond what has been analyzed in the General Plan EIR, and an exception to the exemption pursuant to CEQA Guidelines Section 15300.2(b) does not apply to the proposed project.

Criterion 15300.2(c): Significant Effect

In listing a class of projects as exempt, the Secretary has determined that the environmental changes typically associated with projects in that class are not significant effects within the meaning of CEQA, even though an argument might be made that they are potentially significant. The plain language of *Guidelines Section 15300.2, subdivision (c)*, requires that a potentially significant effect must be “due to unusual circumstances” for the exception to apply.

The determination as to whether there are “unusual circumstances” (*Guidelines Section 15300.2, subd. [c]*) is reviewed under PRC *Section 21168.5*’s substantial evidence prong. Whether a particular project presents circumstances that are unusual for projects in an exempt class is an essentially factual inquiry. As to this question, the lead agency serves as “the finder of fact”.

As the courts have noted, local conditions are relevant in determining whether the environmental effects of a proposed project are unusual or typical. In general, the project site does not contain any unique or unusual features with the potential to result in a potentially significant effect. For example, the project site does not include any aquatic features and, as discussed further below, is not included on any lists of hazardous waste sites. Thus, an exception to the exemption under CEQA Guidelines Section 15300.2(c) does not apply to the proposed project.

Criterion 15300.2(d): Scenic Highway

According to the California Department of Transportation (Caltrans) Scenic Highway Mapping System, officially designated State or County scenic highways do not occur in the project vicinity.¹⁰ Thus, an exception to the exemption under CEQA Guidelines Section 15300.2(d) does not apply to the proposed project.

Criterion 15300.2(e): Hazardous Waste Sites

The California Environmental Protection Agency provides a list of data resources that provide information regarding the facilities or sites identified as meeting the “Cortese List” requirements, pursuant to Government Code 65962.5. A Phase I Environmental Site Assessment (ESA) was prepared for the proposed project by Weber, Hayes, & Associates (see Appendix B) and

⁹ Stephen L. Kostka and Michael H. Zischke. *Practice Under the California Environmental Quality Act, Second Edition* [pg. 5-68]. March 2019 Update.

¹⁰ California Department of Transportation. *California State Scenic Highway System Map*. Available at: <https://caltrans.maps.arcgis.com/apps/webappviewer/index.html?id=465dfd3d807c46cc8e8057116f1aaca>. Accessed October 2022.

determined that the project site is not located on any list compiled pursuant to Section 65962.5 of the Government Code.¹¹ Thus, an exception to the exemption under CEQA Guidelines Section 15300.2(e) does not apply to the proposed project.

Criterion 15300.2(f): Historical Resources

The project site is currently undeveloped, consisting primarily of ruderal grasses as well as an existing concrete slab, which was previously used as a community garden. The site is surrounded by existing residential and commercial development. A records search of the California Historic Resources Information System (CHRIS) was performed by the Northwest Information Center (NWIC) for historical resource site records and survey reports within the project area.¹² Based on the results of the records search of the CHRIS, the NWIC concluded that recorded historic buildings or structures are not located within or adjacent to the project site. While the NWIC indicated that a moderate potential exists for both Native American archaeological resources and historic-period archaeological resources to be located within the project area, the City standard conditions of approval related to the protection of historical and archaeological resources, consistent with Section 18.60.090 of the City's Municipal Code, would ensure that in the event that such resources are unearthed during ground disturbing activities (i.e., any activity that exposes, works or redistributes soil, including but not limited to excavating, filling, stockpiling, grading, grubbing, or clearing), the proposed project would not result in a substantial adverse change in the significance of a historical resource, and an exception to the exemption under CEQA Guidelines Section 15300.2(f) does not apply to the proposed project. The City standard conditions of approval related to the protection of historical and archaeological resources are as follows:

- A. The developer shall enter into written contracts with an archaeologist and the Tamien Nation Tribe, and pay all fees associated with the activities required by this condition. The following policies and procedures for treatment and disposition of inadvertently discovered human remains or archaeological materials shall apply:
 - 1. Prior to start of grading or earthmoving activity (includes demolition and moving of heavy equipment on site) on the "first day of construction", the archaeologist and Tamien Nation Tribal Monitor shall hold a preconstruction meeting for the purposes of "cultural sensitivity training" with the general contractor and subcontractors.
 - 2. An archaeologist and a Tamien Nation Tribal Monitor shall be present on-site to monitor all ground disturbing activities and an archaeologist shall be on-call. Where historical or archaeological artifacts are found, work in areas where remains or artifacts are found will be restricted or stopped until proper protocols are met, as described below:
 - a) Work at the location of the find will halt immediately within fifty feet of the find. If an archaeologist is not present at the time of the discovery, the applicant shall contact an archaeologist for evaluation of the find to determine whether it qualifies as a unique archaeological resource as defined by this chapter.

¹¹ Weber, Hayes, & Associates. *Phase I Environmental Site Assessment, Partially Developed Public Lands, 17295 Butterfield Boulevard, Morgan Hill, California*. February 11, 2022.

¹² Northwest Information Center. *Record search results for the proposed Butterfield Boulevard Fire Station Project*. October 18, 2022.

- b) If the find is determined not to be a Unique Archaeological Resource, construction can continue. The archaeologist will prepare a brief informal memo/letter in collaboration with a tribal representative that describes and assesses the significance of the resource, including a discussion of the methods used to determine significance for the find;
 - c) If the find appears significant and to qualify as a unique archaeological resource, the archaeologist will determine if the resource can be avoided and will detail avoidance procedures in a formal memo/letter; and
 - d) If the resource cannot be avoided, the archaeologist in collaboration with a tribal representative shall develop within forty-eight hours an action plan to avoid or minimize impacts. The field crew shall not proceed until the action plan is approved by the Development Services Director. The action plan shall be in conformance with California Public Resources Code 21083.2.
- 3. The following policies and procedures for treatment and disposition of inadvertently discovered human remains or archaeological materials shall apply. If human remains are discovered, it is probable they are the remains of Native Americans,
 - a) If human remains are encountered, they shall be treated with dignity and respect as due to them. Discovery of Native American remains is a very sensitive issue and serious concern. Information about such a discovery shall be held in confidence by all project personnel on a need-to-know basis. The rights of Native Americans to practice ceremonial observances on sites, in labs and around artifacts shall be upheld.
 - b) Remains should not be held by human hands. Surgical gloves should be worn if remains need to be handled.
 - c) Surgical mask should also be worn to prevent exposure to pathogens that may be associated with the remains.
- 4. In the event that known or suspected Native American remains are encountered, or significant historic or archaeological materials are discovered, ground-disturbing activities shall be immediately stopped. Examples of significant historic or archaeological materials include, but are not limited to, concentrations of historic artifacts (e.g., bottles, ceramics) or prehistoric artifacts (chipped chert or obsidian, arrow points, ground stone mortars and pestles), culturally altered ash stained midden soils associated with pre-contact Native American habitation sites, concentrations of fire-altered rock and/or burned or charred organic materials and historic structure remains such as stone lined building foundations, wells or privy pits. Ground-disturbing project activities may continue in other areas that are outside the exclusion zone as defined below.

5. An "exclusion zone" where unauthorized equipment and personnel are not permitted shall be established (e.g., taped off) around the discovery area plus a reasonable buffer zone by the contractor foreman or authorized representative, or party who made the discovery and initiated these protocols, or if on-site at the time of discovery, by the monitoring archaeologist and tribal representative (typically twenty-five to fifty feet for single burial or archaeological find).
6. The discovery locale shall be secured (e.g., 24-hour surveillance) as directed by the City or County if considered prudent to avoid further disturbances.
7. The Contractor Foreman or authorized representative, or party who made the discovery and initiated these protocols shall be responsible for immediately contacting by telephone the parties listed below to report the find and initiate the consultation process for treatment and disposition:
 - The City of Morgan Hill Development Services Director (408) 779-7247
 - The Contractor's Point(s) of Contact
 - The Coroner of the County of Santa Clara (if human remains found) (408) 793-1900
 - The Native American Heritage Commission (NAHC) in Sacramento (916) 653-4082
 - The Amah Mutsun Tribal Band (916) 481-5785 (H) or (916) 743-5833 (C)
 - The Tamien Nation (707) 295-4011 (office) and (925) 336-5359 (THPO)
8. The Coroner has two working days to examine the remains after being notified of the discovery. If the remains are Native American the Coroner has 24 hours to notify the NAHC.
9. The NAHC is responsible for identifying and immediately notifying the Most Likely Descendant (MLD). (Note: NAHC policy holds that the Native American Monitor will not be designated the MLD.)
10. Within 24 hours of their notification by the NAHC, the MLD will be granted permission to inspect the discovery site if they so choose.
11. Within 24 hours of their notification by the NAHC, the MLD may recommend to the City's Development Services Director the recommended means for treating or disposing, with appropriate dignity, the human remains and any associated grave goods. The recommendation may include the scientific removal and non-destructive or destructive analysis of human remains and items associated with Native American burials. Only those osteological analyses or DNA analyses recommended by the appropriate tribe may be considered and carried out.

12. If the MLD recommendation is rejected by the City of Morgan Hill the parties will attempt to mediate the disagreement with the NAHC. If mediation fails then the remains and all associated grave offerings shall be reburied with appropriate dignity on the property in a location not subject to further subsurface disturbance.

D. CONCLUSION

This Memorandum demonstrates that the proposed project can be considered exempt from CEQA under Section 15332, and does not meet any of the exceptions to categorical exemptions set forth in Section 15300.2 of the CEQA Guidelines

RESOLUTION NO. 23-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEAR 2022-2023 BUDGET IN THE PUBLIC SAFETY FACILITIES IMPACT FUND (FUND NO. 315), PARK MAINTENANCE FUND (FUND NO. 302), PUBLIC FACILITIES IMPACT FUND (FUND NO. 347) TO APPROPRIATE \$2,250,000; \$1,000,000; AND \$1,000,000, RESPECTIVELY, IN EACH FUND, AND THREE INTERFUND LOANS TO THE PUBLIC SAFETY FACILITIES IMPACT FUND FROM THE LOCAL DRAINAGE IMPACT FUND, PARK MAINTENANCE FUND, AND PUBLIC FACILITIES IMPACT FUND IN THE AMOUNT OF \$5,750,000; \$1,000,000; AND \$1,000,000, RESPECTIVELY, THEREFORE

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting this Resolution are set forth in detail in that certain City Council Staff Report entitled "Award Butterfield Fire Station Project to Larry S. Kent. DBA Kent Construction in the Amount of \$7,956,553" submitted for City Council consideration at its meeting of June 7, 2023, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Annual Budget for Fiscal Year 2022-2023 as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the City's previously adopted Fiscal Year 2022-2023 Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 2022-2023 Budget of City.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 7th day of June 2023 by the following vote:

AYES:	COUNCIL MEMBERS:	None
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-_____ adopted by the City Council at the meeting held on the 7th day of June 2023.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT A

AGENDA BUDGET SCORECARD

FISCAL YEAR 2022-2023

ADJUSTMENT #

009

FUND:

DEPARTMENT:

OBJECT:

302	Park Maintenance Fund
8030	Park Maintenance
49230	TRANSFER OUT-PUBLIC SAFETY FACILITIES

AGENDA DATE:

AGENDA ITEM TITLE:

06/07/23 Fire Station Project Interfund Loan

	07/01/22 AUDITED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/23 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	2,567,344	-	664,980	1,902,365
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION		-	1,000,000	(1,000,000)
RESULT OF RECOMMENDED ACTION	2,567,344	-	1,664,980	902,365

AGENDA BUDGET SCORECARD

FISCAL YEAR 2022-2023

ADJUSTMENT #

010

FUND:

347 Public Facilities Impact Fund

DEPARTMENT:

8056 Public Facilities

OBJECT:

49230 TRANSFER OUT-PUBLIC SAFETY FACILITIES

AGENDA DATE:

06/07/23

AGENDA ITEM TITLE:

Fire Station Project Interfund Loan

	07/01/22 AUDITED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/23 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	1,017,051	-	-	1,017,051
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION		-	1,000,000	(1,000,000)
RESULT OF RECOMMENDED ACTION	1,017,051	-	1,000,000	17,051

AGENDA BUDGET SCORECARD

FISCAL YEAR 2022-2023

ADJUSTMENT #

011

FUND:

315 Public Safety Facilities Impact Fund

DEPARTMENT:

8080

OBJECT:

86360 CONSTRUCTION

AGENDA DATE:

06/07/23

AGENDA ITEM TITLE:

Fire Station Project

	07/01/22 AUDITED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/23 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	3,221,824	6,221,575	10,050,626	(607,227)
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION		2,000,000	2,250,000	(250,000)
RESULT OF RECOMMENDED ACTION	<u>3,221,824</u>	<u>8,221,575</u>	<u>12,300,626</u>	<u>(857,227)</u>

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

AWARD FISHER BASIN EXPANSION PROJECT TO GALEB PAVING, INC. IN THE AMOUNT OF \$2,568,800

RECOMMENDATION(S)

1. Approve Fisher Basin Expansion Project plans and specifications;
2. Award contract to Galeb Paving Inc. for the Fisher Basin Expansion Project in the amount of \$2,568,800;
3. Authorize expenditure of construction contingency funds not to exceed \$385,320; and
4. Authorize the City Manager to execute and administer the construction contract with Galeb Paving Inc.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

2022-2023 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Storm Drain Master Plan

REPORT NARRATIVE:

The City's current Storm Drain System Master Plan identifies storm capacity as one of the largest infrastructure issues the City is facing. The City's Capital Improvement Program has allocated funding for significant improvements to the system over the next five years. Per the City's current Storm Drain Master Plan along with work performed by Akel Engineering Group Inc., the Fisher Basin was been identified as a location where additional stormwater storage capacity would be beneficial in order to reduce the possibility of flooding in the area. This improvement, along with other future planned work, will support reductions in flooding along Fisher Creek. City staff worked with consultant Hanna & Brunetti to prepare plans and specifications for this project, which will increase the holding capacity of storm water in the Fisher Basin (See attached vicinity map).

The project scope of work includes the excavation and grading of the Fisher Basin (approximately 44,000 Cubic Yards of Cut) along with the construction of a 12-foot wide access road and concrete outfalls at multiple locations on-site.

The bid opening for this project was held on April 25, 2023 and twelve (12) bids were received:

Galeb Paving, Inc.	\$2,568,800.00
Manzo Construction, Inc.	\$2,792,878.00
Jerremy Harris Construction, Inc.	\$2,850,272.00
Gordon N. Ball, Inc.	\$3,154,000.00
DeSilva Gates Construction LLC	\$3,222,222.00
Beals Martin and Associates, Inc.	\$3,246,001.00
RX Lodge, Inc.	\$3,275,817.63
Joseph J. Albanese, Inc	\$3,636,150.00
Granite Rock Company	\$3,884,550.00
McGuire and Hester	\$3,892,000.00
Brannon Corporation	\$3,930,070.00
Specialty Construction, Inc.	\$4,701,880.00

Galeb Paving Inc.'s bid of \$2,568,800 is approximately 22% above the engineer's estimate of \$2,100,000. Galeb Paving, Inc. is an experienced contractor for this type of work. Staff recommends awarding of the contract to Galeb Paving, Inc. in the amount of \$2,568,800. Due to possible unforeseen conditions for the grading work, staff is requesting a fifteen (15) percent construction contingency for this project (\$385,320). The project is scheduled to start in July 2023 and be completed by October 2023.

The plans and specifications are available for review on the City's webpage under the Government tab and Community Projects site: <https://www.morgan-hill.ca.gov/1436/Project-Plans-Specifications-and-Bid-Res>.

COMMUNITY ENGAGEMENT:

The Fisher Basin Expansion Project is located within residential and commercial neighborhoods. While there may be slight inconveniences for residents and business owners, staff will work with the contractor to minimize these inconveniences and provide email and door notifications prior to any construction activities. Staff will also provide regular updated construction information weekly through Nextdoor and on the City's website.

ALTERNATIVE ACTIONS:

City Council may elect not to award this construction contract and request the project be rebid. Staff does not recommend this alternative as competitive bids were received. Rebidding the project is not likely to result in significant savings and it will delay the project approximately three to four months.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- On September 6, 2018, the City Council adopted the 2018 Storm Drain Master Plan.
- On June 15, 2022, the City Council adopted the FY2022-23 through 2027-28 Capital Improvement Program Project Budget.

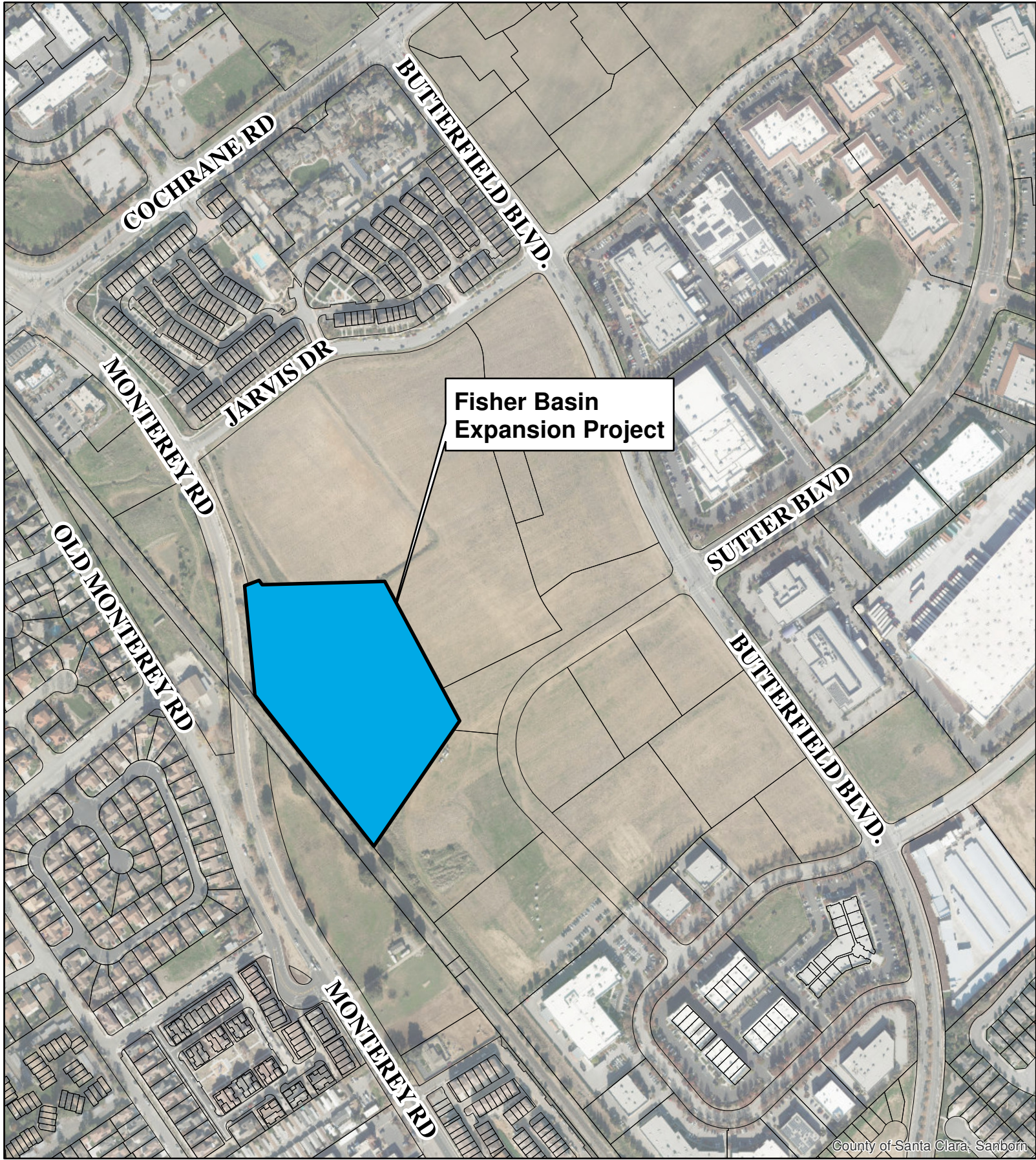
FISCAL AND RESOURCE IMPACT:

The total authorization for the project would be \$2,954,120, which includes a 15 percent contingency of \$385,320. The project is sufficiently funded in the Fiscal Year 2022-23 Capital Improvement Program (CIP) budget under CIP Project 415020, Fisher Basin Expansion Project, under Fund 303.

CEQA (California Environmental Quality Act):

Mitigated Negative Declaration

A Mitigated Negative Declaration for this project was approved in November 2021 in accordance with CEQA. Mitigation measures are imposed upon the project to reduce potential impacts to a less than significant level.



Engineering and Utilities Department
CIP Engineering Division

Document Path: G:\R-14\PROJ\Agustin\GIS\Fisher Basin Expansion Project.mxd

FISHER BASIN EXPANSION PROJECT



0 190 380 760 1,140 1,520 Feet

Page 146 of 165

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

AWARD JACKSON OAKS WATER MAIN PROJECT TO SUBTERRA CONSTRUCTION, INC. IN THE AMOUNT OF \$642,100

RECOMMENDATION(S)

1. Approve the Jackson Oaks Water Main Project Plans and Specifications;
2. Award contract to SubTerra Construction, Inc. for the Jackson Oaks Water Main Project in the amount of \$642,100;
3. Authorize the expenditure of construction contingency funds not to exceed \$96,315; and
4. Authorize the City Manager to execute and administer the construction contract with SubTerra Construction, Inc.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2022-2023 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Water System Master Plan

REPORT NARRATIVE:

The 2021 Water System Master Plan recommends an ongoing program to replace aging and failing pipelines throughout the City's water system. This includes improvements to mitigate existing water system deficiencies, increasing hydraulic reliability and/or replacing existing pipelines due to poor condition. Over the past few years, the water mains in Hilltop Court and Oak View Circle have had multiple breaks, disrupting water service to the residents in the area.

To address the issues with these water mains, staff worked with Mott MacDonald, a civil engineering design firm, to produce a set of project plans and specifications to replace the aging water mains in Hilltop Court and Oak View Circle. The project's scope of work

involves the replacement of the existing 8-inch transite water main in Oak View Circle (approximately 1000 linear feet from Jackson Oaks Drive) and Hilltop Court (approximately 500 linear feet) with a new 8" Ductile Iron Pipe (DIP) water main. Additional work includes water main connections to the existing main, transferring the existing residential water services to the new main, new fire hydrants, abandoning the existing main, testing and chlorination and trench restoration. Once the work is complete, a slurry seal will be applied to the Hilltop Court pavement while Oak View Circle will receive a 2-inch mill and fill as part of the 2023 Pavement Rehabilitation Project.

The plans and specifications were completed in March, 2023 and the project was advertised for bidding in April, 2023. The bid opening was held on May 9, 2023. Four (4) bids were received and are as listed below:

SubTerra Construction, Inc.	\$642,100
Anderson Pacific Engineering Construction, Inc.	\$764,764
Pacific Underground Construction, Inc.	\$847,925
Koios Construction, Inc.	\$889,425

The low bidder, SubTerra Construction, Inc.'s bid amount of \$642,100 is approximately 14% below the engineer's estimate of \$750,000. SubTerra Construction, Inc., is an experienced public contractor with experience in underground utility projects. Staff recommends the award of the contract to SubTerra Construction, Inc. in the amount of \$642,100. Due to unforeseen conditions for undergrounding work, staff is requesting a fifteen (15) percent construction contingency for this project (\$96,315). This project is scheduled to start in July 2023 and be completed by September 2023.

The plans and specifications are available for review on the City's webpage under the Government tab and Community Projects site: <https://www.morgan-hill.ca.gov/1436/Project-Plans-Specifications-and-Bid-Res>.

COMMUNITY ENGAGEMENT:

Inform

The Jackson Oaks Water Main Project is located within residential neighborhoods. Staff will work with the contractor to minimize inconveniences to residents and provide email and door notifications prior to any construction activities. Staff will also provide regular updated construction information weekly through Nextdoor and on the City's website.

ALTERNATIVE ACTIONS:

City Council may elect not to award this construction contract and request the project be re-bid. Staff does not recommend this alternative as competitive bids were received. Rebidding the project is not likely to result in significant savings and it will delay the project approximately three to four months.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- On August 5, 2020, the City Council approved the agreement with Mott Macdonald for on-call design support for CIP Projects.
- On December 15, 2021, the City Council adopted the Water Systems Master Plan.
- On June 15, 2022, the City Council adopted the FY2022-23 through 2027-28 Capital Improvement Program Budget.

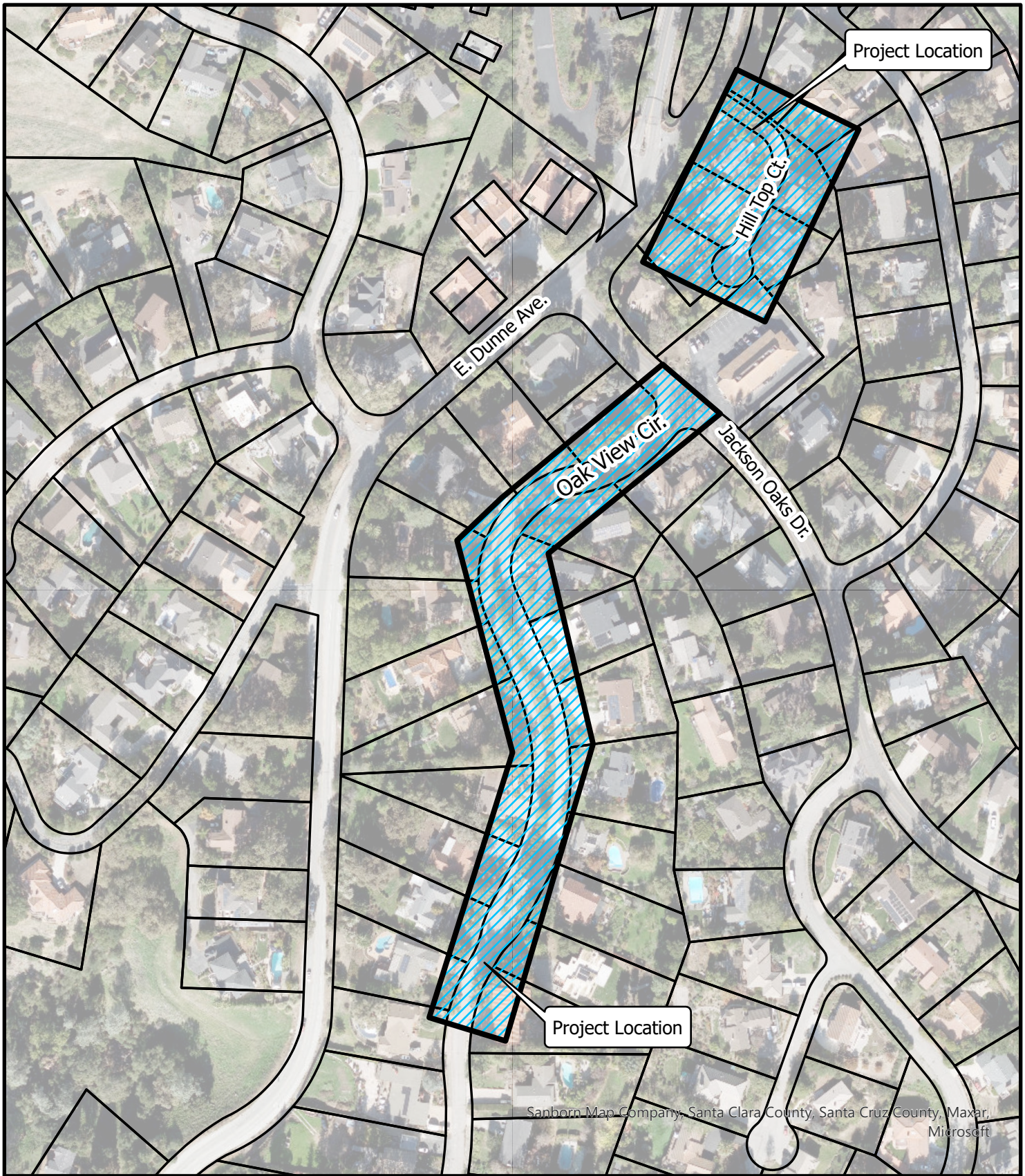
FISCAL AND RESOURCE IMPACT:

The total authorization for the project would be \$738,415, which includes a 15% contingency of \$96,315. The project is sufficiently funded in the Fiscal Year 2022-23 Capital Improvement Program (CIP) budget under CIP Project 610000, Water Pipeline Repair and Replacement, utilizing Water Capital Project Funds (653).

CEQA (California Environmental Quality Act):

Categorical Exemption

The activities described in this staff report are categorically exempt under CEQA, specifically pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities), as the work for this project involves the repair, maintenance, or minor alteration of existing City facilities involving negligible or no expansion of use of those facilities.



Sanborn Map Company, Santa Clara County, Santa Cruz County, Maxar, Microsoft

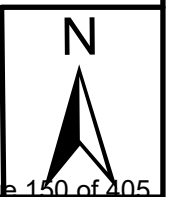
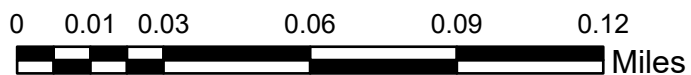


CITY OF MORGAN HILL

**Engineering and Utilities Department
CIP Engineering Division**

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Vicinity Map for Jackson Oaks Water Main Replacement



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Hilary Holeman, Administrative Analyst

APPROVED BY: City Manager

RATIFY CITY POSITIONS ON PENDING LEGISLATION

RECOMMENDATION(S)

1. Ratify the City's position on pending legislation, Assembly Bill 33 (Bains) Fentanyl Addiction and Overdose Prevention Task Force;
2. Ratify the City's position on pending legislation, Assembly Bill 367 (Maienschein) Controlled substances: enhancements;
3. Ratify the City's position on pending legislation, Assembly Bill 474 (Rodriguez) State Threat Assessment Center: transnational criminal organizations;
4. Ratify the City's position on pending legislation, Assembly Bill 955 (Petrie-Norris) Controlled substances; and
5. Ratify the City's position on pending legislation, Assembly Bill 742 (Jackson) Law enforcement: police canines.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety and Quality of Life

Preserving and Cultivating Public Trust

Supporting our Youth, Seniors, and Entire Community

REPORT NARRATIVE:

Per Resolution No. 20-010 (Attachment 1), the City Council recognizes occasional situations arise where communication indicating support or opposition on pending State, County, or other regional boards' legislation or action that could be important and may occur prior to the next scheduled City Council meeting. Under these circumstances, the Mayor or City Manager is delegated the authority to prepare, execute and transmit written or verbal communications indicating a City's position when any of the following criteria are met: a) the League of California Cities, or a similar organization, has requested the City to comment or take a position, b) the timing to express a position occurs prior to the next scheduled Council meeting, and c) the pending State, County, or other regional boards' legislation or action clearly supports or clearly hinders the implementation or fulfillment of an adopted City Council Priority, Goal, or Strategy in a substantial manner such that it is in the best interest of the City to indicate its comment or position. When this occurs, a written report to the City Council for acceptance is required at the next possible meeting.

BACKGROUND

On April 25, 2023, the League of California Cities sent an Action Alert (Attachment 2) for cities to send letters of support to the Assembly Committee on Public Safety urging them to support fentanyl-related legislation before the April 27, 2023 hearing. On April 27, 2023, the Mayor communicated a letter of support of all four bills (Attachment 3) electronically via the California Legislature Position Letter Portal and the League of California Cities, and sent the letter to the Assembly Public Safety Committee Chair.

BILL SUMMARIES

AB 33 - Fentanyl Addiction and Overdose Prevention Task Force

Existing law, the California Uniform Controlled Substances Act, classifies controlled substances into 5 schedules and places the greatest restrictions and penalties on the use of those substances placed in Schedule I. The act classifies the drug fentanyl in Schedule II. Existing law prohibits a person from possessing for sale or purchasing for purposes of sale, specified controlled substances, including fentanyl, and provides for imprisonment in a county jail for 2, 3, or 4 years for a violation of this provision.

This bill would establish the Fentanyl Addiction and Overdose Prevention Task Force to undertake various duties relating to fentanyl abuse, including, among others, collecting and organizing data on the nature and extent of fentanyl abuse in California and evaluating approaches to increase public awareness of fentanyl abuse. The bill would require the task force to be cochaired by the Attorney General and the Surgeon General, or their designees, and would specify the membership of the task force. The bill would require the first meeting of the task force to take place no later than March 1, 2024, and would require the task force to meet at least once every 2 months. The bill would require the task force to submit an interim report to the Governor and the Legislature by January 1, 2025, and would require the task force to report its findings and recommendations to the Governor and the Legislature by July 1, 2025. The bill would repeal these provisions on January 1, 2026.

AB 367 - Controlled substances: enhancements

Existing law imposes an additional and consecutive 3- or 5-year term in the state prison on a person who personally inflicts great bodily injury on a person in the commission of a felony, as specified. This bill, until January 1, 2029, would state that, for purposes of this enhancement, a person inflicts great bodily injury when they sell, furnish, administer, or give away fentanyl or an analog of fentanyl and the person to whom the substance was sold, furnished, administered, or given suffers a significant or substantial physical injury from using the substance. The bill would specify that this provision does not apply to juvenile offenders. By expanding the scope of an existing crime, this bill would impose a state-mandated local program. 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 is required by this act for a specified reason.

AB 474 - State Threat Assessment Center: Transnational Criminal Organizations

Existing law, the California Emergency Services Act, creates, within the Office of the

Governor, the Office of Emergency Services, which is responsible for addressing natural, technological, or human-caused disasters and emergencies, including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property. This bill would find and declare that the State Threat Assessment Center (STAC) serves as California's information-sharing clearinghouse of strategic threat analysis and situational awareness reporting for statewide leadership and the public safety community, as specified, and that the STAC is California's state primary fusion center, as designated by the Governor, and is operated by the Department of the California Highway Patrol, the Office of Emergency Services, and the Department of Justice. The bill would make other findings and declarations related to drug trafficking and transnational criminal organizations. The bill would require the STAC and the Office of Emergency Services to prioritize, to the greatest extent possible, cooperation with state and local efforts to illuminate, disrupt, degrade, and dismantle criminal networks trafficking opioid drugs that pose a threat to California. The bill would require the STAC to support state and local interagency task forces to combat illegal opioid trafficking in California, as specified, including preparing and disseminating intelligence products for public safety entities.

AB 955 - Controlled substances

Existing law makes possession of specified controlled substances, including fentanyl, punishable by imprisonment in a county jail not to exceed one year, except as specified. Existing law makes possession of a controlled substance for the purposes of sale of the substance punishable by imprisonment in a county jail for a period of 2, 3, or 4 years. This bill would make the sale of fentanyl on a social media platform, as defined, in California punishable by imprisonment in a county jail for a period of 3, 6, or 9 years. By creating a new crime, this bill would impose a state-mandated local program. 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 is required by this act for a specified reason.

The full text of these Bills is included as Attachment 4-7.

AB 742 Law enforcement: police canines

BACKGROUND

On May 2, 2023, the California Police Chiefs Association requested cities send letters opposing the bill banning police canines (AB 742). On May 5, 2023, the Mayor communicated a letter of opposition (Attachment 8) electronically via the California Legislature Position Letter Portal and to the Assembly Appropriations Committee and League of California Cities. On May 31, 2023, the bill was "ordered to inactive file."

BILL SUMMARY

Existing law authorizes a peace officer to use reasonable force to effect the arrest, to prevent escape, or to overcome resistance of an individual. Existing law requires law enforcement agencies to maintain a policy on the use of force. Existing law prohibits the use of kinetic energy projectiles or chemical agents by any law enforcement agency to

disperse any assembly, protest, or demonstration, except in compliance with specified standards. This bill would prohibit the use of an unleashed police canine by law enforcement to apprehend a person, and any use of a police canine for crowd control. The bill would prohibit law enforcement agencies from authorizing any use or training of a police canine that is inconsistent with this bill.

The full AB 742 Bill Text is included as Attachment 9.

COMMUNITY ENGAGEMENT:

Inform - this report serves to inform the community on the City's position on pending legislation that directly impacts the City of Morgan Hill.

ALTERNATIVE ACTIONS:

The City Council could rescind the positions taken.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

City Council periodically ratifies City positions on various pending State, County or other regional board legislation or actions that have a direct impact on the City of Morgan Hill.

FISCAL AND RESOURCE IMPACT:

Tracking legislation is an activity included in the annual workplan of the City Manager's Office.

CEQA (California Environmental Quality Act):

Not a Project - administrative action/activity without an impact.

RESOLUTION NO. 20-010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AUTHORIZING THE MAYOR OR CITY MANAGER TO PREPARE, EXECUTE AND TRANSMIT COMMUNICATIONS INDICATING A POSITION ON PROPOSED STATE, COUNTY, OR OTHER REGIONAL BOARDS' LEGISLATION OR ACTION ON CERTAIN MATTERS THAT MAY HAVE IMPACTS UPON THE CITY IN CERTAIN CIRCUMSTANCES AND DIRECTING A REPORT BACK TO CITY COUNCIL ON ANY SUCH COMMUNICATIONS TRANSMITTED. (THIS RESOLUTION RESCINDS RESOLUTION NO. 6851)

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to indicate City's position on proposed legislation of the State of California and is sometimes requested to so indicate City's position on such legislation for the benefit of the City; and

WHEREAS, the reasons supporting the adoption of this Resolution are set forth in detail in that certain City Council Staff Report submitted for City Council consideration at its meeting of February 5, 2020, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which meeting the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. **Approval and Authorization.** The City Council prefers, whenever possible, that determinations on whether to take a position on pending State, County, or other regional boards' legislation or action be brought before the City Council as a whole for consideration and action. However, the City Council recognizes that occasional, limited situations arise where communications indicating support or opposition on pending State, County, or other regional boards' legislation or action that could be important to City are requested from cities within timeframes that have deadlines occurring prior to the next scheduled meeting of the City Council as a whole at which the City Council could consider and determine City's position on such pending legislation. For these reasons, the City Council does further resolve, order and/or direct as follows:

- a. That the Mayor and/or the City Manager is delegated authority to and is authorized to prepare, execute and transmit written or verbal communications indicating a City position on proposed pending State, County or other regional boards' legislation or action that may have impacts upon City when any of the following criteria are met:
 - i. The League of California Cities, or a successor or similar organization, has requested City comment or position on a piece of pending legislation or action, or the City has otherwise become aware of such pending legislation or action;
 - ii. A public hearing and an opportunity for City to comment or take a position upon such pending legislation or action is occurring in a timeframe and with a deadline to comment or express a position that occurs prior to the next scheduled meeting of the City Council at which the City Council could consider and determine City's comment or position on such pending legislation or action; or
 - iii. The pending legislation or action clearly supports or clearly hinders the implementation or fulfillment of an adopted City Council Priority, Goal or Strategy in a substantial manner such that it is in the best interests of City to indicate its comment or position on such pending legislation or action.
- b. That the Mayor and/or City Manager is hereby directed to provide a written report to the City Council for the Council's comment and acceptance at the City Council's next possible meeting whenever the Mayor or City Manager prepares, executes and transmits a communication indicating a comment or position on pending legislation or action pursuant to the authority delegated under this Resolution, which report shall include a copy of such pending legislation or action, and the comment or position transmitted.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 5th day of February 2020 by the following vote:

AYES:	COUNCIL MEMBERS:	Yvonne Martinez Beltran, Rene Spring, John McKay, Larry Carr, Rich Constantine
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:



RICH CONSTANTINE, Mayor

ATTEST:



IRMA TORREZ, City Clerk

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 20-010, adopted by the City Council at the meeting held on the 5th day of February 2020.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: 3/3/2020



Irma Torrez, CITY CLERK



Fentanyl Crisis Legislation

ACTION

Call and send a letter to the Assembly Committee on Public Safety urging them to support critical fentanyl-related legislation.

The hearing is scheduled for Thursday, April 27, 2023.

AB 33 (Bains), AB 367 (Maienschien), AB 474 (Rodriguez), and
AB 955 (Petrie-Norris)

Why this matters:

Communities throughout California are struggling with a quickly evolving opioid crisis, which is now being driven by the increase in synthetic opioid-related deaths — primarily fentanyl. According to the Centers for Disease Control and Prevention, 71,000 people died from synthetic opioid-related overdose in the United States in 2021, of which, 7,000 deaths occurred in California. In other words, 1 out of every 10 deaths from synthetic opioids in the United States occurs in California. Key legislation to help address the fentanyl crisis includes:

AB 33 (Bains) Fentanyl Addiction and Overdose Prevention Task Force.

- Would establish the Fentanyl Addiction and Overdose Prevention Task Force to undertake various duties relating to fentanyl abuse.

AB 367 (Maienschein) Controlled Substances: Enhancements.

- Would clarify that the “great bodily injury” sentence enhancement applies when a person sells or otherwise provides fentanyl to a person who subsequently suffers a significant or substantial physical injury from using the substance.

AB 474 (Rodriguez) State Threat Assessment Center: Transnational Criminal Organizations.

- Would require the State Threat Assessment Center and the California Office of Emergency Services to prioritize, to the greatest extent possible, cooperation with state and local efforts to disrupt and dismantle criminal networks trafficking opioid drugs that pose a threat to California.

AB 955 (Petrie-Norris) Controlled Substances

- Would make the sale of fentanyl on a social media platform in California punishable by imprisonment in a county jail for a period of 3, 6, or 9 years.

Talking Points

- It is critical that we advance legislative measures that would help stem the tide of illicit substance-related deaths in California and bring relief to the many communities mourning tragic, preventable deaths.
- **Local communities experience the realities of the opioid epidemic each day through the increasing toll on families, first responders, educators,** and many others.
- We call on lawmakers to take action on a number of proposed measures that put forward comprehensive solutions to address the substance use crisis and improve the safety and well-being of all Californians.

Contact Information for the Assembly Public Safety Committee

Assembly Member Jones-Sawyer (Chair) - (916) 319-2057

Assembly Member Alanis (Vice Chair) - (916) 319-2022

Assembly Member Bonta - (916) 319-2018

Assembly Member Bryan - (916) 319-2055

Assembly Member Lackey - (916) 319-2034

Assembly Member Ortega - (916) 319-2020

Assembly Member Santiago - (916) 319-2054

Assembly Member Zbur - (916) 319-2051

What are examples of what is happening in our communities?

Merced

[California dad arrested after girl, 2, overdoses on fentanyl](#)

San Francisco

[Drug overdose deaths in California are skyrocketing, as the fentanyl crisis reaches beyond San Francisco](#)

Aliso Viejo

[More teenagers dying from fentanyl. 'It has a hold on me, and I don't know why'](#)

Santa Cruz

[12-year-old Santa Cruz girl overdoses on Fentanyl, after buying drug](#)

Sacramento

- ['Someone knows something': Sacramento family in mourning after 20-year-old dies of fentanyl poisoning](#)
- [Fentanyl continues to take students' lives in Sacramento. Here's how parents and schools are responding.](#)

Los Angeles

- [Teen died from fentanyl in school bathroom as mom begged staff to find her](#)

- [L.A. riders bail on Metro trains amid 'horror' of deadly drug overdoses, crime](#)
- [10 Los Angeles middle schoolers treated for suspected overdoses](#)

Hollywood

[7th LAUSD teen overdoses from possible fentanyl-laced pills](#)

Gilroy

[3 dead, 1 hospitalized in suspected fentanyl overdose in Gilroy: sheriff](#)

Riverside

[Woman died from fentanyl overdose while at Riverside County sobering center, according to lawsuit](#)

Bakersfield

- [Reports detail toddler's fentanyl overdose; parents admit smoking drug every 7 hours](#)
- [North HS parents, administrators concerned over social media reports of fentanyl overdoses](#)

Fresno

['If she could save one life': Legacy for CA fentanyl victim who died before high school graduation](#)

Moreno Valley

[Man dead, 2 women hospitalized after possibly ingesting fentanyl at Moreno Valley hotel](#)

Orange County

[Startling increase found in deaths of Orange County homeless people. Drugs are the main cause](#)

Placer County/Roseville

[Video shows alleged fentanyl sale and overdose minutes later in Placer County](#)

Santa Clarita

[Possible fentanyl overdose in Santa Clarita sends junior high student to hospital](#)

Kern County/Ridgecrest

[Fentanyl overdoses on the rise in the community](#)

Riverbank

[18-month-old dies of a fentanyl overdose in Riverbank; mother and boyfriend arrested](#)

San Luis Obispo

[California mother charged after 3-year-old son dies of fentanyl overdose](#)

San Bernardino County/Victorville

[18-year-old charged with murder in teen's fentanyl overdose death in San Bernardino County](#)

Livermore

[23-month-old dies from fentanyl overdose, California cops say. Now dad is arrested](#)

Bay Area/Los Gatos

- ['We are not trying to scare you.' In California, fentanyl now behind 1 out of every 5 youth deaths](#)
- [Fentanyl-fueled overdose deaths are spiking in these Bay Area ZIP codes](#)

Butte County

[2-year-old overdoses on fentanyl, parents arrested in Northern California](#)

Upland

[Upland High student dies from fentanyl overdose](#)

Yuba County

[Man charged with murder for in-custody fentanyl overdose](#)

Milpitas

[13 inmates overdose on fentanyl in Milpitas jail in one week](#)

Statewide

['One pill can kill': Tragic teen deaths spur California schools to finally battle fentanyl crisis](#)

April 27, 2023

The Honorable Reginald Jones-Sawyer
Chair, Assembly Public Safety Committee
1020 N Street, Room 111
Sacramento, CA 95814

RE: Support of Fentanyl and Substance Use Related Legislation

Dear Assembly Member Jones-Sawyer,

The City of Morgan Hill is encouraged that the Assembly Public Safety Committee will be considering a slate of bills that could help save countless lives throughout our state. The City of Morgan Hill supports several critically needed fentanyl and substance use-related pieces of legislation. These measures would stem the tide of illicit substance-related deaths in California and bring relief to the many communities mourning tragic, preventable deaths.

According to the Centers for Disease Control and Prevention, 71,000 people died from synthetic opioid-related overdose in the United States in 2021, of which, 7,000 deaths occurred in California. In other words, 1 out of every 10 deaths from synthetic opioids in the United States occurs in California. The increase of drug-related overdose deaths is largely being driven by the increase in synthetic opioid-related deaths, primarily fentanyl.

Local communities experience the realities of the opioid epidemic every day through the increasing toll on families, first responders, educators, child welfare agencies, public safety officials, health professionals, and community organizations, among others. As committed partners in finding solutions to address the growing substance use crisis in our state, the City of Morgan Hill supports the following measures:

Assembly Public Safety Special Hearing on Fentanyl

AB 33 (Bains) Fentanyl Addiction and Overdose Prevention Task Force.

AB 367 (Maienschein) Controlled Substances: Enhancements.

AB 474 (Rodriguez) State Threat Assessment Center: Transnational Criminal Organizations.

AB 955 (Petrie-Norris) Controlled Substances

The City of Morgan Hill has lost seven community members to fentanyl poisoning in the past 3 years. Morgan Hill Police Department has seized over 340 grams of fentanyl and made 9 arrests for possession of fentanyl. These bills provide support to law enforcement seeking justice for families who have lost loved ones by charging and prosecuting those who sell, distribute, furnish, and administer this deadly substance and cause harm.

Now, more than ever, is the time to take action on measures that will preserve human life and improve the safety and well-being of all Californians. For these reasons, the City of Morgan Hill requests your support on these fentanyl related measures.

Sincerely,



Mark Turner
Mayor

cc: Members, Assembly Public Safety Committee
Senator John Laird
Assemblymember Gail Pellerin
Seth Miller, Regional Public Affairs Manager, League of California Cities, smiller@cacities.org
Meg Desmond, League of California Cities, cityletters@cacities.org

AMENDED IN ASSEMBLY MAY 2, 2023

AMENDED IN ASSEMBLY MARCH 9, 2023

AMENDED IN ASSEMBLY MARCH 2, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 33

Introduced by Assembly Member Bains
(Coauthors: Assembly Members *Bryan, Joe Patterson, Waldron,*
~~and Wood~~ *Wood, and Zbur*)

December 5, 2022

An act to add and repeal Section 11455 of the Health and Safety Code, relating to controlled substances.

LEGISLATIVE COUNSEL'S DIGEST

AB 33, as amended, Bains. Fentanyl Addiction and Overdose Prevention Task Force.

Existing law, the California Uniform Controlled Substances Act, classifies controlled substances into 5 schedules and places the greatest restrictions and penalties on the use of those substances placed in Schedule I. The act classifies the drug fentanyl in Schedule II. Existing law prohibits a person from possessing for sale or purchasing for purposes of sale, specified controlled substances, including fentanyl, and provides for imprisonment in a county jail for 2, 3, or 4 years for a violation of this provision.

This bill would establish the Fentanyl Addiction and Overdose Prevention Task Force to undertake various duties relating to fentanyl abuse, including, among others, collecting and organizing data on the nature and extent of fentanyl abuse in California and evaluating approaches to increase public awareness of fentanyl abuse. The bill

would require the task force to be cochaired by the Attorney General and the Surgeon General, or their designees, and would specify the membership of the task force. The bill would require the first meeting of the task force to take place no later than March 1, 2024, and would require the task force to meet at least once every 2 months. The bill would require the task force to submit an interim report to the ~~Attorney General, the Governor, and the Legislature by July~~ *Governor and the Legislature by January 1, 2025*, and would require the task force to report its findings and recommendations to the ~~Attorney General, the Governor, Governor~~ *Governor* and the Legislature by July 1, 2025. The bill would repeal these provisions on January 1, 2026.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11455 is added to the Health and Safety
- 2 Code, to read:
- 3 11455. (a) There is hereby established the Fentanyl Addiction
- 4 and Overdose Prevention Task Force to do the following, to the
- 5 extent feasible:
- 6 (1) Collect and organize data on the nature and extent of fentanyl
- 7 abuse in California.
- 8 (2) Identify and assess sources and drivers of legal and illicit
- 9 fentanyl activity in California.
- 10 (3) Measure and evaluate the progress and effectiveness of the
- 11 state's education, prevention, treatment, and enforcement efforts
- 12 in preventing fentanyl abuse and death from the intentional use of
- 13 fentanyl or the unintentional use of illicit substances containing
- 14 fentanyl, including the prosecution of persons engaged in the illegal
- 15 manufacture, sale, and trafficking of fentanyl.
- 16 (4) Evaluate approaches to increase public awareness of fentanyl
- 17 abuse.
- 18 (5) Analyze existing statutes for their adequacy in addressing
- 19 fentanyl abuse and, if the analysis determines that those statutes
- 20 are inadequate, recommend revisions to those statutes or the
- 21 enactment of new statutes that specifically define and address
- 22 fentanyl abuse.
- 23 (6) Consult with governmental and nongovernmental
- 24 organizations in developing recommendations to strengthen state

1 and local efforts to prevent fentanyl abuse and death from the
2 intentional use of fentanyl or the unintentional use of illicit
3 substances containing fentanyl, protect and assist persons who
4 misuse fentanyl or other illicit substances that may contain fentanyl,
5 *develop policy recommendations on the implementation of*
6 *evidence-based practices to reduce fentanyl overdoses*, and
7 prosecute individuals engaged in the illegal manufacture, sale, and
8 trafficking of fentanyl.

9 (7) Develop model treatment protocols for medication-assisted
10 treatment (MAT) of fentanyl addiction and abuse, including, but
11 not limited to, the prescription of buprenorphine and other
12 medications.

13 (8) Recommend strategies to increase the ability and willingness
14 of the medical community to treat fentanyl addiction and abuse,
15 including identifying barriers to accessing medical care, biases
16 within the medical community against people ~~addicted to fentanyl~~
17 ~~and other illicit substances that may contain fentanyl~~, *who misuse*
18 *fentanyl or other illicit substances that may contain fentanyl*, and
19 legal, regulatory, and practical hurdles in the delivery of MAT,
20 behavioral therapy, and other medical strategies critical in the
21 treatment of fentanyl addiction and ~~abuse~~. *abuse, which may*
22 *include, but are not limited to, overdose prevention centers,*
23 *fentanyl testing strip distribution, and access to overdose reversal*
24 *treatment.*

25 (9) Assess gaps in federal, state, and local resources to address
26 fentanyl addiction and abuse.

27 (b) The task force shall be cochaired by the Attorney General
28 and the Surgeon General or their designees. The Department of
29 Justice and the Office of the Surgeon General shall provide staff
30 and support for the task force, to the extent that resources are
31 available.

32 (c) The members of the task force shall serve at the pleasure of
33 the respective appointing authority. Reimbursement of necessary
34 expenses may be provided at the discretion of the respective
35 appointing authority or agency participating in the task force. The
36 task force shall be comprised of the following representatives or
37 their designees:

38 (1) The Attorney General.

39 (2) The Surgeon General.

40 (3) The Director of the State Department of Public Health.

- 1 (4) The Director of the State Department of Health Care
2 Services.
3 (5) *The Director of the State Department of Social Services.*
4 (6) *The Director of the California Health and Human Services*
5 *Agency.*
6 ~~(5)~~
7 (7) One Member of the Senate, appointed by the Senate Rules
8 Committee.
9 ~~(6)~~
10 (8) One Member of the Assembly, appointed by the Speaker of
11 the Assembly.
12 (9) *The Chairperson of the Judicial Council.*
13 ~~(7)~~
14 (10) One representative from the California District Attorneys
15 Association.
16 (11) *One representative from the California Public Defenders*
17 *Association.*
18 ~~(8)~~
19 (12) One representative from the State Department of Education.
20 ~~(9)~~
21 (13) One representative from the California Hospital
22 Association.
23 ~~(10)~~
24 (14) One representative from the California Medical Association.
25 (15) *One representative from the County Health Executives*
26 *Association of California.*
27 (16) *One representative from the County Behavioral Health*
28 *Directors Association.*
29 (17) *One representative from a local health department,*
30 *appointed by the Governor.*
31 ~~(11)~~
32 (18) Three representatives of law enforcement, one selected by
33 the California State Sheriffs' Association, one selected by the
34 California Police Chiefs Association, and one selected by the
35 Department of the California Highway Patrol.
36 ~~(12)~~
37 (19) One representative from the California Society of Addiction
38 ~~Medicine.~~ *Medicine who is a mental health professional.*

1 ~~(13) Two representatives from community organizations that~~
2 ~~serve persons who misuse fentanyl and other illicit substances that~~
3 ~~may contain fentanyl, appointed by the Governor.~~

4 *(20) One representative who is in recovery from fentanyl or*
5 *opioid abuse, appointed by the Governor.*

6 ~~(14)~~

7 *(21) One representative from a federally qualified health center,*
8 *appointed by the Governor.*

9 *(22) One representative from an organization that provides*
10 *services to homeless individuals, one representative from an*
11 *organization that provides services to individuals with substance*
12 *use disorders, and one representative from an organization that*
13 *serves persons who misuse fentanyl or other illicit substances that*
14 *may contain fentanyl, appointed by the Governor.*

15 *(23) One representative from an organization that provides*
16 *services to youths relating to substance abuse.*

17 (d) Whenever possible, members of the task force shall have
18 experience providing services to persons who misuse fentanyl or
19 other illicit substances that may contain fentanyl or have knowledge
20 of fentanyl abuse issues.

21 (e) The task force shall meet at least once every two months.
22 Subcommittees may be formed and meet as necessary. All meetings
23 shall be open to the public. The first meeting of the task force shall
24 be held no later than March 1, 2024.

25 (f) (1) On or before July 1, 2025, the task force shall report its
26 findings and recommendations to the ~~Governor, the Attorney~~
27 ~~General,~~ Governor and the Legislature. At the request of any
28 member, the report may include minority findings and
29 recommendations.

30 (2) On or before January 1, 2025, the task force shall submit an
31 interim report to the ~~Governor, the Attorney General,~~ Governor
32 and the Legislature.

33 (3) A report to be submitted pursuant to this subdivision shall
34 be submitted in compliance with Section 9795 of the Government
35 Code.

36 (g) For the purposes of this section, “fentanyl abuse” means the
37 use of fentanyl or products containing fentanyl in a manner or with
38 a frequency that negatively impacts one or more areas of physical,
39 mental, or emotional health.

- 1 (h) This section shall remain in effect only until January 1, 2026,
- 2 and as of that date is repealed.

O

AMENDED IN ASSEMBLY MARCH 22, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 367

Introduced by Assembly Member Maienschein

February 1, 2023

An act to ~~amend~~ *amend, repeal, and add* Section 12022.7 of the Penal Code, relating to controlled substances.

LEGISLATIVE COUNSEL’S DIGEST

AB 367, as amended, Maienschein. Controlled substances: enhancements.

Existing law imposes an additional and consecutive 3- or 5-year term in the state prison on a person who personally inflicts great bodily injury on a person in the commission of a felony, as specified.

~~This bill, until January 1, 2029, would state that, for purposes of the this enhancement, a person inflicts great bodily injury when they sell, furnish, administer, or give away a controlled substance fentanyl or an analog of fentanyl and the person to whom the substance was sold, furnished, administered, or given suffers a significant or substantial physical injury from using the substance. The bill would specify that this provision does not apply to juvenile offenders.~~ By expanding the scope of an existing crime, this bill would impose a state-mandated local program.

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 is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12022.7 of the Penal Code is amended
2 to read:
3 12022.7. (a) A person who personally inflicts great bodily
4 injury on ~~any~~ a person other than an accomplice in the commission
5 of a felony or attempted felony shall be punished by an additional
6 and consecutive term of imprisonment in the state prison for three
7 years.
8 (b) (1) A person who personally inflicts great bodily injury on
9 ~~any~~ a person other than an accomplice in the commission of a
10 felony or attempted felony ~~which~~ *that* causes the victim to become
11 comatose due to brain injury or to suffer paralysis of a permanent
12 nature shall be punished by an additional and consecutive term of
13 imprisonment in the state prison for five years. ~~As~~
14 (2) As used in this subdivision, “paralysis” means a major or
15 complete loss of motor function resulting from injury to the nervous
16 system or to a muscular mechanism.
17 (c) A person who personally inflicts great bodily injury on a
18 person who is 70 years of age or older, other than an accomplice,
19 in the commission of a felony or attempted felony shall be punished
20 by an additional and consecutive term of imprisonment in the state
21 prison for five years.
22 (d) A person who personally inflicts great bodily injury on a
23 child under the age of five years in the commission of a felony or
24 attempted felony shall be punished by an additional and
25 consecutive term of imprisonment in the state prison for four, five,
26 or six years.
27 (e) (1) A person who personally inflicts great bodily injury
28 under circumstances involving domestic violence in the
29 commission of a felony or attempted felony shall be punished by
30 an additional and consecutive term of imprisonment in the state
31 prison for three, four, or five years. ~~As~~
32 (2) As used in this subdivision, “domestic violence” has the
33 meaning provided in subdivision (b) of Section 13700.
34 (f) (1) As used in this section, “great bodily injury” means a
35 significant or substantial physical injury.

1 (2) (A) As used in this section, a person who sells, furnishes,
2 administers, or gives away ~~a controlled substance~~ *fentanyl or an*
3 *analog of fentanyl* personally inflicts great bodily injury when the
4 person to whom the substance was sold, furnished, administered,
5 or given suffers a significant or substantial physical injury from
6 using the substance.

7 (B) *This paragraph does not apply to juvenile offenders.*

8 (g) (1) This section ~~shall~~ does not apply to murder or
9 manslaughter or a violation of Section 451 or 452. ~~Subdivisions~~

10 (2) ~~Subdivisions~~ (a), (b), (c), and (d) ~~shall~~ do not apply if
11 infliction of great bodily injury is an element of the offense.

12 (h) The court shall impose the additional terms of imprisonment
13 under ~~either~~ subdivision (a), (b), (c), or ~~(d)~~; (d) but may not impose
14 more than one of those terms for the same offense.

15 (i) *This section shall remain in effect only until January 1, 2029,*
16 *and as of that date is repealed.*

17 SEC. 2. Section 12022.7 is added to the Penal Code, to read:

18 12022.7. (a) A person who personally inflicts great bodily
19 injury on a person other than an accomplice in the commission of
20 a felony or attempted felony shall be punished by an additional
21 and consecutive term of imprisonment in the state prison for three
22 years.

23 (b) (1) A person who personally inflicts great bodily injury on
24 a person other than an accomplice in the commission of a felony
25 or attempted felony that causes the victim to become comatose due
26 to brain injury or to suffer paralysis of a permanent nature shall
27 be punished by an additional and consecutive term of imprisonment
28 in the state prison for five years.

29 (2) As used in this subdivision, “paralysis” means a major or
30 complete loss of motor function resulting from injury to the nervous
31 system or to a muscular mechanism.

32 (c) A person who personally inflicts great bodily injury on a
33 person who is 70 years of age or older, other than an accomplice,
34 in the commission of a felony or attempted felony shall be punished
35 by an additional and consecutive term of imprisonment in the state
36 prison for five years.

37 (d) A person who personally inflicts great bodily injury on a
38 child under the age of five years in the commission of a felony or
39 attempted felony shall be punished by an additional and

1 consecutive term of imprisonment in the state prison for four, five,
2 or six years.

3 (e) (1) A person who personally inflicts great bodily injury
4 under circumstances involving domestic violence in the commission
5 of a felony or attempted felony shall be punished by an additional
6 and consecutive term of imprisonment in the state prison for three,
7 four, or five years.

8 (2) As used in this subdivision, “domestic violence” has the
9 meaning provided in subdivision (b) of Section 13700.

10 (f) As used in this section, “great bodily injury” means a
11 significant or substantial physical injury.

12 (g) (1) This section does not apply to murder or manslaughter
13 or a violation of Section 451 or 452.

14 (2) Subdivisions (a), (b), (c), and (d) do not apply if infliction
15 of great bodily injury is an element of the offense.

16 (h) The court shall impose the additional terms of imprisonment
17 under subdivision (a), (b), (c), or (d) but may not impose more
18 than one of those terms for the same offense.

19 (i) This section shall become operative on January 1, 2029.

20 ~~SEC. 2.~~

21 SEC. 3. No reimbursement is required by this act pursuant to
22 Section 6 of Article XIII B of the California Constitution because
23 the only costs that may be incurred by a local agency or school
24 district will be incurred because this act creates a new crime or
25 infraction, eliminates a crime or infraction, or changes the penalty
26 for a crime or infraction, within the meaning of Section 17556 of
27 the Government Code, or changes the definition of a crime within
28 the meaning of Section 6 of Article XIII B of the California
29 Constitution.

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ASSEMBLY BILL

No. 474

**Introduced by Assembly Member Rodriguez
(Coauthor: Assembly Member Waldron)**

February 7, 2023

An act to add Section 8685.11 to the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 474, as introduced, Rodriguez. State Threat Assessment Center: transnational criminal organizations.

Existing law, the California Emergency Services Act, creates, within the office of the Governor, the Office of Emergency Services, which is responsible for addressing natural, technological, or human-caused disasters and emergencies, including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property.

This bill would find and declare that the State Threat Assessment Center (STAC) serves as California's information-sharing clearinghouse of strategic threat analysis and situational awareness reporting for statewide leadership and the public safety community, as specified, and that the STAC is California's state primary fusion center, as designated by the Governor, and is operated by the Department of the California Highway Patrol, the Office of Emergency Services, and the Department of Justice. The bill would make other findings and declarations related to drug trafficking and transnational criminal organizations.

The bill would require the STAC and the Office of Emergency Services to prioritize, to the greatest extent possible, cooperation with state and local efforts to illuminate, disrupt, degrade, and dismantle

criminal networks trafficking opioid drugs that pose a threat to California. The bill would require the STAC to support state and local interagency task forces to combat illegal opioid trafficking in California, as specified, including preparing and disseminating intelligence products for public safety entities.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The State Threat Assessment Center (STAC) serves as
4 California's information-sharing clearinghouse of strategic threat
5 analysis and situational awareness reporting for statewide
6 leadership and the public safety community in support of efforts
7 to prevent, prepare for, mitigate, and respond to all crimes and
8 hazards impacting California citizens and critical infrastructure
9 while preserving civil liberties, individual privacy, and
10 constitutional rights.

11 (b) The STAC is California's state primary fusion center, as
12 designated by the Governor, and is operated by the Department of
13 the California Highway Patrol, the Office of Emergency Services,
14 and the Department of Justice.

15 (c) Transnational criminal organizations (TCOs) continue to
16 pose a threat to California, public health, and our economic
17 security.

18 (d) According to the United States Department of the Treasury,
19 it is estimated that drug-related crime alone generated over \$100
20 billion in proceeds in the United States.

21 (e) There were 7,175 deaths related to any opioid overdoses in
22 California in 2021, of which 5,961 were related to fentanyl,
23 according to the State Department of Public Health.

24 (f) Mexico-based TCO criminal activity is not limited to drug
25 trafficking, as they engage in a wide variety of other criminal
26 activity. TCOs also facilitated and profited from smuggling
27 migrants into the United States, and their illicit trade activity led
28 to the seizure of over \$2.14 billion in intellectual property
29 violations in federal fiscal year 2021, according to the United States
30 Department of Homeland Security.

1 SEC. 2. Section 8685.11 is added to the Government Code, to
2 read:

3 8685.11. (a) The State Threat Assessment Center with the
4 Office of Emergency Services shall prioritize, to the greatest extent
5 possible, cooperation with state and local efforts to illuminate,
6 disrupt, degrade, and dismantle criminal networks trafficking
7 opioid drugs that pose a threat to California.

8 (b) In carrying out this section, the State Threat Assessment
9 Center shall support state and local interagency task forces
10 established to combat illegal opioid trafficking in California.
11 Support provided by the State Threat Assessment Center shall
12 include, but not be limited to, all of the following:

13 (1) Preparing and disseminating intelligence products for public
14 safety entities.

15 (2) Analyzing tactics and trends or transnational criminal
16 organizations operating in California.

17 (3) Sharing information with government decisionmakers and
18 state and local public safety officials regarding the extent to which
19 transnational criminal organizations are trafficking opioids and
20 pose other public safety threats in California.

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AMENDED IN ASSEMBLY MARCH 15, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 955

Introduced by Assembly Member Petrie-Norris

February 14, 2023

~~An act to add Chapter 12.9 (commencing with Section 7080) to Division 2 of Title 1 of the Government Code, relating to state government. An act to add Section 11351.7 to the Health and Safety Code, relating to controlled substances.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 955, as amended, Petrie-Norris. ~~State government: unmanned aircraft systems. Controlled substances.~~

Existing law makes possession of specified controlled substances, including fentanyl, punishable by imprisonment in a county jail not to exceed one year, except as specified. Existing law makes possession of a controlled substance for the purposes of sale of the substance punishable by imprisonment in a county jail for a period of 2, 3, or 4 years.

This bill would make the sale of fentanyl on a social media platform, as defined, in California punishable by imprisonment in a county jail for a period of 3, 6, or 9 years.

By creating a new crime, this bill would impose a state-mandated local program.

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 is required by this act for a specified reason.

~~Existing federal law prohibits recipients of federal funding awards from using or procuring certain covered equipment, systems, or services, as specified. Federal law also requires aircraft, including unmanned aircraft, to be registered as a condition of operation. Federal law also requires persons operating unmanned aircraft for governmental purposes to comply with registration requirements that are applicable to persons operating unmanned aircraft for commercial purposes, or to obtain a certificate of waiver or authorization for a public operator for a specific unmanned aircraft activity, typically granted only to government agencies or other agencies that use unmanned aircraft as part of their routine public operations.~~

~~Existing law authorizes contracting between state agencies and private contractors, and sets forth requirements for the procurement of goods and services by state agencies and the various responsibilities of state agencies and the Department of General Services in implementing state contracting procedures and policies.~~

~~This bill would, on and after January 1, 2025, prohibit state and local agencies, including law enforcement agencies, from purchasing, acquiring, or otherwise using an unmanned aircraft or unmanned aircraft system produced by a manufacturer of covered equipment, systems, or services pursuant to specified federal law.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11351.7 is added to the Health and Safety
- 2 Code, to read:
- 3 11351.7. (a) Except as otherwise provided in this division,
- 4 every person who sells fentanyl on a social media platform in
- 5 California shall be punished by imprisonment pursuant to
- 6 subdivision (h) of Section 1170 of the Penal Code for a period of
- 7 three, six, or nine years.
- 8 (b) For the purposes of this section and Section 11351.9, “social
- 9 media platform” means a public-facing internet website, internet
- 10 application, or mobile internet application, such as a social
- 11 network, search engine, or email service, with at least 30,000,000
- 12 active monthly users in the United States.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SECTION 1. ~~Chapter 12.9 (commencing with Section 7080)~~ is added to Division 2 of Title 1 of the Government Code, to read:

~~CHAPTER 12.9. ACQUISITION AND USE OF UNMANNED
AIRCRAFT~~

~~7080. (a) On and after January 1, 2025, no state or local agency, including any law enforcement agency, shall purchase, acquire, or otherwise use an unmanned aircraft or unmanned aircraft system produced by a manufacturer of covered equipment, systems, or services pursuant to Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115-232).~~

~~(b) For purposes of this section, the following terms have the following meanings:~~

~~(1) "Local agency" has the same meaning as in Section 53510.~~

~~(2) "State agency" has the same meaning as in subdivision (a) of Section 11000.~~

~~(3) "Unmanned aircraft" means an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft, a remote piloted aircraft, or drone.~~

~~(4) "Unmanned aircraft system" means an unmanned aircraft and associated elements, including, but not limited to, communication links and the components that control the unmanned aircraft that are required for the pilot in command to operate safely and efficiently in the national airspace system.~~

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Morgan Hill, CA 95037-4128
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www.morganhill.ca.gov

May 5, 2023

Honorable Corey Jackson
California State Assembly
California State Capitol
Sacramento, CA 95814

RE: Assembly Bill 742 – OPPOSE

Dear Assemblymember Jackson:

On behalf of the City of Morgan Hill, I must inform you of our strong opposition to AB 742, which would prohibit the use of police canines in the apprehension or arrest of a suspect, to bite in any situation, or in any manner of crowd control. In doing so, AB 742 eliminates an irreplaceable law enforcement team member who has been responsible for countless saved lives and de-escalated situations.

It is the canine's innate abilities for hearing and smell that law enforcement relies upon for safety and protection. Scientific research has estimated that a canine's sense of smell is, on average, anywhere between 10,000 and 100,000 times greater than a human's sense of smell. Similarly, a canine's ability to not only hear sounds humans cannot register, but their ability to alert to even the most minor sound within aggregate noise makes them even more critically perceptive. Whether searching for a violent suspect hiding inside a house, or identifying a potential threat down a dark alley, police canines play an exceptional role in protecting their partners and our communities.

Law enforcement has also recognized the power canines possess, and the need to control that force. As such, canine programs go through incredible amounts of ongoing training and review. All actions are overseen and governed by well-established department policies and held accountable by respective local governing bodies and state law. Furthermore, the use of force standards set in statute are applicable in the event of a canine deployment. Fortunately, in many situations, canines assist in de-escalating conflict and prevent force from being necessary.

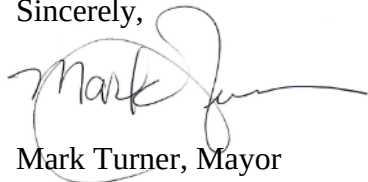
AB 742 will remove an important tool for the City of Morgan Hill Police Department. The Department primarily uses their one (1) K9 as a locating tool. The goal of the dog's deployment is not biting a suspect but to locate those suspects who may be hiding. The dog's presence usually encourages these suspects to surrender and discourages other suspects from fighting or fleeing from officers. The value of the Department's K9 is in reducing the risk to officers at the scene and the community. Without the use of the K9 in this manner, officers will lose a specialized and effective de-escalation tool.

As with other legislation this year, the justification for banning police canines centers on racial bias. California Police Chiefs' Association condemns any and all racial bias, whether in policing or not.

We continue to be a partner in addressing bias directly but stand against proposed laws that eliminate or ban legitimate police operations and/or powers. Working collaboratively, we can continue addressing inequity without jeopardizing public safety through these broad restrictions.

For the reasons outlined above, the City of Morgan Hill strongly opposes AB 742.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Turner", with a stylized flourish extending to the right.

Mark Turner, Mayor

Cc: Senator John Laird

Assemblymember Gail Pellerin

Seth Miller, Regional Public Affairs Manager, League of California Cities, smiller@cacities.org

Meg Desmond, League of California Cities, cityletters@cacities.org

AMENDED IN ASSEMBLY MARCH 15, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 742

Introduced by Assembly Member Jackson
(~~Coauthor: Assembly Member Kalra~~)
(Coauthors: Assembly Members Kalra, Bryan, and Lee)

February 13, 2023

An act to add Section 13653 to the Penal Code, relating to law enforcement.

LEGISLATIVE COUNSEL’S DIGEST

AB 742, as amended, Jackson. Law enforcement: police canines.

Existing law authorizes a peace officer to use reasonable force to effect the arrest, to prevent escape, or to overcome resistance of an individual. Existing law requires law enforcement agencies to maintain a policy on the use of force.

Existing law prohibits the use of kinetic energy projectiles or chemical agents by any law enforcement agency to disperse any assembly, protest, or demonstration, except in compliance with specified standards.

This bill would prohibit the use of an unleashed police canine by law enforcement to apprehend a person, and any use of a police canine for crowd control. The bill would prohibit law enforcement agencies from authorizing any use or training of a police canine that is inconsistent with this bill.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. The Legislature finds and declares the following:~~

2 ~~(a) The use of police canines has been a mainstay in the constant~~
3 ~~dehumanizing, cruel abuse of Black Americans and people of color~~
4 ~~in this country. Be it in response to the Black Lives Matter protests~~
5 ~~over the murder of George Floyd, during the Los Angeles Race~~
6 ~~Riots and the Civil Rights Movement, or by slave catchers, police~~
7 ~~canines are a carryover from a dark past that is not often discussed.~~

8 ~~(b) The use of police canines has serious consequences. Research~~
9 ~~on this topic found that canine bites resulted in hospital visits 67.5~~
10 ~~percent of the time, while other uses of force, including batons~~
11 ~~and tasers, resulted in hospital visits 22 percent of the time or less.~~
12 ~~Research has also found cases of permanent physical disfigurement~~
13 ~~and injuries to bones, blood vessels, nerves, breasts, testicles, faces,~~
14 ~~noses, and eyes, sometimes causing blindness, as a result of canine~~
15 ~~bites. Based on these findings, the researchers stated that canine~~
16 ~~bites should be considered a level of force immediately below~~
17 ~~deadly force. They equated a police canine bite to an officer~~
18 ~~swinging a baton with three-centimeter spikes attached.~~

19 ~~(c) The use of police canines mirrors other biases in use of force~~
20 ~~by police. Per the Department of Justice Use of Force data from~~
21 ~~2016 to 2019, inclusive, Black people are 3.5 times more likely~~
22 ~~than any other group to be subjected to use of force due to police~~
23 ~~canine use, with Hispanic people being the second most likely~~
24 ~~compared to cases involving White people at six per one million~~
25 ~~people.~~

26 ~~SECTION 1. (a) The use of police canines has been a mainstay~~
27 ~~in this country's dehumanizing, cruel, and violent abuse of Black~~
28 ~~Americans and people of color for centuries. First used by slave~~
29 ~~catchers, police canines are a violent carry-over from America's~~
30 ~~dark past. In recent decades, they have been used in brutal attempts~~
31 ~~to quell the Civil Rights Movement, the LA Race Riots, and in~~
32 ~~response to Black Lives Matter protests. The use of police canines~~
33 ~~make people fear and further distrust the police, resulting in less~~
34 ~~safety and security for all, especially for communities of color.~~

35 ~~(b) The use of police canines has severe and potentially deadly~~
36 ~~consequences for bite victims. In a Police Assessment Resource~~
37 ~~Center study of police canine bites, researchers found that bites~~
38 ~~resulted in hospital visits 67.5 percent of the time. In contrast,~~

1 other uses of force, including batons and tasers, resulted in hospital
2 visits 22 percent of the time or less. These same researchers found
3 that police canine bites led to permanent physical disfigurement
4 and injuries to bones, blood vessels, nerves, breasts, testicles,
5 faces, noses, and eyes, sometimes causing blindness.

6 (c) Per the California Department of Justice Use of Force data
7 from 2021, injuries caused by police canines accounted for nearly
8 12 percent of cases that resulted in severe injury or death. Of these
9 cases, Black people are more than two times more likely than any
10 other group to be subjected to this use of force.

11 SEC. 2. Section 13653 is added to the Penal Code, to read:

12 13653. (a) It is the intent of the Legislature to prevent the use
13 of police canines for the purpose of arrest, apprehension, or any
14 form of crowd control.

15 (b) A peace officer shall not use an unleashed police canine to
16 arrest or apprehend a person.

17 (c) A police canine shall not be used for crowd control at any
18 assembly, protest, or demonstration.

19 (d) A police canine shall not be used in any circumstance to
20 bite.

21 (e) A law enforcement agency shall not authorize any use or
22 training of a police canine that is inconsistent with this section.

23 (f) This section shall not be interpreted as to prevent the use of
24 police canines by law enforcement for purposes of search and
25 rescue, explosives detection, and narcotics detection that do not
26 involve biting.

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28
29 REVISIONS:

30 Heading—Line 2.
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CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Dat Nguyen, Finance Director

APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE AND APRIL 2023 FINANCIAL AND INVESTMENT REPORTS

RECOMMENDATION(S)

Accept and file report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

2022-2023 Strategic Priorities

Fiscal Sustainability

Community Outreach, Engagement, and Messaging

REPORT NARRATIVE:

As part of the City Council's expectation to maintain a high level of transparency and to be responsible stewards of public funds, staff is providing this monthly budget update, along with the April 2023 financial and investment reports.

April 2023 Financial Report

The Revenue and Expense Summary through April 2023 is included on the first page of the monthly financial report. Overall, General Fund revenues total \$37.2 million or about 74% of the budget. Expenditures, including encumbrances, amounted to \$45.7 million or 79% of the budget, compared to prior year to date expenditures, including encumbrances, of \$39.0 million. This represents an increase of \$6.7 million in total year to date expenditures, including encumbrances, compared to the prior year to date. Excluding the encumbrances, year to date expenditures increased by about \$5.7 million mainly due to new programs launched this year, such as Innovative Transit and County Solid Waste Program, gradual recovery in Recreation Services, as well as additional staffing programmed in the current year along with better staff recruitment and retention efforts citywide.

Budget Update

There has been no material change to the City's revenue since the last budget update to the Council on May 3, 2023. Recreation Services revenues continue to recover from

the pandemic and are on target with budget. For water revenue, Morgan Hill residents consumed about 17% less water through April compared to the prior three-year average. As such, the 15% revenue stabilization water rate has been implemented.

Water Production Cost Pass-through

On May 16, 2023, the Valley Water Board approved the groundwater production charges for fiscal year 2023-24, which increases the City's ground production cost by about 8% from the current year. This is compared to the 6.6% increase projected in the City's most recent rate study. As a result, the City will pass through this higher water production cost to the customers. Customers will see a pass-through cost of \$0.02 per hundred cubic feet (hcf) or unit beginning with the August 2023 bill for July 2023 consumption. An average homeowner that uses 14 hcf or unit per month would see a pass-through cost of \$0.28/month.

COMMUNITY ENGAGEMENT:

Inform

Finance staff prepares these financial reports to inform City officials, the Council, the community, and various lenders and stakeholders about the financial health of the organization, which assists each one of the interested parties in making sound financial and investment decisions.

ALTERNATIVE ACTIONS:

No alternative action is recommended, as this is a monthly financial report on City transactions which have already occurred.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council receives and files the financial and investment report for each month. At the September 16, 2015 meeting, City Council recommended monthly financial and investment reports be agendaized under the Consent Agenda, and quarterly financial and investment reports be presented to City Council as an "Other Business" item.

FISCAL AND RESOURCE IMPACT:

The preparation of the report is a part of the Finance workplan.

CEQA (California Environmental Quality Act):

Not a Project

This report is not a project, as defined in Section 15378 of the State CEQA Guidelines. Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL
Monthly Financial and Investment Reports
April 30, 2023 - 83% of Year Complete



CITY OF MORGAN HILL

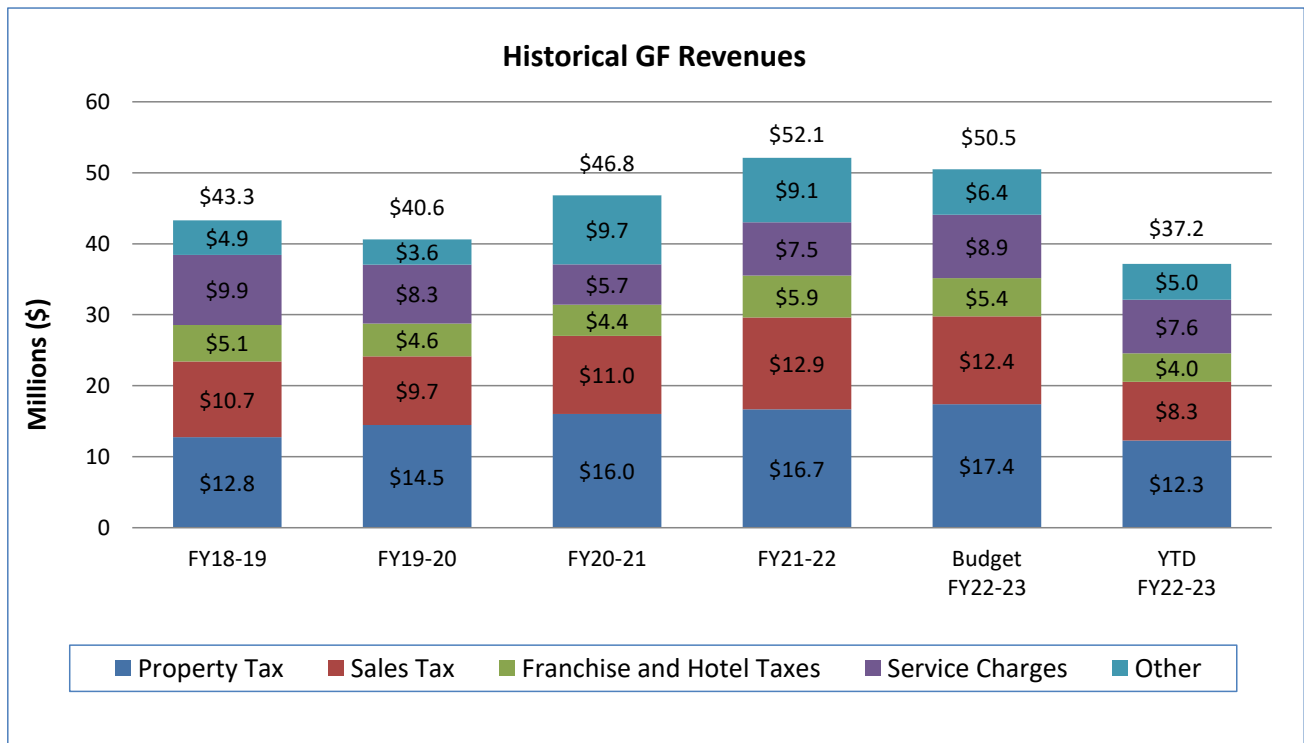
Prepared by:
FINANCE DEPARTMENT



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2022-23
FOR THE MONTH ENDED APRIL 2023 – 83% OF YEAR COMPLETE

- **General Fund** – Revenues through April totaled \$37.2 million, or about 74% of the budgeted revenues. For the property tax revenue, the County estimated the City will receive approximately \$17.9 million for the current fiscal year versus \$17.4 million budgeted. As for sales tax, HdL, the City's sales tax consultant raised the City's current fiscal year sales tax revenue estimate to \$12.5 million, an increase of approximately \$0.5 million from the prior estimate in its most recent projection.

The chart below shows historical General Fund revenues by major revenue category from FY18-19 through FY21-22 Actual, FY22-23 Budget, and YTD as of April 30, 2023.



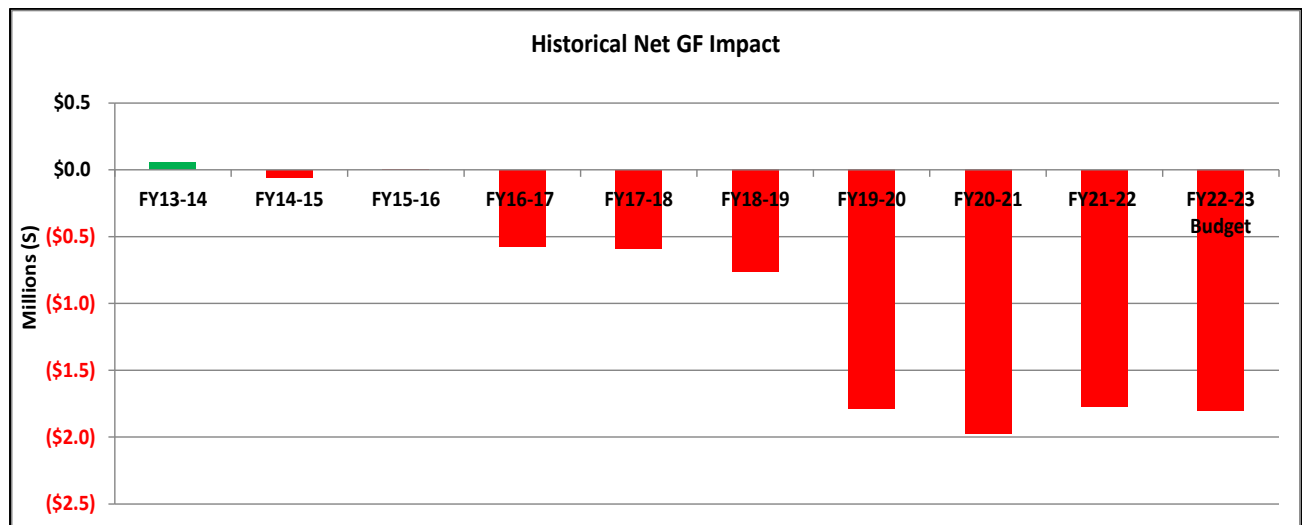
General Fund expenditures and encumbrances as of April 30, 2023 totaled \$45.7 million, of which approximately \$2.4 million is attributable to outstanding encumbrances, compared to prior year to date expenditures, including encumbrances, of \$39.0 million. This represents an increase of \$6.7 million in total year to date expenditures, including encumbrances, compared to the prior year to date. Excluding the encumbrances, year to date expenditures increased by about \$5.7 million mainly due to new programs launched this year, such as Innovative Transit and County Solid Waste Program, gradual recovery in Recreation Services, as well as additional staffing programmed in the current year along with better staff recruitment and retention efforts citywide.

- **Community Services** – The Community Services Department’s recreation operations, as reflected in the schedule presented on page 7 of the Monthly Financial and Investments Reports, shows a negative impact to the General Fund of approximately \$1.2 million as of April 30, 2023. Recreation Services revenues continue to recover from the pandemic and are on target with budget.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2022-23
FOR THE MONTH ENDED APRIL 2023 – 83% OF YEAR COMPLETE

The chart below shows the historical net impact of Recreation Operations to the general fund.



Due to longstanding governmental accounting and budgeting convention, the City’s recreation operations are not charged for indirect costs (known in Morgan Hill as “General Fund Administration”) from the central services departments of City Attorney, City Manager, and Administrative Services. The City’s other governmental funds, such as Development Services, and the proprietary funds, such as Water and Wastewater, and the Information Services Fund, are assessed such charges through the City’s indirect cost allocation plan, prepared in compliance with the guidelines set forth in the Code of Federal Regulations Title 2, Chapter II, Part 200 (formerly OMB Circular No. A-87), which mandates certain calculation and cost allocation practices that must be followed in order to qualify for Federal grant funding, but which also represent best practice for non-grant funded City operations like utilities and information services.

- **Development Services Fund** – Revenues through April totaled \$5.1 million compared to prior year to date amount of approximately \$4.4 million, partially due to a result of the fees increase approved by the City Council on January 19, 2022. Expenditures, including encumbrances, totaled \$4.9 million.
- **Debt Service Funds** – Expenditures through April totaled \$0.7 million. The debt service for the first half of the year includes both interest and principal, while the second half of the year will include interest only. Debt service payments were all scheduled when the bonds were issued and are budgeted for in the months delineated in the underlying bond documents. The General Fund’s portion of the annual debt service payments is approximately \$200,000, less than one percent of the General Fund’s budgeted revenues.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2022-23
FOR THE MONTH ENDED APRIL 2023 – 83% OF YEAR COMPLETE

- **Wastewater Operations** – Revenues from Sewer Operations through April totaled \$11.5 million. Expenditures and outstanding encumbrances totaled \$13.4 million or 82% of the budget. The table below shows historical Sewer Operations revenues and expenditures from FY18-19 through FY21-22 Actual, FY22-23 Budget, and YTD as of April 30, 2023.

(amount in millions)	FY18-19	FY19-20	FY20-21	FY21-22	Budget FY22-23	YTD FY22-23
Revenues	11.4	11.9	13.3	14.9	14.8	11.5
Expenditures	11.4	12.3	13.3	14.8	16.3	13.4
Operating Margin	-	(0.4)	-	0.1	(1.5)	(1.9)
Operating Margin without Encumbrances	0.4	(0.1)	-	0.1	(1.5)	(1.8)

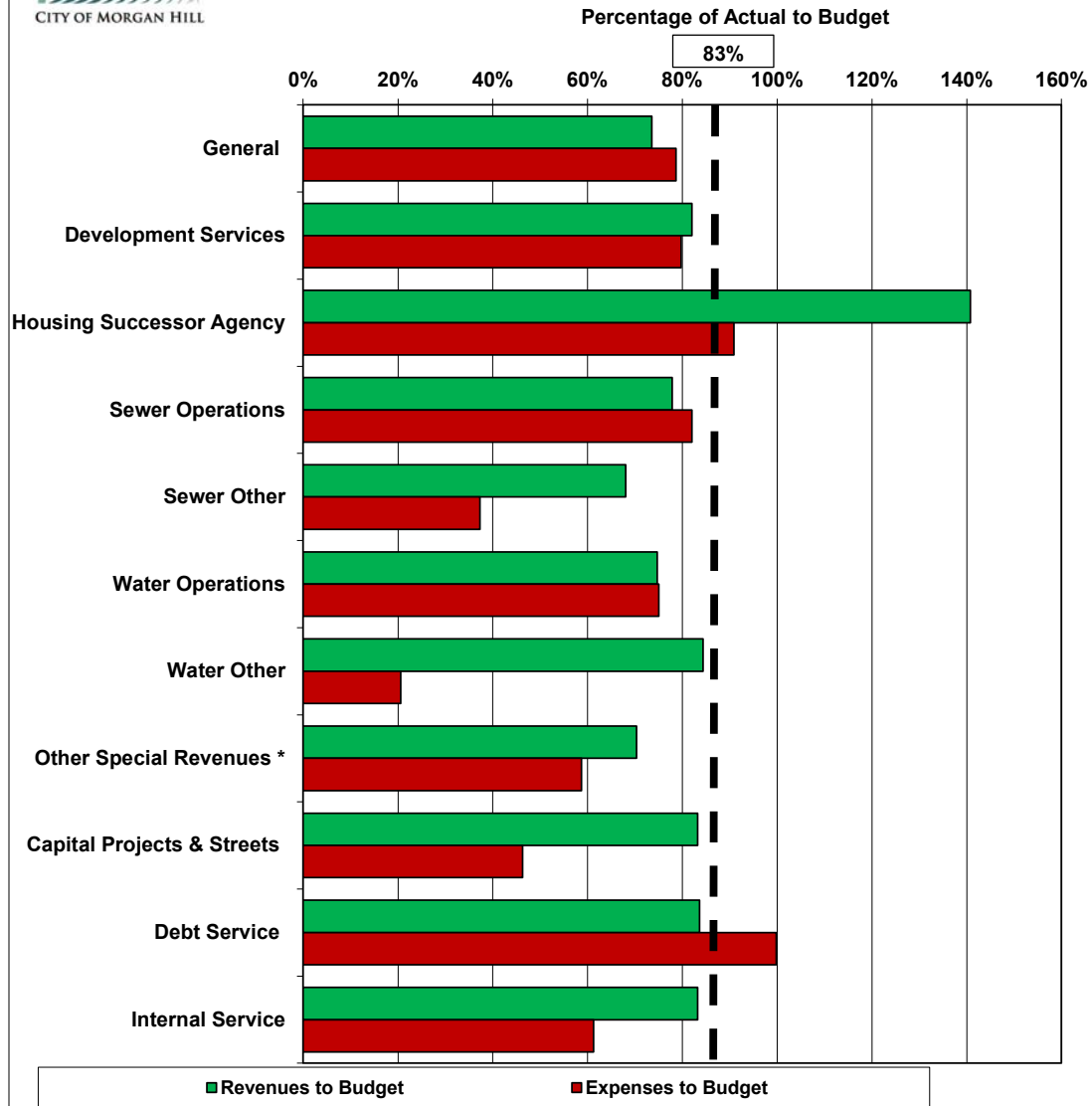
- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues from Water Operations through April totaled \$13.2 million. Water Operations expenditures, including outstanding encumbrances, totaled \$13.2 million. Morgan Hill residents consumed about 17% less water through April compared to the prior three-year average. As such, the 15% revenue stabilization water rate has been implemented. The table below shows Water Operations revenues and expenditures from FY18-19 through FY21-22 Actual, FY22-23 Budget, and YTD as of April 30, 2023.

(amount in millions)	FY18-19	FY19-20	FY20-21	FY21-22	Budget FY22-23	YTD FY22-23
Revenues	14.2	15.3	16.5	16.0	17.6	13.2
Expenditures	14.3	16.4	16.5	15.2	17.6	13.2
Operating Margin	(0.1)	(1.1)	-	0.8	-	-
Operating Margin without Encumbrances	0.8	(0.1)	-	0.8	-	0.6

- **Investments** – Two securities were called, and five new securities, including one CD at the FDIC insured amount of \$250,000, were purchased. Total interest earnings received on investments were \$121,000 during the month.



Morgan Hill YTD Revenue & Expense Summary April 30, 2023 - 83% of Year Complete



FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 37,165,324	74%	\$ 45,728,176	79%
Development Services	5,067,176	82%	4,888,529	80%
Housing Successor Agency	328,856	141%	1,039,109	91%
Sewer Operations	11,486,554	78%	13,366,540	82%
Sewer Other	16,655,314	68%	20,845,589	37%
Water Operations	13,179,308	75%	13,227,453	75%
Water Other	5,120,377	84%	1,340,014	21%
Other Special Revenues *	3,599,840	70%	3,935,384	59%
Capital Projects & Streets	20,322,569	83%	24,694,089	46%
Debt Service	568,411	84%	678,456	100%
Internal Service	10,348,390	83%	8,936,699	61%
TOTAL FOR ALL FUNDS	\$ 123,842,120	76%	\$ 138,680,038	59%

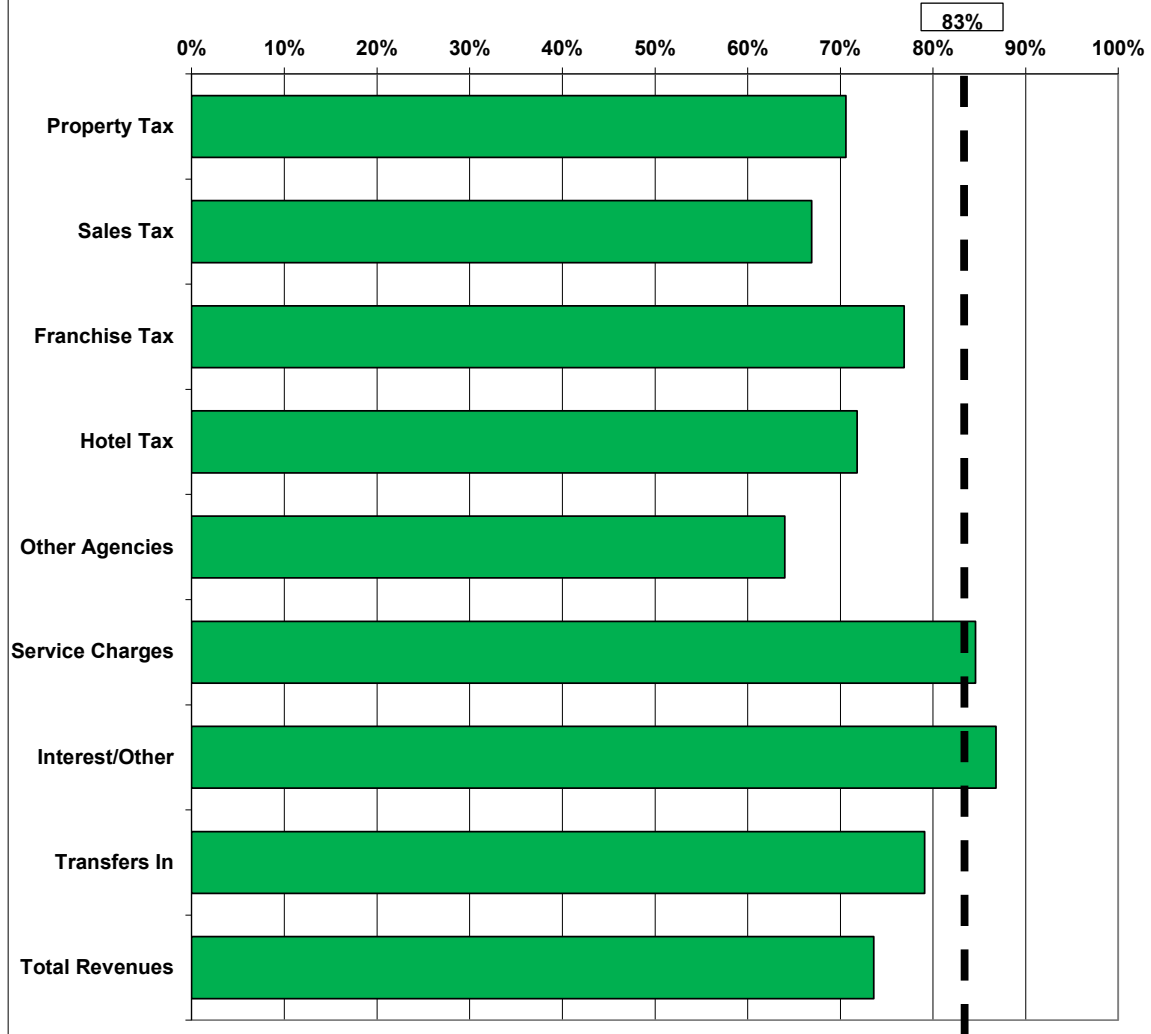
* Includes all Special Revenue Funds except Development Services Fund, Street Funds, and Housing Successor Agency.



Morgan Hill YTD General Fund Revenues

April 30, 2023 - 83% of Year Complete

Percent of Actual to Budget



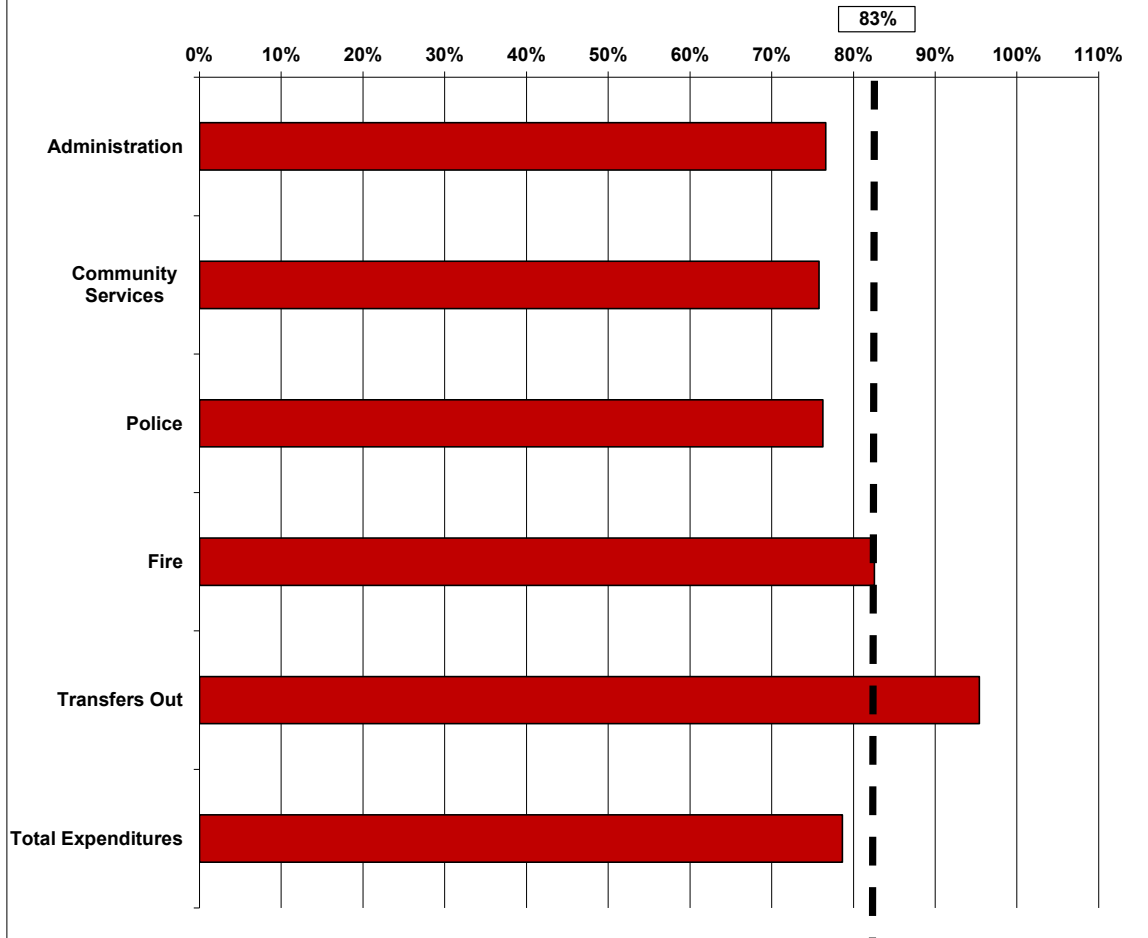
REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$ 17,383,705	\$ 12,272,713	71%	\$ 11,227,908	9%
Sales Tax	12,395,413	8,292,537	67%	8,584,405	-3%
Franchise Tax	2,760,000	2,122,276	77%	1,972,454	8%
Hotel Tax	2,600,000	1,866,193	72%	1,710,484	9%
Other Agencies	1,304,130	834,554	64%	452,295	85%
Service Charges	8,942,658	7,569,276	85%	6,355,262	19%
Interest/Other	1,980,126	1,719,395	87%	1,700,240	1%
Transfers In	3,145,538	2,488,380	79%	2,065,154	20%
TOTAL REVENUES	\$ 50,511,570	\$ 37,165,324	74%	\$ 34,068,201	9%



Morgan Hill YTD General Fund Expenditures

April 30, 2023 - 83% of Year Complete

Percent of Actual to Budget



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 6,720,240	\$ 5,149,465	77%	\$ 3,959,756	30%
Community Services	16,221,529	12,293,922	76%	10,367,667	19%
Police	21,908,484	16,708,481	76%	15,029,605	11%
Fire	8,653,847	7,143,546	83%	6,223,729	15%
Transfers Out	4,647,315	4,432,762	95%	3,377,802	31%
TOTAL EXPENDITURES	\$ 58,151,414	\$ 45,728,176	79%	\$ 38,958,559	17%

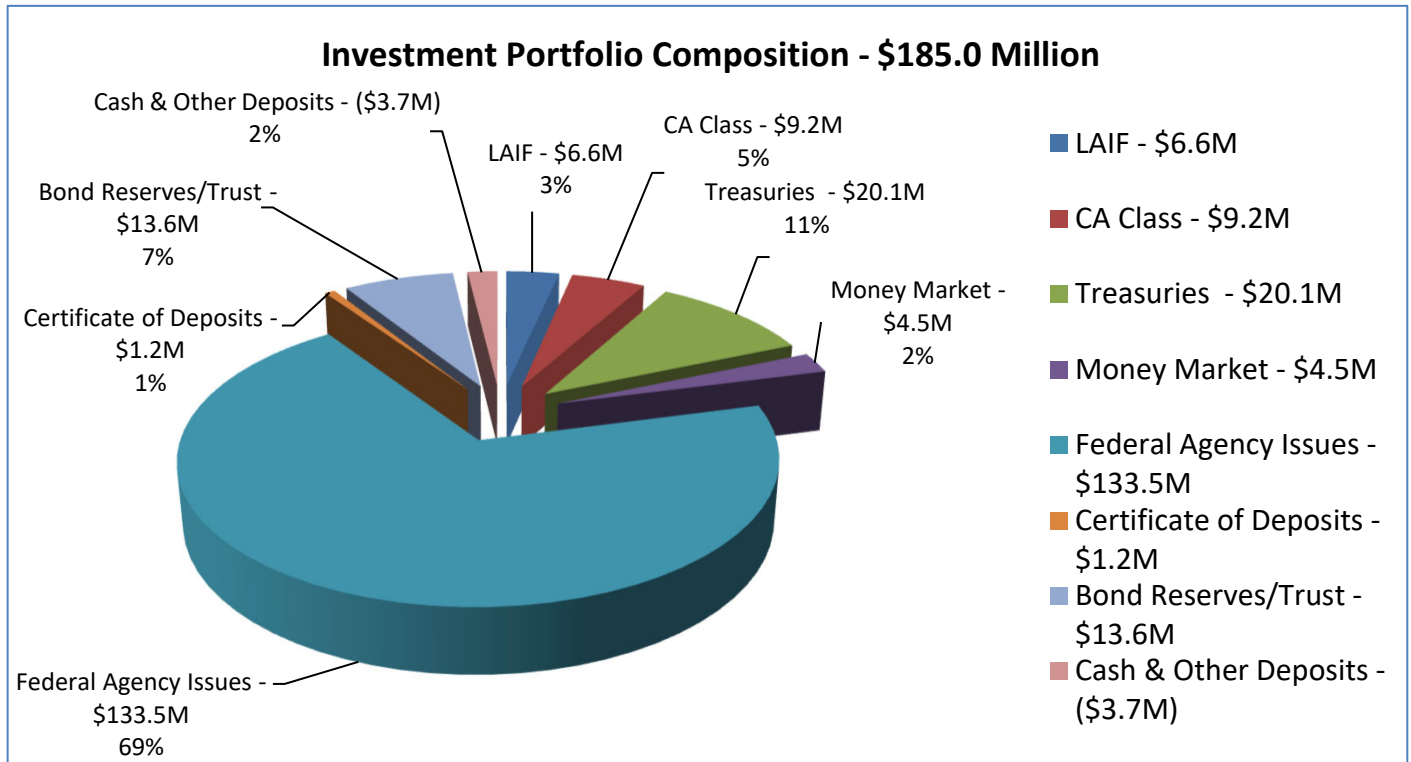


City of Morgan Hill
Recreation Report - Fiscal Year 2022-23
For the Month Ended April 30, 2023
83% of Year Complete

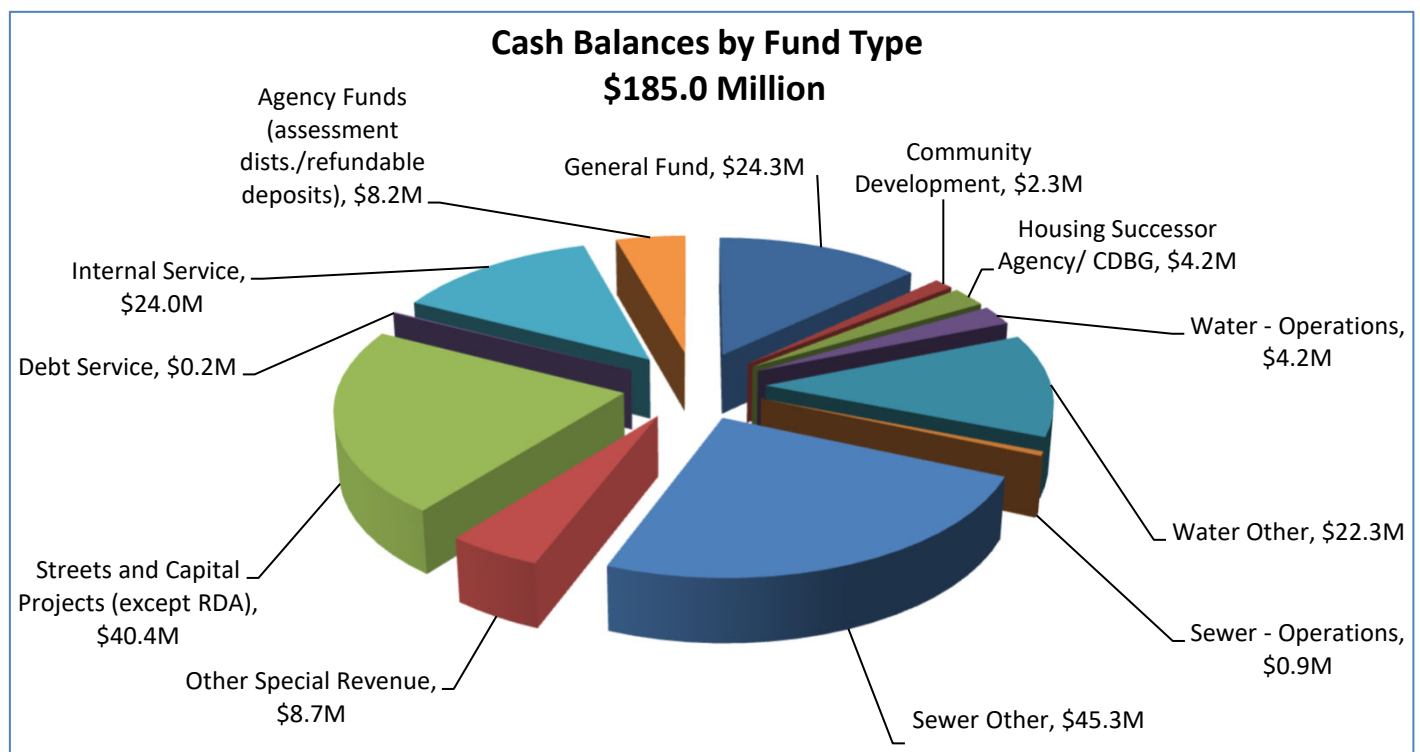
	<u>Budget</u>	<u>April 2023</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 5,136,869	\$ 425,165	\$ 4,324,888	
Facility Rentals	819,459	107,863	1,033,791	
Community Services	127,498	2,669	49,485	
Transfers in	75,000	6,250	62,500	
Total Revenues	<u>\$ 6,158,826</u>	<u>\$ 541,948</u>	<u>\$ 5,470,664</u>	89%
Less: Expenditures				
Membership & Program Services	\$ 6,772,195	\$ 364,890	\$ 5,130,546	
Facility Rentals	546,870	31,279	390,214	
Community Services	644,107	37,318	462,360	
Total Expenditures	<u>\$ 7,963,173</u>	<u>\$ 433,485</u>	<u>\$ 5,983,119</u>	75%
Net Impact without encumbrances	<u>\$ (1,804,347)</u>	<u>\$ 108,462</u>	<u>\$ (512,455)</u>	
Encumbrances	-	-	668,177	
Net Impact with encumbrances	<u>\$ (1,804,347)</u>	<u>\$ 108,462</u>	<u>\$(1,180,632)</u>	

City of Morgan Hill Monthly Investment Report - April 30, 2023

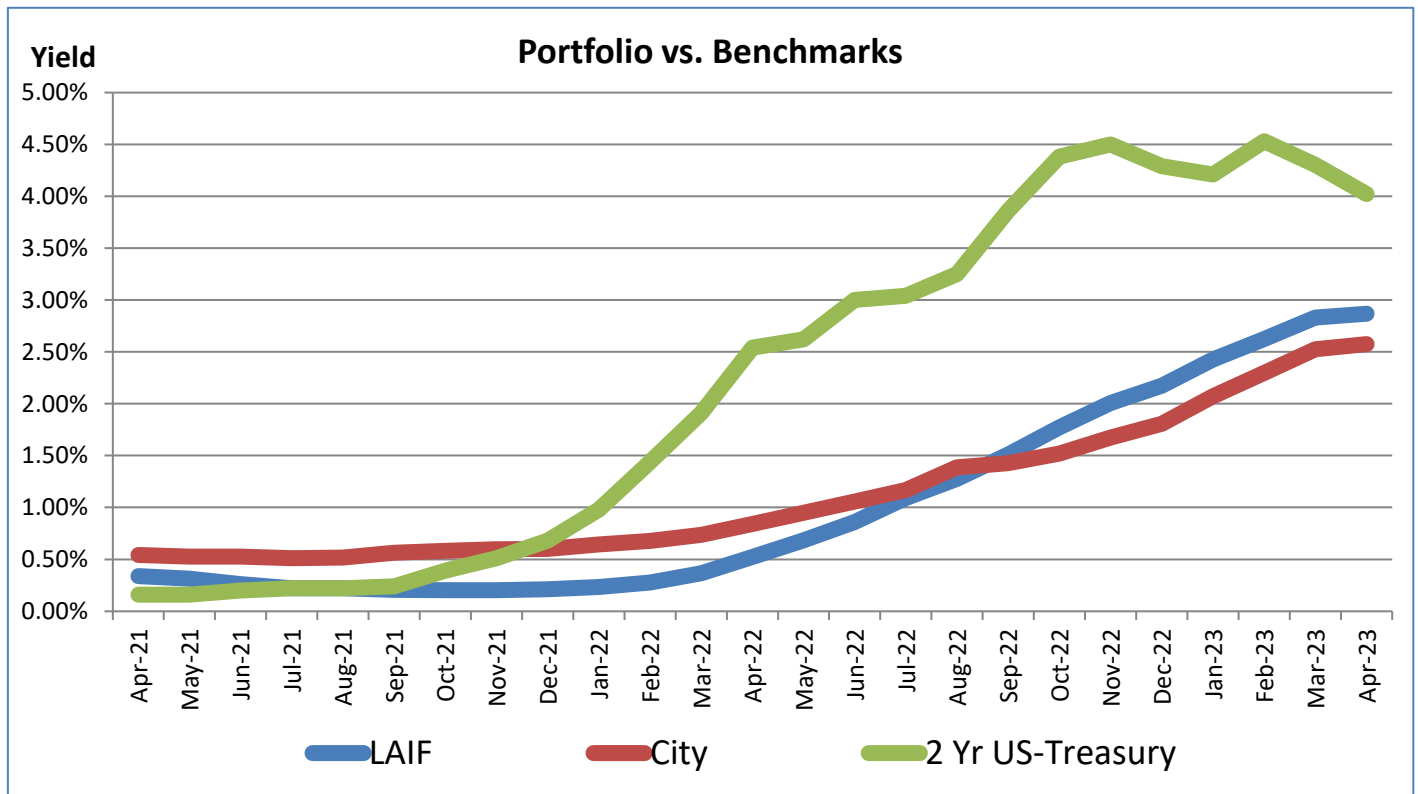
The following are the snapshots of City's investment portfolio as of April 30, 2023. The first chart shows the portfolio composition by investment type:



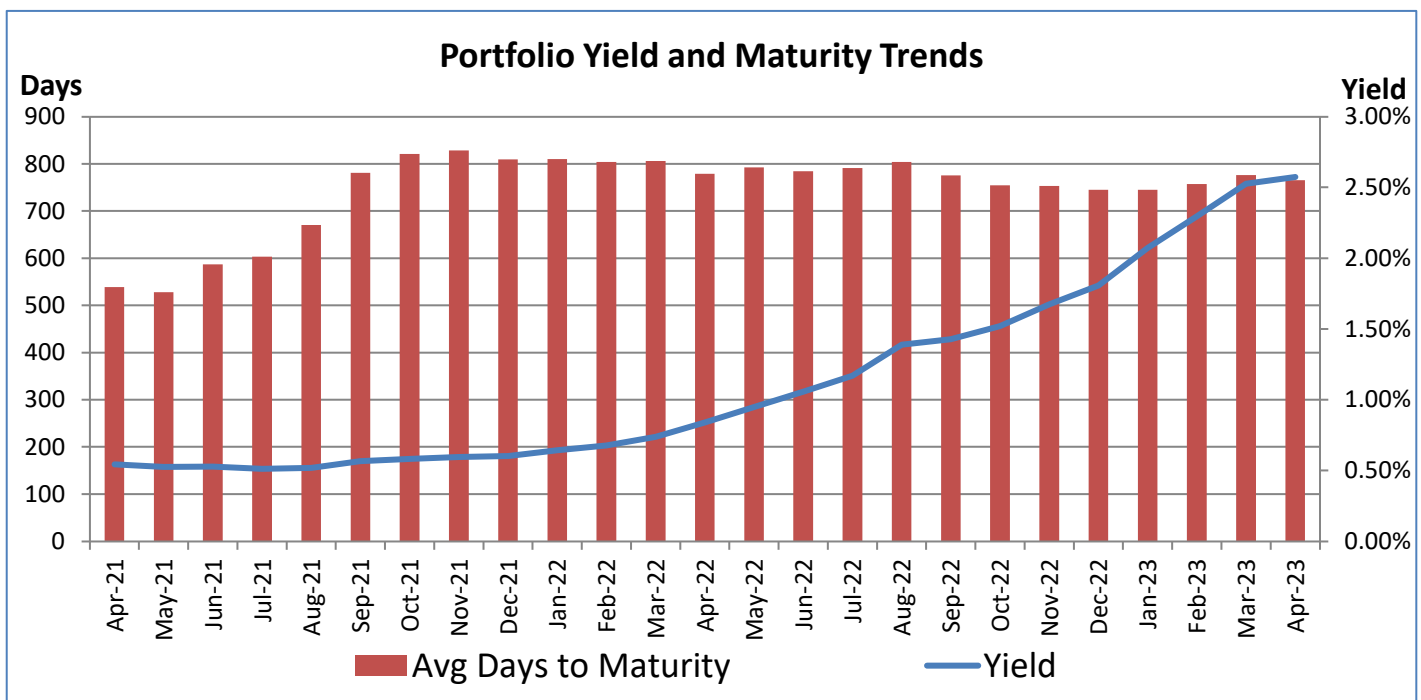
The chart below shows cash balances by fund type reconciled to City's financial system:



The following chart illustrates a yield comparison by month among the City's portfolio, LAIF and 2-Year US Treasury:



The chart below illustrates monthly average days to maturity of the City's portfolio along with the weighted average yield for the past two years:





City of Morgan Hill
Investment Portfolio Detail
As of April 30, 2023

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F			\$ 6,550,434	\$ 6,550,434	3.54%	\$ 6,462,071	2.87%		
California C L A S S			9,176,145	9,176,145	4.96%	\$ 9,176,145	5.00%		
City Managed									
Treasury Bill	912796XY0	8/17/2022	\$ 2,423,428	\$ 2,478,183	1.34%	\$ 2,465,675	3.22%	8/10/2023	8/10/2023
Treasury Note	91282CCZ2	10/8/2021	1,987,656	1,991,520	1.08%	1,822,900	1.00%	9/30/2026	9/30/2026
Treasury Note	91282CDR9	1/4/2022	1,999,141	1,999,710	1.08%	1,945,400	0.77%	12/31/2023	12/31/2023
Treasury Note	91282CDR9	1/19/2022	1,989,688	1,996,446	1.08%	1,945,400	1.02%	12/31/2023	12/31/2023
Treasury Note	91282CDV0	2/11/2022	1,977,969	1,991,543	1.08%	1,940,620	1.44%	1/31/2024	1/31/2024
Treasury Note	9128286R6	3/28/2022	1,996,320	1,998,237	1.08%	1,949,300	2.34%	4/30/2024	4/30/2024
Treasury Note	912828S35	4/12/2022	1,985,703	1,998,036	1.08%	1,988,220	1.97%	06/30/2023	6/30/2023
Treasury Note	912828U24	6/13/2022	1,904,688	1,923,620	1.04%	1,890,700	3.16%	11/15/2026	11/15/2026
Treasury Note	912828ZP8	8/17/2022	2,446,680	2,497,049	1.35%	2,495,700	3.04%	5/15/2023	5/15/2023
Treasury Note	91282CAW1	11/17/2022	1,246,984	1,270,936	0.69%	1,267,708	4.49%	11/15/2023	11/15/2023
FFCB Bond	3133ELVX9	4/8/2020	2,000,000	2,000,000	1.08%	1,922,140	0.88%	10/8/2023	4/8/2024
FFCB Bond	3133ELC28	5/27/2020	2,000,000	2,000,000	1.08%	1,856,060	0.73%	5/27/2023	5/27/2025
FHLMC Bond	3134GVYN2	6/3/2020	2,000,000	2,000,000	1.08%	1,883,240	0.60%	6/3/2023	12/3/2024
FHLMC Bond	3134GWZG4	10/20/2020	2,000,000	2,000,000	1.08%	1,833,280	0.60%	10/20/2023	10/20/2025
FHLMC Bond	3134GW3X2	10/27/2020	2,000,000	2,000,000	1.08%	1,833,560	0.63%	10/27/2023	10/27/2025
FHLMC Bond	3134GW6E1	11/2/2020	2,000,000	2,000,000	1.08%	1,953,200	0.32%	5/2/2023	11/2/2023
FFCB Bond	3133EMFR8	11/3/2020	2,000,000	2,000,000	1.08%	1,828,940	0.54%	5/3/2023	11/3/2025
FNMA Bond	3135GA4P3	11/18/2020	2,000,000	2,000,000	1.08%	1,832,320	0.65%	5/18/2023	11/18/2025
FHLMC Bond	3134GXEJ9	11/24/2020	2,000,000	2,000,000	1.08%	1,830,980	0.64%	5/24/2023	11/24/2025
FFCB Bond	3133EMHF2	11/24/2020	1,000,000	1,000,000	0.54%	914,530	0.60%	5/24/2023	11/24/2025
FHLMC Bond	3134GXCS1	11/25/2020	3,000,000	3,000,000	1.62%	2,745,240	0.63%	5/25/2023	11/25/2025
FHLMC Bond	3134GXFA7	11/30/2020	2,000,000	2,000,000	1.08%	1,831,200	0.65%	5/26/2023	11/26/2025
FFCB Bond	3133EMLC4	12/22/2020	2,000,000	2,000,000	1.08%	1,815,320	0.47%	6/22/2023	12/22/2025
FHLB Bond	3130AKQ74	1/22/2021	2,000,000	2,000,000	1.08%	1,817,360	0.63%	7/22/2023	1/22/2026
FNMA Bond	3135G06R9	1/28/2021	2,000,000	2,000,000	1.08%	1,812,820	0.55%	7/28/2023	1/28/2026
FHLB Bond	3130AKRN8	1/28/2021	2,000,000	2,000,000	1.08%	1,817,920	0.65%	7/28/2023	1/28/2026
FHLB Bond	3130ALCV4	2/24/2021	2,000,000	2,000,000	1.08%	1,817,200	0.75%	8/24/2023	2/24/2026
FHLB Bond	3130ALDB7	2/25/2021	2,000,000	2,000,000	1.08%	1,813,380	0.66%	8/25/2023	2/25/2026
FHLB Bond	3130AKZ25	2/26/2021	2,000,000	2,000,000	1.08%	1,812,640	0.65%	8/26/2023	2/26/2026
FHLB Bond	3130ALGS7	3/10/2021	2,000,000	2,000,000	1.08%	1,820,700	0.85%	9/10/2023	3/10/2026
FHLB Bond	3130ALEP5	3/16/2021	2,000,000	2,000,000	1.08%	1,812,100	0.70%	9/16/2023	3/16/2026
FHLB Bond	3130ALDN1	3/16/2021	2,000,000	2,000,000	1.08%	1,817,400	0.80%	9/16/2023	3/16/2026
FHLB Bond	3130AMNH1	6/9/2021	2,000,000	2,000,000	1.08%	1,819,240	1.08%	6/9/2023	6/9/2026
FHLB Bond	3130AMYJ5	6/30/2021	2,000,000	2,000,000	1.08%	1,811,820	1.00%	6/30/2023	6/30/2026
FHLB Bond	3130AMYP1	7/15/2021	3,000,000	3,000,000	1.62%	2,730,420	1.13%	7/15/2023	7/15/2026
FHLB Bond	3130AMYS5	7/15/2021	2,000,000	2,000,000	1.08%	1,856,640	0.85%	7/15/2023	7/15/2025
FHLB Bond	3130ANJC5	8/26/2021	2,000,000	2,000,000	1.08%	1,795,440	0.80%	8/26/2023	8/26/2026
FHLB Bond	3130ANLW8	8/26/2021	3,000,000	3,000,000	1.62%	2,711,130	1.00%	8/26/2023	8/26/2026
FHLB Bond	3130ANLZ1	8/26/2021	2,000,000	2,000,000	1.08%	1,801,500	0.90%	8/26/2023	8/26/2026
FHLB Bond	3130A8XY4	9/13/2021	2,103,340	2,069,602	1.12%	1,872,340	0.82%	9/11/2023	9/11/2026
FFCB Bond	3133EM4X7	9/28/2021	1,982,960	1,988,430	1.07%	1,809,120	0.98%	9/10/2023	9/10/2026
FHLB Bond	3130APCH6	9/29/2021	3,000,000	3,000,000	1.62%	2,713,860	1.13%	9/29/2023	9/29/2026
FHLB Bond	3130ANZE3	9/30/2021	2,000,000	2,000,000	1.08%	1,800,280	0.88%	9/30/2023	9/30/2026
FHLB Bond	3130AP6N0	9/30/2021	3,000,000	3,000,000	1.62%	2,706,780	1.05%	9/30/2023	9/30/2026
FHLB Bond	3130AP6M2	9/30/2021	3,000,000	3,000,000	1.62%	2,704,020	1.02%	9/30/2023	9/30/2026
FHLB Bond	3130APCG8	10/19/2021	2,000,000	2,000,000	1.08%	1,799,180	1.00%	10/19/2023	10/19/2026
FHLB Bond	3130APNX9	11/18/2021	2,000,000	2,000,000	1.08%	1,808,540	1.30%	5/18/2023	11/18/2026
FHLB Bond	3130AQFL2	12/29/2021	2,000,000	2,000,000	1.08%	1,942,440	0.75%	6/29/2023	12/29/2023
FHLB Bond	3130AQHU0	1/19/2022	2,000,000	2,000,000	1.08%	1,858,220	1.74%	7/19/2023	1/19/2027
FHLB Bond	3130AQKT9	1/25/2022	2,000,000	2,000,000	1.08%	1,892,080	1.51%	7/25/2023	7/25/2025
FHLB Bond	3130AR4F5	3/10/2022	2,000,000	2,000,000	1.08%	1,927,480	3.48%	9/10/2023	3/10/2027
FHLMC Bond	3137EAE54	5/3/2022	1,954,860	1,993,879	1.08%	1,985,380	2.25%	6/26/2023	6/26/2023
FHLMC Bond	3134GXUZ5	6/15/2022	2,000,000	2,000,000	1.08%	1,979,940	3.28%	6/15/2023	12/15/2025
FHLB Bond	3130ASPE3	7/28/2022	2,000,000	2,000,000	1.08%	1,958,880	4.30%	7/28/2023	7/28/2027
FNMA Bond	3135GACZ2	11/25/2022	2,000,000	2,000,000	1.08%	1,993,820	5.40%	5/25/2023	11/25/2024

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
FHLMC Bond	3134GY4B5	11/28/2022	2,000,000	2,000,000	1.08%	1,989,120	5.00%	5/15/2023	11/15/2023
FFCB Bond	313312MF4	12/19/2022	1,930,440	1,963,000	1.06%	1,960,440	4.65%	9/27/2023	9/27/2023
FHLMC Bond	3134GYC26	12/29/2022	2,000,000	2,000,000	1.08%	1,993,600	4.80%	6/29/2023	12/29/2027
FHLB Bond	313384JC4	1/13/2023	1,953,994	1,981,042	1.07%	1,980,280	4.72%	7/14/2023	7/14/2023
FHLB Bond	3130AUFT6	1/27/2023	2,000,000	2,000,000	1.08%	1,990,080	5.43%	10/27/2023	1/27/2025
FHLB Bond	3130AUP32	1/27/2023	2,250,000	2,250,000	1.22%	2,234,048	5.98%	10/27/2023	1/27/2028
FHLMCMTN Bond	3134GYGB2	1/30/2023	2,000,000	2,000,000	1.08%	1,982,280	5.20%	10/26/2023	1/26/2028
FHLMCMTN Bond	3134GYG22	2/16/2023	3,000,000	3,000,000	1.62%	2,971,920	5.13%	11/16/2023	11/16/2026
FHLMCMTN Bond	3137EAE54	2/17/2023	2,952,433	2,978,889	1.61%	2,978,070	4.85%	6/26/2023	6/26/2023
FHLB Bond	3130AUTZ7	2/24/2023	2,000,000	2,000,000	1.08%	1,988,340	6.44%	5/24/2023	2/24/2028
FHLB Bond	3130AUZH0	3/6/2023	2,000,000	2,000,000	1.08%	1,992,520	6.33%	6/6/2023	3/6/2026
FHLB Bond	3130AUZZ0	3/13/2023	2,000,000	2,000,000	1.08%	1,992,580	6.23%	6/13/2023	3/13/2026
FHLB Bond	3130AVZ24	3/15/2023	2,000,000	2,000,000	1.08%	1,994,500	5.35%	9/15/2023	3/15/2024
FHLB Bond	3130AV3P5	3/20/2023	2,000,000	2,000,000	1.08%	1,996,360	5.50%	9/20/2023	9/20/2024
FHLB Bond	3130AVK92	4/5/2023	3,000,000	3,000,000	1.62%	2,996,640	5.00%	10/5/2023	4/5/2024
FHLB Bond	3130AVL83	4/6/2023	2,000,000	2,000,000	1.08%	1,997,420	5.20%	7/7/2023	10/7/2024
FHLB Bond	3130AVQ96	4/17/2023	2,000,000	2,000,000	1.08%	1,997,940	5.15%	7/17/2023	4/17/2024
FHLB Bond	3130AVNT5	4/28/2023	1,000,000	1,000,000	0.54%	1,000,090	5.50%	5/25/2023	4/25/2025
CD - Ally Bank	02007GM83	3/30/2023	250,000	250,000	0.14%	250,563	5.15%	3/28/2024	3/28/2024
CD - Western Alliance Bank	95763PLA7	3/30/2023	250,000	250,000	0.14%	250,650	5.30%	1/2/2024	1/2/2024
CD - Dime Community Bank	25432JCF8	3/30/2023	250,000	250,000	0.14%	250,088	5.15%	7/31/2023	7/31/2023
CD - Zions Bancorp	98970LC43	3/31/2023	250,000	250,000	0.14%	251,613	5.40%	9/27/2024	9/27/2024
CD - Pacific City Bank	69406PEC9	3/31/2023	250,000	250,000	0.14%	250,033	5.05%	6/30/2023	6/30/2023
CD - Pacific Western Bank	69506YYD5	4/5/2023	250,000	250,000	0.14%	251,978	5.65%	4/5/2024	4/5/2028
Sub Total/Average			\$ 154,586,283	\$ 154,870,123	83.69%	\$ 146,952,853	2.36%		
Money Market			\$ 4,531,115	\$ 4,531,115	2.45%	\$ 4,531,115	4.73%		
Total City Managed/Average			\$ 174,843,975	\$ 175,127,815	89.68%	\$ 167,122,183	2.58%		
Bond Reserve Accounts - Held By Trustees			\$ 6,826,247	\$ 6,826,247	3.69%	\$ 6,826,247			
Cash/Deposits			\$ (3,699,768)	\$ (3,699,768)	-2.00%	\$ (3,699,768)			
PARS and CALPERS CERBT Trust			\$ 6,787,404	\$ 6,787,404	3.67%	\$ 7,357,945			
GRAND TOTAL/AVERAGE			\$ 184,757,858	\$ 185,041,698	100%	\$ 177,606,606			



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF APRIL 30, 2023
FOR THE FISCAL YEAR OF 2022-23

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	2.87%	\$ 4,794,263	2.59%	\$ 4,729,590
2015 Wastewater Rev Bonds - CIP	Wastewater Fund	2.87%	1,756,170	0.95%	1,732,480
California CLASS	All Funds Pooled	5.00%	9,176,145	4.96%	9,176,145
Federal Issues	All Funds Pooled	2.22%	133,474,842	72.13%	129,724,613
Treasury	All Funds Pooled	2.20%	20,145,280	10.89%	15,978,240
Certificate of Deposits	All Funds Pooled	5.28%	1,250,000	0.68%	1,250,000
Dreyfus Treas Cash Management Acct	All Funds Pooled	4.73%	4,531,115	2.45%	4,531,115
	SUBTOTAL		\$ 175,127,815	94.64%	\$ 167,122,183
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility					
Blackrock Liq Fund	Debt Service	4.47%	315	0.00%	315
Zions Bank - MH Police Facility Lease Revenue Bonds					
Blackrock Liq Fund	Debt Service	4.47%	400	0.00%	400
BNY - RDA Bonds					
Dreyfus Cash Mgmt 521	Agency Fund	0.00%	5,797,638	3.13%	5,797,638
Zions Bank - MH Ranch 2015					
Blackrock Liq Funds Fed Fund -DI -2015	Agency Fund	4.47%	419,363	0.23%	419,363
Zions Bank - Madrone Bus Park Taxable/ Tax Exempt 2015					
Blackrock Liquidity Temp Fund-2015	Agency Fund	4.47%	608,531	0.33%	608,531
	SUBTOTAL		6,826,247	3.69%	6,826,247
Other Cash/Deposits					
General Checking	All Funds		(3,745,868)	-2.02%	(3,745,868)
Workers' Comp Administrators	Workers' Comp		30,000	0.02%	30,000
Petty Cash & Emergency Cash	General Fund		16,100	0.01%	16,100
CALPERS CERBT - OPEB Trust			4,487,404	2.43%	4,866,887
PARS - PENSION Trust			2,300,000	1.24%	2,491,058
	SUBTOTAL		3,087,636	1.67%	3,658,177
Total Cash and Investments			\$ 185,041,698	100.00%	\$ 177,606,606

CASH ACTIVITY SUMMARY
FY 2022-23

Fund Type	07/1/22 Balance	Change in Cash Balance	04/30/23 Balance
General Fund	\$ 26,535,041	\$ (2,270,526)	\$ 24,264,515
Community Development	1,919,696	329,157	2,248,853
Housing Successor Agency/ CDBG	4,670,910	(425,063)	4,245,848
Water - Operations	2,980,708	1,224,705	4,205,413
Water Other	18,208,344	4,064,290	22,272,633
Sewer - Operations	1,663,439	(722,281)	941,158
Sewer Other	50,357,493	(5,035,487)	45,322,006
Other Special Revenue	8,482,063	253,756	8,735,819
Streets and Capital Projects (except RDA)	38,126,094	2,298,025	40,424,119
Debt Service	339,861	(109,004)	230,857
Internal Service	21,185,083	2,764,833	23,949,915
Agency Funds (assessment dists./refundable deposits)	9,072,901	(872,340)	8,200,561
Total	\$ 183,541,633	\$ 1,500,065	\$ 185,041,698

Note: See Investment Portfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

I certify the information on the investment report has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill Investment Policy and all State laws and regulations.

Prepared by:

Gina Nazareno, Senior Accountant

Approved by:

Reviewed by:

Dat Nguyen, Finance Director

Caitlin Jachimowicz, Treasurer



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2022-23
For the Month Ended April 30, 2023
83% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
TAXES							
Property Tax - Secured/Unsecured	\$ 14,753,873	14,753,873	\$ 10,962,110	74%	\$ 10,217,172	\$ 744,937	7%
Property Tax - RPTTF Residual Distribution	2,429,832	2,429,832	987,196	41%	808,731	178,466	22%
Property Tax - Supplemental Roll	200,000	200,000	323,407	162%	202,005	121,402	60%
Sales Tax	11,950,308	11,950,308	8,022,051	67%	8,270,935	(248,883)	-3%
Public Safety Sales Tax	445,105	445,105	270,486	61%	313,471	(42,985)	-14%
Transient Occupancy Taxes	2,600,000	2,600,000	1,866,193	72%	1,710,484	155,709	9%
Franchise (Refuse ,Cable ,PG&E)	2,760,000	2,760,000	2,122,276	77%	1,972,454	149,822	8%
Property Transfer Tax	500,000	500,000	277,253	55%	547,958	(270,705)	-49%
TOTAL TAXES	35,639,118	35,639,118	24,830,973	70%	24,043,209	787,763	3%
LICENSES/PERMITS							
Business License	170,000	170,000	146,359	86%	169,333	(22,974)	-14%
Other Permits	53,975	53,975	239,661	444%	49,439	190,223	385%
TOTAL LICENSES/PERMITS	223,975	223,975	386,021	172%	218,772	167,249	76%
FINES AND PENALTIES							
Parking Enforcement	2,932	2,932	6,373	217%	3,335	3,037	91%
Bails & Fines	46,480	46,480	34,276	74%	31,000	3,276	11%
Administrative Citations	20,000	20,000	4,928	25%	-	4,928	0%
TOTAL FINES AND PENALTIES	69,412	69,412	45,577	66%	34,335	11,241	33%
OTHER AGENCIES							
Motor Vehicle in-Lieu	40,000	40,000	47,613	119%	57,729	(10,116)	-18%
Other Revenue - Other Agencies	1,304,130	1,304,130	834,554	64%	452,295	382,258	85%
TOTAL OTHER AGENCIES	1,344,130	1,344,130	882,167	66%	510,024	372,143	73%
CHARGES CURRENT SERVICES							
Police False Alarm Charge	32,280	32,280	34,035	105%	21,928	12,106	55%
Business License Application Review	53,000	53,000	42,313	80%	35,586	6,727	19%
Membership Services & Rec Programs	5,136,869	5,136,869	4,324,888	84%	3,515,430	809,458	23%
Facility Rentals	819,459	819,459	1,033,791	126%	551,332	482,459	88%
Community Services	127,498	127,498	49,485	39%	106,780	(57,295)	-54%
General Administration Overhead	1,775,408	1,775,408	1,479,507	83%	1,526,920	(47,413)	-3%
Other Charges Current Services	998,144	998,144	605,257	61%	597,285	7,972	1%
TOTAL CURRENT SERVICES	8,942,658	8,942,658	7,569,276	85%	6,355,262	1,214,015	19%
OTHER REVENUE							
Use of money/property	774,829	774,829	731,903	94%	599,521	132,382	22%
Other Revenues	371,910	371,910	231,028	62%	241,924	(10,897)	-5%
TOTAL OTHER REVENUE	1,146,739	1,146,739	962,931	84%	841,446	121,485	14%
TRANSFERS IN							
One Time Transfer	180,000	180,000	150,000	83%	149,990	10	0%
Public Safety Facilities Fund	50,000	50,000	41,667	83%	20,830	20,837	100%
Supplemental Law Enforcement Fund	100,000	100,000	100,000	100%	100,000	-	n/a
Countywide Solid Waste	355,000	355,000	295,833	83%	270,636	25,197	9%
Streets	904,438	904,438	604,127	67%	324,267	279,860	86%
Park Maintenance	650,000	650,000	541,670	83%	541,670	-	n/a
Sewer Operations	375,000	375,000	312,500	83%	297,630	14,870	5%
Water Operations	375,000	375,000	312,500	83%	297,630	14,870	5%
Open Space	81,100	81,100	67,583	83%	-	67,583	n/a
Park Development	75,000	75,000	62,500	83%	62,500	-	n/a
TOTAL TRANSFERS IN	3,145,538	3,145,538	2,488,380	79%	2,065,154	423,226	20%
TOTAL GENERAL FUND	50,511,570	50,511,570	37,165,324	74%	34,068,201	3,097,123	9%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	909,478	909,478	601,000	66%	500,352	100,648	20%
Interest / Other Revenue/Other Charges	58	58	3,127	5391%	573	2,553	445%
202 STREET MAINTENANCE	909,536	909,536	604,127	66%	500,925	103,202	21%



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2022-23
For the Month Ended April 30, 2023
83% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
SPECIAL REVENUE FUNDS							
205 SUPPLEMENTAL LAW ENFORCEMENT FUND							
Interest Income	1,438	1,438	3,415	237%	935	2,480	265%
Police Grant/SLEF/JAG	100,000	100,000	144,733	145%	119,618	25,115	21%
205 SUPPLEMENTAL LAW ENFORCEMENT FUND	101,438	101,438	148,148	146%	120,553	27,595	23%
206 DEVELOPMENT SERVICES							
Building Fees	3,433,600	3,433,600	3,310,170	96%	2,569,049	741,121	29%
Planning Fees	1,259,167	1,259,167	572,558	45%	643,738	(71,180)	-11%
Engineering Fees	1,142,289	1,142,289	890,552	78%	1,034,238	(143,686)	-14%
Other Revenue/Current Charges	346,181	346,181	293,897	85%	200,201	93,696	47%
206 DEVELOPMENT SERVICES	6,181,237	6,181,237	5,067,176	82%	4,447,226	619,950	14%
207 LONG RANGE PLANNING	995,882	995,882	930,396	93%	659,873	270,523	41%
215 and 216 HCD BLOCK GRANT							
Interest Income/Other Revenue	244	244	791	324%	280	511	183%
215 and 216 HCD BLOCK GRANT	244	244	791	324%	280	511	183%
225 ASSET SEIZURE	979	979	1,236	126%	584	652	112%
229 LIGHTING AND LANDSCAPE	199,916	199,916	111,576	56%	105,159	6,417	6%
230 COMMUNITY FACILITIES DISTRICT	37,591	37,591	27,694	74%	11,962	15,733	132%
232 ENVIRONMENTAL PROGRAMS	553,277	553,277	471,927	85%	421,791	50,136	12%
234 MOBILE HOME PARK RENT STAB.	441	441	6,474	1468%	8,102	(1,628)	-20%
236 HOUSING MITIGATION	1,575,835	1,575,835	644,034	41%	1,113,505	(469,471)	-42%
240 EMPLOYEE ASSISTANCE	20,673	20,673	6,998	34%	9,054	(2,056)	-23%
246 COUNTYWIDE SOLID WASTE	1,628,603	1,628,603	1,248,895	77%	1,048,667	200,228	19%
247 ENVIRONMENT REMEDIATION	1,023	1,023	1,672	163%	1,459	213	15%
255 HOUSING SUCCESSOR AGENCY	233,641	233,641	328,856	141%	261,956	66,900	26%
260 PUBLIC ART	501	501	-	n/a	1,100	(1,100)	-100%
TOTAL SPECIAL REVENUE FUNDS	12,440,818	12,440,818	9,600,000	77%	8,712,195	887,804	10%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	1,369,271	1,369,271	3,696,334	270%	5,974,018	(2,277,685)	-38%
302 PARK MAINTENANCE	540,773	540,773	521,152	96%	526,050	(4,898)	-1%
303 LOCAL DRAINAGE	374,484	374,484	984,629	263%	1,240,609	(255,979)	-21%
304 LOCAL DRAINAGE/NON AB1600	29,166	29,166	105,211	361%	178,091	(72,881)	-41%
306 AGRICULTURE & OPEN SPACE PRESERVATION	5,058	5,058	65,547	1296%	144,654	(79,107)	-55%
308 STREET CIP	5,662,650	5,662,650	3,786,418	67%	3,684,548	101,870	3%
309 TRAFFIC IMPACT	5,019,799	5,019,799	6,964,845	139%	7,178,265	(213,420)	-3%
315 PUBLIC SAFETY FACILITIES IMPACT	6,221,575	6,221,575	610,007	10%	201,618	408,390	203%
346 PUBLIC FACILITIES NON-AB1600	1,165,537	1,165,537	399,031	34%	2,480,513	(2,081,482)	-84%
347 PUBLIC FACILITIES IMPACT	138,168	138,168	110,635	80%	44,766	65,869	147%
348 LIBRARY	480,582	480,582	172,461	36%	197,296	(24,835)	-13%
350 UNDERGROUNDING	29,592	29,592	20,370	69%	494,126	(473,756)	-96%
355 SCHOOL PEDESTRIAN/TRAFFIC SAFETY	482,291	482,291	214,521	44%	1,025,646	(811,126)	-79%
360 COMMUNITY/REC IMPACT FUND	1,335,488	1,335,488	509,880	38%	225,420	284,460	126%
375 QUIMBY FEE	653,451	653,451	1,557,400	238%	907,961	649,439	72%
TOTAL CAPITAL PROJECTS FUNDS	23,507,885	23,507,885	19,718,442	84%	24,503,582	(4,785,140)	-20%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	292,184	292,184	245,300	84%	254,828	(9,527)	-4%
441 POLICE FACILITY BOND	387,490	387,490	323,111	83%	320,220	2,891	1%
TOTAL DEBT SERVICE FUNDS	679,674	679,674	568,411	84%	575,047	(6,636)	-1%



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2022-23
For the Month Ended April 30, 2023
83% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
ENTERPRISE FUNDS							
640 SEWER OPERATION							
Sewer Service Fees	14,400,000	14,400,000	11,125,135	77%	10,759,771	365,364	3%
Interest Income/Transfers	38,548	38,548	30,348	79%	11,260	19,088	170%
Other Revenue/Current Charges	319,809	319,809	331,071	104%	383,021	(51,950)	-14%
640 SEWER OPERATION	14,758,357	14,758,357	11,486,554	78%	11,154,051	332,502	3%
641 SEWER EXPANSION							
Interest Income	64,455	64,455	279,676	434%	100,590	179,086	178%
Development Impact Fee	4,336,657	4,336,657	2,590,256	60%	3,004,608	(414,352)	-14%
Transfer From-643 (Sewer Replacement)	13,310,782	13,310,782	8,035,993	60%	-	8,035,993	n/a
641 SEWER EXPANSION	17,711,894	17,711,894	10,905,925	62%	3,105,198	7,800,726	251%
642 SEWER RATE STABILIZATION	50,000	50,000	76,351	153%	136,808	(60,456)	-44%
643 SEWER-CAPITAL PROJECT	6,710,456	6,710,456	5,673,038	85%	3,947,115	1,725,923	44%
TOTAL SEWER FUNDS	39,230,707	39,230,707	28,141,867	72%	18,343,172	9,798,695	53%
650 WATER OPERATION							
Water Sales	16,400,000	16,400,000	11,760,598	72%	10,369,968	1,390,630	13%
Meter Install & Service	50,000	50,000	69,834	140%	118,270	(48,436)	-41%
Transfers-In / Interest Income	580,372	580,372	727,904	125%	420,212	307,692	73%
Other Revenue/Current Charges	614,770	614,770	620,973	101%	998,810	(377,837)	-38%
650 WATER OPERATION	17,645,142	17,645,142	13,179,308	75%	11,907,259	1,272,049	11%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	21,044	21,044	36,241	172%	14,392	21,849	152%
Development Impact Fee	918,214	918,214	676,633	74%	393,307	283,326	72%
651 WATER EXPANSION	939,258	939,258	712,874	76%	407,699	305,175	75%
652 WATER RATE STABILIZATION	-	-	39,824	n/a	117,950	(78,126)	-66%
653 WATER CAPITAL PROJECT	5,128,809	5,128,809	4,367,679	85%	4,236,973	130,706	3%
TOTAL WATER FUNDS	23,713,209	23,713,209	18,299,686	77%	16,669,882	1,629,804	10%
TOTAL ENTERPRISE FUNDS	62,943,916	62,943,916	46,441,553	74%	35,013,054	11,428,499	33%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	2,233,768	2,233,768	1,868,153	84%	1,878,001	(9,849)	-1%
740 BUILDING MAINTENANCE	1,655,704	1,655,704	1,379,803	83%	942,287	437,517	46%
741 BUILDING REPLACEMENT	836,114	836,114	724,939	87%	598,344	126,595	21%
745 CIP ADMINISTRATION	1,977,307	1,977,307	1,235,983	63%	1,370,011	(134,028)	-10%
760 UNEMPLOYMENT INSURANCE	2,317	2,317	3,620	156%	1,396	2,224	159%
770 WORKERS COMPENSATION	719,150	719,150	726,553	101%	635,067	91,487	14%
790 EQUIPMENT REPLACEMENT	2,219,595	2,219,595	2,073,704	93%	917,083	1,156,621	126%
791 EMPLOYEE BENEFITS	813,718	813,718	676,502	83%	507,449	169,053	33%
795 GENERAL LIABILITY INSURANCE	1,981,019	1,981,019	1,659,133	84%	1,434,354	224,780	16%
TOTAL INTERNAL SERVICE FUNDS	12,438,692	12,438,692	10,348,390	83%	8,283,991	2,064,399	25%
TOTAL FOR ALL FUNDS	\$ 162,522,555	\$ 162,522,555	\$ 123,842,120	76%	\$ 111,156,071	\$ 12,686,049	11%



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2022-23
For the Month Ended April 30, 2023
83% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
010 GENERAL FUND								
I. ADMINISTRATION								
	CITY COUNCIL	\$ 13,025	\$ 430,915	\$ 345,097	\$ -	\$ 345,097	80%	\$ 282,373
	CITY ATTORNEY	64,657	1,081,769	653,160	152,550	805,710	74%	580,513
	CITY MANAGER	53,763	854,800	520,915	5,075	525,990	62%	520,046
	HUMAN RESOURCES	61,920	847,361	669,282	-	669,282	79%	583,589
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	37,228	595,414	411,933	1,600	413,533	69%	484,722
	Elections	2,259	357,836	214,908	-	214,908	60%	21,885
	COUNCIL SVCS & RECORDS MGMT	39,486	953,250	626,840	1,600	628,440	66%	506,607
	FINANCE	148,507	2,552,145	1,563,230	611,717	2,174,947	85%	1,275,243
	TOTAL ADMINISTRATION	381,358	6,720,240	4,378,523	770,942	5,149,465	77%	3,748,372
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	364,890	6,772,195	5,130,546	624,064	5,754,609	85%	4,334,616
	Recreation Facility Rentals	31,279	546,870	390,214	15,105	405,319	74%	446,123
	Innovative Transit	59,158	887,471	416,479	450,016	866,495	98%	-
	Community Services	37,318	644,107	462,360	29,008	491,368	76%	410,228
	Park Maintenance	86,177	1,495,918	968,068	38,927	1,006,994	67%	845,864
	Environmental Services	19,163	390,733	194,980	-	194,980	50%	174,777
	Countywide Solid Waste Program	30,403	354,416	298,859	-	298,859	84%	177,301
	Street Maintenance	152,968	2,710,389	1,862,047	92,810	1,954,857	72%	1,778,823
	Downtown Maintenance	13,530	325,886	142,301	6,488	148,789	46%	214,859
	Cable Television	6,182	74,758	44,140	-	44,140	59%	37,387
	COMMUNITY SERVICES	801,068	14,202,742	9,909,992	1,256,417	11,166,409	79%	8,419,977
	CODE COMPLIANCE	20,557	319,550	165,942	-	165,942	52%	145,985
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	56,531	491,888	289,330	5,031	294,361	60%	273,165
	ECONOMIC DEVELOPMENT PROGRAMS	58,921	1,207,348	626,577	40,633	667,210	55%	569,113
	TOTAL COMMUNITY SERVICES	937,077	16,221,529	10,991,841	1,302,081	12,293,922	76%	9,408,240
III. PUBLIC SAFETY								
	POLICE							
	PD Administration	122,137	1,676,697	1,267,850	32,889	1,300,739	78%	1,386,711
	Field Operations	776,327	10,591,376	8,075,001	23,036	8,098,037	76%	7,499,486
	Support Services	216,142	3,389,174	2,259,796	13,799	2,273,595	67%	2,093,486
	Emergency Services/Haz Mat	35,272	234,368	190,955	-	190,955	81%	161,270
	Special Operations	272,876	3,900,732	3,176,649	-	3,176,649	81%	2,264,133
	Dispatch Services	168,229	2,116,137	1,668,506	-	1,668,506	79%	1,476,681
	POLICE	1,590,983	21,908,484	16,638,758	69,723	16,708,481	76%	14,881,766
	FIRE	630,465	8,653,847	6,876,832	266,714	7,143,546	83%	6,183,118
	TOTAL PUBLIC SAFETY	2,221,449	30,562,331	23,515,589	336,438	23,852,027	78%	21,064,884
IV. TRANSFERS								
	Other	1,067,276	4,647,315	4,432,762	-	4,432,762	95%	3,377,802
	TOTAL TRANSFERS	1,067,276	4,647,315	4,432,762	-	4,432,762	95%	3,377,802
	TOTAL GENERAL FUND	4,607,160	58,151,414	43,318,716	2,409,461	45,728,176	79%	37,599,297



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2022-23
For the Month Ended April 30, 2023
83% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
SPECIAL REVENUE FUNDS								
202	STREET MAINTENANCE	420	909,478	604,127	-	604,127	66%	327,877
205	PUBLIC SAFETY/SUPP.LAW	104	101,252	101,043	-	101,043	100%	106,040
206	DEVELOPMENT SERVICES FUND							
	Planning	125,255	1,772,972	1,318,045	793	1,318,837	74%	1,635,272
	Building	177,509	2,452,139	1,806,251	105,093	1,911,344	78%	1,749,841
	Engineering	131,579	1,907,855	1,440,897	217,451	1,658,348	87%	1,209,173
206	DEVELOPMENT SERVICES FUND	434,343	6,132,966	4,565,193	323,336	4,888,529	80%	4,594,286
207	LONG RANGE PLANNING	58,768	936,040	717,218	18,660	735,878	79%	559,983
215/216	CDBG	7	81	67	-	67	83%	4,580
225	ASSET SEIZURE	63	759	633	-	633	83%	14,232
229	LIGHTING AND LANDSCAPE	9,905	224,538	129,664	8,213	137,877	61%	119,965
230	COMMUNITY FACILITIES DISTRICT	1,522	39,852	24,774	-	24,774	62%	19,340
232	ENVIRONMENT PROGRAMS	34,757	525,533	395,807	6,800	402,607	77%	338,588
234	MOBILE HOME PARK	73	881	734	-	734	83%	370
236	HOUSING MITIGATION	58,170	1,900,261	688,821	99,032	787,853	41%	624,766
238	CAL HOMES	-	-	-	-	-	n/a	-
240	EMPLOYEE ASSISTANCE	77	20,919	9,959	-	9,959	48%	9,871
246	COUNTYWIDE SOLID WASTE PROGRAM	73,340	1,842,223	1,091,673	623,732	1,715,405	93%	756,292
255	HOUSING SUCCESSOR AGENCY	107,700	1,143,490	993,276	45,833	1,039,109	91%	886,307
260	PUBLIC ART	505	17,000	18,555	-	18,555	109%	4,368
TOTAL SPECIAL REVENUE FUNDS		779,755	13,795,273	9,341,542	1,125,606	10,467,149	76%	8,366,866
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	31,400	2,961,569	783,816	150,224	934,040	32%	5,948,833
302	PARK MAINTENANCE	54,167	664,980	543,334	-	543,334	82%	556,706
303	LOCAL DRAINAGE	8,550	11,167,922	837,122	1,028,373	1,865,495	17%	71,245
304	LOCAL DRAIN. NON-AB1600	(357)	279,113	39,410	27,863	67,273	24%	8,533
306	AGRICULTURE & OPEN SPACE PRESERVATIK	10,488	275,854	104,879	-	104,879	38%	5,479,245
308	STREET CIP	35,767	8,318,556	6,914,322	669,345	7,583,667	91%	2,912,476
309	TRAFFIC IMPACT	960,324	9,301,872	5,543,160	3,896,589	9,439,750	101%	7,511,402
315	PUBLIC SAFETY FACILITIES IMPACT	114,926	10,050,626	766,112	321,739	1,087,851	11%	287,297
346	PUBLIC FAC.NON AB1600	422	3,413,224	25,902	466	26,369	1%	128,359
347	PUBLIC FACILITIES IMPACT	2,429	279,154	24,295	-	24,295	9%	22,770
348	LIBRARY IMPACT	18,576	222,916	185,763	-	185,763	83%	182,218
350	UNDERGROUNDING	95	1,194,704	951	-	951	0%	950
355	SCHOOL PEDESTRIAN & TRAFFIC SAFETY	1,730	443,838	46,447	1,350	47,797	11%	1,156,907
360	COMM/REC CENTER IMPACT	15,436	2,326,276	728,888	762,351	1,491,238	64%	263,108
375	QUIMBY FEE	159,616	1,564,865	500,308	186,953	687,262	44%	132
TOTAL CAPITAL PROJECTS FUNDS		1,413,569	52,465,468	17,044,709	7,045,254	24,089,962	46%	24,530,179
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	55,011	292,184	291,641	-	291,641	100%	237,256
441	POLICE FACILITY BOND DEBT	68,217	387,490	386,814	-	386,814	100%	314,603
TOTAL DEBT SERVICE FUNDS		123,228	679,674	678,456	-	678,456	100%	551,859



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2022-23
For the Month Ended April 30, 2023
83% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
ENTERPRISE FUNDS								
SEWER								
640	SEWER OPERATIONS	2,475,396	16,300,411	13,278,669	87,871	13,366,540	82%	10,862,927
641	SEWER CAPITAL EXPANSION	990,806	32,172,615	7,902,879	1,047,060	8,949,938	28%	3,899,053
642	SEWER RATE STABILIZATION	151	1,818	1,515	-	1,515	83%	950
643	SEWER-CAPITAL PROJECTS	33,576	23,759,295	11,505,560	388,575	11,894,136	50%	7,466,760
TOTAL SEWER FUND(S)		3,499,929	72,234,139	32,688,623	1,523,506	34,212,129	47%	22,229,691
WATER								
	Water Operations	1,037,448	16,045,940	11,554,436	527,288	12,081,724	75%	11,000,065
	Utility Billing	82,149	1,147,979	842,566	46,347	888,913	77%	751,624
	Water Conservation	20,619	439,985	225,277	31,539	256,816	58%	96,028
650	WATER OPERATIONS	1,140,216	17,633,904	12,622,279	605,174	13,227,453	75%	11,847,718
651	WATER CAPITAL EXPANSION	58,877	893,125	594,531	18,077	612,608	69%	666,238
652	WATER RATE STABILIZATION	113	1,362	1,135	-	1,135	83%	310
653	WATER-CAPITAL PROJECTS	5,000	5,617,611	320,268	406,004	726,271	13%	654,474
TOTAL WATER FUND(S)		1,204,207	24,146,001	13,538,212	1,029,255	14,567,467	60%	13,168,739
TOTAL ENTERPRISE FUNDS		4,704,136	96,380,140	46,226,835	2,552,761	48,779,595	51%	35,398,429
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	148,322	2,619,930	1,909,408	58,590	1,967,998	75%	1,483,404
740	BUILDING MAINTENANCE	151,721	1,668,218	1,185,999	44,079	1,230,078	74%	980,909
741	BUILDING REPLACEMENT	-	1,836,451	145,326	34,827	180,153	10%	272,282
745	CIP ADMINISTRATION	151,110	1,982,153	1,507,821	7,655	1,515,476	76%	1,410,823
760	UNEMPLOYMENT	-	15,000	14,081	-	14,081	94%	7,757
770	WORKERS COMPENSATION	(132,104)	1,106,358	657,905	-	657,905	59%	807,080
790	EQUIPMENT REPLACEMENT	18,193	2,765,964	593,426	181,542	774,968	28%	642,950
791	EMPLOYEE BENEFITS FUND	72,177	700,000	712,894	-	712,894	102%	635,184
795	GEN. LIABILITY INSURANCE	179,499	1,893,436	1,878,496	4,650	1,883,146	99%	1,573,337
TOTAL INTERNAL SERVICE FUNDS		588,917	14,587,510	8,605,357	331,343	8,936,699	61%	7,813,726
REPORT TOTAL		\$ 12,216,766	\$ 236,059,480	\$ 125,215,614	\$ 13,464,424	\$ 138,680,038	59%	\$ 114,260,357



City of Morgan Hill
Fund Activity Summary - Fiscal Year 2022-23
For the Month Ended April 30, 2023
83% of Year Complete

Fund No.	Fund Description	Beginning Fund Balance 07-01-22	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
010	GENERAL FUND	\$ 33,685,888	\$ 37,165,324	74%	\$ 43,318,716	74%	\$ (6,153,392)	\$ 2,409,461	\$ 25,123,036
TOTAL GENERAL FUND		\$ 33,685,888	\$ 37,165,324	74%	\$ 43,318,716	74%	\$ (6,153,392)	\$ 2,409,461	\$ 25,123,036
202	STREET MAINTENANCE	63,915	\$ 604,127	66%	\$ 604,127	74%	\$ (0)	\$ -	\$ 63,915
205	PUBLIC SAFETY/SUPPL. LAW	251,291	148,148	146%	101,043	76%	47,105	-	298,396
206	DEVELOPMENT SERVICES	(495,437)	5,067,176	82%	4,565,193	74%	501,984	323,336	(316,789)
207	LONG RANGE PLANNING	1,197,975	930,396	93%	717,218	77%	213,178	18,660	1,392,493
215 / 216	CDBG	29,812	791	324%	67	83%	724	-	30,536
225	ASSET SEIZURE	101,644	1,236	126%	633	83%	603	-	102,247
229	LIGHTING AND LANDSCAPE	190,530	111,576	56%	129,664	58%	(18,088)	8,213	164,229
230	COMMUNITY FACILITIES DISTRICT	132,368	27,694	74%	24,774	62%	2,920	-	135,288
232	ENVIRONMENTAL PROGRAMS	236,258	471,927	85%	395,807	75%	76,120	6,800	305,578
234	MOBILE HOME PK RENT STAB.	69,992	6,474	1468%	734	83%	5,740	-	75,732
235	SENIOR HOUSING	236,079	-	n/a	-	n/a	-	-	236,079
236	HOUSING MITIGATION	5,879,386	644,034	41%	688,821	36%	(44,787)	99,032	5,735,567
240	EMPLOYEE ASSISTANCE	61,964	6,998	34%	9,959	48%	(2,961)	-	59,003
246	COUNTYWIDE SOLID WASTE	129,862	1,248,895	163%	1,091,673	59%	157,222	623,732	(336,648)
247	ENVIRONMENT REMEDIATION	139,118	1,672	163%	-	n/a	1,672	-	140,790
255	HOUSING SUCCESSOR AGENCY	3,091,721	328,856	141%	993,276	87%	(664,420)	45,833	2,381,468
260	PUBLIC ART	67,129	-	n/a	18,555	109%	(18,555)	-	48,574
TOTAL SPECIAL REVENUE FUNDS		\$ 11,383,607	\$ 9,600,000	77%	\$ 9,341,542	68%	\$ 258,457	\$ 1,125,606	\$ 10,516,458
301	PARK DEV. IMPACT FUND	\$ (822,989)	\$ 3,696,334	270%	\$ 783,816	26%	\$ 2,912,518	\$ 150,224	\$ 1,939,304
302	PARK MAINTENANCE	2,567,344	521,152	96%	543,334	82%	(22,182)	-	2,545,162
303	LOCAL DRAINAGE	11,596,359	984,629	263%	837,122	7%	147,507	1,028,373	10,715,493
304	LOCAL DRAINAGE/NON-AB1600	1,374,682	105,211	361%	39,410	14%	65,801	27,863	1,412,620
306	AG. AND OPEN SPACE PRESERVATION	589,238	65,547	1296%	104,879	38%	(39,331)	-	549,907
308	STREET CIP	5,741,205	3,786,418	67%	6,914,322	83%	(3,127,903)	669,345	1,943,957
309	TRAFFIC IMPACT FUND	1,187,038	6,964,845	139%	5,543,160	60%	1,421,685	3,896,589	(1,287,867)
315	PUBLIC SAFETY FACILITIES IMPACT	3,221,824	610,007	10%	766,112	8%	(156,105)	321,739	2,743,981
346	PUBLIC FACILITIES NON-AB1600	2,878,803	399,031	34%	25,902	1%	373,129	466	3,251,465
347	PUBLIC FACILITIES IMPACT FUND	1,017,051	110,635	80%	24,295	9%	86,340	-	1,103,391
348	LIBRARY IMPACT FUND	1,444,583	172,461	36%	185,763	83%	(13,302)	-	1,431,281
350	UNDERGROUNDING	1,600,648	20,370	69%	951	0%	19,419	-	1,620,067
355	SCHOOL PEDESTRIAN/TRAFFIC SFTY	(46,063)	214,521	44%	46,447	10%	168,074	1,350	120,661
360	COMM/REC CTR IMPACT FUND	1,295,025	509,880	38%	728,888	31%	(219,007)	762,351	313,667
375	QUIMBY FEE	839,370	1,557,400	238%	500,308	32%	1,057,092	186,953	1,709,509
TOTAL CAPITAL PROJECT FUNDS		\$ 34,484,118	\$ 19,718,442	84%	\$ 17,044,709	32%	\$ 2,673,733	\$ 7,045,254	\$ 30,112,598
420	CIVIC CENTER DEBT	\$ 173,445	\$ 245,300	84%	\$ 291,641	100%	\$ (46,341)	\$ 315	\$ 126,789
441	POLICE FACILITY BOND DEBT	166,744	323,111	83%	386,814	100%	(63,703)	400	102,640
TOTAL DEBT SERVICE FUNDS		\$ 340,189	\$ 568,411	84%	\$ 678,456	100%	\$ (110,044)	\$ 715	\$ 229,429
640	SEWER OPERATIONS	\$ 4,567,000	\$ 11,486,554	78%	\$ 13,278,669	81%	\$ (1,792,115)	87,871	2,687,014
641	SEWER IMPACT FUND*	20,552,531	10,905,925	62%	7,902,879	25%	3,003,046	1,047,060	22,508,517
642	SEWER RATE STABILIZATION	2,726,339	76,351	153%	1,515	83%	74,836	-	2,801,175
643	SEWER-CAPITAL PROJECTS	22,007,034	5,673,038	85%	11,505,560	48%	(5,832,522)	388,575	15,785,936
650	WATER OPERATIONS	4,289,349	13,179,308	75%	12,622,279	72%	557,030	605,174	4,241,205
651	WATER IMPACT FUND*	2,924,596	712,874	76%	594,531	67%	118,343	18,077	3,024,862
652	WATER RATE STABILIZATION	3,154,313	39,824	n/a	1,135	83%	38,689	-	3,193,002
653	WATER -CAPITAL PROJECT	10,397,946	4,367,679	85%	320,268	6%	4,047,412	406,004	14,039,354
TOTAL ENTERPRISE FUNDS		\$ 70,619,108	\$ 46,441,553	74%	\$ 46,226,835	48%	\$ 214,719	\$ 2,552,761	\$ 68,281,066
730	INFORMATION SERVICES	\$ 795,800	\$ 1,868,153	84%	\$ 1,909,408	73%	\$ (41,255)	\$ 58,590	\$ 695,955
740	BUILDING MAINTENANCE	(166,058)	1,379,803	83%	1,185,999	71%	193,805	44,079	(16,332)
741	BUILDING REPLACEMENT	3,719,439	724,939	87%	145,326	8%	579,612	34,827	4,264,225
745	CIP ENGINEERING	8,327	1,235,983	63%	1,507,821	76%	(271,838)	7,655	(271,166)
760	UNEMPLOYMENT	316,781	3,620	156%	14,081	94%	(10,461)	-	306,320
770	WORKERS COMPENSATION	1,944,442	726,553	101%	657,905	59%	68,648	30,000	1,983,090
790	EQUIPMENT REPLACEMENT	6,113,244	2,073,704	93%	593,426	21%	1,480,278	181,542	7,411,979
791	EMPLOYEE BENEFITS FUNDS	(161,343)	676,502	83%	712,894	102%	(36,392)	-	(197,735)
795	GEN. LIABILITY INSURANCE	1,123,565	1,659,133	84%	1,878,496	99%	(219,363)	4,650	899,552
TOTAL INTERNAL SERVICE FUNDS		\$ 13,694,197	\$ 10,348,390	83%	\$ 8,605,357	59%	\$ 1,743,034	\$ 361,343	\$ 15,075,888

 City of Morgan Hill Fund Activity Summary - Fiscal Year 2022-23 For the Month Ended April 30, 2023 83% of Year Complete								
Beginning Fund Balance 07-01-22	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance		
	YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved¹	Unreserved	

SUMMARY BY FUND TYPE

GENERAL FUND GROUP	\$ 33,685,888	\$ 37,165,324	74%	\$ 43,318,716	74%	\$ (6,153,392)	\$ 2,409,461	\$ 25,123,036
SPECIAL REVENUE GROUP	11,383,607	9,600,000	77%	9,341,542	68%	258,457	1,125,606	10,516,458
DEBT SERVICE GROUP	340,189	568,411	84%	678,456	100%	(110,044)	715	229,429
CAPITAL PROJECTS GROUP	34,484,118	19,718,442	84%	17,044,709	32%	2,673,733	7,045,254	30,112,598
ENTERPRISE GROUP	70,619,108	46,441,553	74%	46,226,835	48%	214,719	2,552,761	68,281,066
INTERNAL SERVICE GROUP	13,694,197	10,348,390	83%	8,605,357	59%	1,743,034	361,343	15,075,888
TOTAL ALL GROUPS	\$ 164,207,107	\$ 123,842,120	76%	\$ 125,215,614	53%	\$ (1,373,493)	\$ 13,495,139	\$ 149,338,474

For Enterprise Funds: Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.
 *Unreserved fund balance includes bond proceeds reserved for projects listed in bond documents.
¹ Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Keri Russell, Maintenance Manager

APPROVED BY: City Manager

ADOPT RESOLUTION ORDERING ANNUAL ASSESSMENTS AND RELATED ACTIONS FOR CITY OF MORGAN HILL LANDSCAPE ASSESSMENT DISTRICT NUMBER 1

RECOMMENDATION(S)

1. Open and close the Public Hearing; and
2. Adopt resolution confirming Fiscal Year (FY) 2023-24 annual assessments and ordering the levy of assessments for the District.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

2022-2023 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The City of Morgan Hill Landscape Assessment District No. 1 (District) was created to pay for the maintenance of the parks and common landscaping in neighborhoods benefiting from the open space within the District. The purpose of this item is to:

- A) Provide an opportunity for public input;
- B) Confirm the FY 2023-24 Assessments; and
- C) Order the levy of the Assessments.

Per California Streets and Highways code Sections 22623 to 22631, the Annual Report (Attachment 1) is required to set the annual assessments in the District. In addition to approving the report on May 3, 2023, the Council declared its intent to levy assessments in the District and established June 7, 2023 as the date of the official public hearing.

COMMUNITY ENGAGEMENT:

Ongoing resident outreach is occurring in several of the subareas and City staff are striving to increase resident outreach to others. Some areas have more active

homeowner groups that work with City staff in planning maintenance projects for their subarea, while residents of other subareas are less engaged. In recent years, City staff have successfully developed relationships with resident groups in several areas. Staff are closely working with active districts on the ongoing maintenance and budgets for their district. Although outreach with residents is typically positive, not all residents are satisfied with the service being provided within their subarea. This dissatisfaction is often due to limitations of funding available to the subarea without an associated increase in assessment.

Staff is recommending increases to the assessments for Hamilton Square and Llagas Obata sub areas. Staff have had resident meetings with both Hamilton Square and Llagas Obata to discuss the increases. Hamilton Square had good homeowner engagement whereas Llagas Obata did not.

ALTERNATIVE ACTIONS:

There is no other practical alternative action. The City Council could choose to provide staff with further direction on management of the District.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

In 1991, the City Council, under the Landscape and Lighting Act of 1972, created the Fox Hollow/Murphy Springs Landscape Assessment District, and in 2010 chose to rename it to the City of Morgan Hill Landscape Assessment District No. 1.

On May 3, 2023, the City Council initiated the annual assessment process and approved the Engineer's Annual Report, for FY 2023-24. In addition to approving the report, the Council declared its intent to levy assessments in the District and established June 7, 2023 as the date of the official public hearing.

FISCAL AND RESOURCE IMPACT:

The cost for preparation of the Engineer's Annual report will be paid for by the Assessment District. It is anticipated that the District will generate \$202,700 in revenue in Fiscal Year 2023-24. Expenses are budgeted at \$212,237, meaning that overall the District's reserves are projected to be reduced by \$9,537 in the upcoming fiscal year. Providing administrative oversight to the District is a core activity of the Public Services Department's work program.

CEQA (California Environmental Quality Act):

Categorical Exemption

The planned maintenance and management of the sub-areas within the lighting and landscape assessment district fall within the CEQA categorical exception of Class 1, Existing Facilities.

CITY OF MORGAN HILL

Fiscal Year 2023/24 Engineer's Report For:

Landscape Assessment District No. 1

May 2023

Prepared by:



Corporate Headquarters
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NBS

Melissa Ellico, Administrator

Darrylanne Zarate, Project Manager

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1. EXECUTIVE SUMMARY

WHEREAS, the City Council of the City of Morgan Hill (the “City”), State of California, directed NBS to prepare and file a report, in accordance with Chapter 1, Article 4 of the Landscaping and Lighting Act of 1972 (the “Act”), presenting the plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations and servicing of the improvements for the City’s Landscape Assessment District No. 1 (the “District”) for Fiscal Year 2023/24. The report includes a diagram for the District, showing the area and properties proposed to be assessed, an assessment of the estimated costs of the maintenance, operations and servicing the improvements, and the net amount upon all assessable lots and/or parcels within the District in proportion to the special benefit received and;

WHEREAS, the assessment for each parcel is in compliance with the Proposition 218 Omnibus Implementation Act and Section 4 of Article XIII D of the California Constitution. The proposed assessments are not proposed to increase by more than the approved maximum allowable increases.

NOW THEREFORE, assessments have been levied in accordance with the assessment methodology adopted and approved by the City Council at the time of District formation, and are made to cover the portion of the estimated costs of maintenance, operation, and servicing of the improvements, to be paid by the assessable real property within the District in proportion to the special benefit received:

Zone	Units	FY 2023/24 Maximum Assessment Rate	FY 2023/24 Actual Assessment Rate	Total Assessment ⁽¹⁾
Belle Estates	36	\$502.22	\$310.00	\$11,160.00
Chang/Bertelone	8	1,215.00	550.00	4,400.00
Conte Gardens	11	477.82	365.00	4,015.00
Diana Estates	64	139.39	139.39	8,920.96
Fox Hollow ⁽²⁾	75	240.21	173.53	13,014.75
Hamilton Square	38	425.54	425.00	16,150.00
Jackson Meadows #6	70	108.10	108.00	7,560.00
Jackson Meadows #7	10	314.58	100.00	1,000.00
La Grande Estates	32	88.00	88.00	2,816.00
Lacrosse/Gera	24	142.99	50.00	1,200.00
Llagas Creek ⁽²⁾	71	323.46	233.67	16,590.57
Llagas/Obata	5	629.16	450.00	2,250.00
Mill Creek ^(2,4)	84	311.42	285.00	23,940.00
Oak Creek I, II, III	119	453.82	425.00	50,575.00
Parsons Corner ⁽³⁾	NOT APPLICABLE			
Rose Haven	27	488.47	400.00	10,800.00
Sandalwood ⁽⁴⁾	11	450.00	450.00	4,950.00
Sparhawk ⁽²⁾	18	344.43	334.00	6,012.00
Stone Creek ⁽²⁾	35	537.71	388.46	13,596.10
Sunnyside/Stonegate ⁽²⁾	10	788.02	375.00	3,750.00
Totals:	748			\$202,700.38

(1) Actual amount placed on secured tax roll may be less due to Santa Clara County submittal requirements. Amounts placed on the tax roll must be rounded down to an even number.

(2) Maximum Assessment Rate increases by 3% annually.

(3) Detachment of Parsons Corner Zone was approved in April 2019.

(4) Includes increased maximum assessment rate approved by property owners.

2. OVERVIEW

2.1 Introduction

In 1991, the City Council created the Fox Hollow/Murphy Springs Landscape Assessment District, under the Act, and in 2010 chose to rename it to the City of Morgan Hill Landscape Assessment District No. 1. The District was formed in order to provide for the continued maintenance, operation, and administration of various improvements within the boundaries of the District. Following the initial formation, additional territory was annexed to the District as separate Zones. Currently, the District is comprised of 19 Zones (which decreased from 20 as a result of property owners within Parsons Corner electing to detach from the District in April 2019).

The District provides for and ensures the continued maintenance, servicing, administration, and operation of various landscaping improvements and associated appurtenances located within the public right-of-way and dedicated easements within the boundaries of the District.

2.2 Description of Boundaries

Exhibits from the Engineer's Report at the formation of the District define the boundaries and maintenance areas of each Zone within the District. These exhibits are on file and available for review at the Office of the City Engineer and, in conjunction with the County of Santa Clara (the "County") Assessor's maps of the areas annexed, comprise the assessment diagrams for the respective annexations. The Assessor's maps are on file in the office of the County Assessor and are, by reference, made a part of this Report.

2.3 Description of Improvements and Services

The improvements include the construction, operation, maintenance, and servicing of landscaping and appurtenant facilities; including, but not limited to, personnel, electrical energy, utilities such as water and gas, materials, contracting services, and other items necessary for the satisfactory operation of the following services:

"Landscape improvements provided within the District may include, but are not limited to: ground cover, shrubs, plants and trees, irrigation and drainage systems, graffiti removal, entry monuments, and associated appurtenant facilities. Services provided include all necessary service, operations, administration, and maintenance required to keep the above-mentioned improvements in a healthy, vigorous, and satisfactory condition."

Reference is made to the Plans and Specifications for the improvements, which is on file with the City.

3. ESTIMATE OF COSTS

3.1 Definitions of Budget Items

The following definitions describe some of the services and costs that may be included in the Zone Budgets:

Direct Expenses

Maintenance: Includes all regularly scheduled labor, material (i.e. pipe, fertilizer, insecticides, paint, etc.) and equipment required to properly maintain and ensure the satisfactory condition of all landscaping, irrigation and drainage systems, and appurtenant facilities.

Extra Contract Costs: Includes all labor, equipment, and material costs associated with unscheduled repairs and improvements needed to ensure the satisfactory condition of all landscaping, irrigation and drainage systems, and appurtenant facilities.

Water/Sewer: Includes the furnishing of water required for the operation and maintenance of the landscaping facilities.

Electricity Costs: Includes the furnishing of electricity required for irrigation systems for the operation and maintenance of the landscaping facilities.

Other Supplies: Includes costs that are generally unforeseen and not normally included in the yearly maintenance contract costs. This may include repair of damaged amenities due to vandalism, storms, heavy frost, etc. Also included may be planned upgrades that provide a direct benefit to the District. These upgrades could include replacing plant materials and/or renovation of irrigation systems.

Administrative Expenses

Salaries: Includes the cost to particular departments and staff of the City to provide the coordination of District services, operations, and maintenance of the improvements, response to public concerns and education, and procedures associated with the levy and collection of assessments.

Postage/Advertising: Includes the cost of providing any mailed notice to the property owners and publishing and posting the Resolution of Intention as required by the Act.

Internal Services: Includes overhead costs allocated to the District for various City staff services.

Administrative/Engineering Contract: Includes the costs associated with contracting with professionals to provide services specific to the administration of the levy.

Contingency/Capital Replacement Fund Balance (Reduction)/Reserve

Positive amounts are collected for various reasons that include, but are not limited to, any or all of the following:

- To maintain reserves which enable the City to pay for costs associated with the District during the first six months of the fiscal year,

Contingency/Capital Replacement Fund Balance (Reduction)/Reserve (continued)

- To reduce the current fund balance deficit (if any) that exists as of the beginning of the fiscal year, and
- To plan for the replacement of capital improvements in the future.

3.2 Zone Budgets

The estimated costs of servicing, maintaining, repairing, and replacing the actual improvements for each Zone for Fiscal Year 2023/24 are shown on the following pages.

City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Belle Estates</u>
DIRECT EXPENSES	
Maintenance	\$3,939.26
Extra Contract Costs	2,000.00
Water/Sewer	3,025.00
Electricity Costs	
Other Supplies	525.00
Subtotal Direct Expenses	<u>\$9,489.26</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$1,241.82
Postage/Advertising	10.03
Internal Services	1,003.65
Administrative/Engineering Contract	403.53
Subtotal Administrative Expenses	<u>\$2,659.03</u>
SUBTOTAL ZONE COST	\$12,148.29
Fund Balance (Reduction)/Reserve	(988.29)
TOTAL BALANCE TO LEVY	<u>\$11,160.00</u>
Number of Assessable Units	36
Assessment Rate per Unit	\$310.00
Estimated Beginning Fund Balance July 1, 2023	\$13,919.51
Fund Balance Change	<u>(988.29)</u>
Estimated Ending Fund Balance June 30, 2024	\$12,931.22



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	Chang / Bertelone
DIRECT EXPENSES	
Maintenance	\$2,262.44
Extra Contract Costs	0.00
Water/Sewer	1,100.00
Electricity Costs	
Other Supplies	400.00
Subtotal Direct Expenses	\$3,762.44
ADMINISTRATIVE EXPENSES	
Salaries	\$275.96
Postage/Advertising	2.23
Internal Services	223.03
Administrative/Engineering Contract	89.67
Subtotal Administrative Expenses	\$590.90
SUBTOTAL ZONE COST	\$4,353.33
Fund Balance (Reduction)/Reserve	46.67
TOTAL BALANCE TO LEVY	\$4,400.00
Number of Assessable Units	8
Assessment Rate per Unit	\$550.00
Estimated Beginning Fund Balance July 1, 2023	\$11,490.22
Fund Balance Change	46.67
Estimated Ending Fund Balance June 30, 2024	\$11,536.89



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Conte Gardens</u>
DIRECT EXPENSES	
Maintenance	\$0.00
Extra Contract Costs	1,000.00
Water/Sewer	2,750.00
Electricity Costs	240.00
Other Supplies	500.00
Subtotal Direct Expenses	\$4,490.00
ADMINISTRATIVE EXPENSES	
Salaries	\$379.45
Postage/Advertising	3.06
Internal Services	306.67
Administrative/Engineering Contract	123.30
Subtotal Administrative Expenses	\$812.48
SUBTOTAL ZONE COST	\$5,302.48
Fund Balance (Reduction)/Reserve	(1,287.48)
TOTAL BALANCE TO LEVY	\$4,015.00
Number of Assessable Units	11
Assessment Rate per Unit	\$365.00
Estimated Beginning Fund Balance July 1, 2023	\$12,565.49
Fund Balance Change	(1,287.48)
Estimated Ending Fund Balance June 30, 2024	\$11,278.01



City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Diana Estates</u>
DIRECT EXPENSES	
Maintenance	\$3,925.98
Extra Contract Costs	500.00
Water/Sewer	935.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$5,360.98</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$2,207.69
Postage/Advertising	17.83
Internal Services	1,784.26
Administrative/Engineering Contract	717.39
Subtotal Administrative Expenses	<u>\$4,727.17</u>
SUBTOTAL ZONE COST	\$10,088.14
Fund Balance (Reduction)/Reserve	(1,167.18)
TOTAL BALANCE TO LEVY	<u>\$8,920.96</u>
Number of Assessable Units	64
Assessment Rate per Unit	\$139.39
Estimated Beginning Fund Balance July 1, 2023	\$7,205.47
Fund Balance Change	<u>(1,167.18)</u>
Estimated Ending Fund Balance June 30, 2024	\$6,038.29



City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Fox Hollow</u>
DIRECT EXPENSES	
Maintenance	\$2,262.44
Extra Contract Costs	1,500.00
Water/Sewer	5,100.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$8,862.44</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$2,587.13
Postage/Advertising	20.89
Internal Services	2,090.93
Administrative/Engineering Contract	840.69
Subtotal Administrative Expenses	<u>\$5,539.65</u>
SUBTOTAL ZONE COST	\$14,402.08
Fund Balance (Reduction)/Reserve	(1,387.33)
TOTAL BALANCE TO LEVY	<u>\$13,014.75</u>
Number of Assessable Units	75
Assessment Rate per Unit	\$173.53
Estimated Beginning Fund Balance July 1, 2023	\$13,720.12
Fund Balance Change	<u>(1,387.33)</u>
Estimated Ending Fund Balance June 30, 2024	\$12,332.79



City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Hamilton Square</u>
DIRECT EXPENSES	
Maintenance	\$8,949.44
Extra Contract Costs	0.00
Water/Sewer	4,400.00
Electricity Costs	247.50
Other Supplies	1,000.00
Subtotal Direct Expenses	<u>\$14,596.94</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$1,310.81
Postage/Advertising	10.58
Internal Services	1,059.40
Administrative/Engineering Contract	425.95
Subtotal Administrative Expenses	<u>\$2,806.75</u>
SUBTOTAL ZONE COST	\$17,403.70
Fund Balance (Reduction)/Reserve	(1,253.70)
TOTAL BALANCE TO LEVY	<u>\$16,150.00</u>
Number of Assessable Units	38
Assessment Rate per Unit	\$425.00
Estimated Beginning Fund Balance July 1, 2023	\$9,331.82
Fund Balance Change	<u>(1,253.70)</u>
Estimated Ending Fund Balance June 30, 2024	\$8,078.12



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	Jackson Meadows #6
DIRECT EXPENSES	
Maintenance	\$994.38
Extra Contract Costs	1,350.00
Water/Sewer	0.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	\$2,344.38
ADMINISTRATIVE EXPENSES	
Salaries	\$2,414.66
Postage/Advertising	19.50
Internal Services	1,951.54
Administrative/Engineering Contract	784.65
Subtotal Administrative Expenses	\$5,170.34
SUBTOTAL ZONE COST	\$7,514.72
Fund Balance (Reduction)/Reserve	45.28
TOTAL BALANCE TO LEVY	\$7,560.00
Number of Assessable Units	70
Assessment Rate per Unit	\$108.00
Estimated Beginning Fund Balance July 1, 2023	\$959.43
Fund Balance Change	45.28
Estimated Ending Fund Balance June 30, 2024	\$1,004.71



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	Jackson Meadows #7
DIRECT EXPENSES	
Maintenance	\$1,092.00
Extra Contract Costs	0.00
Water/Sewer	0.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	\$1,092.00
ADMINISTRATIVE EXPENSES	
Salaries	\$344.95
Postage/Advertising	2.79
Internal Services	278.79
Administrative/Engineering Contract	112.09
Subtotal Administrative Expenses	\$738.62
SUBTOTAL ZONE COST	\$1,830.62
Fund Balance (Reduction)/Reserve	(830.62)
TOTAL BALANCE TO LEVY	\$1,000.00
Number of Assessable Units	10
Assessment Rate per Unit	\$100.00
Estimated Beginning Fund Balance July 1, 2023	\$4,460.09
Fund Balance Change	(830.62)
Estimated Ending Fund Balance June 30, 2024	\$3,629.47



City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>La Grande Estates</u>
DIRECT EXPENSES	
Maintenance	\$0.00
Extra Contract Costs	0.00
Water/Sewer	0.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$0.00</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$1,103.84
Postage/Advertising	8.91
Internal Services	892.13
Administrative/Engineering Contract	358.70
Subtotal Administrative Expenses	<u>\$2,363.58</u>
SUBTOTAL ZONE COST	\$2,363.58
Fund Balance (Reduction)/Reserve	452.42
TOTAL BALANCE TO LEVY	<u>\$2,816.00</u>
Number of Assessable Units	32
Assessment Rate per Unit	\$88.00
Estimated Beginning Fund Balance July 1, 2023	(\$8,068.84)
Fund Balance Change	452.42
Estimated Ending Fund Balance June 30, 2024	<u>(\$7,616.42)</u>



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Lacrosse/Gera</u>
DIRECT EXPENSES	
Maintenance	\$1,092.00
Extra Contract Costs	0.00
Water/Sewer	0.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$1,092.00</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$413.94
Postage/Advertising	3.34
Internal Services	334.55
Administrative/Engineering Contract	134.51
Subtotal Administrative Expenses	<u>\$886.34</u>
SUBTOTAL ZONE COST	\$1,978.34
Fund Balance (Reduction)/Reserve	(778.34)
TOTAL BALANCE TO LEVY	<u>\$1,200.00</u>
Number of Assessable Units	24
Assessment Rate per Unit	\$50.00
Estimated Beginning Fund Balance July 1, 2023	\$1,773.08
Fund Balance Change	<u>(778.34)</u>
Estimated Ending Fund Balance June 30, 2024	\$994.74



City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Llagas Creek</u>
DIRECT EXPENSES	
Maintenance	\$6,322.39
Extra Contract Costs	1,000.00
Water/Sewer	5,250.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$12,572.39</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$2,449.15
Postage/Advertising	19.78
Internal Services	1,979.41
Administrative/Engineering Contract	795.86
Subtotal Administrative Expenses	<u>\$5,244.20</u>
SUBTOTAL ZONE COST	\$17,816.59
Fund Balance (Reduction)/Reserve	(1,226.02)
TOTAL BALANCE TO LEVY	<u>\$16,590.57</u>
Number of Assessable Units	71
Assessment Rate per Unit	\$233.67
Estimated Beginning Fund Balance July 1, 2023	\$8,370.75
Fund Balance Change	<u>(1,226.02)</u>
Estimated Ending Fund Balance June 30, 2024	\$7,144.73



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Llagas/Obata</u>
DIRECT EXPENSES	
Maintenance	\$1,330.67
Extra Contract Costs	0.00
Water/Sewer	275.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	\$1,605.67
ADMINISTRATIVE EXPENSES	
Salaries	\$172.48
Postage/Advertising	1.39
Internal Services	139.40
Administrative/Engineering Contract	56.05
Subtotal Administrative Expenses	\$369.31
SUBTOTAL ZONE COST	\$1,974.97
Fund Balance (Reduction)/Reserve	275.03
TOTAL BALANCE TO LEVY	\$2,250.00
Number of Assessable Units	5
Assessment Rate per Unit	\$450.00
Estimated Beginning Fund Balance July 1, 2023	\$1,001.30
Fund Balance Change	275.03
Estimated Ending Fund Balance June 30, 2024	\$1,276.32



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Mill Creek</u>
DIRECT EXPENSES	
Maintenance	\$9,943.83
Extra Contract Costs	500.00
Water/Sewer	4,708.00
Electricity Costs	252.00
Other Supplies	1,500.00
Subtotal Direct Expenses	\$16,903.83
ADMINISTRATIVE EXPENSES	
Salaries	\$2,897.59
Postage/Advertising	23.40
Internal Services	2,341.84
Administrative/Engineering Contract	941.58
Subtotal Administrative Expenses	\$6,204.40
SUBTOTAL ZONE COST	\$23,108.23
Fund Balance (Reduction)/Reserve	831.77
TOTAL BALANCE TO LEVY	\$23,940.00
Number of Assessable Units	84
Assessment Rate per Unit	\$285.00
Estimated Beginning Fund Balance July 1, 2023	\$11,336.31
Fund Balance Change	831.77
Estimated Ending Fund Balance June 30, 2024	\$12,168.08



City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Oak Creek I, II, III</u>
DIRECT EXPENSES	
Maintenance	\$20,910.12
Extra Contract Costs	7,500.00
Water/Sewer	11,770.00
Electricity Costs	3,700.00
Other Supplies	2,500.00
Subtotal Direct Expenses	\$46,380.12
ADMINISTRATIVE EXPENSES	
Salaries	\$4,104.92
Postage/Advertising	33.15
Internal Services	3,317.61
Administrative/Engineering Contract	1,333.90
Subtotal Administrative Expenses	\$8,789.57
SUBTOTAL ZONE COST	\$55,169.69
Fund Balance (Reduction)/Reserve	(4,594.69)
TOTAL BALANCE TO LEVY	\$50,575.00
Number of Assessable Units	119
Assessment Rate per Unit	\$425.00
Estimated Beginning Fund Balance July 1, 2023	\$42,811.54
Fund Balance Change	(4,594.69)
Estimated Ending Fund Balance June 30, 2024	\$38,216.85



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Rose Haven</u>
DIRECT EXPENSES	
Maintenance	\$7,955.06
Extra Contract Costs	500.00
Water/Sewer	1,210.00
Electricity Costs	270.90
Other Supplies	400.00
Subtotal Direct Expenses	<u>\$10,335.96</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$931.37
Postage/Advertising	7.52
Internal Services	752.74
Administrative/Engineering Contract	302.65
Subtotal Administrative Expenses	<u>\$1,994.27</u>
SUBTOTAL ZONE COST	\$12,330.23
Fund Balance (Reduction)/Reserve	(1,530.23)
TOTAL BALANCE TO LEVY	<u>\$10,800.00</u>
Number of Assessable Units	27
Assessment Rate per Unit	\$400.00
Estimated Beginning Fund Balance July 1, 2023	\$19,668.25
Fund Balance Change	<u>(1,530.23)</u>
Estimated Ending Fund Balance June 30, 2024	\$18,138.02



City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Sandalwood</u>
DIRECT EXPENSES	
Maintenance	\$332.88
Extra Contract Costs	0.00
Water/Sewer	0.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$332.88</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$379.45
Postage/Advertising	3.06
Internal Services	306.67
Administrative/Engineering Contract	123.30
Subtotal Administrative Expenses	<u>\$812.48</u>
SUBTOTAL ZONE COST	\$1,145.36
Fund Balance (Reduction)/Reserve	3,804.64
TOTAL BALANCE TO LEVY	<u>\$4,950.00</u>
Number of Assessable Units	11
Assessment Rate per Unit	\$450.00
Estimated Beginning Fund Balance July 1, 2023	\$12,703.33
Fund Balance Change	<u>3,804.64</u>
Estimated Ending Fund Balance June 30, 2024	\$16,507.97



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Sparhawk</u>
DIRECT EXPENSES	
Maintenance	\$2,262.44
Extra Contract Costs	250.00
Water/Sewer	1,875.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$4,387.44</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$620.91
Postage/Advertising	5.01
Internal Services	501.82
Administrative/Engineering Contract	201.77
Subtotal Administrative Expenses	<u>\$1,329.52</u>
SUBTOTAL ZONE COST	\$5,716.95
Fund Balance (Reduction)/Reserve	295.05
TOTAL BALANCE TO LEVY	<u>\$6,012.00</u>
Number of Assessable Units	18
Assessment Rate per Unit	\$334.00
Estimated Beginning Fund Balance July 1, 2023	\$495.65
Fund Balance Change	<u>295.05</u>
Estimated Ending Fund Balance June 30, 2024	\$790.70



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Stone Creek</u>
DIRECT EXPENSES	
Maintenance	\$6,089.15
Extra Contract Costs	1,500.00
Water/Sewer	3,300.00
Electricity Costs	0.00
Other Supplies	0.00
Subtotal Direct Expenses	<u>\$10,889.15</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$1,207.33
Postage/Advertising	9.75
Internal Services	975.77
Administrative/Engineering Contract	392.32
Subtotal Administrative Expenses	<u>\$2,585.17</u>
SUBTOTAL ZONE COST	\$13,474.32
Fund Balance (Reduction)/Reserve	121.78
TOTAL BALANCE TO LEVY	<u>\$13,596.10</u>
Number of Assessable Units	35
Assessment Rate per Unit	\$388.46
Estimated Beginning Fund Balance July 1, 2023	\$3,572.99
Fund Balance Change	<u>121.78</u>
Estimated Ending Fund Balance June 30, 2024	\$3,694.77



City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	Sunnyside / Stone Gate
DIRECT EXPENSES	
Maintenance	\$1,988.77
Extra Contract Costs	400.00
Water/Sewer	588.50
Electricity Costs	0.00
Other Supplies	400.00
Subtotal Direct Expenses	\$3,377.27
ADMINISTRATIVE EXPENSES	
Salaries	\$344.95
Postage/Advertising	2.79
Internal Services	278.79
Administrative/Engineering Contract	112.09
Subtotal Administrative Expenses	\$738.62
SUBTOTAL ZONE COST	\$4,115.88
Fund Balance (Reduction)/Reserve	(365.88)
TOTAL BALANCE TO LEVY	\$3,750.00
Number of Assessable Units	10
Assessment Rate per Unit	\$375.00
Estimated Beginning Fund Balance July 1, 2023	\$14,520.67
Fund Balance Change	(365.88)
Estimated Ending Fund Balance June 30, 2024	\$14,154.79



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City of Morgan Hill
Landscape Assessment District No. 1
Fiscal Year 2023/24 Budget by Zone

	<u>Total of all Zones</u>
DIRECT EXPENSES	
Maintenance	\$81,653.23
Extra Contract Costs	18,000.00
Water/Sewer	46,286.50
Electricity Costs	4,710.40
Other Supplies	7,225.00
Subtotal Direct Expenses	<u>\$157,875.13</u>
ADMINISTRATIVE EXPENSES	
Salaries	\$25,388.40
Postage/Advertising	205.00
Internal Services	20,519.00
Administrative/Engineering Contract	8,250.00
Subtotal Administrative Expenses	<u>\$54,362.40</u>
SUBTOTAL ZONE COST	\$212,237.53
Fund Balance (Reduction)/Reserve	(9,537.15)
TOTAL BALANCE TO LEVY	<u>\$202,700.38</u>
Number of Assessable Units	748
Assessment Rate per Unit	N/A
Estimated Beginning Fund Balance July 1, 2023	\$181,837.17
Fund Balance Change	<u>(9,537.15)</u>
Estimated Ending Fund Balance June 30, 2024	\$172,300.03



4. ASSESSMENTS

The amount of the actual assessment for the Fiscal Year 2023/24 apportioned to each parcel, as shown on the latest equalized roll at the County Assessor's office, is listed in Section 6 of this Report. The description of each lot or parcel is part of the records of the County Assessor and such records are, by reference, made part of this Report.

4.1 Method of Apportionment

The assessments are levied in accordance with the assessment methodology adopted and approved by the City Council at the time of District formation.

Pursuant to the Act and Article XIII D of the Constitution of the State of California, all parcels that have special benefit conferred upon them as a result of the maintenance and operation of improvements shall be identified and the proportionate special benefit derived by each identified parcel shall be determined in relation to the entire cost of the maintenance and operation of the improvements. Only parcels that receive direct special benefit are assessed, and each parcel is assessed in proportion to the estimated benefit received.

Several Zones have been annexed into the District and it has been determined that by reason of variations in the nature, location, and extent of the improvements, those areas will receive differing degrees of benefit from the improvements.

Within the Zones, each parcel is allocated a number of units, where each such unit is deemed to receive the same proportional special benefit from the maintenance and operation of the improvements within that Zone. The typical parcel, with a single-family residential use, will have one unit assigned. If the use or nature of a parcel confers special benefit in a greater or lesser degree than that typical use, that parcel may have greater than or less than one unit assigned.

4.2 Belle Estates Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$502.22 per unit. There is currently no inflator associated with the Belle Estates Zone assessments.

There are currently 36 parcels within this Zone, and the total Zone costs are spread to each of the 36 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$11,160.00
Total Units	36
Fiscal Year 2023/24 Actual Assessment Per Unit	\$310.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$502.22

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$310.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$310.00
Change in the Actual Assessment Rate	\$0.00

4.3 Chang/Bertelone Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$1,215.00 per unit. There is currently no inflator associated with the Chang/Bertelone Zone assessments.

There are currently 8 parcels within this Zone, and the total Zone costs are spread to each of the 8 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$4,400.00
Total Units	8
Fiscal Year 2023/24 Actual Assessment Per Unit	\$550.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$1,215.00

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$550.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$550.00
Change in the Actual Assessment Rate	\$0.00

4.4 Conte Gardens Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$477.82 per unit. There is currently no inflator associated with the Conte Gardens Zone assessments.

There are currently 11 parcels within this Zone, and the total Zone costs are spread to each of the 11 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$4,015.00
Total Units	11
Fiscal Year 2023/24 Actual Assessment Per Unit	\$365.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$477.82

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$365.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$365.00
Change in the Actual Assessment Rate	\$0.00

4.5 Diana Estates Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$139.39 per unit. There is currently no inflator associated with the Diana Estates Zone assessments.

There are currently 64 parcels within this Zone, and the total Zone costs are spread to each of the 64 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$8,920.96
Total Units	64
Fiscal Year 2023/24 Actual Assessment Per Unit ⁽¹⁾	\$139.39
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$139.39

(1) May be rounded down to even cents per parcel for County Tax Roll purposes.

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$139.39
Fiscal Year 2023/24 Actual Assessment Per Unit	\$139.39
Change in the Actual Assessment Rate	\$0.00

4.6 Fox Hollow/Murphy Springs Zone

The assessment rate originally approved at the time of District formation was \$106.15 per unit. In July 2005, the City conducted Proposition 218 proceedings to increase the maximum assessment rate and add an annual inflator of 3% for the Zone. Property owners approved the rate increase and the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The rate increase took effect in Fiscal Year 2005/06 and the 3% inflator took effect in Fiscal Year 2006/07.

There are currently 75 parcels within this Zone, and the total Zone costs are spread to each of the 75 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$13,014.75
Total Units	75
Fiscal Year 2023/24 Actual Assessment Per Unit ⁽¹⁾	\$173.53
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$240.21

(1) May be rounded down to even cents per parcel for County Tax Roll purposes.

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$173.53
Fiscal Year 2023/24 Actual Assessment Per Unit	\$173.53
Change in the Actual Assessment Rate	\$0.00

4.7 Hamilton Square Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$425.54 per unit. There is currently no inflator associated with the Hamilton Square Zone assessments.

There are currently 38 parcels within this Zone, and the total Zone costs are spread to each of the 38 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$16,150.00
Total Units	38
Fiscal Year 2023/24 Actual Assessment Per Unit	\$425.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$425.54

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$325.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$425.00
Change in the Actual Assessment Rate	\$100.00

4.8 Jackson Meadows 6A/6B Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$108.10 per unit. There is currently no inflator associated with the Jackson Meadows 6A/6B Zone assessments.

There are currently 70 parcels within this Zone, and the total Zone costs are spread to each of the 70 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$7,560.00
Total Units	70
Fiscal Year 2023/24 Actual Assessment Per Unit	\$108.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$108.10

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$108.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$108.00
Change in the Actual Assessment Rate	\$0.00

4.9 Jackson Meadows Number 7 Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$314.58 per unit. There is currently no inflator associated with the Jackson Meadows Number 7 Zone assessments.

There are currently 10 parcels within this Zone, and the total Zone costs are spread to each of the 10 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$1,000.00
Total Units	10
Fiscal Year 2023/24 Actual Assessment Per Unit	\$100.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$314.58

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$100.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$100.00
Change in the Actual Assessment Rate	\$0.00

4.10 La Grande Estates Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$88.00 per unit. There is currently no inflator associated with the La Grande Estates Zone assessments.

There are currently 32 parcels within this Zone, and the total Zone costs are spread to each of the 32 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$2,816.00
Total Units	32
Fiscal Year 2023/24 Actual Assessment Per Unit	\$88.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$88.00

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$88.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$88.00
Change in the Actual Assessment Rate	\$0.00

4.11 Lacrosse/Gera Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$142.99 per unit. There is currently no inflator associated with the Lacrosse/Gera Zone assessments.

There are currently 24 parcels within this Zone, and the total Zone costs are spread to each of the 24 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$1,200.00
Total Units	24
Fiscal Year 2023/24 Actual Assessment Per Unit	\$50.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$142.99

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$50.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$50.00
Change in the Actual Assessment Rate	\$0.00

4.12 Llagas Creek Estates Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$140.84 per unit. In July 2005, the City conducted Proposition 218 proceedings to increase the maximum assessment rate and add an annual inflator of 3% for the Zone. Property owners approved the rate increase and the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The rate increase took effect in Fiscal Year 2005/06 and the 3% inflator took effect in Fiscal Year 2006/07.

There are currently 71 parcels within this Zone, and the total Zone costs are spread to each of the 71 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$16,590.57
Total Units	71
Fiscal Year 2023/24 Actual Assessment Per Unit ⁽¹⁾	\$233.67
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$323.46

(1) May be rounded down to even cents per parcel for County Tax Roll purposes.

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$233.67
Fiscal Year 2023/24 Actual Assessment Per Unit	\$233.67
Change in the Actual Assessment Rate	\$0.00

4.13 Llagas/Obata Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$629.16 per unit. There is currently no inflator associated with the Llagas/Obata Zone assessments.

There are currently 5 parcels within this Zone, and the total Zone costs are spread to each of the 5 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$2,250.00
Total Units	5
Fiscal Year 2023/24 Actual Assessment Per Unit	\$450.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$629.16

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$400.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$450.00
Change in the Actual Assessment Rate	\$50.00

4.14 Mill Creek Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$186.82 per unit. In February 2020, the City conducted Proposition 218 proceedings to increase the maximum assessment rate and add an annual inflator of 3% for the Zone. Property owners approved the assessment rate increase to \$285.00 per unit and the inflator. The rate increase took effect in Fiscal Year 2020/21 and the 3% inflator takes effect in Fiscal Year 2021/22.

There are currently 84 parcels within this Zone, and the total Zone costs are spread to each of the 84 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$23,940.00
Total Units	84
Fiscal Year 2023/24 Actual Assessment Per Unit	\$285.00
Fiscal Year 2023/24 Maximum Assessment Per Unit ⁽¹⁾	\$311.42

(1) Assessment Rate increase approved by property owners in February 2020.

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$285.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$285.00
Change in the Actual Assessment Rate	\$0.00

4.15 Oak Creek I, II, III

The assessment rate originally approved at the time of annexing this Zone into the District was \$453.82 per unit. There is currently no inflator associated with the Oak Creek I, II, III Zone assessments.

There are currently 119 parcels within this Zone, and the total Zone costs are spread to each of the 119 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$50,575.00
Total Units	119
Fiscal Year 2023/24 Actual Assessment Per Unit	\$425.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$453.82

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$425.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$425.00
Change in the Actual Assessment Rate	\$0.00

4.16 Parsons Corner Zone

In April 2019, property owners in the Parsons Corner Zone voted to detach from the District. Therefore, there is no assessment for the Parsons Corner Zone.

4.17 Rose Haven Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$488.47 per unit. There is currently no inflator associated with the Rose Haven Zone assessments.

There are currently 24 parcels with a total of 27 units within this Zone, and the total Zone costs are spread to each of the 27 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$10,800.00
Total Units	27
Fiscal Year 2023/24 Actual Assessment Per Unit	\$400.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$488.47

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$400.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$400.00
Change in the Actual Assessment Rate	\$0.00

4.18 Sandalwood Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$192.39 per unit. In April 2018, property owners approved the assessment rate increase to \$450.00 per unit. There is currently no inflator associated with the Sandalwood Zone assessments.

There are currently 11 parcels within this Zone, and the total Zone costs are spread to each of the 11 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$4,950.00
Total Units	11
Fiscal Year 2023/24 Actual Assessment Per Unit	\$450.00
Fiscal Year 2023/24 Maximum Assessment Per Unit ⁽¹⁾	\$450.00

(1) Assessment Rate increase approved by property owners in April 2018.

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$450.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$450.00
Change in the Actual Assessment Rate	\$0.00

4.19 Sparhawk Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$174.77 per unit. In July 2005, the City conducted Proposition 218 proceedings to increase the maximum assessment rate and add an annual inflator of 3% for the Zone. Property owners approved the rate increase and the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The rate increase took effect in Fiscal Year 2005/06 and the 3% inflator took effect in Fiscal Year 2006/07.

There are currently 18 parcels within this Zone, and the total Zone costs are spread to each of the 18 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$6,012.00
Total Units	18
Fiscal Year 2023/24 Actual Assessment Per Unit	\$334.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$344.43

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$334.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$334.00
Change in the Actual Assessment Rate	\$0.00

4.20 Stone Creek Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$306.66 per unit. In July 2005, the City conducted Proposition 218 proceedings to add an annual inflator of 3% for the

Zone. Property owners approved the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The inflator took effect in Fiscal Year 2005/06.

There are currently 35 parcels within this Zone, and the total Zone costs are spread to each of the 35 units as follows:

Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$13,596.10
Total Units	35
Fiscal Year 2023/24 Actual Assessment Per Unit	\$388.46
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$537.71

Any change in the assessment rate from the previous fiscal year is identified below:

Fiscal Year 2022/23 Actual Assessment Per Unit	\$388.46
Fiscal Year 2023/24 Actual Assessment Per Unit	\$388.46
Change in the Actual Assessment Rate	\$0.00

4.21 Sunnyside/Stone Gate Zone

The assessment rate originally approved at the time of annexing this Zone into the District was \$449.40 per unit. In July 2005, the City conducted Proposition 218 proceedings to add an annual inflator of 3% for the Zone. Property owners approved the inflator. Each year the maximum assessment rate is increased by 3% over the previous year's maximum assessment rate. The inflator took effect in Fiscal Year 2005/06.

There are currently 10 parcels within this Zone, and the total Zone costs are spread to each of the 10 units as follows:

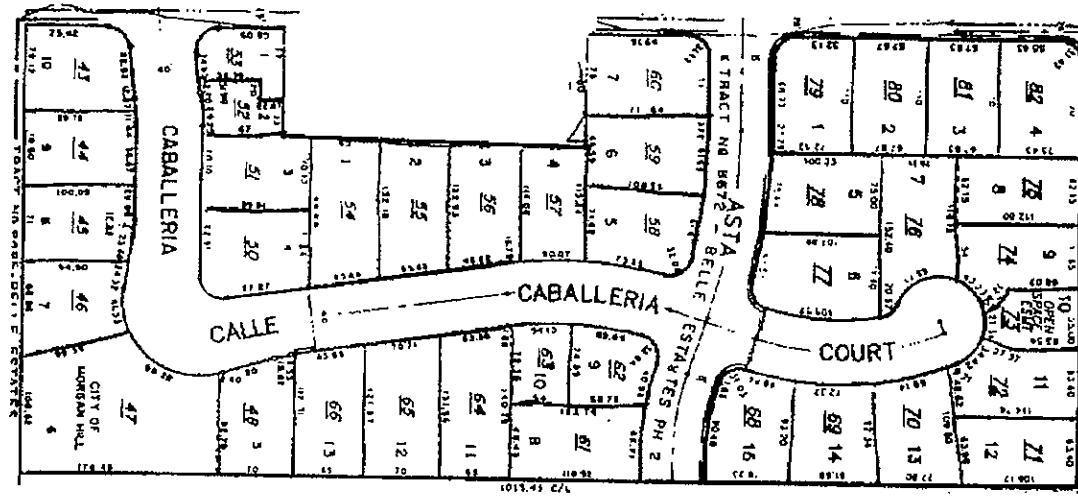
Estimated Fiscal Year 2023/24 Costs and Fund Adjustment	\$3,750.00
Total Units	10
Fiscal Year 2023/24 Actual Assessment Per Unit	\$375.00
Fiscal Year 2023/24 Maximum Assessment Per Unit	\$788.02

Any change in the assessment rate from the previous fiscal year is identified below:

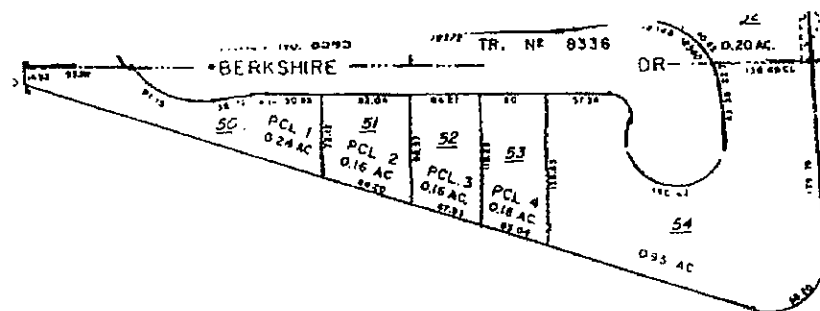
Fiscal Year 2022/23 Actual Assessment Per Unit	\$375.00
Fiscal Year 2023/24 Actual Assessment Per Unit	\$375.00
Change in the Actual Assessment Rate	\$0.00

5. ASSESSMENT DIAGRAMS

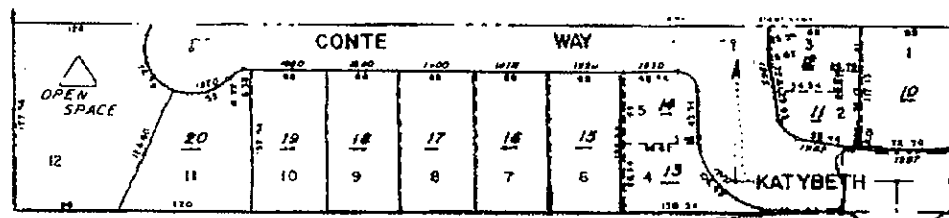
The Assessment Diagrams for each Zone in the District have been submitted to the City Clerk in the format required under the provisions of the Act. Copies of the diagrams are included herein. The lines and dimensions shown on maps of the County Assessor for the current year are, by reference, made part of this Report as well.



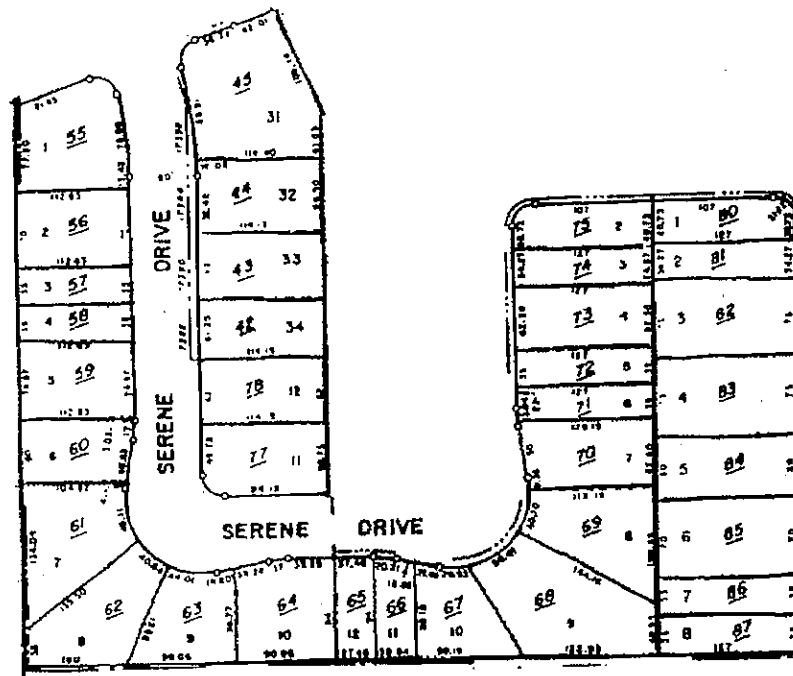
BELLE ESTATES ZONE



CHIANG/BERTELONE ZONE

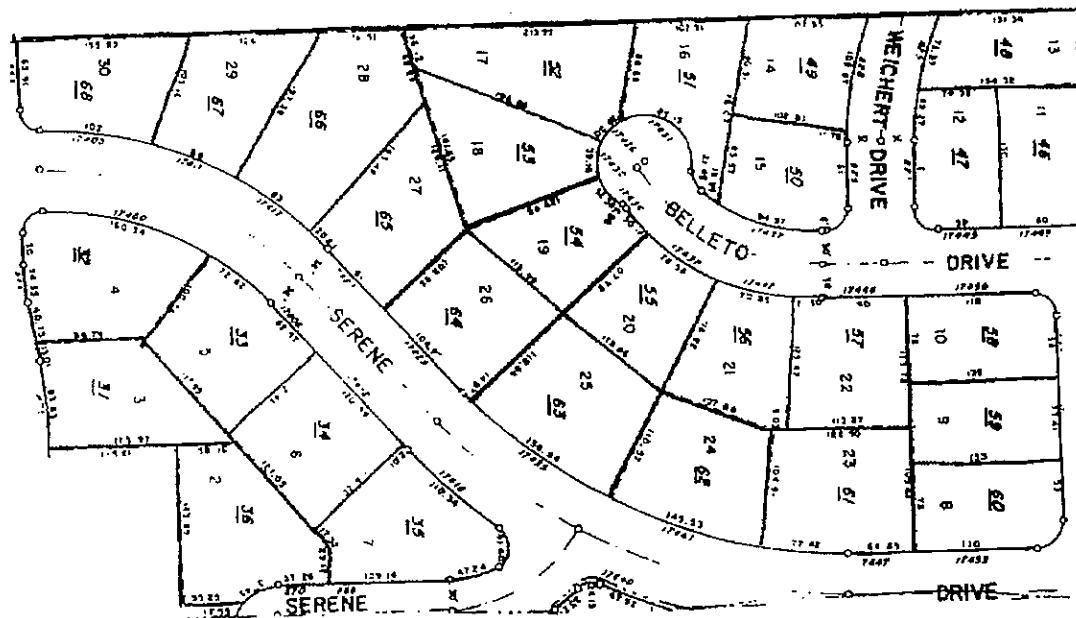


CONTE GARDENS ZONE



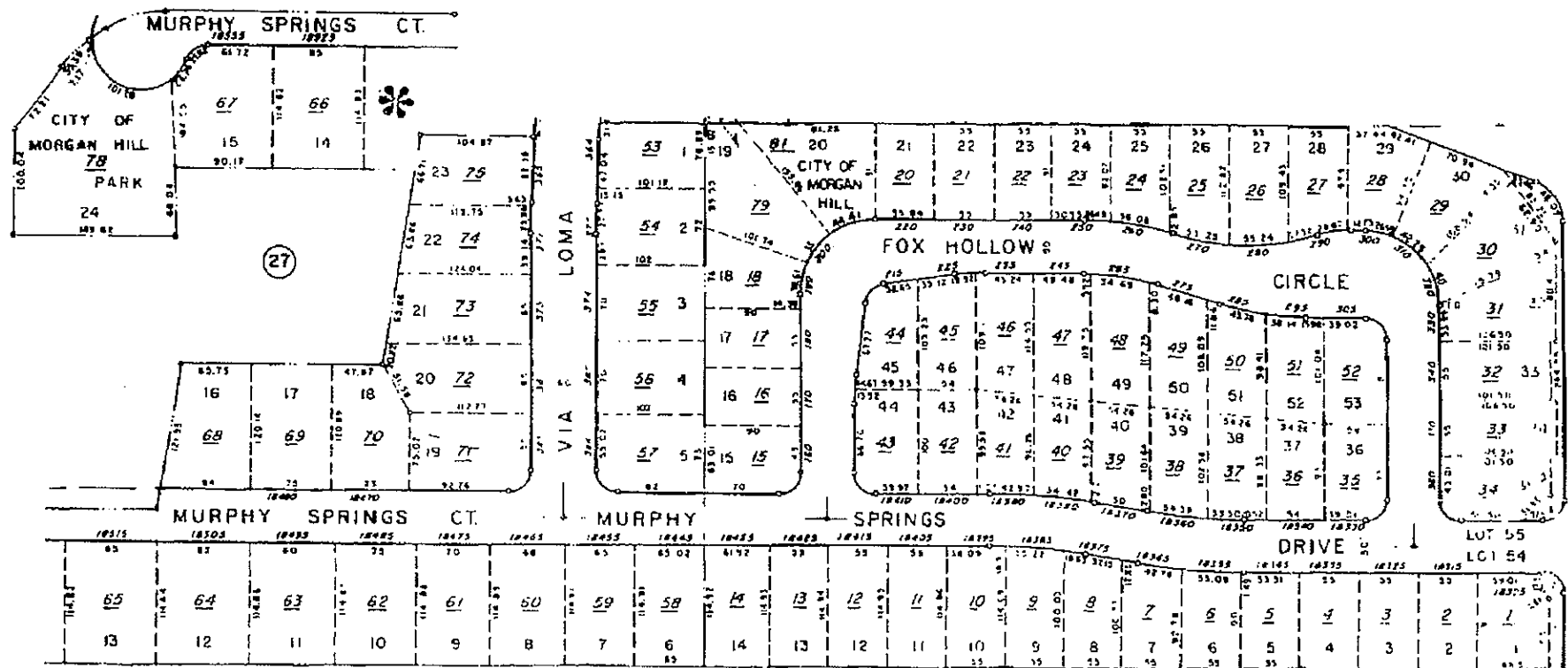
DIANA ESTATES ZONE

SHEET 1

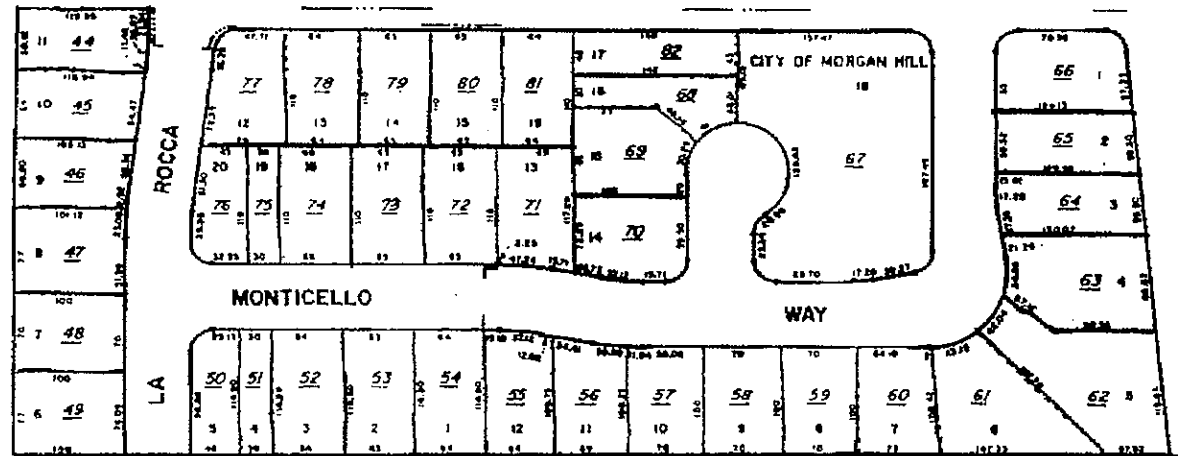


DIANA ESTATES ZONE

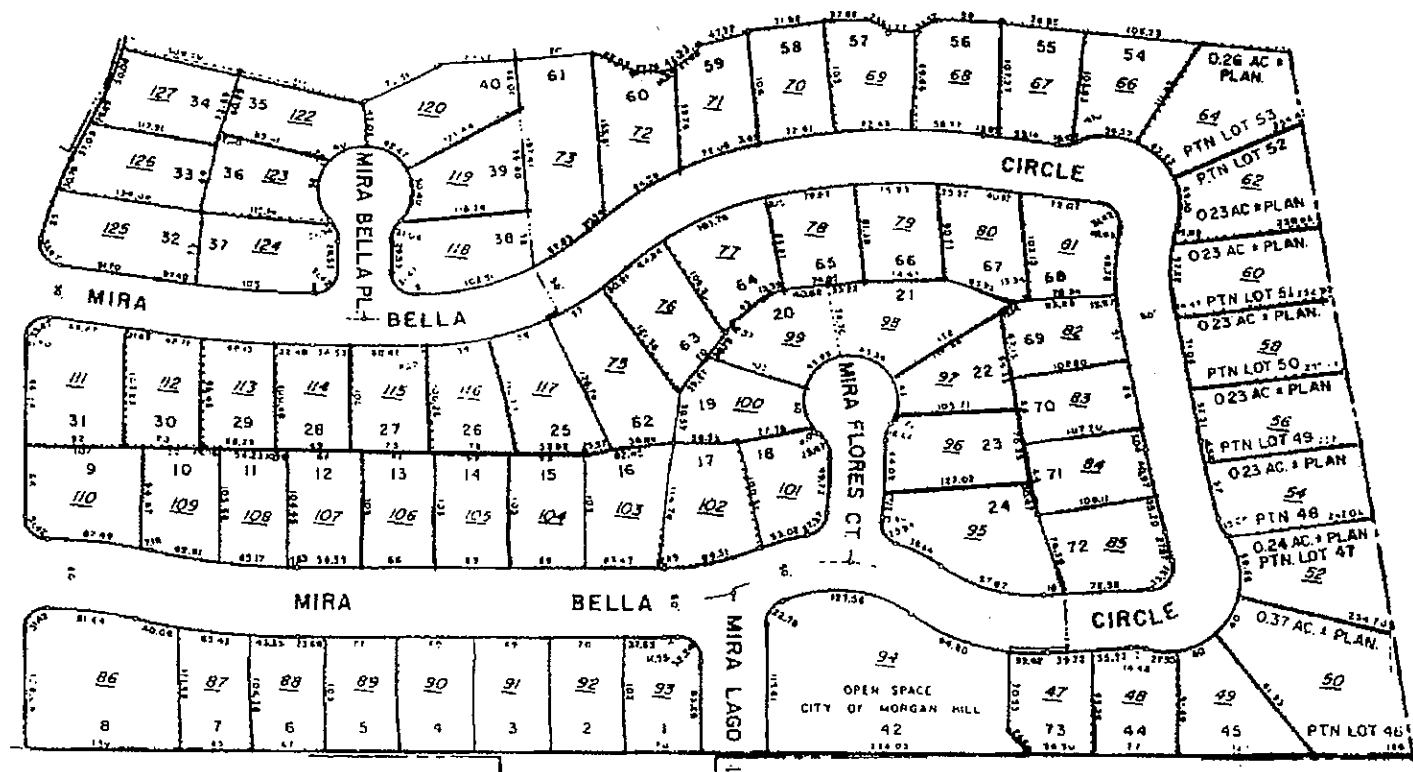
SHEET 2



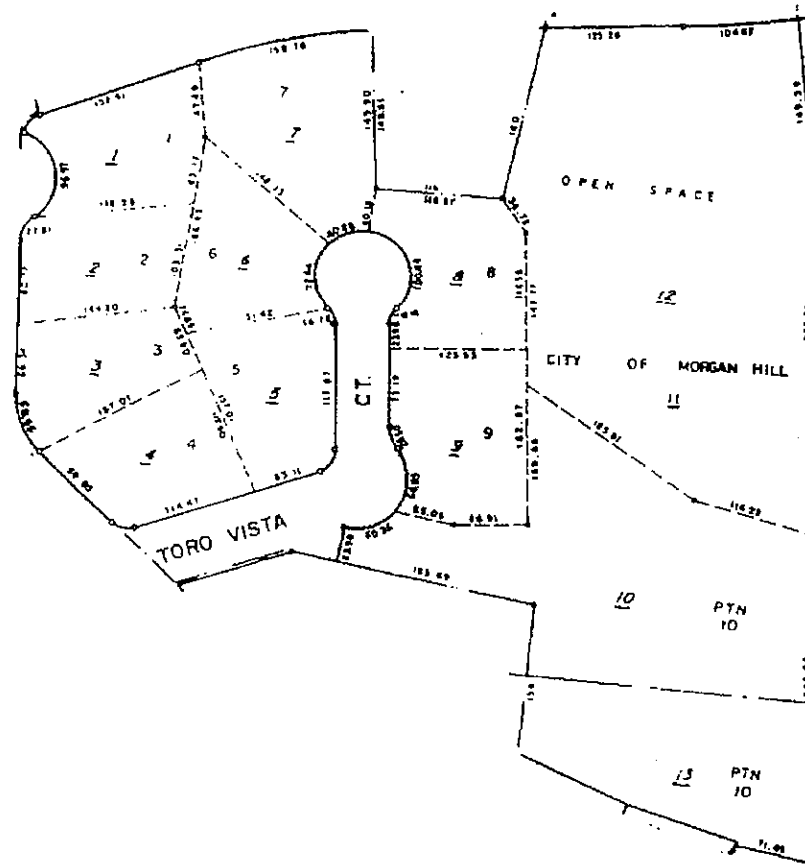
FOX HOLLOW/MURPHY SPRINGS ZONE



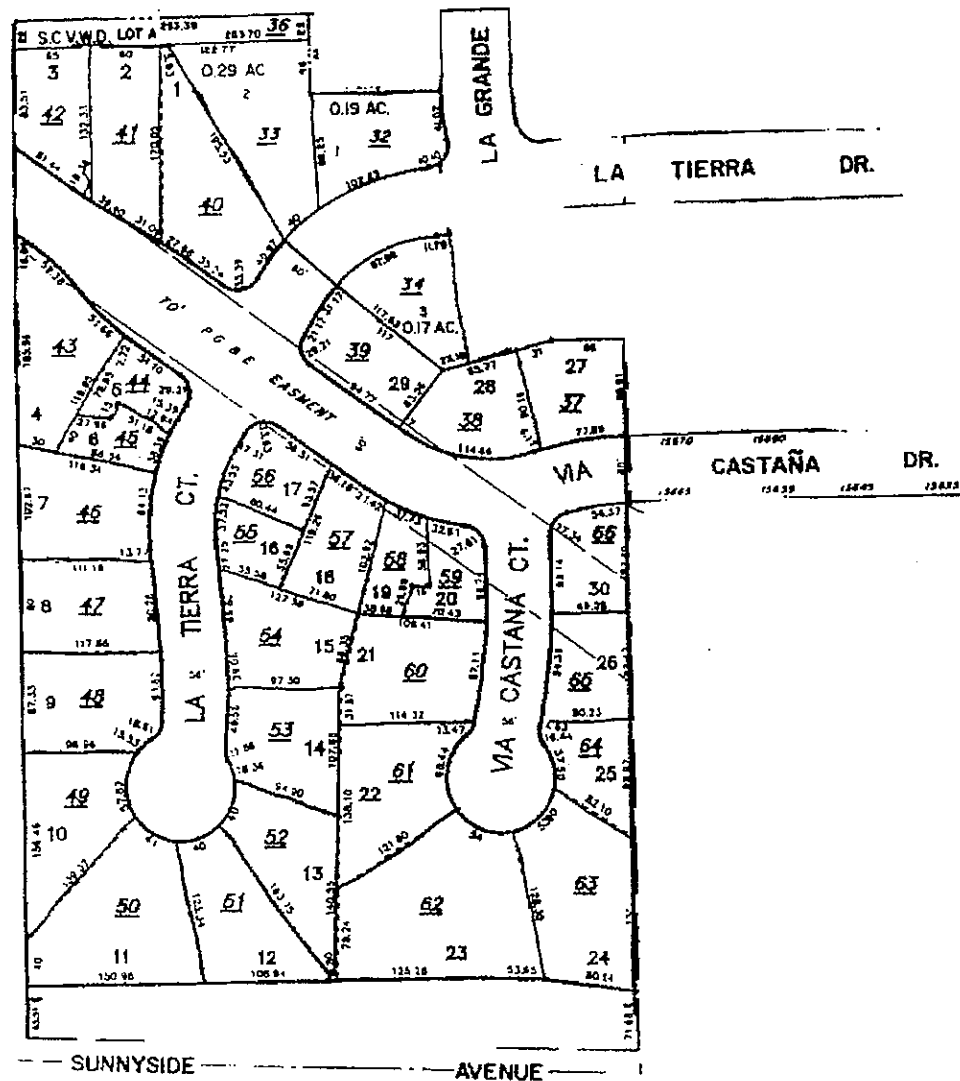
HAMILTON SQUARE ZONE

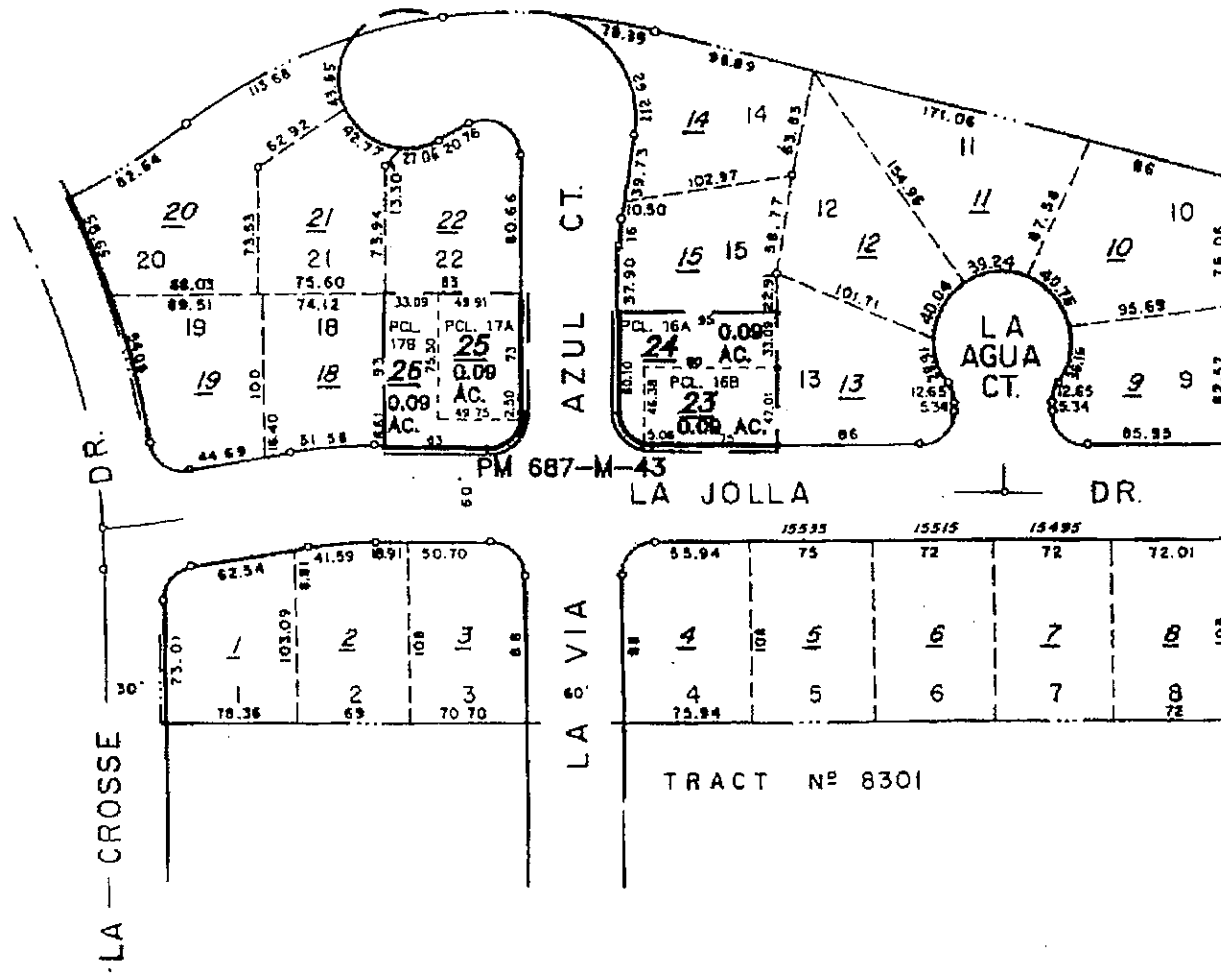


JACKSON MEADOWS #6 ZONE

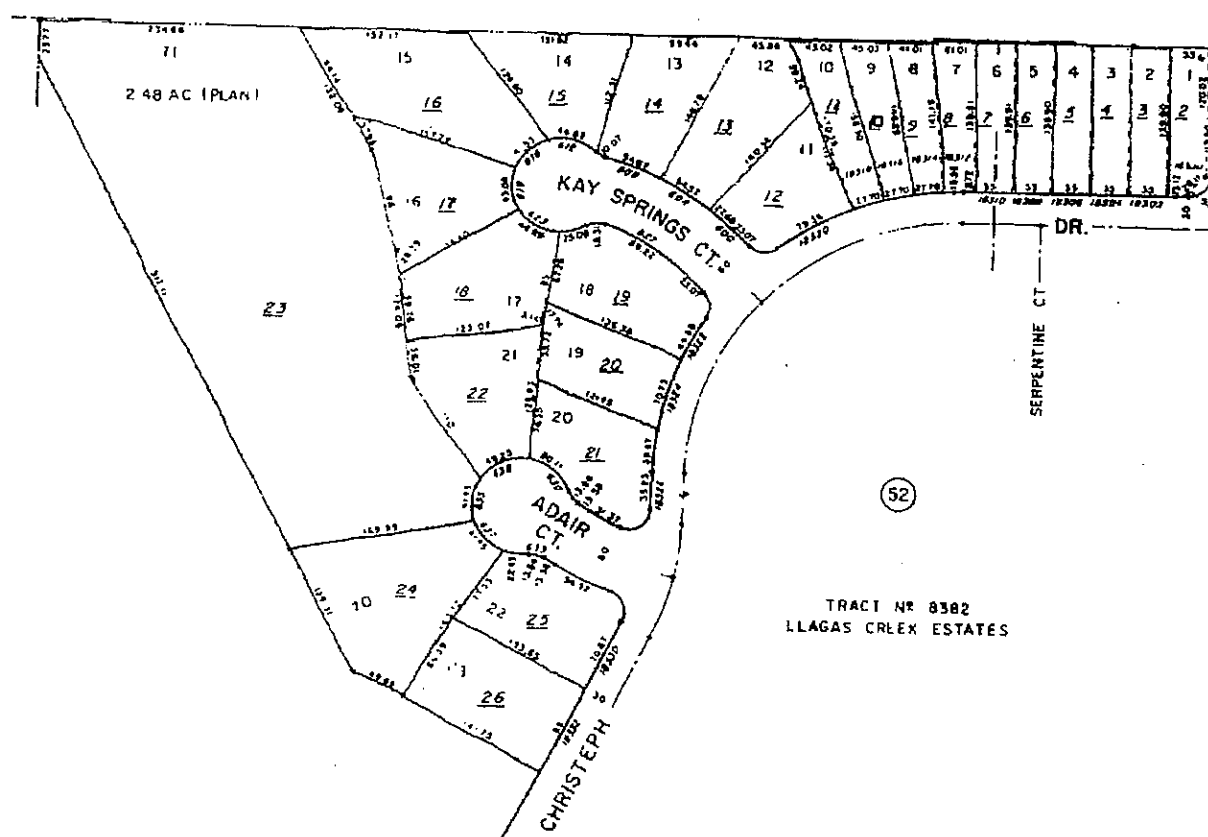


JACKSON MEADOWS #7 ZONE



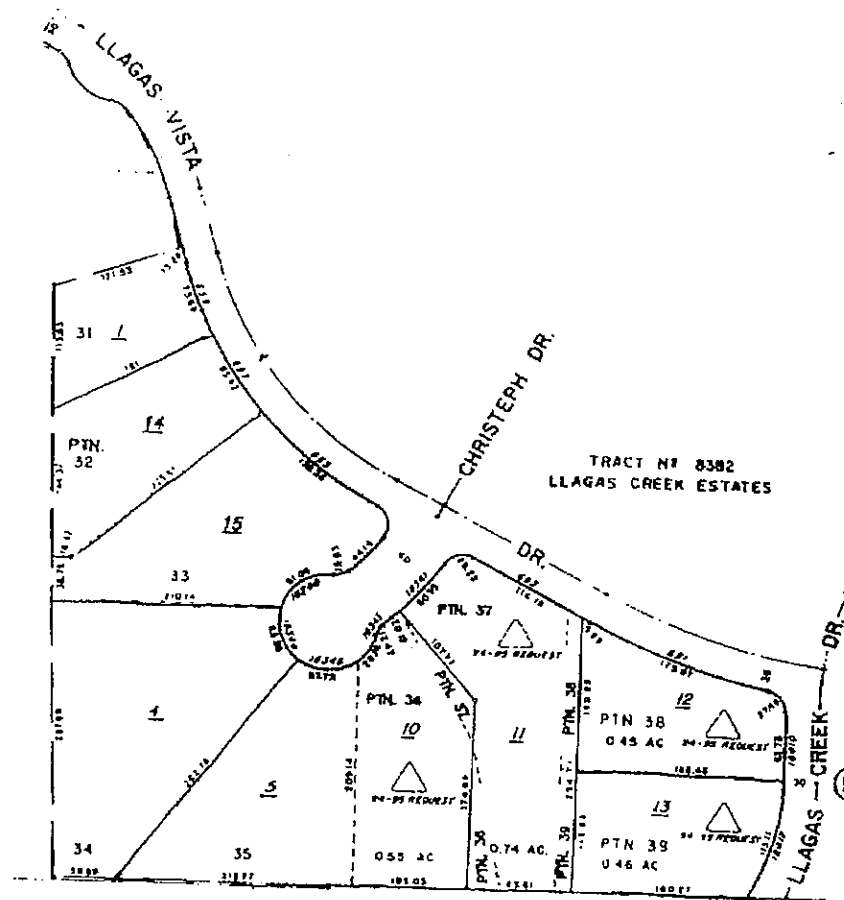


LACROSSE/GERA ZONE



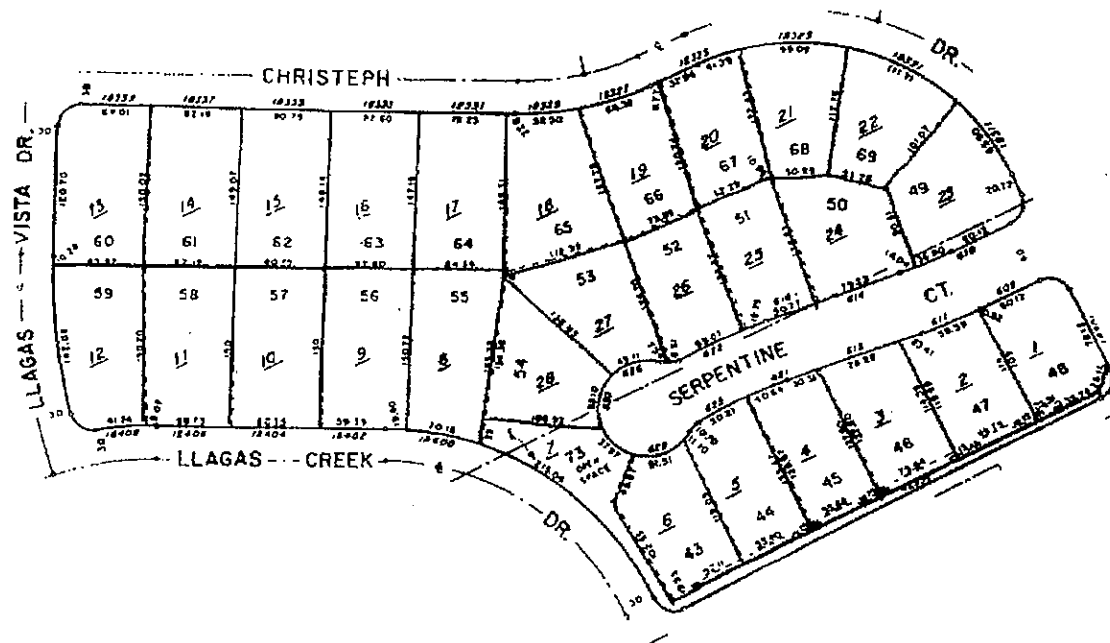
LLAGAS CREEK ESTATES ZONE

SHEET 1



LLAGAS CREEK ESTATES ZONE

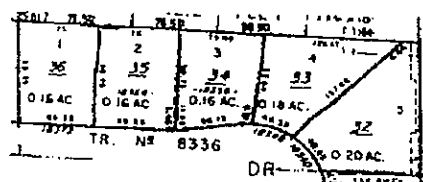
SHEET 3



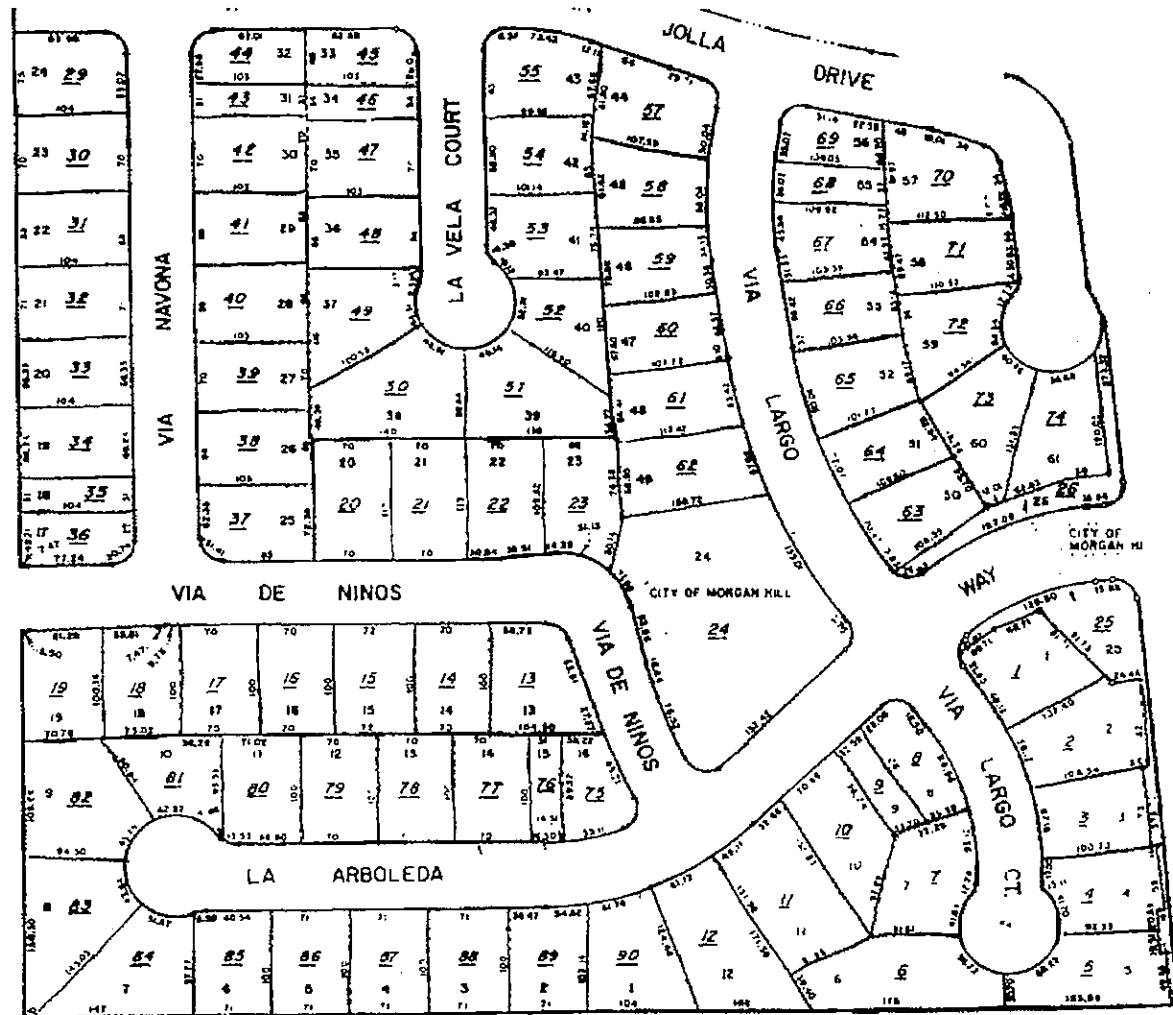
LLAGAS CREEK ESTATES ZONE

SHEET 4

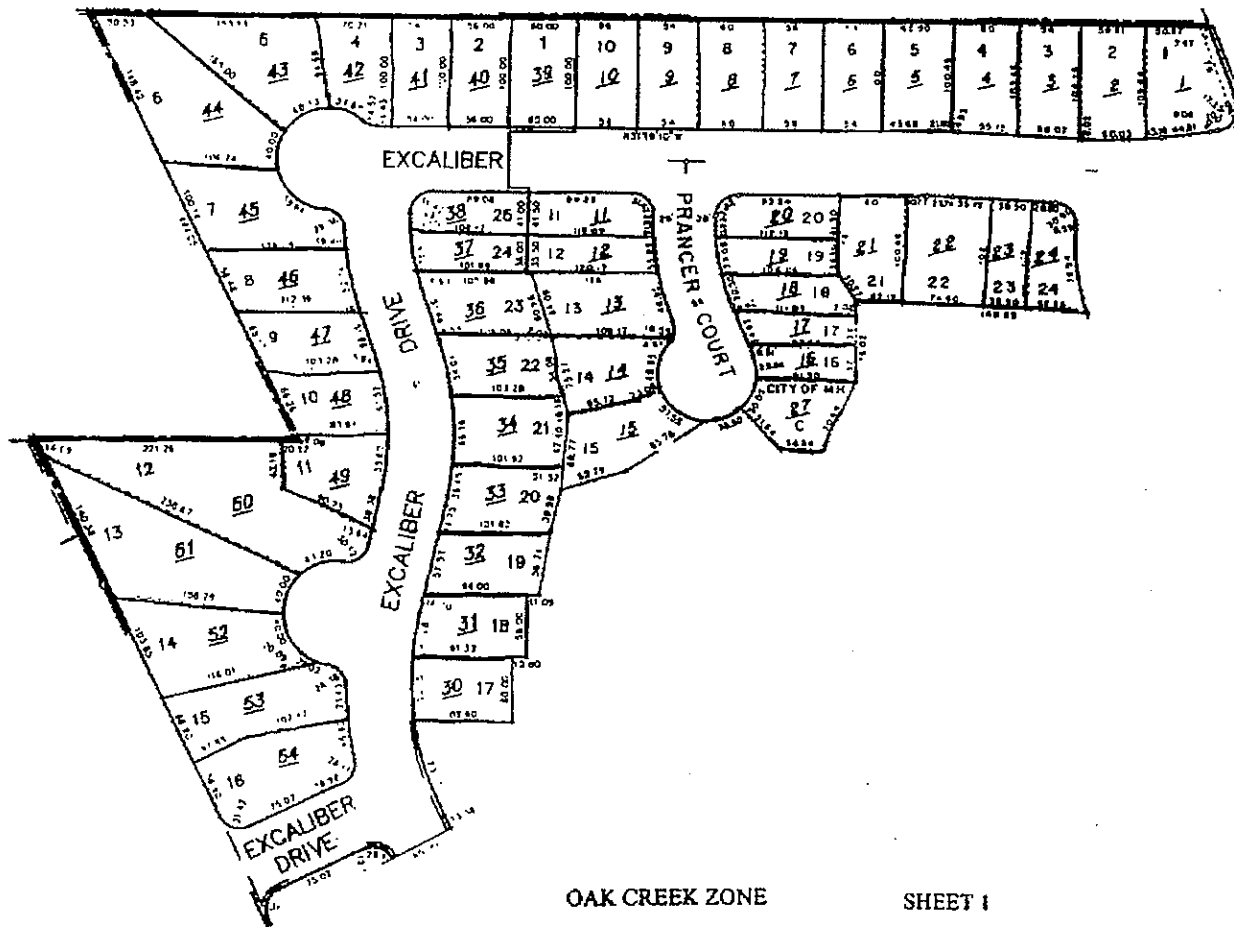


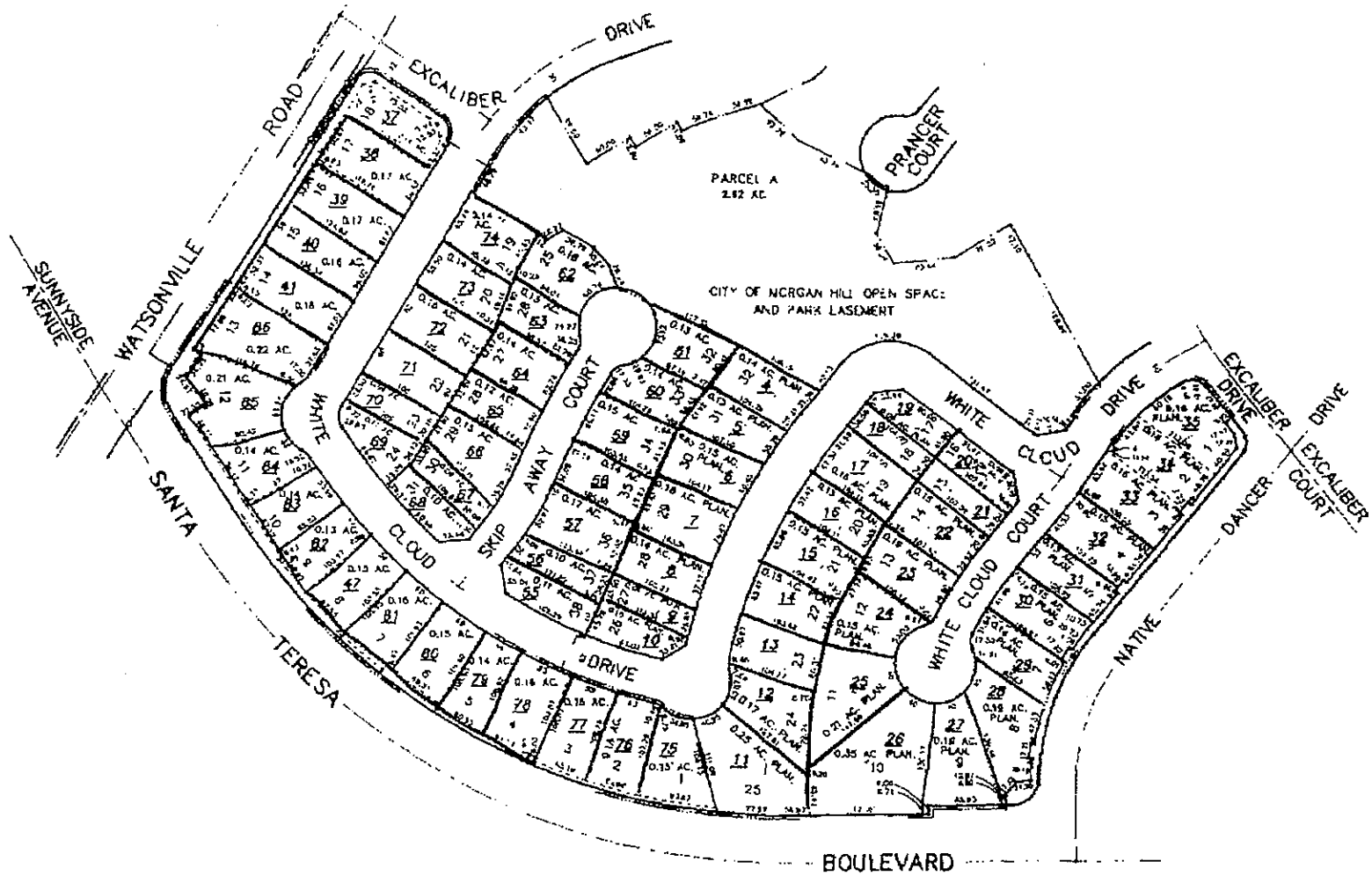


LLAGAS/OBATA ZONE



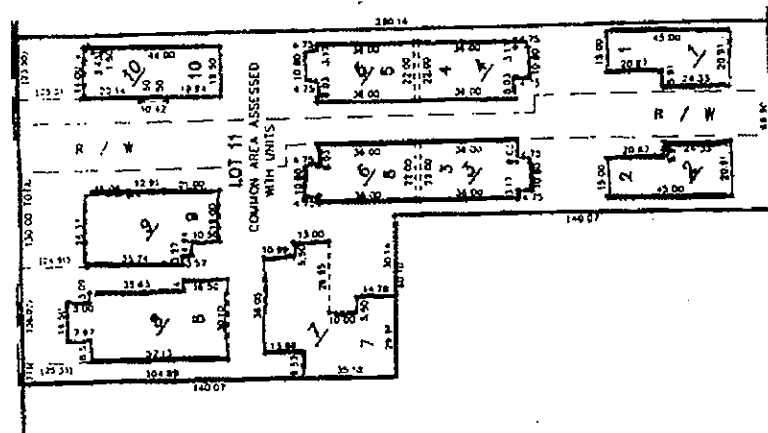
MILL CREEK ZONE



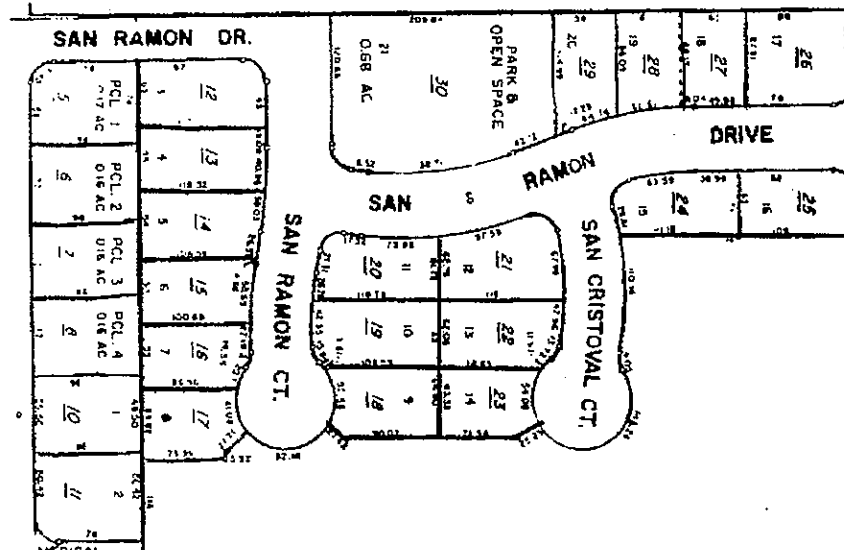


OAK CREEK ZONE

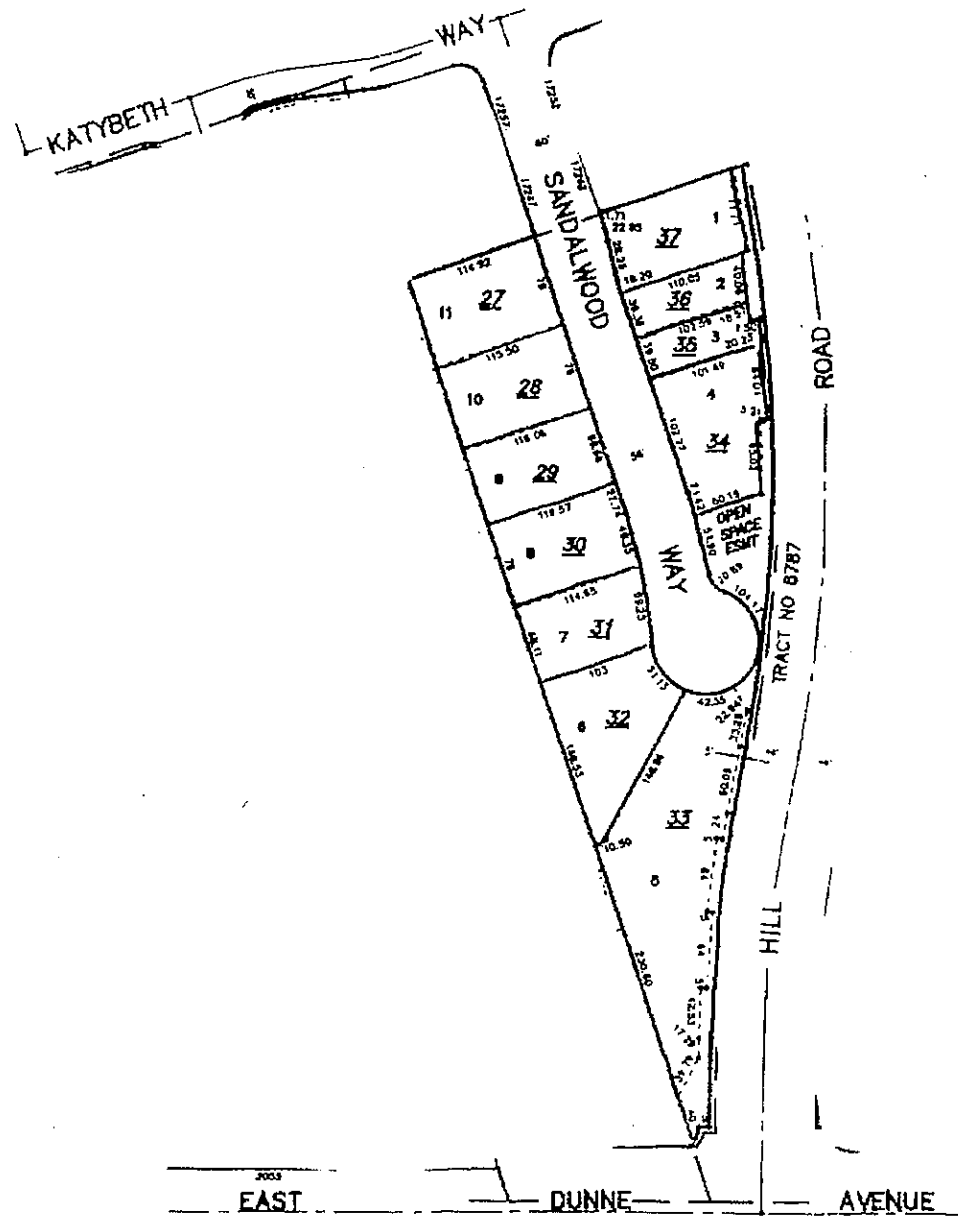
SHEET 2



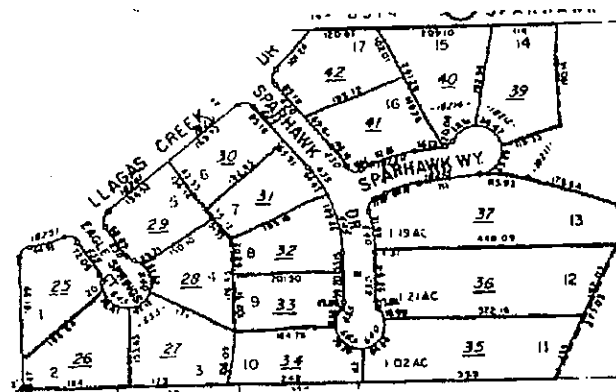
PARSONS CORNER ZONE



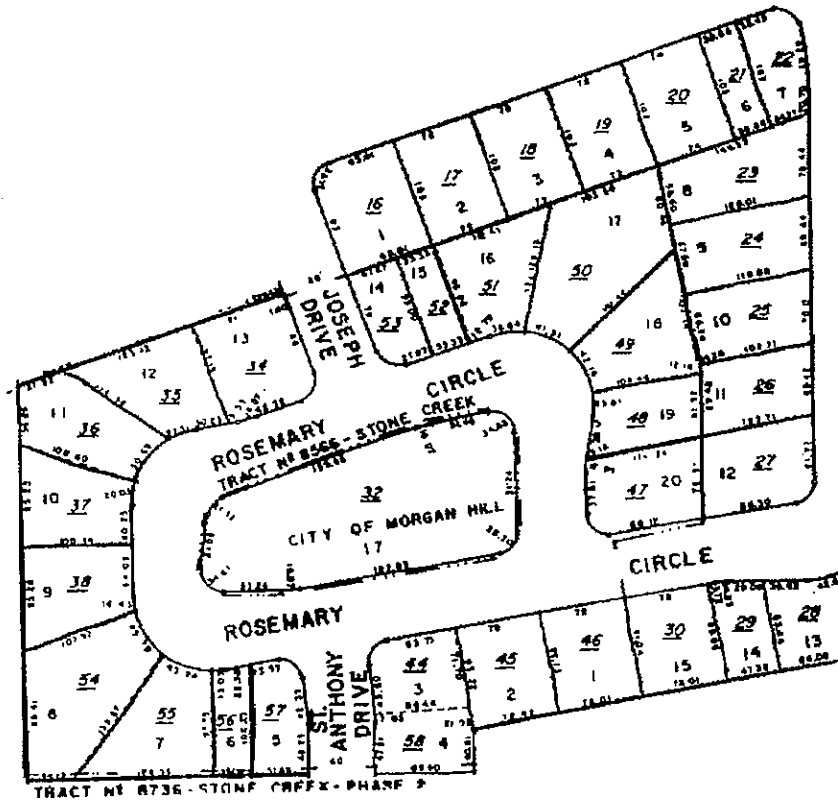
ROSEHAVEN ZONE



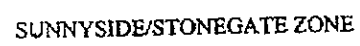
SANDALWOOD ZONE



SPARHAWK ZONE



STONE CREEK ZONE



6. ASSESSMENT ROLL

The listing of Fiscal Year 2023/24 assessments is provided per Zone on the following pages. The description of each lot or parcel as part of the records of the County Assessor are, by reference, made part of this Report as well.

City of Morgan Hill
Belle Estates
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
726-16-043	\$310.00	1	\$0.00	\$310.00
726-16-044	310.00	1	0.00	310.00
726-16-045	310.00	1	0.00	310.00
726-16-046	310.00	1	0.00	310.00
726-16-048	310.00	1	0.00	310.00
726-16-050	310.00	1	0.00	310.00
726-16-051	310.00	1	0.00	310.00
726-16-052	310.00	1	0.00	310.00
726-16-053	310.00	1	0.00	310.00
726-16-054	310.00	1	0.00	310.00
726-16-055	310.00	1	0.00	310.00
726-16-056	310.00	1	0.00	310.00
726-16-057	310.00	1	0.00	310.00
726-16-058	310.00	1	0.00	310.00
726-16-059	310.00	1	0.00	310.00
726-16-060	310.00	1	0.00	310.00
726-16-061	310.00	1	0.00	310.00
726-16-062	310.00	1	0.00	310.00
726-16-063	310.00	1	0.00	310.00
726-16-064	310.00	1	0.00	310.00
726-16-065	310.00	1	0.00	310.00
726-16-066	310.00	1	0.00	310.00
726-16-068	310.00	1	0.00	310.00
726-16-069	310.00	1	0.00	310.00
726-16-070	310.00	1	0.00	310.00
726-16-071	310.00	1	0.00	310.00
726-16-072	310.00	1	0.00	310.00
726-16-074	310.00	1	0.00	310.00
726-16-075	310.00	1	0.00	310.00
726-16-076	310.00	1	0.00	310.00
726-16-077	310.00	1	0.00	310.00
726-16-078	310.00	1	0.00	310.00
726-16-079	310.00	1	0.00	310.00
726-16-080	310.00	1	0.00	310.00
726-16-081	310.00	1	0.00	310.00
726-16-082	310.00	1	0.00	310.00
36 Accounts		36	\$0.00	\$11,160.00

Slight variances may occur due to rounding

City of Morgan Hill
Chang/Bertelone
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
764-23-050	\$550.00	1	\$0.00	\$550.00
764-23-051	550.00	1	0.00	550.00
764-23-052	550.00	1	0.00	550.00
764-23-053	550.00	1	0.00	550.00
764-23-057	550.00	1	0.00	550.00
764-23-058	550.00	1	0.00	550.00
764-23-059	550.00	1	0.00	550.00
764-23-060	550.00	1	0.00	550.00
8 Accounts		8	\$0.00	\$4,400.00

City of Morgan Hill
Conte Gardens
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
728-10-010	\$365.00	1	\$0.00	\$365.00
728-10-011	365.00	1	0.00	365.00
728-10-012	365.00	1	0.00	365.00
728-10-013	365.00	1	0.00	365.00
728-10-014	365.00	1	0.00	365.00
728-10-015	365.00	1	0.00	365.00
728-10-016	365.00	1	0.00	365.00
728-10-017	365.00	1	0.00	365.00
728-10-018	365.00	1	0.00	365.00
728-10-019	365.00	1	0.00	365.00
728-10-020	365.00	1	0.00	365.00
11 Accounts		11	\$0.00	\$4,015.00

City of Morgan Hill
Diana Estates
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
726-07-042	\$139.39	1	(\$0.01)	\$139.38
726-07-043	139.39	1	(0.01)	139.38
726-07-044	139.39	1	(0.01)	139.38
726-07-045	139.39	1	(0.01)	139.38
726-07-055	139.39	1	(0.01)	139.38
726-07-056	139.39	1	(0.01)	139.38
726-07-057	139.39	1	(0.01)	139.38
726-07-058	139.39	1	(0.01)	139.38
726-07-059	139.39	1	(0.01)	139.38
726-07-060	139.39	1	(0.01)	139.38
726-07-061	139.39	1	(0.01)	139.38
726-07-062	139.39	1	(0.01)	139.38
726-07-063	139.39	1	(0.01)	139.38
726-07-064	139.39	1	(0.01)	139.38
726-07-065	139.39	1	(0.01)	139.38
726-07-066	139.39	1	(0.01)	139.38
726-07-067	139.39	1	(0.01)	139.38
726-07-068	139.39	1	(0.01)	139.38
726-07-069	139.39	1	(0.01)	139.38
726-07-070	139.39	1	(0.01)	139.38
726-07-071	139.39	1	(0.01)	139.38
726-07-072	139.39	1	(0.01)	139.38
726-07-073	139.39	1	(0.01)	139.38
726-07-074	139.39	1	(0.01)	139.38
726-07-075	139.39	1	(0.01)	139.38
726-07-077	139.39	1	(0.01)	139.38
726-07-078	139.39	1	(0.01)	139.38
726-07-080	139.39	1	(0.01)	139.38
726-07-081	139.39	1	(0.01)	139.38
726-07-082	139.39	1	(0.01)	139.38
726-07-083	139.39	1	(0.01)	139.38
726-07-084	139.39	1	(0.01)	139.38
726-07-085	139.39	1	(0.01)	139.38
726-07-086	139.39	1	(0.01)	139.38
726-07-087	139.39	1	(0.01)	139.38
726-08-031	139.39	1	(0.01)	139.38
726-08-032	139.39	1	(0.01)	139.38
726-08-033	139.39	1	(0.01)	139.38
726-08-034	139.39	1	(0.01)	139.38
726-08-035	139.39	1	(0.01)	139.38
726-08-036	139.39	1	(0.01)	139.38
726-08-046	139.39	1	(0.01)	139.38

Slight variances may occur due to rounding

City of Morgan Hill
Diana Estates
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
726-08-047	139.39	1	(0.01)	139.38
726-08-048	139.39	1	(0.01)	139.38
726-08-049	139.39	1	(0.01)	139.38
726-08-050	139.39	1	(0.01)	139.38
726-08-051	139.39	1	(0.01)	139.38
726-08-052	139.39	1	(0.01)	139.38
726-08-053	139.39	1	(0.01)	139.38
726-08-054	139.39	1	(0.01)	139.38
726-08-055	139.39	1	(0.01)	139.38
726-08-056	139.39	1	(0.01)	139.38
726-08-057	139.39	1	(0.01)	139.38
726-08-058	139.39	1	(0.01)	139.38
726-08-059	139.39	1	(0.01)	139.38
726-08-060	139.39	1	(0.01)	139.38
726-08-061	139.39	1	(0.01)	139.38
726-08-062	139.39	1	(0.01)	139.38
726-08-063	139.39	1	(0.01)	139.38
726-08-064	139.39	1	(0.01)	139.38
726-08-065	139.39	1	(0.01)	139.38
726-08-066	139.39	1	(0.01)	139.38
726-08-067	139.39	1	(0.01)	139.38
726-08-068	139.39	1	(0.01)	139.38
64 Accounts		64	(\$0.64)	\$8,920.32

City of Morgan Hill
Fox Hollow
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
764-47-001	\$173.53	1	(\$0.01)	\$173.52
764-47-002	173.53	1	(0.01)	173.52
764-47-003	173.53	1	(0.01)	173.52
764-47-004	173.53	1	(0.01)	173.52
764-47-005	173.53	1	(0.01)	173.52
764-47-006	173.53	1	(0.01)	173.52
764-47-007	173.53	1	(0.01)	173.52
764-47-008	173.53	1	(0.01)	173.52
764-47-009	173.53	1	(0.01)	173.52
764-47-010	173.53	1	(0.01)	173.52
764-47-011	173.53	1	(0.01)	173.52
764-47-012	173.53	1	(0.01)	173.52
764-47-013	173.53	1	(0.01)	173.52
764-47-014	173.53	1	(0.01)	173.52
764-47-015	173.53	1	(0.01)	173.52
764-47-016	173.53	1	(0.01)	173.52
764-47-017	173.53	1	(0.01)	173.52
764-47-018	173.53	1	(0.01)	173.52
764-47-020	173.53	1	(0.01)	173.52
764-47-021	173.53	1	(0.01)	173.52
764-47-022	173.53	1	(0.01)	173.52
764-47-023	173.53	1	(0.01)	173.52
764-47-024	173.53	1	(0.01)	173.52
764-47-025	173.53	1	(0.01)	173.52
764-47-026	173.53	1	(0.01)	173.52
764-47-027	173.53	1	(0.01)	173.52
764-47-028	173.53	1	(0.01)	173.52
764-47-029	173.53	1	(0.01)	173.52
764-47-030	173.53	1	(0.01)	173.52
764-47-031	173.53	1	(0.01)	173.52
764-47-032	173.53	1	(0.01)	173.52
764-47-033	173.53	1	(0.01)	173.52
764-47-034	173.53	1	(0.01)	173.52
764-47-035	173.53	1	(0.01)	173.52
764-47-036	173.53	1	(0.01)	173.52
764-47-037	173.53	1	(0.01)	173.52
764-47-038	173.53	1	(0.01)	173.52
764-47-039	173.53	1	(0.01)	173.52
764-47-040	173.53	1	(0.01)	173.52
764-47-041	173.53	1	(0.01)	173.52
764-47-042	173.53	1	(0.01)	173.52
764-47-043	173.53	1	(0.01)	173.52

Slight variances may occur due to rounding

City of Morgan Hill
Fox Hollow
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
764-47-044	173.53	1	(0.01)	173.52
764-47-045	173.53	1	(0.01)	173.52
764-47-046	173.53	1	(0.01)	173.52
764-47-047	173.53	1	(0.01)	173.52
764-47-048	173.53	1	(0.01)	173.52
764-47-049	173.53	1	(0.01)	173.52
764-47-050	173.53	1	(0.01)	173.52
764-47-051	173.53	1	(0.01)	173.52
764-47-052	173.53	1	(0.01)	173.52
764-47-053	173.53	1	(0.01)	173.52
764-47-054	173.53	1	(0.01)	173.52
764-47-055	173.53	1	(0.01)	173.52
764-47-056	173.53	1	(0.01)	173.52
764-47-057	173.53	1	(0.01)	173.52
764-47-058	173.53	1	(0.01)	173.52
764-47-059	173.53	1	(0.01)	173.52
764-47-060	173.53	1	(0.01)	173.52
764-47-061	173.53	1	(0.01)	173.52
764-47-062	173.53	1	(0.01)	173.52
764-47-063	173.53	1	(0.01)	173.52
764-47-064	173.53	1	(0.01)	173.52
764-47-065	173.53	1	(0.01)	173.52
764-47-066	173.53	1	(0.01)	173.52
764-47-067	173.53	1	(0.01)	173.52
764-47-068	173.53	1	(0.01)	173.52
764-47-069	173.53	1	(0.01)	173.52
764-47-070	173.53	1	(0.01)	173.52
764-47-071	173.53	1	(0.01)	173.52
764-47-072	173.53	1	(0.01)	173.52
764-47-073	173.53	1	(0.01)	173.52
764-47-074	173.53	1	(0.01)	173.52
764-47-075	173.53	1	(0.01)	173.52
764-47-079	173.53	1	(0.01)	173.52
75 Accounts		75	(\$0.75)	\$13,014.00

Slight variances may occur due to rounding

City of Morgan Hill
Hamilton Square
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
767-36-044	\$425.00	1	\$0.00	\$425.00
767-36-045	425.00	1	0.00	425.00
767-36-046	425.00	1	0.00	425.00
767-36-047	425.00	1	0.00	425.00
767-36-048	425.00	1	0.00	425.00
767-36-049	425.00	1	0.00	425.00
767-36-050	425.00	1	0.00	425.00
767-36-051	425.00	1	0.00	425.00
767-36-052	425.00	1	0.00	425.00
767-36-053	425.00	1	0.00	425.00
767-36-054	425.00	1	0.00	425.00
767-36-055	425.00	1	0.00	425.00
767-36-056	425.00	1	0.00	425.00
767-36-057	425.00	1	0.00	425.00
767-36-058	425.00	1	0.00	425.00
767-36-059	425.00	1	0.00	425.00
767-36-060	425.00	1	0.00	425.00
767-36-061	425.00	1	0.00	425.00
767-36-062	425.00	1	0.00	425.00
767-36-063	425.00	1	0.00	425.00
767-36-064	425.00	1	0.00	425.00
767-36-065	425.00	1	0.00	425.00
767-36-066	425.00	1	0.00	425.00
767-36-068	425.00	1	0.00	425.00
767-36-069	425.00	1	0.00	425.00
767-36-070	425.00	1	0.00	425.00
767-36-071	425.00	1	0.00	425.00
767-36-072	425.00	1	0.00	425.00
767-36-073	425.00	1	0.00	425.00
767-36-074	425.00	1	0.00	425.00
767-36-075	425.00	1	0.00	425.00
767-36-076	425.00	1	0.00	425.00
767-36-077	425.00	1	0.00	425.00
767-36-078	425.00	1	0.00	425.00
767-36-079	425.00	1	0.00	425.00
767-36-080	425.00	1	0.00	425.00
767-36-081	425.00	1	0.00	425.00
767-36-082	425.00	1	0.00	425.00
38 Accounts		38	\$0.00	\$16,150.00

Slight variances may occur due to rounding

City of Morgan Hill
Jackson Meadows #6
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
817-26-047	\$108.00	1	\$0.00	\$108.00
817-26-048	108.00	1	0.00	108.00
817-26-049	108.00	1	0.00	108.00
817-26-066	108.00	1	0.00	108.00
817-26-067	108.00	1	0.00	108.00
817-26-068	108.00	1	0.00	108.00
817-26-069	108.00	1	0.00	108.00
817-26-070	108.00	1	0.00	108.00
817-26-071	108.00	1	0.00	108.00
817-26-072	108.00	1	0.00	108.00
817-26-073	108.00	1	0.00	108.00
817-26-075	108.00	1	0.00	108.00
817-26-076	108.00	1	0.00	108.00
817-26-077	108.00	1	0.00	108.00
817-26-078	108.00	1	0.00	108.00
817-26-079	108.00	1	0.00	108.00
817-26-080	108.00	1	0.00	108.00
817-26-081	108.00	1	0.00	108.00
817-26-082	108.00	1	0.00	108.00
817-26-083	108.00	1	0.00	108.00
817-26-084	108.00	1	0.00	108.00
817-26-085	108.00	1	0.00	108.00
817-26-086	108.00	1	0.00	108.00
817-26-087	108.00	1	0.00	108.00
817-26-088	108.00	1	0.00	108.00
817-26-089	108.00	1	0.00	108.00
817-26-090	108.00	1	0.00	108.00
817-26-091	108.00	1	0.00	108.00
817-26-092	108.00	1	0.00	108.00
817-26-093	108.00	1	0.00	108.00
817-26-095	108.00	1	0.00	108.00
817-26-096	108.00	1	0.00	108.00
817-26-097	108.00	1	0.00	108.00
817-26-098	108.00	1	0.00	108.00
817-26-099	108.00	1	0.00	108.00
817-26-100	108.00	1	0.00	108.00
817-26-101	108.00	1	0.00	108.00
817-26-102	108.00	1	0.00	108.00
817-26-103	108.00	1	0.00	108.00
817-26-104	108.00	1	0.00	108.00
817-26-105	108.00	1	0.00	108.00
817-26-106	108.00	1	0.00	108.00

Slight variances may occur due to rounding

City of Morgan Hill
Jackson Meadows #6
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
817-26-107	108.00	1	0.00	108.00
817-26-108	108.00	1	0.00	108.00
817-26-109	108.00	1	0.00	108.00
817-26-110	108.00	1	0.00	108.00
817-26-111	108.00	1	0.00	108.00
817-26-112	108.00	1	0.00	108.00
817-26-113	108.00	1	0.00	108.00
817-26-114	108.00	1	0.00	108.00
817-26-115	108.00	1	0.00	108.00
817-26-116	108.00	1	0.00	108.00
817-26-117	108.00	1	0.00	108.00
817-26-118	108.00	1	0.00	108.00
817-26-119	108.00	1	0.00	108.00
817-26-120	108.00	1	0.00	108.00
817-26-122	108.00	1	0.00	108.00
817-26-123	108.00	1	0.00	108.00
817-26-124	108.00	1	0.00	108.00
817-26-125	108.00	1	0.00	108.00
817-26-126	108.00	1	0.00	108.00
817-26-127	108.00	1	0.00	108.00
817-26-129	108.00	1	0.00	108.00
817-26-130	108.00	1	0.00	108.00
817-26-131	108.00	1	0.00	108.00
817-26-132	108.00	1	0.00	108.00
817-26-133	108.00	1	0.00	108.00
817-26-134	108.00	1	0.00	108.00
817-26-135	108.00	1	0.00	108.00
817-26-136	108.00	1	0.00	108.00
70 Accounts		70	\$0.00	\$7,560.00

Slight variances may occur due to rounding

City of Morgan Hill
Jackson Meadows #7
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
817-70-001	\$100.00	1	\$0.00	\$100.00
817-70-002	100.00	1	0.00	100.00
817-70-003	100.00	1	0.00	100.00
817-70-004	100.00	1	0.00	100.00
817-70-005	100.00	1	0.00	100.00
817-70-006	100.00	1	0.00	100.00
817-70-007	100.00	1	0.00	100.00
817-70-008	100.00	1	0.00	100.00
817-70-009	100.00	1	0.00	100.00
817-70-017	100.00	1	0.00	100.00
10 Accounts		10	\$0.00	\$1,000.00

City of Morgan Hill
La Grande Estates
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
767-45-032	\$88.00	1	\$0.00	\$88.00
767-45-033	88.00	1	0.00	88.00
767-45-034	88.00	1	0.00	88.00
767-45-037	88.00	1	0.00	88.00
767-45-038	88.00	1	0.00	88.00
767-45-039	88.00	1	0.00	88.00
767-45-040	88.00	1	0.00	88.00
767-45-041	88.00	1	0.00	88.00
767-45-042	88.00	1	0.00	88.00
767-45-043	88.00	1	0.00	88.00
767-45-044	88.00	1	0.00	88.00
767-45-045	88.00	1	0.00	88.00
767-45-046	88.00	1	0.00	88.00
767-45-047	88.00	1	0.00	88.00
767-45-048	88.00	1	0.00	88.00
767-45-049	88.00	1	0.00	88.00
767-45-050	88.00	1	0.00	88.00
767-45-051	88.00	1	0.00	88.00
767-45-052	88.00	1	0.00	88.00
767-45-053	88.00	1	0.00	88.00
767-45-054	88.00	1	0.00	88.00
767-45-055	88.00	1	0.00	88.00
767-45-056	88.00	1	0.00	88.00
767-45-057	88.00	1	0.00	88.00
767-45-058	88.00	1	0.00	88.00
767-45-059	88.00	1	0.00	88.00
767-45-060	88.00	1	0.00	88.00
767-45-061	88.00	1	0.00	88.00
767-45-062	88.00	1	0.00	88.00
767-45-063	88.00	1	0.00	88.00
767-45-064	88.00	1	0.00	88.00
767-45-065	88.00	1	0.00	88.00
32 Accounts		32	\$0.00	\$2,816.00

Slight variances may occur due to rounding

City of Morgan Hill
Lacrosse/Gera
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
767-46-001	\$50.00	1	\$0.00	\$50.00
767-46-002	50.00	1	0.00	50.00
767-46-003	50.00	1	0.00	50.00
767-46-004	50.00	1	0.00	50.00
767-46-005	50.00	1	0.00	50.00
767-46-006	50.00	1	0.00	50.00
767-46-007	50.00	1	0.00	50.00
767-46-008	50.00	1	0.00	50.00
767-46-009	50.00	1	0.00	50.00
767-46-010	50.00	1	0.00	50.00
767-46-011	50.00	1	0.00	50.00
767-46-012	50.00	1	0.00	50.00
767-46-013	50.00	1	0.00	50.00
767-46-014	50.00	1	0.00	50.00
767-46-015	50.00	1	0.00	50.00
767-46-018	50.00	1	0.00	50.00
767-46-019	50.00	1	0.00	50.00
767-46-020	50.00	1	0.00	50.00
767-46-021	50.00	1	0.00	50.00
767-46-022	50.00	1	0.00	50.00
767-46-023	50.00	1	0.00	50.00
767-46-024	50.00	1	0.00	50.00
767-46-025	50.00	1	0.00	50.00
767-46-026	50.00	1	0.00	50.00
24 Accounts		24	\$0.00	\$1,200.00

Slight variances may occur due to rounding

City of Morgan Hill
Llagas Creek
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
764-49-002	\$233.67	1	(\$0.01)	\$233.66
764-49-003	233.67	1	(0.01)	233.66
764-49-004	233.67	1	(0.01)	233.66
764-49-005	233.67	1	(0.01)	233.66
764-49-006	233.67	1	(0.01)	233.66
764-49-007	233.67	1	(0.01)	233.66
764-49-008	233.67	1	(0.01)	233.66
764-49-009	233.67	1	(0.01)	233.66
764-49-010	233.67	1	(0.01)	233.66
764-49-011	233.67	1	(0.01)	233.66
764-49-012	233.67	1	(0.01)	233.66
764-49-013	233.67	1	(0.01)	233.66
764-49-014	233.67	1	(0.01)	233.66
764-49-015	233.67	1	(0.01)	233.66
764-49-016	233.67	1	(0.01)	233.66
764-49-017	233.67	1	(0.01)	233.66
764-49-018	233.67	1	(0.01)	233.66
764-49-019	233.67	1	(0.01)	233.66
764-49-020	233.67	1	(0.01)	233.66
764-49-021	233.67	1	(0.01)	233.66
764-49-022	233.67	1	(0.01)	233.66
764-49-023	233.67	1	(0.01)	233.66
764-49-024	233.67	1	(0.01)	233.66
764-49-025	233.67	1	(0.01)	233.66
764-49-026	233.67	1	(0.01)	233.66
764-50-001	233.67	1	(0.01)	233.66
764-50-002	233.67	1	(0.01)	233.66
764-50-003	233.67	1	(0.01)	233.66
764-50-004	233.67	1	(0.01)	233.66
764-50-005	233.67	1	(0.01)	233.66
764-50-006	233.67	1	(0.01)	233.66
764-50-007	233.67	1	(0.01)	233.66
764-51-001	233.67	1	(0.01)	233.66
764-51-004	233.67	1	(0.01)	233.66
764-51-005	233.67	1	(0.01)	233.66
764-51-010	233.67	1	(0.01)	233.66
764-51-011	233.67	1	(0.01)	233.66
764-51-012	233.67	1	(0.01)	233.66
764-51-013	233.67	1	(0.01)	233.66
764-51-014	233.67	1	(0.01)	233.66
764-51-015	233.67	1	(0.01)	233.66
764-52-001	233.67	1	(0.01)	233.66

Slight variances may occur due to rounding

City of Morgan Hill
Llagas Creek
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
764-52-002	233.67	1	(0.01)	233.66
764-52-003	233.67	1	(0.01)	233.66
764-52-004	233.67	1	(0.01)	233.66
764-52-005	233.67	1	(0.01)	233.66
764-52-006	233.67	1	(0.01)	233.66
764-52-008	233.67	1	(0.01)	233.66
764-52-009	233.67	1	(0.01)	233.66
764-52-010	233.67	1	(0.01)	233.66
764-52-011	233.67	1	(0.01)	233.66
764-52-012	233.67	1	(0.01)	233.66
764-52-013	233.67	1	(0.01)	233.66
764-52-014	233.67	1	(0.01)	233.66
764-52-015	233.67	1	(0.01)	233.66
764-52-016	233.67	1	(0.01)	233.66
764-52-017	233.67	1	(0.01)	233.66
764-52-018	233.67	1	(0.01)	233.66
764-52-019	233.67	1	(0.01)	233.66
764-52-020	233.67	1	(0.01)	233.66
764-52-021	233.67	1	(0.01)	233.66
764-52-022	233.67	1	(0.01)	233.66
764-52-023	233.67	1	(0.01)	233.66
764-52-024	233.67	1	(0.01)	233.66
764-52-025	233.67	1	(0.01)	233.66
764-52-026	233.67	1	(0.01)	233.66
764-52-027	233.67	1	(0.01)	233.66
764-52-028	233.67	1	(0.01)	233.66
764-53-003	233.67	1	(0.01)	233.66
764-53-004	233.67	1	(0.01)	233.66
764-53-005	233.67	1	(0.01)	233.66
71 Accounts		71	(\$0.71)	\$16,589.86

Slight variances may occur due to rounding

City of Morgan Hill
Llagas/Obata
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
764-23-032	\$450.00	1	\$0.00	\$450.00
764-23-033	450.00	1	0.00	450.00
764-23-034	450.00	1	0.00	450.00
764-23-035	450.00	1	0.00	450.00
764-23-036	450.00	1	0.00	450.00
5 Accounts		5	\$0.00	\$2,250.00

City of Morgan Hill
Mill Creek
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
767-47-001	\$285.00	1	\$0.00	\$285.00
767-47-002	285.00	1	0.00	285.00
767-47-003	285.00	1	0.00	285.00
767-47-004	285.00	1	0.00	285.00
767-47-005	285.00	1	0.00	285.00
767-47-006	285.00	1	0.00	285.00
767-47-007	285.00	1	0.00	285.00
767-47-008	285.00	1	0.00	285.00
767-47-009	285.00	1	0.00	285.00
767-47-010	285.00	1	0.00	285.00
767-47-011	285.00	1	0.00	285.00
767-47-012	285.00	1	0.00	285.00
767-47-013	285.00	1	0.00	285.00
767-47-014	285.00	1	0.00	285.00
767-47-015	285.00	1	0.00	285.00
767-47-016	285.00	1	0.00	285.00
767-47-017	285.00	1	0.00	285.00
767-47-018	285.00	1	0.00	285.00
767-47-019	285.00	1	0.00	285.00
767-47-020	285.00	1	0.00	285.00
767-47-021	285.00	1	0.00	285.00
767-47-022	285.00	1	0.00	285.00
767-47-023	285.00	1	0.00	285.00
767-47-029	285.00	1	0.00	285.00
767-47-030	285.00	1	0.00	285.00
767-47-031	285.00	1	0.00	285.00
767-47-032	285.00	1	0.00	285.00
767-47-033	285.00	1	0.00	285.00
767-47-034	285.00	1	0.00	285.00
767-47-035	285.00	1	0.00	285.00
767-47-036	285.00	1	0.00	285.00
767-47-037	285.00	1	0.00	285.00
767-47-038	285.00	1	0.00	285.00
767-47-039	285.00	1	0.00	285.00
767-47-040	285.00	1	0.00	285.00
767-47-041	285.00	1	0.00	285.00
767-47-042	285.00	1	0.00	285.00
767-47-043	285.00	1	0.00	285.00
767-47-044	285.00	1	0.00	285.00
767-47-045	285.00	1	0.00	285.00
767-47-046	285.00	1	0.00	285.00
767-47-047	285.00	1	0.00	285.00

Slight variances may occur due to rounding

City of Morgan Hill
Mill Creek
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
767-47-048	285.00	1	0.00	285.00
767-47-049	285.00	1	0.00	285.00
767-47-050	285.00	1	0.00	285.00
767-47-051	285.00	1	0.00	285.00
767-47-052	285.00	1	0.00	285.00
767-47-053	285.00	1	0.00	285.00
767-47-054	285.00	1	0.00	285.00
767-47-055	285.00	1	0.00	285.00
767-47-057	285.00	1	0.00	285.00
767-47-058	285.00	1	0.00	285.00
767-47-059	285.00	1	0.00	285.00
767-47-060	285.00	1	0.00	285.00
767-47-061	285.00	1	0.00	285.00
767-47-062	285.00	1	0.00	285.00
767-47-063	285.00	1	0.00	285.00
767-47-064	285.00	1	0.00	285.00
767-47-065	285.00	1	0.00	285.00
767-47-066	285.00	1	0.00	285.00
767-47-067	285.00	1	0.00	285.00
767-47-068	285.00	1	0.00	285.00
767-47-069	285.00	1	0.00	285.00
767-47-070	285.00	1	0.00	285.00
767-47-071	285.00	1	0.00	285.00
767-47-072	285.00	1	0.00	285.00
767-47-073	285.00	1	0.00	285.00
767-47-074	285.00	1	0.00	285.00
767-47-075	285.00	1	0.00	285.00
767-47-076	285.00	1	0.00	285.00
767-47-077	285.00	1	0.00	285.00
767-47-078	285.00	1	0.00	285.00
767-47-079	285.00	1	0.00	285.00
767-47-080	285.00	1	0.00	285.00
767-47-081	285.00	1	0.00	285.00
767-47-082	285.00	1	0.00	285.00
767-47-083	285.00	1	0.00	285.00
767-47-084	285.00	1	0.00	285.00
767-47-085	285.00	1	0.00	285.00
767-47-086	285.00	1	0.00	285.00
767-47-087	285.00	1	0.00	285.00
767-47-088	285.00	1	0.00	285.00
767-47-089	285.00	1	0.00	285.00
767-47-090	285.00	1	0.00	285.00

Slight variances may occur due to rounding

City of Morgan Hill
Mill Creek
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
84 Accounts		84	\$0.00	\$23,940.00

City of Morgan Hill
Oak Creek I, II, III
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
779-51-001	\$425.00	1	\$0.00	\$425.00
779-51-002	425.00	1	0.00	425.00
779-51-003	425.00	1	0.00	425.00
779-51-004	425.00	1	0.00	425.00
779-51-005	425.00	1	0.00	425.00
779-51-006	425.00	1	0.00	425.00
779-51-007	425.00	1	0.00	425.00
779-51-008	425.00	1	0.00	425.00
779-51-009	425.00	1	0.00	425.00
779-51-010	425.00	1	0.00	425.00
779-51-011	425.00	1	0.00	425.00
779-51-012	425.00	1	0.00	425.00
779-51-013	425.00	1	0.00	425.00
779-51-014	425.00	1	0.00	425.00
779-51-015	425.00	1	0.00	425.00
779-51-016	425.00	1	0.00	425.00
779-51-017	425.00	1	0.00	425.00
779-51-018	425.00	1	0.00	425.00
779-51-019	425.00	1	0.00	425.00
779-51-020	425.00	1	0.00	425.00
779-51-021	425.00	1	0.00	425.00
779-51-022	425.00	1	0.00	425.00
779-51-023	425.00	1	0.00	425.00
779-51-024	425.00	1	0.00	425.00
779-51-030	425.00	1	0.00	425.00
779-51-031	425.00	1	0.00	425.00
779-51-032	425.00	1	0.00	425.00
779-51-033	425.00	1	0.00	425.00
779-51-034	425.00	1	0.00	425.00
779-51-035	425.00	1	0.00	425.00
779-51-036	425.00	1	0.00	425.00
779-51-037	425.00	1	0.00	425.00
779-51-038	425.00	1	0.00	425.00
779-51-039	425.00	1	0.00	425.00
779-51-040	425.00	1	0.00	425.00
779-51-041	425.00	1	0.00	425.00
779-51-042	425.00	1	0.00	425.00
779-51-043	425.00	1	0.00	425.00
779-51-044	425.00	1	0.00	425.00
779-51-045	425.00	1	0.00	425.00
779-51-046	425.00	1	0.00	425.00
779-51-047	425.00	1	0.00	425.00

Slight variances may occur due to rounding

City of Morgan Hill
Oak Creek I, II, III
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
779-51-048	425.00	1	0.00	425.00
779-51-049	425.00	1	0.00	425.00
779-51-050	425.00	1	0.00	425.00
779-51-051	425.00	1	0.00	425.00
779-51-052	425.00	1	0.00	425.00
779-51-053	425.00	1	0.00	425.00
779-51-054	425.00	1	0.00	425.00
779-52-004	425.00	1	0.00	425.00
779-52-005	425.00	1	0.00	425.00
779-52-006	425.00	1	0.00	425.00
779-52-007	425.00	1	0.00	425.00
779-52-008	425.00	1	0.00	425.00
779-52-009	425.00	1	0.00	425.00
779-52-010	425.00	1	0.00	425.00
779-52-011	425.00	1	0.00	425.00
779-52-012	425.00	1	0.00	425.00
779-52-013	425.00	1	0.00	425.00
779-52-014	425.00	1	0.00	425.00
779-52-015	425.00	1	0.00	425.00
779-52-016	425.00	1	0.00	425.00
779-52-017	425.00	1	0.00	425.00
779-52-018	425.00	1	0.00	425.00
779-52-019	425.00	1	0.00	425.00
779-52-020	425.00	1	0.00	425.00
779-52-021	425.00	1	0.00	425.00
779-52-022	425.00	1	0.00	425.00
779-52-023	425.00	1	0.00	425.00
779-52-024	425.00	1	0.00	425.00
779-52-025	425.00	1	0.00	425.00
779-52-026	425.00	1	0.00	425.00
779-52-027	425.00	1	0.00	425.00
779-52-028	425.00	1	0.00	425.00
779-52-029	425.00	1	0.00	425.00
779-52-030	425.00	1	0.00	425.00
779-52-031	425.00	1	0.00	425.00
779-52-032	425.00	1	0.00	425.00
779-52-033	425.00	1	0.00	425.00
779-52-034	425.00	1	0.00	425.00
779-52-035	425.00	1	0.00	425.00
779-52-037	425.00	1	0.00	425.00
779-52-038	425.00	1	0.00	425.00
779-52-039	425.00	1	0.00	425.00

Slight variances may occur due to rounding

City of Morgan Hill
Oak Creek I, II, III
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
779-52-040	425.00	1	0.00	425.00
779-52-041	425.00	1	0.00	425.00
779-52-047	425.00	1	0.00	425.00
779-52-055	425.00	1	0.00	425.00
779-52-056	425.00	1	0.00	425.00
779-52-057	425.00	1	0.00	425.00
779-52-058	425.00	1	0.00	425.00
779-52-059	425.00	1	0.00	425.00
779-52-060	425.00	1	0.00	425.00
779-52-061	425.00	1	0.00	425.00
779-52-062	425.00	1	0.00	425.00
779-52-063	425.00	1	0.00	425.00
779-52-064	425.00	1	0.00	425.00
779-52-065	425.00	1	0.00	425.00
779-52-066	425.00	1	0.00	425.00
779-52-067	425.00	1	0.00	425.00
779-52-068	425.00	1	0.00	425.00
779-52-069	425.00	1	0.00	425.00
779-52-070	425.00	1	0.00	425.00
779-52-071	425.00	1	0.00	425.00
779-52-072	425.00	1	0.00	425.00
779-52-073	425.00	1	0.00	425.00
779-52-074	425.00	1	0.00	425.00
779-52-075	425.00	1	0.00	425.00
779-52-076	425.00	1	0.00	425.00
779-52-077	425.00	1	0.00	425.00
779-52-078	425.00	1	0.00	425.00
779-52-079	425.00	1	0.00	425.00
779-52-080	425.00	1	0.00	425.00
779-52-081	425.00	1	0.00	425.00
779-52-082	425.00	1	0.00	425.00
779-52-083	425.00	1	0.00	425.00
779-52-084	425.00	1	0.00	425.00
779-52-085	425.00	1	0.00	425.00
779-52-086	425.00	1	0.00	425.00
119 Accounts		119	\$0.00	\$50,575.00

Slight variances may occur due to rounding

City of Morgan Hill
Rosehaven
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
817-10-005	\$400.00	1	\$0.00	\$400.00
817-10-006	400.00	1	0.00	400.00
817-10-007	400.00	1	0.00	400.00
817-10-008	400.00	1	0.00	400.00
817-10-010	400.00	1	0.00	400.00
817-10-011	400.00	2	0.00	800.00
817-10-012	400.00	1	0.00	400.00
817-10-013	400.00	1	0.00	400.00
817-10-014	400.00	1	0.00	400.00
817-10-015	400.00	1	0.00	400.00
817-10-016	400.00	1	0.00	400.00
817-10-017	400.00	1	0.00	400.00
817-10-018	400.00	1	0.00	400.00
817-10-019	400.00	1	0.00	400.00
817-10-020	400.00	1	0.00	400.00
817-10-021	400.00	2	0.00	800.00
817-10-022	400.00	1	0.00	400.00
817-10-023	400.00	1	0.00	400.00
817-10-024	400.00	1	0.00	400.00
817-10-025	400.00	1	0.00	400.00
817-10-026	400.00	2	0.00	800.00
817-10-027	400.00	1	0.00	400.00
817-10-028	400.00	1	0.00	400.00
817-10-029	400.00	1	0.00	400.00
24 Accounts		27	\$0.00	\$10,800.00

City of Morgan Hill
Sandalwood
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
728-11-027	\$450.00	1	\$0.00	\$450.00
728-11-028	450.00	1	0.00	450.00
728-11-029	450.00	1	0.00	450.00
728-11-030	450.00	1	0.00	450.00
728-11-031	450.00	1	0.00	450.00
728-11-032	450.00	1	0.00	450.00
728-11-033	450.00	1	0.00	450.00
728-11-034	450.00	1	0.00	450.00
728-11-035	450.00	1	0.00	450.00
728-11-036	450.00	1	0.00	450.00
728-11-037	450.00	1	0.00	450.00
11 Accounts		11	\$0.00	\$4,950.00

City of Morgan Hill
Sparhawk
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
764-31-025	\$334.00	1	\$0.00	\$334.00
764-31-026	334.00	1	0.00	334.00
764-31-027	334.00	1	0.00	334.00
764-31-028	334.00	1	0.00	334.00
764-31-029	334.00	1	0.00	334.00
764-31-030	334.00	1	0.00	334.00
764-31-031	334.00	1	0.00	334.00
764-31-032	334.00	1	0.00	334.00
764-31-033	334.00	1	0.00	334.00
764-31-034	334.00	1	0.00	334.00
764-31-035	334.00	1	0.00	334.00
764-31-036	334.00	1	0.00	334.00
764-31-037	334.00	1	0.00	334.00
764-31-038	334.00	1	0.00	334.00
764-31-039	334.00	1	0.00	334.00
764-31-040	334.00	1	0.00	334.00
764-31-041	334.00	1	0.00	334.00
764-31-042	334.00	1	0.00	334.00
18 Accounts		18	\$0.00	\$6,012.00

City of Morgan Hill
Stone Creek
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
726-06-016	\$388.46	1	\$0.00	\$388.46
726-06-017	388.46	1	0.00	388.46
726-06-018	388.46	1	0.00	388.46
726-06-019	388.46	1	0.00	388.46
726-06-020	388.46	1	0.00	388.46
726-06-021	388.46	1	0.00	388.46
726-06-022	388.46	1	0.00	388.46
726-06-023	388.46	1	0.00	388.46
726-06-024	388.46	1	0.00	388.46
726-06-025	388.46	1	0.00	388.46
726-06-026	388.46	1	0.00	388.46
726-06-027	388.46	1	0.00	388.46
726-06-028	388.46	1	0.00	388.46
726-06-029	388.46	1	0.00	388.46
726-06-030	388.46	1	0.00	388.46
726-06-034	388.46	1	0.00	388.46
726-06-035	388.46	1	0.00	388.46
726-06-036	388.46	1	0.00	388.46
726-06-037	388.46	1	0.00	388.46
726-06-038	388.46	1	0.00	388.46
726-06-044	388.46	1	0.00	388.46
726-06-045	388.46	1	0.00	388.46
726-06-046	388.46	1	0.00	388.46
726-06-047	388.46	1	0.00	388.46
726-06-048	388.46	1	0.00	388.46
726-06-049	388.46	1	0.00	388.46
726-06-050	388.46	1	0.00	388.46
726-06-051	388.46	1	0.00	388.46
726-06-052	388.46	1	0.00	388.46
726-06-053	388.46	1	0.00	388.46
726-06-054	388.46	1	0.00	388.46
726-06-055	388.46	1	0.00	388.46
726-06-056	388.46	1	0.00	388.46
726-06-057	388.46	1	0.00	388.46
726-06-058	388.46	1	0.00	388.46
35 Accounts		35	\$0.00	\$13,596.10

Slight variances may occur due to rounding

City of Morgan Hill
Sunnyside/Stonegate
Final Billing Detail Report for Fiscal Year 2023/24

APN	Rate Per Unit	Units	Rounding Adjustment	2023/24 Assessment
773-31-034	\$375.00	1	\$0.00	\$375.00
773-31-035	375.00	1	0.00	375.00
773-31-036	375.00	1	0.00	375.00
773-31-037	375.00	1	0.00	375.00
773-31-038	375.00	1	0.00	375.00
773-31-039	375.00	1	0.00	375.00
773-31-040	375.00	1	0.00	375.00
773-31-043	375.00	1	0.00	375.00
773-31-044	375.00	1	0.00	375.00
773-31-045	375.00	1	0.00	375.00
10 Accounts		10	\$0.00	\$3,750.00
745 Total Accounts		748	(\$2.10)	\$202,698.28

7. HISTORICAL ASSESSMENT RATES

The historical assessment rates per Zone are identified on the following pages.

City of Morgan Hill
Landscape Assessment District No. 1
Actual Historical Assessment Rates Per Zone

Zone	Belle Estates	Chang/Bertelone	Conte Gardens	Diana Estates	Fox Hollow / Murphy Sp.	Hamilton Square	Jackson Meadows #6	Jackson Meadows #7	La Grande Estates	Lacrosse/Gera
Annexation Number	93-03	93-05	92-10	94-01	Original	94-03	93-06	91-03	95-03	91-04
Original Rate	\$502.22	\$1,215.00	\$477.82	\$139.39	\$106.15	\$425.54	\$108.10	\$314.58	\$88.00	\$142.99
Unit Count	36	8	11	64	75	38	70	10	32	24
1991/92	-	-	-	\$139.39	-	-	-	\$314.58	-	\$142.99
1992/93	-	-	-	-	-	-	-	-	-	-
1993/94	-	-	-	69.80	-	-	-	77.35	-	8.93
1994/95	-	-	-	69.80	\$106.15	-	-	77.35	-	8.93
1995/96	\$502.00	\$1,215.00	\$285.98	54.14	79.92	\$425.54	\$108.10	88.66	-	8.93
1996/97	71.00	8.93	477.82	21.94	49.11	214.08	76.04	194.70	-	8.93
1997/98	71.00	8.93	477.82	21.94	49.11	214.08	76.04	194.70	-	8.93
1998/99	71.00	8.93	477.82	21.94	49.11	214.08	76.04	194.70	-	8.93
1999/00	147.81	8.93	477.82	81.03	49.11	399.71	108.10	314.50	\$88.00	8.93
2000/01	147.81	8.93	477.82	81.03	49.11	399.71	108.10	314.50	88.00	8.93
2001/02	147.80	8.92	477.82	54.80	49.10	399.70	86.38	314.50	88.00	8.92
2002/03	147.80	8.92	477.82	70.00	101.10	399.70	104.18	314.50	88.00	8.92
2003/04	175.00	8.92	477.82	80.00	101.10	399.70	104.18	314.50	88.00	8.92
2004/05	180.00	8.92	477.82	80.00	101.10	399.70	108.10	314.50	88.00	8.92
2005/06	180.00	94.92	477.82	105.00	141.10	399.70	108.10	314.50	88.00	8.92
2006/07	180.00	94.92	477.82	105.00	141.10	399.70	108.10	314.50	88.00	8.92
2007/08	194.00	94.92	477.82	135.00	141.10	399.70	108.10	314.50	88.00	8.92
2008/09	234.00	94.92	477.82	139.39	149.69	425.54	108.10	314.50	88.00	130.00
2009/10	234.00	200.00	477.82	139.39	149.69	425.54	108.10	314.50	88.00	130.00
2010/11	234.00	300.00	477.82	139.39	149.69	425.54	108.10	314.50	88.00	130.00
2011/12	282.00	400.00	477.82	139.39	168.48	425.54	108.10	314.50	88.00	50.00
2012/13	282.00	400.00	477.82	139.39	173.53	425.54	98.10	140.00	88.00	50.00
2013/14	320.00	500.00	477.82	139.39	173.53	425.54	98.10	140.00	88.00	50.00
2014/15	320.00	500.00	477.82	139.39	173.53	425.54	98.10	140.00	88.00	50.00
2015/16	320.00	550.00	400.00	139.39	173.53	425.54	108.00	140.00	88.00	50.00
2016/17	320.00	550.00	400.00	139.39	173.53	425.54	108.00	100.00	88.00	50.00
2017/18	320.00	550.00	400.00	139.39	173.53	325.00	108.00	100.00	88.00	50.00
2018/19	320.00	550.00	365.00	139.39	173.53	325.00	108.00	100.00	88.00	50.00
2019/20	320.00	550.00	365.00	139.39	173.53	325.00	108.00	100.00	88.00	50.00
2020/21	320.00	550.00	365.00	139.39	173.53	325.00	108.00	100.00	88.00	50.00
2021/22	320.00	550.00	365.00	139.39	173.53	325.00	108.00	100.00	88.00	50.00
2022/23	310.00	550.00	365.00	139.39	173.53	325.00	108.00	100.00	88.00	50.00
2023/24	310.00	550.00	365.00	139.39	173.53	425.00	108.00	100.00	88.00	50.00

City of Morgan Hill
Landscape Assessment District No. 1
Actual Historical Assessment Rates Per Zone

Zone	Llagas Creek Estates	Llagas/Obata	Mill Creek	Oak Creek	Parsons Corner	Rose Haven	Sandalwood	Sparhawk	Stone Creek	Sunnyside / Stone Gate
Annexation Number	91-05	91-07	93-01	94-04	95-02	95-01	96-01	91-06	94-02	91-01
Original Rate	\$140.84	\$629.16	\$186.82	\$453.82	\$568.32	\$488.47	\$192.39	\$174.77	\$306.66	\$449.40
Unit Count	71	5	84	119	10	27	11	18	35	10
1991/92	\$140.85	\$629.16	-	-	-	-	-	\$174.77	-	\$449.40
1992/93	-	-	-	-	-	-	-	-	-	-
1993/94	19.13	335.37	-	-	-	-	-	93.03	-	15.05
1994/95	19.13	15.05	-	-	-	-	-	308.84	-	15.04
1995/96	76.60	15.05	\$186.82	\$453.82	-	-	-	226.46	\$306.66	15.04
1996/97	59.54	8.93	64.57	47.67	\$568.32	\$488.47	-	147.33	146.66	8.93
1997/98	59.54	8.93	64.57	47.67	457.40	189.73	-	147.33	146.66	8.93
1998/99	59.54	8.93	64.57	337.09	457.40	189.73	-	147.33	146.66	8.93
1999/00	140.85	8.93	95.83	320.52	457.40	189.73	\$192.36	147.33	275.00	8.93
2000/01	140.85	8.93	158.64	245.16	457.40	189.73	192.36	147.33	275.00	8.93
2001/02	105.86	8.92	158.64	150.00	457.40	189.72	192.36	147.32	275.00	8.92
2002/03	140.00	8.92	182.64	250.00	300.00	300.00	192.36	147.32	275.00	275.00
2003/04	140.00	8.92	120.00	300.00	300.00	300.00	192.36	147.32	275.00	192.50
2004/05	140.00	8.92	120.00	300.00	300.00	300.00	192.36	147.32	306.66	192.50
2005/06	190.00	53.92	138.00	300.00	430.00	300.00	192.36	202.32	306.66	332.50
2006/07	190.00	53.92	138.00	300.00	430.00	300.00	192.36	202.32	306.66	332.50
2007/08	190.00	53.92	168.00	300.00	460.00	330.00	192.36	208.38	306.66	332.50
2008/09	195.70	53.92	186.82	300.00	460.00	370.00	192.36	214.64	306.66	332.50
2009/10	195.70	53.92	186.82	300.00	460.00	370.00	192.36	214.64	306.66	332.50
2010/11	195.70	53.92	186.82	300.00	460.00	370.00	192.36	214.64	306.66	332.50
2011/12	195.70	53.92	186.82	350.00	250.00	450.00	192.36	241.58	306.66	332.50
2012/13	195.70	53.92	186.82	350.00	250.00	450.00	192.36	248.82	388.46	332.50
2013/14	233.67	53.92	186.82	350.00	250.00	450.00	192.36	248.82	388.46	412.50
2014/15	233.67	53.92	186.82	350.00	250.00	450.00	192.36	248.82	388.46	412.50
2015/16	233.67	143.92	186.82	350.00	250.00	450.00	192.36	248.82	388.46	375.00
2016/17	233.67	143.92	186.82	350.00	250.00	488.00	192.36	248.82	388.46	375.00
2017/18	233.67	143.92	186.82	350.00	250.00	488.00	192.36	248.82	388.46	375.00
2018/19	233.67	400.00	186.82	350.00	250.00	400.00	450.00	248.82	388.46	375.00
2019/20	233.67	400.00	186.82	350.00	0.00	400.00	450.00	248.82	388.46	375.00
2020/21	233.67	400.00	285.00	350.00	0.00	400.00	450.00	248.82	388.46	375.00
2021/22	233.67	400.00	285.00	350.00	0.00	400.00	450.00	248.82	388.46	375.00
2022/23	233.67	400.00	285.00	425.00	0.00	400.00	450.00	334.00	388.46	375.00
2023/24	233.67	450.00	285.00	425.00	0.00	400.00	450.00	334.00	388.46	375.00

RESOLUTION NO. 23-xxx

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL, CALIFORNIA, CONFIRMING THE
ASSESSMENT AND ORDERING THE LEVY FOR THE CITY
OF MORGAN HILL LANDSCAPE ASSESSMENT DISTRICT
NO. 1 FOR FISCAL YEAR 2023/24**

WHEREAS, the City Council of the City of Morgan Hill (hereafter referred to as the “City Council”) previously completed its proceedings in accordance with and pursuant to the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the California Streets and Highways Code (commencing with Section 22500) (the “Act”) to establish the City of Morgan Hill (the “City”) Fox Hollow/Murphy Springs Landscape Assessment District and has by previous resolution changed the name of said district to the City of Morgan Hill Landscape Assessment District No. 1 (the “Assessment District”); and,

WHEREAS, the City has retained NBS for the purposes of assisting with the annual levy of the Assessment District, and the preparation and filing of an Annual Report; and

WHEREAS, NBS has not been required to update the Annual Report since the City Council’s preliminary approval on May 3rd, 2023; and

WHEREAS, the City Council has, by previous resolution, declared its intention to hold a Public Hearing concerning the levy and collection of assessments within the Assessment District; and

WHEREAS, notice of such Public Hearing was duly given in accordance with Section 22626 of the Act; and

WHEREAS, at the time and place specified in the aforementioned notice the City Council held and conducted such Public Hearing, and considered all objections to the assessment.

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED BY THE COUNCIL, AS FOLLOWS:

- 1. Final Approval of Report:** The City Council approves the Annual Report concerning the levy of assessments for the fiscal year commencing July 1, 2023 and ending June 30, 2024.
- 2. Confirmation of Assessment and Diagram:** The City Council hereby confirms the assessment and the diagram as is described in full detail in the Annual Report on file with the City Clerk.

- 3. Levy of Assessment:** Pursuant to Section 22631 of the Act, the adoption of this resolution shall constitute the levy of an assessment for the fiscal year commencing July 1, 2023 and ending June 30, 2024.
- 4. Ordering of the Levy:** The City Council hereby orders NBS to prepare and submit the levy of assessments to Santa Clara County for placement on the Fiscal Year 2023/24 secured property tax roll.

PASSED, APPROVED AND ADOPTED by the City Council of Morgan Hill at a regular meeting held on the 7th day of June 2023 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-xxx adopted by the City Council at the meeting held on the 7th day of June 2023.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

APPROVE VILLA MIRA MONTE CONCEPTUAL SITE MASTER PLAN

RECOMMENDATION(S)

Approve the Villa Mira Monte Conceptual Site Master Plan Design.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Preserving our Community History

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

REPORT NARRATIVE:

The City's Parks and Recreation Master Plan and current Capital Improvement Program (CIP) call for the expansion of the Historical Villa Mira Monte site. The inclusion of the project in the CIP was prioritized after several years of work and partnership between the Historical Society and the City of Morgan Hill. The intent of the design services is to develop a conceptual plan for the use of the undeveloped space on the Villa Mira Monte property.

The City has a very long history associated with Villa Mira Monte, dating back several decades. While the property is owned by the Morgan Hill Historical Society (MHHS), the property's ownership would transfer to the City of Morgan Hill should the organization ever dissolve. The City's former Redevelopment Agency expended significant dollars on the site, but since the dissolution of the redevelopment agency, the Historical Society has managed the site primarily on their own. In 2017, the City entered into a formal Memorandum of Understanding with the organization to provide limited funding, enhance collaboration, and operate the site as part of the City's Parks and Recreation System.

Past proposals from the MHHS for the expansion have proposed development of the site as an event venue. However, after analysis from a long-term sustainability perspective (cost recovery, revenue generation, and operations and maintenance), the current proposed expansion is intended to support the development of the site with the primary goal of the preservation of historical resources. The secondary priority is

developing the expansion that supports a high level of cost efficiency in maintenance and operations.

The City issued a request for proposals in May 2022 for design services for Villa Mira Monte and in September of 2022 selected Jayson Architects to develop plans for the build out of the Villa Mira Monte site. The City currently has limited funds (\$2.5 million) for the initial phase of construction of this project with the current Capital Improvement Program. This will not be enough funding to build the site. However, the intent of the design services is to develop a conceptual design for the entire site that will support the development of the site in the future, phased through many years to come. The plan can also serve as a basis for future grant funding and donations should those opportunities arise.

Over the last several months, Jayson Architects has worked with City staff to engage the community on the future of the site. Several meetings have occurred with the community, historical society representatives, city staff, the Library, Culture and Arts Commission and the Parks and Recreation Commission. The purpose of tonight's meeting is to bring together that feedback and provide the opportunity for the Council to review and potentially approve the concept design.

The design for the Villa Mira Monte expansion completes the vision for the historical site of the Morgan Hill House. The new community building and gardens supplement the historic house and museum, and increase the programmatic capabilities the site can provide for the community.

The design proposes the undeveloped back half of the site will be activated with a variety of new amenities. A paved parking lot for 30 vehicles will support gatherings of up to approximately 60 people, and will include new centrally located ADA parking spaces. Public restrooms will be added in two locations: a small standalone building immediately adjacent to the existing House and Museum, as well as inside the new community building. The landscape will be enriched with new spaces, including a contemplative garden planted with native species, a flowering orchard that is an homage to the agricultural history of the site, and an outdoor gathering space to support presentations, classes and events. The new community building, inspired by vernacular agricultural barns found throughout the region, is situated behind the Morgan Hill House, and designed in a manner to serve as a graceful backdrop to the landscape. The large flexible community room will support events of up to 100 people and will provide storage for tables and chairs. In addition, the building will contain an office and archival space to support the ongoing mission of the historical society to catalogue and preserve the history of Morgan Hill.

Following the approval of the conceptual Master Plan for the site, City staff and the consultants will be working to identify the first phase of design.

COMMUNITY ENGAGEMENT:

Prior to bringing this proposed Master Plan design to the City Council, the Project Team had gathered input from the general public, members of the Historical Society Board,

the Parks and Recreation Commission, and the Library Cultural and Arts Commission through numerous in-person and hybrid meetings over the last 5 months.

ALTERNATIVE ACTIONS:

The City Council could approve the plan with direction on minor additions, deletions or changes.

The Council could, alternatively, direct Staff to make significant changes to the plan, consult with the Historical Society and then return to the City Council with an updated plan.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City has a long history associated with Villa Mira Monte. Most recently, the City Council approved a Memorandum of Understanding to formally partner with the Morgan Hill Historical Society in June 2017.

The City Council approved the Bikeways, Trails, Parks and Recreation Master Plan in July 2017, which includes the expansion of Villa Mira Monte.

The City Council received the report on the use of Villa Mira Monte as an event venue on May 19, 2020.

The City Council approved the professional consultant agreement with Jayson Architecture for \$300,000 for the conceptual design of the Villa Mira Monte Expansion on September 28, 2022.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact associated with approving the Master Plan for the site. Development of future projects to implement the plan will be phased and both design costs and construction costs will return to the City Council for approval.

CEQA (California Environmental Quality Act):

Not a Project

Continuing administrative activities and feasibility or planning studies for possible future actions that the agency has not approved, adopted, or funded are not considered projects for environmental review under CEQA. Developing the conceptual plan is necessary to conduct future environmental review.



DRAFT

Morgan Hill City Council Meeting

VILLA MIRA MONTE HISTORICAL SITE EXPANSION

June 7th, 2023

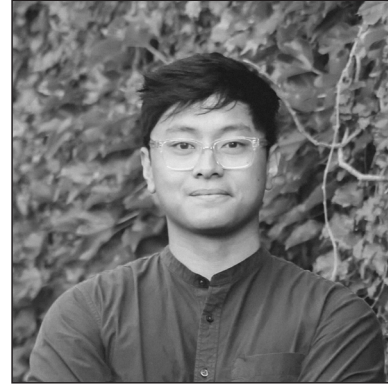


ABE JAYSON

Architect

Principal-in-Charge

JAYSON
ARCHITECTURE



J.J. NICOLAS

Architect

Associate, Project Manager

JAYSON
ARCHITECTURE



JONI L. JANECKI

Landscape Architect

President, Principal in Charge

JONI L. JANECKI
& ASSOCIATES





I.

SITE CONCEPTS

II.

LANDSCAPE

III.

BUILDING

IV.

BUDGET

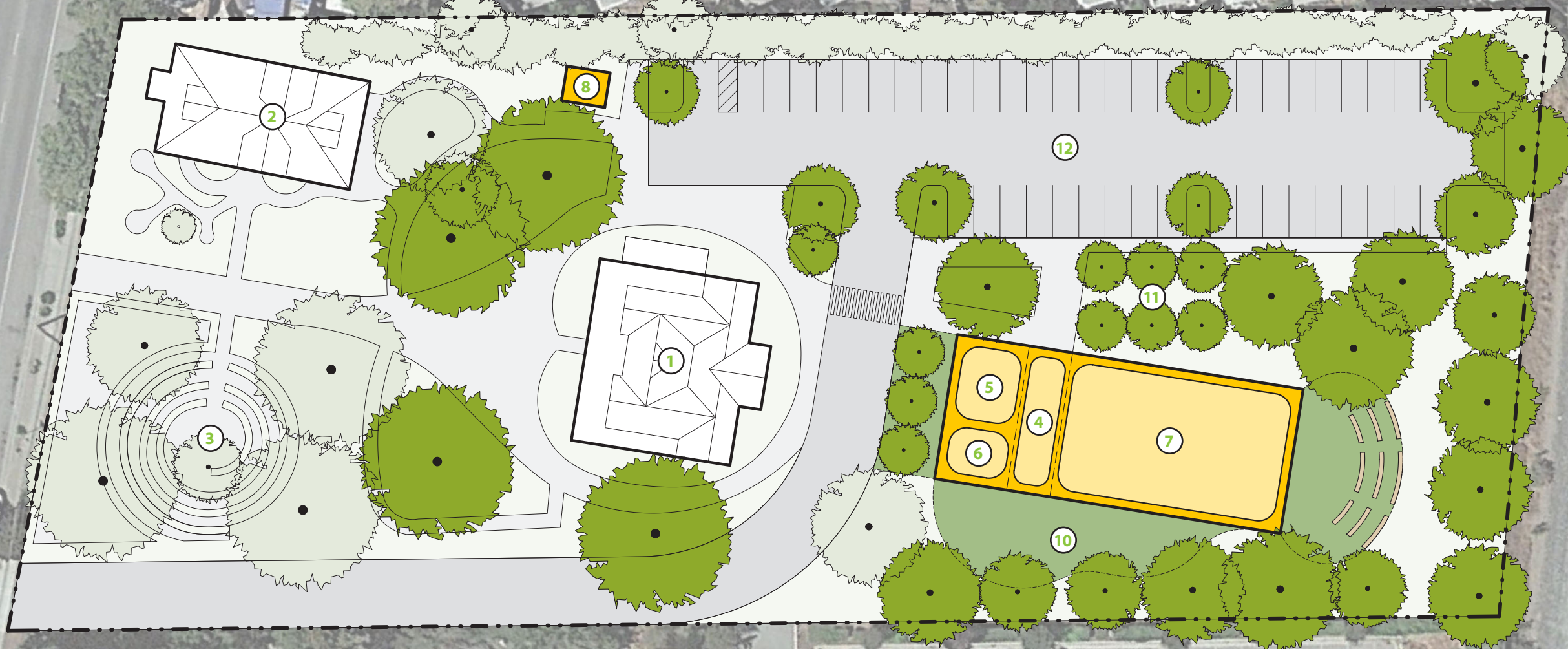
V.

DISCUSSION

I.

SITE CONCEPTS

Monterey Highway

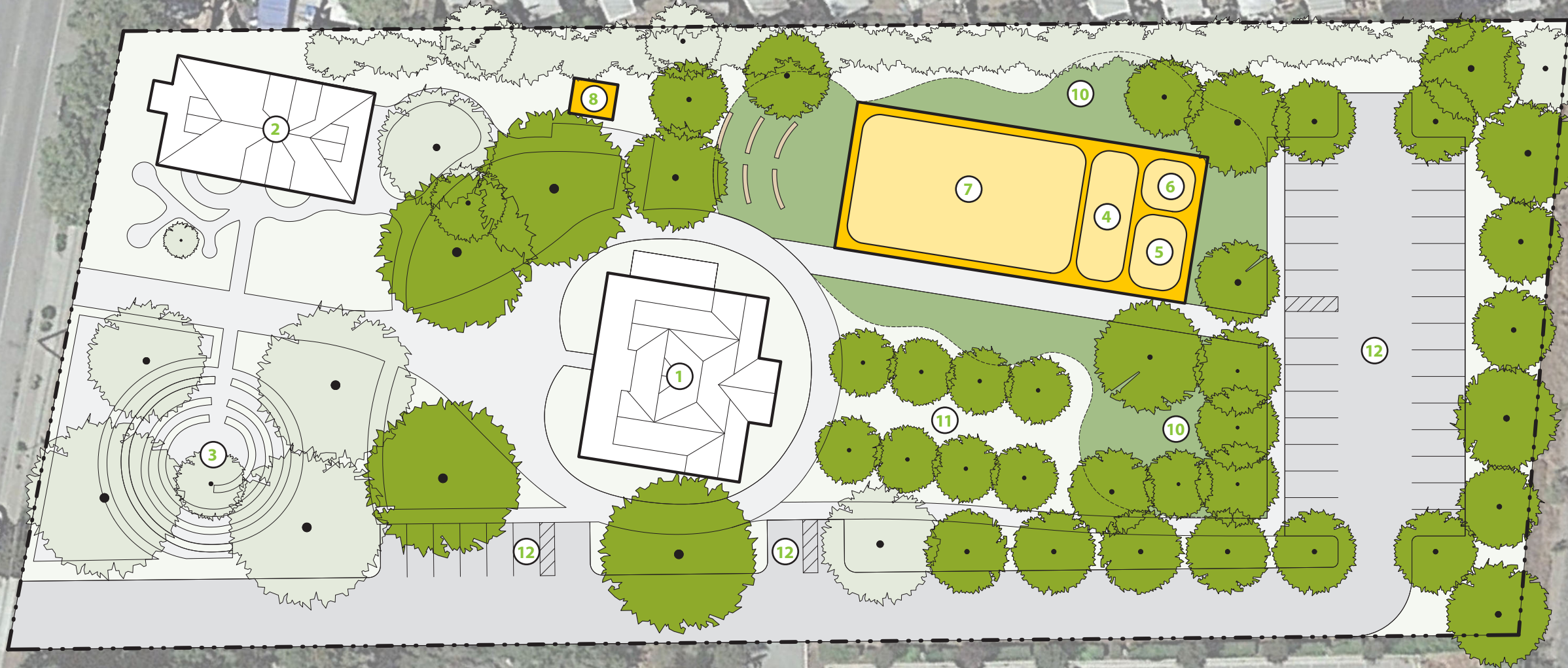


LEGEND

1 Existing - Morgan Hill House	4 Entry / Lobby	7 Multi-Purpose Room	10 Indigenous Garden
2 Existing - Morgan Hill Museum	5 Restrooms	8 Maintenance / Storage	11 Orchard
3 Existing - Centennial Garden	6 Office	9 Lawn	12 Parking



Monterey Highway



LEGEND

1 Existing - Morgan Hill House	4 Entry / Lobby	7 Multi-Purpose Room	10 Indigenous Garden
2 Existing - Morgan Hill Museum	5 Restrooms	8 Maintenance / Storage	11 Orchard
3 Existing - Centennial Garden	6 Office	9 Lawn	12 Parking



COMMUNITY OUTREACH

OCT 2022–FEB 2023

MARCH 7, 2023

MARCH 21, 2023

APRIL 26, 2023

STAKEHOLDER GROUPS

LIBRARY, CULTURE, & ARTS COMMISSION

PARKS & RECREATION COMMISSION

COMMUNITY MEETING

KEY THEMES

- **ACOUSTIC SEPARATION FROM ADJACENT RAILROAD**
- **ACCESSIBILITY TO ALL BUILDINGS**
- **PUBLIC ART OPPORTUNITIES THROUGHOUT**
- **ADEQUATE PARKING FOR EVENTS**
- **EXPANDED COMMUNITY ACCESS**
- **EDUCATIONAL SPACES THROUGHOUT**
- **AESTHETICALLY BEAUTIFUL & COHESIVE SITE**

PREFERRED OPTION

- SITE CONCEPT OPTION A

KEY ATTRIBUTES

- CENTRALLY LOCATED ACCESSIBLE PARKING
- ALIGNMENT OF BUILDINGS
- ENTRY SEQUENCE

II. LANDSCAPE









ARBUTUS 'MARINA' (STRAWBERRY TREE)



QUERCUS AGRIFOLIA (COAST LIVE OAK)



AESCULUS CALIFORNICA (CALIFORNIA BUCKEYE)



PLATANUS RACEMOS (CALIFORNIA SYCAMORE)



SALIX LASIOLEPIS (ARROYO WILLOW)



ACHILLEA MILLEFOLIUM (COMMON YARROW)



ARCTOSTAPHYLOS SPP. (MANZANITA)



FREMONTODENDRON CALIFORNICA (FLANNELBUSH)



ESCHSCHOLZIA CALIFORNICA (CA POPPY) +
SALVIA SPP. (SAGE)



CEANOTHUS G. HORIZONTALIS (CARMEL CREEPER)



MUHLENBERGIA RIGENS (DEER GRASS)



SALVIA APIANA (WHITE SAGE)



ELYMUS GLAUCUS (BLUE WILDRYE)

NOT TO SCALE 



LEGEND

1

Existing - Morgan Hill House

2

Existing - Morgan Hill Museum

3

Existing - Centennial Garden

4

Entry / Lobby

5

Restrooms

6

Office

7

Multi-Purpose Room

8

Maintenance / Storage
and Restrooms

9

Gathering Space
(Seating Capacity = 120 people)

10

Contemplative Garden

11

Non-fruiting Orchard

12

Parking

13

Entry Space with Interpretive Paving

14

Raised, Decorative Crossing

15

Restore Native American Garden

16

Screening Wall and Planting

17

Screening Planted Berm

NOT TO SCALE



LEGEND					
1	Existing - Morgan Hill House	4	Entry / Lobby	7	Multi-Purpose Room
2	Existing - Morgan Hill Museum	5	Restrooms	8	Maintenance / Storage and Restrooms
3	Existing - Centennial Garden	6	Office	9	Gathering Space (Seating Capacity = 70 people)
10	Stage (300 SF)	11	Contemplative Garden	13	Parking
12	Non-fruiting Orchard	14	Entry Space with interpretive Paving	15	Raised, Decorative Crossing
16	Restore Native American Garden	17	Screening Wall and Planting	18	Screening Planted Berm

NOT TO SCALE

III. BUILDING

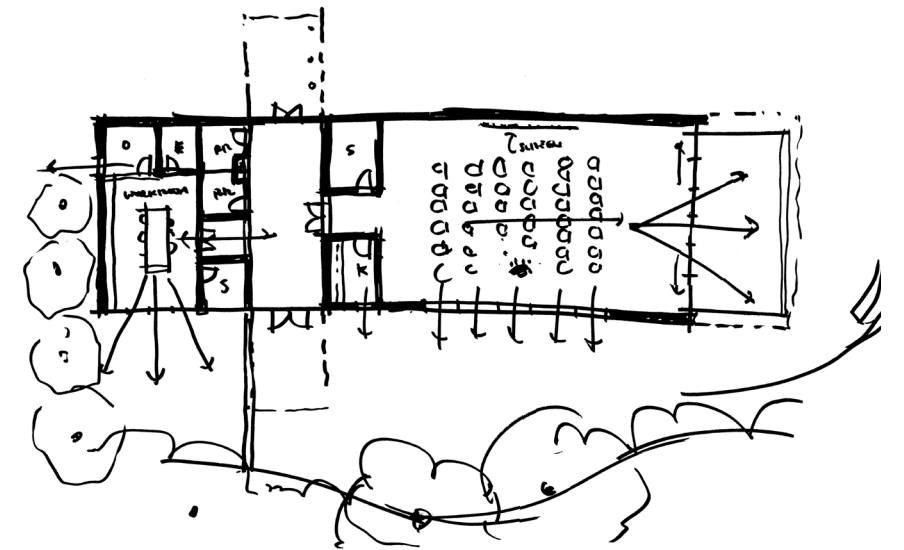
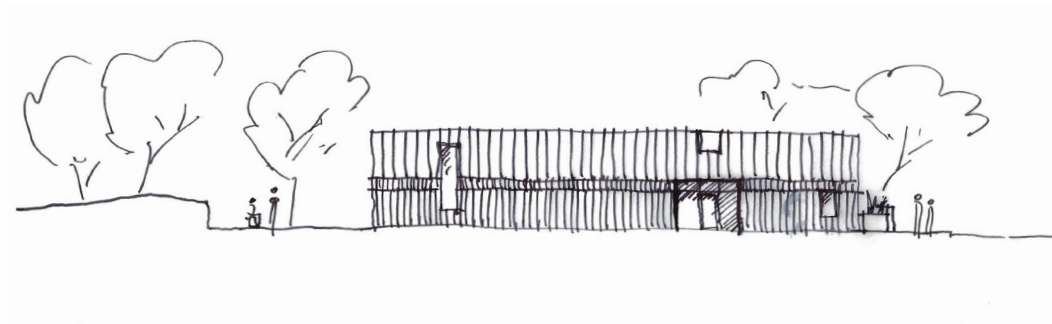
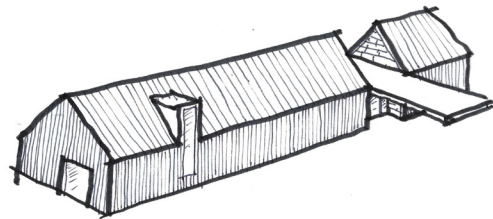
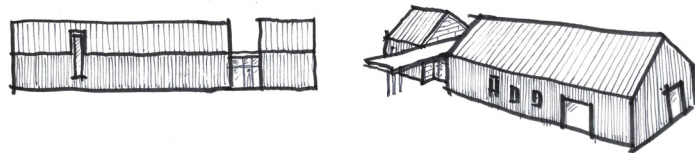
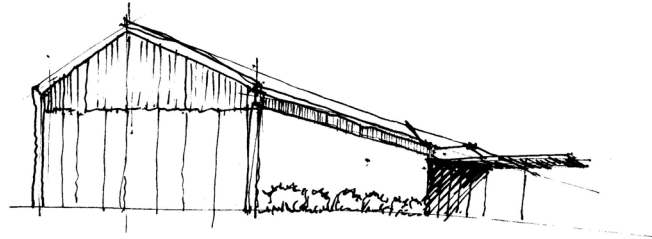
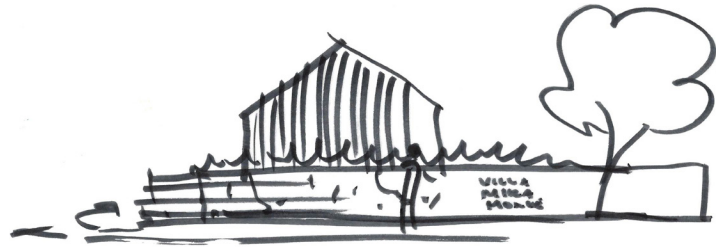




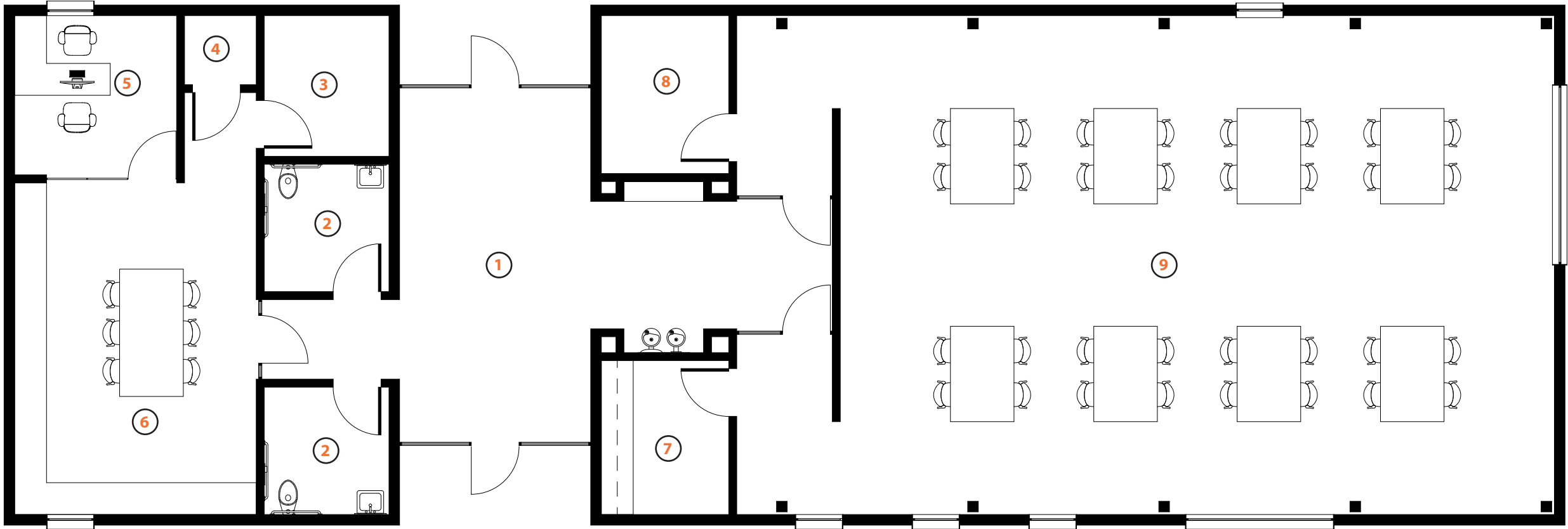
HISTORIC AERIAL IMAGE OF MORGAN HILL



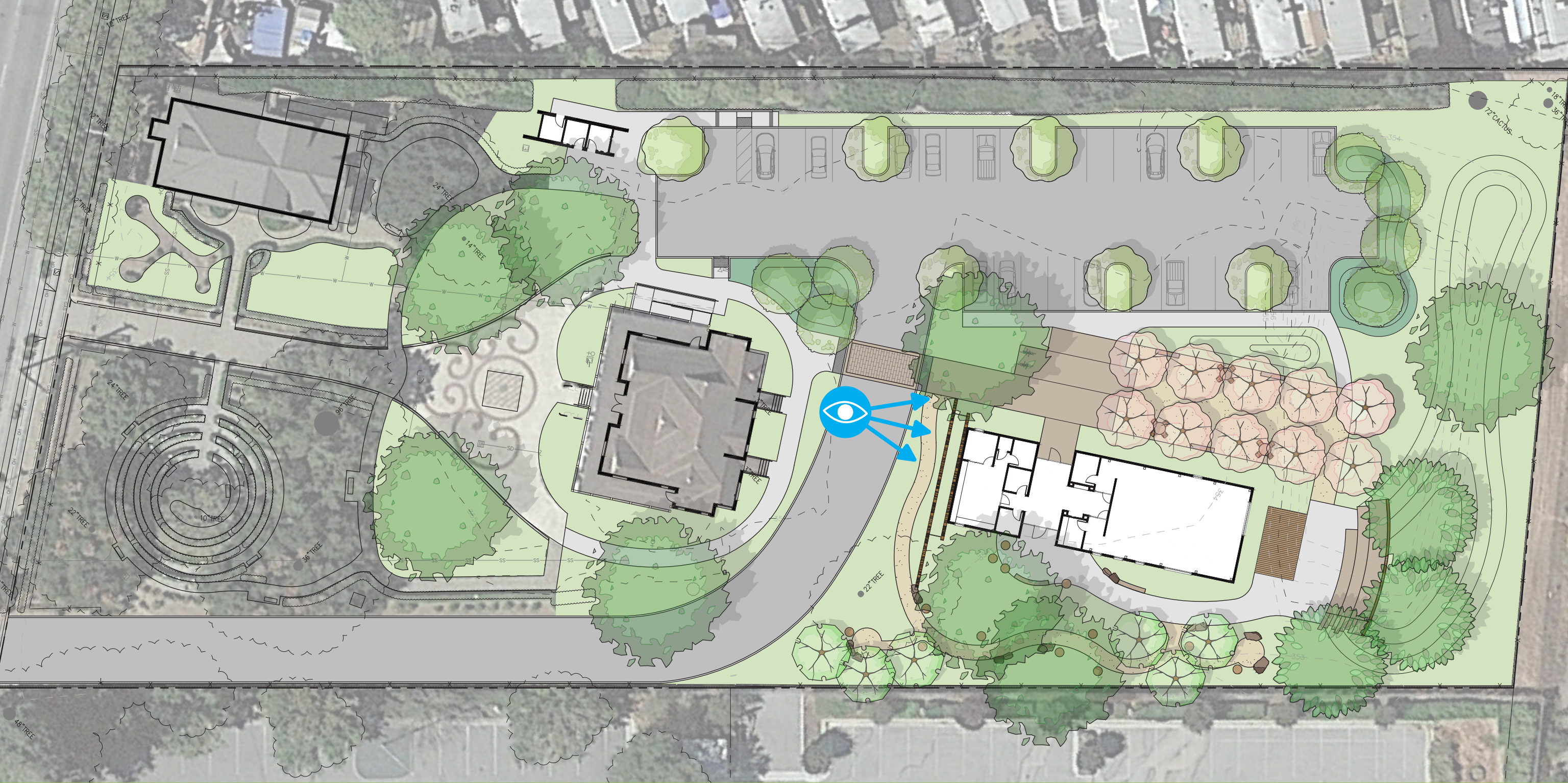




- 1 LOBBY
- 2 RESTROOM
- 3 UTILITY
- 4 JANITOR
- 5 OFFICE
- 6 HISTORY WORKROOM
- 7 KITCHENETTE
- 8 STORAGE
- 9 COMMUNITY ROOM



0' 2' 4' 8'





Villa Mira Monte



RENDERINGS, VIEW FROM ENTRY DRIVEWAY



























IV. BUDGET

MASTER PLAN BUDGET

CONSTRUCTION*

\$12,296,853

SOFT COSTS (35%)

\$4,303,899

TOTAL

\$16,600,752

***2023 CONSTRUCTION COSTS, ESCALATION EXCLUDED**

SITE PHASING ADJUSTMENTS

- **REDUCE NEW BUILDING FOOTPRINT TO 3,000 SF (FROM 6,000 SF)**
- **REDUCE PHASE ONE BUILDING FOOTPRINT TO SINGLE-OCCUPANT RESTROOMS, UTILITY STORAGE, & REMOVING OFFICE**
- **LIMIT PHASE ONE SITE WORK TO NEW DRIVEWAY, PARKING, & UTILITIES**
- **NEW LANDSCAPE WORK TO BE COMPLETED IN FINAL PHASE**





MASTER PLAN BUDGET

CONSTRUCTION*	\$10,421,700
SOFT COSTS (35%)	\$3,647,595
TOTAL	\$14,069,295
COST REDUCTION	(\$2,531,457)

***2023 CONSTRUCTION COSTS, ESCALATION EXCLUDED**

V. DISCUSSION

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

APPROVE AGREEMENT WITH HEXAGON TRANSPORTATION CONSULTANTS, INC. FOR DEVELOPMENT OF A TRANSPORTATION MASTER PLAN

RECOMMENDATION(S)

1. Authorize the City Manager to execute and administer an agreement with Hexagon Transportation Consultants, Inc. for the development of a Transportation Master Plan at a total cost of \$893,960; and
2. Adopt a resolution to amend the FY 2022-23 Budget to appropriate \$393,960 from Traffic Impact Fund (309), with the Long Range Planning Fund (207) contributing \$100,000 of that appropriation.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community

Enhancing Diversity and Inclusiveness

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Transportation

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

In November 2022, the City issued a request for proposals seeking qualified firms to provide professional services for the creation of the City's first comprehensive Transportation Master Plan. The Plan is intended to provide numerous components, including traffic counts, future traffic modeling, updated speed survey to set speed limits, review of existing transportation infrastructure, specific review and analysis of bike and pedestrian infrastructure, development of transportation priorities for the City, creation of a capital improvement program, and numerous other components. The Plan will provide the foundation for the update of the City's General Plan

Transportation/Circulation Element Update.

The City reached out directly to known transportation consultants throughout the State, attempting to get interest from a variety of consultants. Proposals for the RFP were due on February 22, 2023. The City received only one proposal from Hexagon Transportation Consultants, Inc. Subsequently, the City reached out to many of the consultants that did not bid on the project and those that regularly work with this type of consultant. One consultant directly cited ongoing staffing shortages as a limitation to doing the work, another consultant noted that the project was multifaceted and not something they could take on as the lead consultant. Staff also believe this is a very large project that will require significant dedicated resources, which may be outside the capabilities of some consultants.

Following receipt of the proposal, it was reviewed by staff in the Development Services and Public Services Departments. City staff met with Hexagon to review the proposal to interview the company specifically to ascertain the company's ability to complete this project. Following the interview and review of past work, City staff concluded that Hexagon Transportation Consultants, Inc. does have the experience, competency and internal resources to complete the project. Hexagon is also planning to use the subconsultants of Toole Design as it relates to the bike and pedestrian components of the Plan, as well as Apex Design to support the communications and outreach efforts for developing the Plan. Hexagon and its sub-consultants have a long list of successful work within Morgan Hill, regionally and across the State.

Following the review of proposals, staff worked with Hexagon to refine the final scope of the project. This scope is included in the proposed consultant agreement (Attachment 1). The overall cost for the development of the base components of the Plan is \$775,960. City staff are proposing including an optional alternative (\$78,000) in the plan for the consultant to refine the updated Countywide Travel Demand Forecasting Model developed by the Valley Transportation Authority should timing work out for this work to occur. Staff is additionally proposing a contingency of \$40,000 for additional work that may come up outside of the scope of the agreement.

COMMUNITY ENGAGEMENT:

Involve

The RFP and scope of the agreement was designed through previous input from the Council, staff, and residents. The development of the Transportation Master Plan will require significant community outreach and will include a variety of public meetings as well as the development and participation of a stakeholders group for those with an even higher level of interest. The Plan will have multiple review points by advisory commissions and the City Council to ensure there is significant opportunity for engagement as well as direction by the Council.

ALTERNATIVE ACTIONS:

The City Council has multiple alternate options. The first is that the Council could provide direction to City staff to adjust the scope of the work. This would require

additional work with the consultant, so an updated agreement and scope could come back to the City Council.

Should the Council wish to reissue the RFP, it could direct staff to do so. The staff does not have a strong indication that reissuing the RFP would attract more firms, but that is a possibility.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Transportation Element of the General Plan was previously updated with the General Plan in July 2016. The City Council held a Transportation Workshop most recently in April 2022. The City has not previously developed a separate Transportation Master Plan.

FISCAL AND RESOURCE IMPACT:

The total funding needed for this project is \$893,960. The Capital Improvement Program currently has \$500,000 budgeted for this purpose. In order to fully fund the project, an additional appropriation of \$393,960 from Fund 309 is needed, with the Long Range Planning Fund (207) contributing \$100,000 of that appropriation.

CEQA (California Environmental Quality Act):

Not a Project

Continuing administrative activities and feasibility or planning studies for possible future actions that the agency has not approved, adopted, or funded are not considered projects for environmental review under CEQA. Hiring of a consultant is necessary to develop a draft plan for environmental review.

CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS HEXAGON TRANSPORTATION CONSULTANTS, INC

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and HEXAGON TRANSPORTATION CONSULTANTS, INC a California corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority**. This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.

2. **Term of Agreement**. This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2024 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.

3. **Scope of Service**. The services to be performed by CONSULTANT shall be development of a Transportation Master Plan as further described in **Exhibit A**.

4. **Compensation**. CONSULTANT shall be compensated as follows:

4.1. **Amount**. \$893,960.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed Eight Hundred Ninety Three Thousand Nine Hundred Sixty dollars and shall be billed based on the rate and basis set forth in **Exhibit B**. If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement, and provided further that in no event shall such maximum compensation allowed for the term exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code, unless otherwise authorized by City Council.

4.2. **Billing**. CONSULTANT shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 13 Notices. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

5. **Termination**. CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which

compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT. The City Manager of CITY is authorized to terminate this Agreement, in whole or in part, on behalf of CITY.

- 5.1. **Non-Appropriations.** Notwithstanding anything contained in this Agreement to the contrary, if insufficient funds are appropriated, or funds are otherwise unavailable in the budget for CITY for any reason whatsoever in any fiscal year, for payments due under this Agreement, CITY will immediately notify CONSULTANT of such occurrence, and this Agreement shall terminate after the last day during the fiscal year for which appropriations shall have been budgeted for CITY or are otherwise available for payments.

6. **Performance of Work.** CONSULTANT represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by CONSULTANT in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the CONSULTANT'S profession. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this Agreement and all applicable federal, state, and local laws. CONSULTANT shall perform all work and services under this Agreement in conformance with the time schedule set forth on Exhibit C, "Schedule of Performance," attached hereto and incorporated herein by this reference. CITY'S City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement. If CONSULTANT desires to leave or store any of CONSULTANT'S equipment at a CITY site while CONSULTANT is performing work or service pursuant to this Agreement, CONSULTANT will first obtain the consent of CITY'S City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at CONSULTANT'S sole risk.

7. **Insurance Requirements.** CONSULTANT shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of CONSULTANT, including its subcontractors, employees, and agents, relating to, or arising from, the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by City. CONSULTANT further understands that the CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to CONSULTANT, at any time as deemed necessary to protect the interests of the CITY.

7.1. **Insurance Types and Amounts.**

- 7.1.1. **Commercial General Liability (CGL).** CONSULTANT shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

- 7.1.2. Automobile Liability. CONSULTANT shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if CONSULTANT does not own automobiles, then CONSULTANT shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.3. Workers' Compensation Insurance and Employer's Liability. CONSULTANT shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If CONSULTANT is self-insured, CONSULTANT shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.
- 7.1.4. Pollution (Environmental) Liability. If the performance of CONSULTANT'S work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, CONSULTANT shall procure and maintain Pollution Liability covering the CONSULTANT'S liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.1.5. Professional Liability.
- 7.1.5.1. If the performance of CONSULTANT'S work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), CONSULTANT shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CONSULTANT maintains a claims-made policy, CONSULTANT shall provide written evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.
- 7.1.5.2. If the performance of CONSULTANT'S work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers,

hardware engineers, or other systems consultants), CONSULTANT shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.6. Sexual Abuse/Molestation Liability (SML): If the performance of CONSULTANT'S work or service under this Agreement involves contact with minors, CONSULTANT shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars (\$200,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.2. **Endorsements**. CONSULTANT shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

7.2.1. General Liability and pollution liability (when pollution liability applies).

7.2.1.1. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds on a form at least as broad as ISO Form CG 20 10 for ongoing operations.

7.2.1.2. "Waiver of Rights of Subrogation" - The insurer waives the right of subrogation against the City of Morgan Hill and CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and

7.2.1.3. "Primary and Non-Contributing" - Insurance shall be endorsed to be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 01.

7.2.2. Workers Compensation.

If the performance of CONSULTANT'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, CONSULTANT'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

7.3. **Qualification of Insurers**. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.

7.4. **Certificates**. CONSULTANT shall furnish CITY of Morgan Hill with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the CONSULTANT'S

agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 7. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

8. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. **Compliance with Law.**

9.1. CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon any basis prohibited by State or Federal law, including but not limited to, race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

9.2. Compliance with Wage and Hour Laws: Consultant, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state, and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

Final Judgments, Decisions, and Orders: For purposes of this Section, a "final judgment, decision, or order" refers to one for which all appeals have been exhausted or the time to appeal has expired. Relevant investigatory government agencies include: the federal Department of Labor, the California Division of Labor Standards Enforcement, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

Prior Judgments against CONSULTANT and/or its Subcontractors: BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT CONSULTANT OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that CONSULTANT or an subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or CONSULTANT learns of such a judgment, decision, or order that was not previously disclosed, CONSULTANT shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision, or order. CONSULTANT and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision, or order within five (5) days of satisfying the final judgment, decision, or order. The City reserves the right to require CONSULTANT to enter into an agreement with the City regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where CONSULTANT or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or government agency, the City reserves the right to withhold payment to CONSULTANT until such judgment, decision or order has been satisfied in full.

Material Breach: Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

Notice to City Related to Wage Theft Prevention: Notice provided to the City Attorney as required under this Section shall be addressed to: City Attorney, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

10. **Independent Contractor.** CONSULTANT is an independent contractor and not an agent or employee of CITY.
11. **Confidentiality.** All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.
12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
13. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

Hexagon Transportation Consultants
Attn: Robert Del Rio
8070 Santa Teresa Boulevard, Suite 230
Gilroy, CA 95020

Address of CITY is as follows:

Chris Ghione
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

with a copy to:
City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

14. **Licenses, Permits and Fees.** CONSULTANT shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes, and regulations of the federal, state, and local government.

15. **Consultant's Proposal.** If applicable, this Agreement shall include CONSULTANT'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

16. **Maintenance of Records.**

16.1. **Maintenance.** CONSULTANT shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. CONSULTANT shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then CONSULTANT shall retain said records until such action is resolved.

16.2. **Access to and Audit of Records.** The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONSULTANT and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

16.3. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT for work performed under this Agreement shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

17. **Familiarity with Work.** By executing this Agreement, CONSULTANT represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

18. **Time of Essence.** Time is of the essence in the performance of this Agreement.

19. **No Assignment.** Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be

void and, at CITY'S option, shall terminate this Agreement effective as of the date of such attempted assignment.

20. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

21. **Defense and Indemnification.**

- 21.1. **Defense and Indemnification for Design Professional Services.** Consistent with California Civil Code Section 2782.8, for design professional services to be performed under this agreement by a design professional, as that term is defined under said Section 2782.8, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors in performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement ("CLAIM") to the extent of CONSULTANT'S proportionate percentage of fault.
- 21.2. **Defense and Indemnification for Non-Design Professional Services.** For all services performed under this agreement not covered by Section 21.1 above, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").
- 21.3. **Exceptions.** CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence, active negligence, or willful misconduct of the CITY.
- 21.4. **Not limited by insurance.** The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by CONSULTANT.
- 21.5. **Right to Offset.** CITY shall have the right to offset against any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT'S failure to pay CITY promptly any indemnification arising under this Section (21) and any amount due CITY from CONSULTANT arising from CONSULTANT'S failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

21.6. **Interpretation.** This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the CONSULTANT to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

22. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified, or provisions waived, only by a subsequent mutual written agreement executed by CITY and CONSULTANT. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

23. **Governing Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

24. **Interpretation.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

25. **Preservation of Agreement.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected or invalidated.

26. **Binding Agreement.** Notwithstanding the provisions of Section 19 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of CONSULTANT in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

27. ☐ **Data Sharing.** This Agreement requires access by CONSULTANT to CITY'S Geographic Information System (GIS) DATA for CONSULTANT to perform the work. CITY agrees to provide the GIS DATA to CONSULTANT solely for the purpose of performance of contracted work with the CITY upon the terms and conditions specified in Exhibit D, incorporated herein by this reference.

28. **Electronic Signatures.** Unless otherwise prohibited by law or CITY policy, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the CITY.

[Signatures on Next Page]

29. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

City Clerk/Deputy City Clerk

City Manager

Michelle Bigelow
Print Name

Christina J. Turner
Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

Hexagon Transportation Consultants, Inc.

City Attorney

By: _____

Donald A. Larkin
Print Name

~~Robert Del Rio~~, V.P.
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President

Date: _____

Date: 5/31/23

By: _____

Brett Walinski CFO
Print Name and Title of Signer.
If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 5/31/23

EXHIBIT A

SCOPE OF SERVICES

Task 1 – Review of Existing Conditions and Challenges

The consultant shall meet with City staff to support project commencement and provide the consultant with background information on the project. During this task the consultant is expected to review City guiding:

- Review existing documents provided by City staff. Provided documents shall include, but are not limited, to the existing 2016 General Plan (Morgan Hill 2035), existing Master Plans, development activity since adoption of the General Plan, and anticipated development activity within the “pipeline” for future development.
- Provide the City with requests for information.
- Interview key City representatives of the city

This task shall require a kickoff meeting and various meetings with City staff to collect data on existing conditions.

Task 2 – Data Collection and Community Engagement

Following the review of existing conditions, the consultant shall identify data needs for the project. At a minimum the consultant will be expected to complete the following:

- In preparation for a development of an updated traffic demand model the consultant shall collect traffic counts on all arterial roadways and key collector roadways within the City. Traffic counts shall be collected at key intersections within the City. This will include up to 50 intersections, which will include primarily signalized intersections, but will include a limited number of unsignalized intersections.
- A full speed survey of non-residential City roadways shall be completed.
- Consultant shall collect cut through traffic data (Consultant to Propose Data Collection / Procurement method)
- Consultant shall use available sources to compile collision data for City roadways dating back 5 years.
- Consultant shall utilize existing General Plan and zoning data in combination with the most available information from the Planning Department to identify cumulative development impacts from General Plan buildout.
- The consultant shall compile data from existing congestion management work and project specific transportation studies available from the City.
- The consultant shall compile relevant State and Regional transportation data impacting the City.
- The consultant shall develop and implement two community online surveys to support identification of stakeholder priorities (needs, concerns, barriers, etc.).
- The consultant shall work with the City to host a minimum of 2 community in-person and virtual workshops. Workshops may be targeted or general in nature.
- The consultant shall compile public transportation data to be collected from all providers of public transportation within the City.
- Any other data necessary to provide the deliverables outlined in this RFP.
- This task shall include supporting the development of a stakeholder group that includes 5 meetings as well as general public meetings and meetings of the Council and Commissions.

Task 3 – Speed Survey and Recommendations for Speed Limits –

This task will utilize data collected to develop a speed survey for the City's non-residential roadways. At a minimum the consultant is expected to complete the following for this task:

- Analysis of speed survey data for applicable City streets and the development of the speed survey report document.
- Review of Survey against new laws for setting speed limits.
- Establish speed limits for non-residential streets with a focus on safety and Vision Zero.
- Review of school zones, the downtown and other areas where the ability to set the speed limit below 25mph may be possible.
- It is anticipated that this task will require limited meetings with City staff only and will include 1-2 public meetings.

Task 4 – Presentation of Data Analysis and Findings

In this task the consultant is expected to present draft data using presentations and documents to communicate findings in a draft format. It is expected that the following at minimum would be presented.

- Community wants and needs for the transportation system
- Barriers to pedestrian and bicycle use of the transportation system
- Complete Streets/Vision Zero safety assessment
- Current levels of service for roadways and intersections
- Comparison of congestion in other adjacent communities
- Identified priority physical improvements to City transportation facilities that:
 - Improve Safety for Pedestrians, Bicyclists and Motor Vehicles
 - Improve connections for non-motorized travel through the City
 - Reduce congestion
 - Improve VMT
 - Provide Safe Routes to School
- Program Planning recommendations for non-capital programs that:
 - Improve Safety for Pedestrians, Bicyclists and Motor Vehicles
 - Improve connections for non-motorized travel through the City
 - Improve congestion
 - Improve VMT
- Develop first draft transportation system goals for the City
- It is anticipated that this task will require limited meetings with City staff only and will include 4 public meetings.

Task 5 –Transportation Master Plan Documents (3 Sections)

Section 1 – Traffic Analysis and Technical Components for General Plan Update/Future Planning

The Consultant shall prepare an analysis of the City's existing transportation network and travel patterns. Consultant shall prepare a circulation plan that corresponds with land use planning and carefully consider community priorities, reality of funding availability, Vision Zero, Complete Streets, transit performance/availability, VMT, LOS/congestion management, emission reductions, emergency response and freight traffic. The following deliverables should be included in the report:

- Traffic Study with detail needed for required environmental work. Traffic study should include cumulative impacts of existing conditions and development within the City.
- Street classification system including mapping.
- Identify of bike and pedestrian corridors including supporting maps.
- Identify traffic calming priority areas in support of neighborhood safety planning.
- Develop an updated Level of Service (LOS) Policy.
- Includes editable maps, graphs, and data files (ArcMap packages, Excel worksheets, Illustrator files, etc., all graphics and maps shall be GIS compatible).
- The plan shall be consistent and meet mandated state and federal requirements for transportation related plans.

Section 2 – Capital Improvement Program

Develop new updatable plan that provides for transportation improvements Citywide and priority regional improvements impacting the local roadways. The following deliverables should be included in the report:

- Complete City Capital Improvement Program
 - o Potential Funding Sources
 - o Priority Capital Improvement Project List
 - o 6 Year CIP Program
 - o Unfunded Needs
- Regional Capital Improvement Program Priorities and responsible agencies.
- Includes editable maps, graphs, and data files (ArcMap packages, Excel worksheets, Illustrator files, etc., all graphics and maps shall be GIS compatible).

Section 3 – Non-Capital Improvement Policies

Provide a list of policy recommendations that will support non-capital improvement related planning based on the data collected and community outreach conducted.

Task 6 – Traffic Impact Fee Study

Consultant will develop a traffic impact fee study based on the Capital Improvement Program established within the Plan. Additionally, the City would like the consultant to review the potential of inclusion VMT mitigations in addition to LOS mitigations. This study will include the following:

- Traffic fee nexus study
- Traffic fee schedule

It is anticipated that this task will require limited meetings with City staff only and will include 1-2 public meetings.

Optional Task 7 – Countywide TDF

Consultant shall refine the updated Countywide Travel Demand Forecasting Model developed by the Valley Transportation Authority. This task shall be initiated at the direction of City staff.

EXHIBIT B
SCHEDULE OF COMPENSATION RATES

Task 1	\$58,576
Task 2	\$224,547
Task 3	\$175,450
Task 4	\$163,676
Task 5	\$95,856
Task 6	\$57,855
Optional Task 7	\$78,000
Project Contingency*	\$40,000
Total Contract Amount	\$893,960

*Project contingency is for related project work deemed necessary but not within the scope of service. Use of project contingency must be approved by the City staff prior to the conduction of work by the consultant.

EXHIBIT C
SCHEDULE OF PERFORMANCE

Task 1-3	8 months from agreement effective date
Task 4	15 months from agreement effective date
Task 5	15 months from agreement effective date
Task 6	18 months from agreement effective date
Optional Task 7	3 months from staff approval to initiate work

REQUEST FOR PROPOSALS
TRANSPORTATION MASTER PLAN
JANUARY 2023

The City of Morgan Hill is seeking proposals from qualified firms to provide professional services for the creation of the City's first comprehensive Transportation Master Plan. The Plan is intended to provide numerous components, which are outlined in this RFP, and will provide the foundation for the City's General Plan Transportation/Circulation Element Update. The City intends to enter into a Professional Services Agreement with a qualified transportation planning consulting firm to conduct this work.

Background

Morgan Hill is unique among Silicon Valley communities for its family-friendly character and strong sense of community. This City is proud of its small-town feel that still includes new opportunities for businesses, jobs, and amenities for residents and visitors. The location and community offers rural charm, Silicon Valley location, a thriving wine industry, a bustling downtown, unique park spaces, restaurants, numerous sports and recreation opportunities, and an agricultural heritage that delights residents and visitors, and helps local business thrive and promote Morgan Hill as a great place to live and visit.

The City of Morgan Hill has a total area of 13 square miles. The City is in the southern part of Santa Clara County and just 20 miles south of Downtown San Jose and 10 miles north of Gilroy. . The City's is served by a network of freeways, arterials, and local roads. A major challenge for Morgan Hill is the traffic congestion caused by the limited regional transit corridors and a lack of public transportation options to support the traffic caused by employment centers located north of the City and much of the housing to support the Bay Area workforce located south of Morgan Hill. North-south transportation options includes Highway 101 and Monterey Road, a primary north south arterial roadway, formerly a 4-lane highway that runs through the City's downtown. While the City has begun to grow denser centrally, the City's historical single family residential housing is spread far across the valley and numerous unincorporated pockets of Santa Clara County. These areas present additional connectivity issues due to the County's minimally improved roadways. There is a CalTrain station with limited service (three trains run in the morning and at night). The Valley Transportation Authority(VTA) runs one main bus line serving the City of Morgan Hill, with the line starting to the south in Gilroy and running north to Downtown San Jose. The proposed California High Speed Rail is designed to run within the existing Union Pacific Rail Road tracks at grade and without grade separations. As the city and the region continue to grow, the City of Morgan Hill continues to face significant regional and local transportation challenges.

The City of Morgan Hill has approximately 48,000 residents and 18,000 employed residents. Morgan Hill has been growing at a steady pace of 2% per year and is often identified as one of the fastest growing cities in Santa Clara County. Currently, there are over 1,800 units in the development pipeline. The State's new housing streamlining legislation is changing the pace and type of residential development in the City. The City is expected to grow faster, exceeding its projected growth in the Morgan Hill 2035 General Plan. The City is also experiencing significant growth in multi-family rental product that is taller and denser than the General Plan expected. This is paired with an increased industrial and commercial development across the City.

The City's transportation system includes nearly 140 miles of roadways and approximately 300 lane miles. The City manages 46 traffic signals with plans for at least 5 additional signals in the near term. The City relies on Caltrain and the Santa Clara Valley Transportation Authority for public transportation services, which are very limited in nature. The City recently implemented an on-demand transportation project called Mo-Go that serves areas within City limits.

The City's General Plan calls for a Level of Service analysis for any project meeting certain standards. This is in addition to the required VMT analysis under CEQA (when required). Both methodologies should be accounted for within the scope. The City is currently working on a city-centric VMT policy. This project should be completed in early 2023.

Project Description and Vision

The Transportation Master Plan will help address the challenges of facilitating mobility and access in a strategic manner, within the reasonable fiscal constraints of the City's budget and limited state and federal funding, and in a way that is responsive to anticipated demographic changes and the change in the pace of growth of the City. The Plan will be coordinated with regional plans and will look to provide equitability and support for all segments of the community. The Plan should be influenced by the City's General Plan and other guiding documents, but also help to establish the City's vision for its future transportation system, the policies to support that system, and capital projects that are prioritized with consideration of available funding sources. The Plan will be the basis of a future update to the Circulation Element of the City's General Plan.

Scope of Services

The following is a general description of the anticipated project components. Consultants are expected to submit a detailed work plan that includes more specific components and phasing.

Component 1 – Review of Existing Conditions and Challenges

The consultant shall meet with City staff to support project commencement and provide the consultant with background information on the project. During this component the consultant is expected to review City guiding:

- Review existing documents provided by City staff. Provided documents shall include, but are not limited, to the existing 2016 General Plan (Morgan Hill 2035), existing Master Plans, development activity since adoption of the General Plan, and anticipated development activity within the "pipeline" for future development.
- Provide the City with requests for information.
- Interview key City representatives of the city

It is anticipated that this component will require numerous small group meetings.

Component 2 – Data Collection and Community Engagement

Following the review of existing conditions, the consultant shall identify data needs for the project. At a minimum the consultant will be expected to complete the following:

- In preparation for a development of an updated traffic demand model the consultant shall collect traffic counts on all arterial roadways and key collector roadways within the City. Traffic counts shall be collected at key intersections within the City. This will include up to 50 intersections, which will include primarily signalized intersections, but will include a limited number of unsignalized intersections.
- A full speed survey of non-residential City roadways shall be completed.

- Consultant shall collect cut through traffic data (Consultant to Propose Data Collection / Procurement method)
- Consultant shall use available sources to compile collision data for City roadways dating back 5 years.
- Consultant shall utilize existing General Plan and zoning data in combination with the most available information from the Planning Department to identify cumulative development impacts from General Plan buildout.
- The consultant shall compile data from existing congestion management work and project specific transportation studies available from the City.
- The consultant shall compile relevant State and Regional transportation data impacting the City.
- The consultant shall develop and implement a community online survey to support identification of stakeholder priorities (needs, concerns, barriers, etc.).
- The consultant shall work with the City to host a minimum of 5 community in-person and virtual workshops. Workshops may be targeted or general in nature.
- The consultant shall compile public transportation data to be collected from all providers of public transportation within the City.
- Any other data necessary to provide the deliverables outlined in this RFP.

It is anticipated that this component will require numerous meetings with City staff only and will include an additional 3 public meetings above the community meetings outlined above.

Component 3 – Speed Survey and Recommendations for Speed Limits –

This component will utilize data collected to develop a speed survey for the City’s non-residential roadways. At a minimum the consultant is expected to complete the following for this component:

- Analysis of speed survey data for applicable City streets and the development of the speed survey report document.
- Review of Survey against new laws for setting speed limits.
- Establish speed limits for non-residential streets with a focus on safety and Vision Zero.
- Review of school zones, the downtown and other areas where the ability to set the speed limit below 25mph may be possible.
- This component is due ahead of report, by July 31, 2023.

It is anticipated that this component will require limited meetings with City staff only and will include 1-2 public meetings.

Component 4 – Presentation of Data Analysis and Findings

In this component the consultant is expected to present draft data using presentations and documents to communicate findings in a draft format. It is expected that the following at minimum would be presented.

- Community wants and needs for the transportation system
- Barriers to pedestrian and bicycle use of the transportation system
- Complete Streets/Vision Zero safety assessment
- Current levels of service for roadways and intersections
- Comparison of congestion in other adjacent communities
- Identified priority physical improvements to City transportation facilities that:
 - Improve Safety for Pedestrians, Bicyclists and Motor Vehicles
 - Improve connections for non-motorized travel through the City

- Reduce congestion
- Improve VMT
- Provide Safe Routes to School
- Program Planning recommendations for non-capital programs that:
 - Improve Safety for Pedestrians, Bicyclists and Motor Vehicles
 - Improve connections for non-motorized travel through the City
 - Improve congestion
 - Improve VMT
- Develop first draft transportation system goals for the City

It is anticipated that this component will require limited meetings with City staff only and will include 4 public meetings.

Component 5 –Transportation Master Plan Documents (3 Sections)

Section 1 – Traffic Analysis and Technical Components for General Plan Update/Future Planning

The Consultant shall prepare an analysis of the City’s existing transportation network and travel patterns. Consultant shall prepare a circulation plan that corresponds with land use planning and carefully consider community priorities, reality of funding availability, Vision Zero, Complete Streets, transit performance/availability, VMT, LOS/congestion management, emission reductions, emergency response and freight traffic. The following deliverables should be included in the report:

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- Identify traffic calming priority areas in support of neighborhood safety planning.
- Develop an updated Level of Service (LOS) Policy.
- Includes editable maps, graphs, and data files (ArcMap packages, Excel worksheets, Illustrator files, etc., all graphics and maps shall be GIS compatible).
- The plan shall be consistent and meet mandated state and federal requirements for transportation related plans.

Section 2 – Capital Improvement Program

Develop new updatable plan that provides for transportation improvements Citywide and priority regional improvements impacting the local roadways. The following deliverables should be included in the report:

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 - 6 Year CIP Program
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Section 3 – Non-Capital Improvement Policies

Provide a list of policy recommendations that will support non-capital improvement related planning based on the data collected and community outreach conducted.

Component 6 – Traffic Impact Fee Study

Consultant will develop a traffic impact fee study based on the Capital Improvement Program established within the Plan. Additionally, the City would like the consultant to review the potential of inclusion VMT mitigations in addition to LOS mitigations. This study will include the following:

- Traffic fee nexus study
- Traffic fee schedule

It is anticipated that this component will require limited meetings with City staff only and will include 1-2 public meetings.

Component 7 – Other proposed components

This component is included in the RFP to allow the consultant, based on expertise and experience, to propose additional work not included in the prior components, that is recommended by the consultant.

City Responsibilities

City shall furnish such information as is reasonably required for the Project and requested in writing by the consultant.

City shall provide prompt notice to the consultant if City becomes aware of any fault or defect in the Project, including any errors, omissions, or inconsistencies in the Consultant's Instruments of Service.

City staff will assist community meeting coordination.

Additional Questions on Scope:

Any additional questions regarding this RFP may be sent to:
chris.ghione@morganhill.ca.gov

Questions must be submitted by 5:00 p.m. on February 3, 2023. Question submitted after this deadline will not be responded to.

Qualifications

The transportation firm must have demonstrated expertise in successfully managing and completing like projects for communities similar to Morgan Hill.

Insurance and Indemnification

The firm selected for the Project must provide the City with evidence of insurance coverage acceptable to the City's Risk Manager. Insurance and indemnification requirements are outlined in the City's Standard Service Agreement for Design Professionals (Attachment 2). **Special attention shall be given to the Indemnification Requirement Section included in the Agreement as these provisions are a requirement.**

Required Licenses

The successful consultant will be required to obtain a City of Morgan Hill Business License.

Draft Project Schedule

January 11, 2023	RFP Release Date
February 3, 2023	Last Day to submit questions
February 10, 2023	Responses to questions posted on City website
February 24, 2023	Proposals Due (5:00pm)
Week of March 6, 2023	Interviews with Selected Firms (Date Subject to Change)
April 2023	Contract Awarded
May 2023	Begin Project
July 2023	Completion of Components 1, 2 & 3
September 2023	Completion of Component 4
January 2024	Completion of all Component 5
March 2024	Completion of Component 6 & 7

Proposal Format

The proposal shall be 20 pages (10 double sided pages) maximum and will include the following information:

A. Cover/Transmittal Letter

B. Firm Information:

- ☐ Firm name, telephone number, e-mail, and mailing address.
- ☐ Point of contact for proposal.
- ☐ Number of years the firm has been in business, including year organization was established.
- ☐ Type of organization: individual, partnership, corporation, other (please specify).
- ☐ List of principals, officers, and associates of the firm.
- ☐ Name of Project Manager for this project.
- ☐ List any lawsuits or arbitration proceedings that have been initiated by or against your firm in the past five years. Briefly state the nature of the action and the outcome.
- ☐ Provide a list of the projects you are currently working on, construction cost and the scheduled completion date for each.
- ☐ Tell us anything else about your firm that might assist us in making this selection. Why do you feel your firm is especially qualified to be engaged by the City on this project?

C. Past Projects

Provide a description of similar projects which have been completed by your firm.

D. Scope of Work & Performance Schedule

Describe your proposed approach to be used in completing the components described in the Scope of the Services. Please provide a timeline of how your firm will proceed with this work.

E. Responsible Personnel

List the project manager and key Project staff who will be assigned to the Project.

F. Consultant must submit all exceptions to this RFP with its proposal, clearly identifying the exception, including the page number and section number, as appropriate. Consultant should note that the submittal of an exception does not obligate the City to revise the terms of this RFP or any resulting agreement. The City will not consider any exceptions that are not identified in the proposal.

G. Consultant is required to complete the Wage Theft Certification and include it in the proposal package. (This certification will not count towards the page limit.)

H. Consultant Fee – **NOTE: The Fee Section will not count towards the page limit.**

The primary goal of the consultant selection process is to rank each consultant's proposal based on demonstrated competence and professional experience. Fee shall not be reviewed

until after evaluation of all other areas of the proposal. Fees shall include all markups, overhead and profit, and reimbursable expenses. The Agreement shall provide for payment of all of the Scope of Work on a not-to-exceed time and materials basis. Submit the fee estimate in a separate pdf document. The fee estimate should be broken down by the components identified in the Scope of Work.

Proposal Submission

All proposals should be submitted electronically to:

Chris Ghione, Public Services Director at Chris.ghione@morganhill.ca.gov

The Request for Proposal is not a contract or a commitment of any kind by the City of Morgan Hill and does not obligate the City to award a contract or pay costs incurred for the preparation and submission of a proposal. All proposals will become the property of the City of Morgan Hill.

Public Records Act

All responses to this RFP will become public records after notice of intent to award under the California Public Records Act (Cal. Government Code section 6250 et seq.). All documents that you send to the City will be subject to disclosure if requested by a member of the public. Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City of Morgan Hill may not be in a position to establish that the information that a consultant submits is a trade secret. If you believe that there are portion(s) of your proposal which are exempt from disclosure under the Public Records Act, you must mark it as such and state the specific provision in the Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. Do not mark your entire proposal as “confidential.” If a request is made for information marked “Confidential”, “Trade Secret” or “Proprietary”, the City will provide consultants who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction. The City will not be responsible for any legal or other costs incurred by consultant seeking to shield a portion of their proposal from public disclosure.

Selection Criteria

The following criteria are among those, but not limited to, which will be used to evaluate the proposals and subsequent interviews:

- Demonstrated professional quality with similar projects
- Experience of personnel/sub-consultants assigned to the project
- Past Experience
- Review of references
- Quality of the proposal
- Ability to meet all aspects of the scope of work
- Demonstrated flexibility in experience transportation planning
- Fee proposal

General Terms and Conditions

1. Proposals will be evaluated by City staff .
2. The City may or may not conduct interviews with consultants as part of the proposal evaluation process.
3. The City reserves the right, acting in its sole discretion, to waive proposal irregularities and to reject any and all proposals.

4. The City reserves the right to modify the scope of the Project at any time based on the best interests of the City.
5. All documents, drawings, and findings (regardless of format) that are associated with this project shall be the property of the City of Morgan Hill.
6. Proposals shall remain effective for ninety (90) days beyond the submittal date.
7. Consultant Agreement will be the City's Standard Service Agreement for Design Professionals. All consultants are expected to have read and understand the attached Agreement, and the consultant selected through the RFP process will be expected to execute a formal Agreement with the City of Morgan Hill for the provision of the requested service as set forth in the sample agreement attached to this RFP. Submission of a signed proposal will be interpreted to mean consultant has agreed to all the terms and conditions set forth in the pages of this RFP and the standard provisions included in the attached Agreement.

Attachments:

- A. City Standard Service Agreement for Design Professional

RESOLUTION NO. 23-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL APPROVING AN AMENDMENT TO
THE CITY'S FISCAL YEAR 2022-2023 BUDGET IN THE
TRAFFIC IMPACT FUND (FUND NO. 309) AND LONG
RANGE PLANNING FUND (FUND NO. 207) TO
APPROPRIATE \$393,960 AND \$100,000, RESPECTIVELY**

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting this Resolution are set forth in detail in that certain City Council Staff Report entitled "Approve Agreement with Hexagon Transportation Consultants, Inc. for Development of a Transportation Master Plan" submitted for City Council consideration at its meeting of June 7, 2023, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Annual Budget for Fiscal Year 2022-2023 as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the City's previously adopted Fiscal Year 2022-2023 Budget, as the same has been amended to date, is hereby further amended in accordance with and as

reflected on Exhibit A attached hereto and incorporated herein by this reference;
and

- b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 2022-2023 Budget of City.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 7th day of June 2023 by the following vote:

AYES:	COUNCIL MEMBERS:	None
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 23-_____ adopted by the City Council at the meeting held on the 7th day of June 2023.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT A

AGENDA BUDGET SCORECARD

FISCAL YEAR 2022-2023

ADJUSTMENT #

012

FUND:

DEPARTMENT:

OBJECT:

309	Traffic Impact Fund
8053	Traffic Impact
86200	PROFESSIONAL SERVICES

AGENDA DATE:

AGENDA ITEM TITLE:

06/07/23 Transportation Master Plan
--

	07/01/22 AUDITED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/23 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	1,187,038	5,019,799	9,301,872	(3,095,035)
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION		100,000	393,960	(293,960)
RESULT OF RECOMMENDED ACTION	<u>1,187,038</u>	<u>5,119,799</u>	<u>9,695,832</u>	<u>(3,388,995)</u>

AGENDA BUDGET SCORECARD

FISCAL YEAR 2022-2023

ADJUSTMENT #

013

FUND:

DEPARTMENT:

OBJECT:

207 Long Range Planning Fund
5170 Long Range Planning Fund
49240 TRANSFER OUT-TRAFFIC

AGENDA DATE:

AGENDA ITEM TITLE:

06/07/23
Transportation Master Plan

	07/01/22 AUDITED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/23 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	1,197,975	995,882	936,040	1,257,817
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	-	-	-
RECOMMENDED ACTION		-	100,000	(100,000)
RESULT OF RECOMMENDED ACTION	<u>1,197,975</u>	<u>995,882</u>	<u>1,036,040</u>	<u>1,157,817</u>

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Dat Nguyen, Finance Director

APPROVED BY: City Manager

APPROVE UPDATE TO THE CITY'S DONATION POLICY

RECOMMENDATION(S)

Accept changes to the City's Donation Policy

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

2022-2023 Strategic Priorities

Fiscal Sustainability

Community Outreach, Engagement, and Messaging

REPORT NARRATIVE:

This item was on the City Council agenda for May 3, 2023 and was continued to the June 7, 2023 meeting.

The City's Donation Policy was last updated on December 7, 2022. The December 7, 2022 update allowed the City Manager to accept donations from a local business and directed the City Manager to report any donations over \$5,000 in the quarterly financial report. At that time, the Council also directed staff to bring back for Council consideration possible changes to the policy. Staff proposes two changes to the policy as follows:

1. Requiring City employees to consult the City Attorney's Office prior to acceptance of any donations. This proposed change would ensure donations would be properly vetted and consistent with all applicable laws, the City's municipal codes, polices, and guidance.
2. Increase the threshold of donations that require Council acceptance from over \$5,000 to over \$10,000 but still allow donations to be formally accepted by the City Council if donors request. This proposed change would meet the Council's request to consider more potential agenda items that could be processed administratively.

COMMUNITY ENGAGEMENT:

Inform

This staff report serves to inform the community of the proposed changes to the City's Donation Policy.

ALTERNATIVE ACTIONS:

The City Council could reject the staff's proposed changes.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The last update to the City's Donation Policy was on December 7, 2022.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with updating the City's Donation Policy.

CEQA (California Environmental Quality Act):

Not a Project

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL

ADMINISTRATIVE POLICIES AND PROCEDURES

V009

SUBJECT: DONATION POLICY

EFFECTIVE DATE: FEBRUARY 12, 1996

REVISION DATE: JUNE 30, 2003; REVIEWED AUGUST 2007;
DECEMBER 7, 2022; ~~MAY 3~~ JUNE 7, 2023

ORIGINATING DEPARTMENT: FINANCE DEPARTMENT

1. PURPOSE

The purpose of this policy is to provide direction to City employees regarding the acceptance of donations by the City from members of the Public and City employees. This policy is distinguished from the City Gift Policy originated by the City Manager's Office as that policy restricts the acceptance of gifts by individual employees.

2. DONATION POLICY

The City recognizes the value of donations from individuals and organizations. Donations provide an opportunity for community involvement and enhance the City's ability to acquire additional resources. However, the acceptance of donations must always consider the public trust. Therefore, it is the policy of the City of Morgan Hill that, prior to acceptance of donations, the Department Director of the receiving Department must evaluate any impropriety or appearance of impropriety or potential conflict of interest between the donor and the City, and Department, or any City employee in connection with the donation. The City must avoid perceived or real expectations on the part of the donors for preferential treatment as a result of the donation. City employees shall be responsible for consulting with the City Attorney's Office prior to acceptance of donations.

3. PROCEDURES FOR ACCEPTANCE OF DONATIONS

- 3.1 If the donation is appropriate, the Department Director or designee must complete a receipt indicating the estimated value of goods or services, date, name of donor, and purpose of donation. The original receipt will be submitted to the donor. The Finance Department shall receive a copy of the receipt.
- 3.2 Monetary donations will be deposited to the fund in which the purpose of the donation is to be achieved.
- 3.3 All donations with estimated values exceeding \$510,000 must be formally

accepted by the City Council.

3.4 Donations with estimated values under \$10,000 may be formally acknowledged by the City Council if donors request.

3.5 The City Manager is delegated to accept donations from the Shoe Palace (per City Council direction on December 7, 2022) and report any donations over \$5,000 in the quarterly financial reporting.

3.43.6 Donations from City employees may be accepted. The same standard of propriety must be applied to employee donations.

3.53.7 In no instance shall the City borrow personally owned equipment or property from City employees. The City shall only lease/borrow equipment from equipment rental enterprises or other agencies if the terms and conditions are expressly identified in a written agreement. Either party may initiate the agreement. This requirement may be waived during emergencies officially declared by the City Manager.

This policy is approved by the City Manager to be effective immediately.

APPROVED:

City Manager

Date

CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2023

PREPARED BY:

Christina Turner, City Manager

APPROVED BY: City Manager

PROVIDE DIRECTION TO STAFF ON PROPOSED FUTURE COUNCIL INITIATED AGENDA ITEM

RECOMMENDATION(S)

Determine if the majority of the City Council wants the following item agendaized at a future meeting for discussion:

Considering implementing term limits for City Council and/or Commission members.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Preserving and Cultivating Public Trust

REPORT NARRATIVE:

Section 4.2 of City Council Policy 97-01 (Attachment 1) allows members of the City Council to request items be added to an upcoming City Council agenda by requesting an item during the "Future Council Initiated Agenda Items" section of the agenda. A City Council report will then be placed on an upcoming agenda for Council discussion and consideration.

Below is a brief description of the item proposed on May 3, 2023 for Council consideration.

Consider implementing term limits for City Council and Commission Members

(requested by Mayor Pro Tem Spring, Attachment 2)

Currently, the office of the Mayor has a two-year term, and City Council Member offices have four-year terms and there are no maximum term limits. California Government Code Section 36502(b) establishes the method to propose a limit on the number of terms a member of the City Council may serve on the City Council, or the number of terms an elected mayor may serve. That code section requires submitting a measure at a regularly scheduled election. The measure would require a majority of the votes cast in favor to adopt the proposal to pass. The deadline for the City Council to finalize actions to submit a measure for the next regular election, which would be the November 7, 2024 ballot, would be May 2024. The estimated cost to run one measure on the general election ballot is \$60,000.

Implementing term limits on Commission seats would be an amendment to the City's Municipal Code.

Staff is seeking direction on whether the City Council would like this item agendaized to discuss limits on the number of terms City Council and/or Commissioners serve.

Estimated staff time to prepare a full City Council Staff Report on this topic is approximately 3 hours.

COMMUNITY ENGAGEMENT:

This report is seeking direction from the City Council on whether or not to further agendaize this topic for Council consideration.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On May 3, 2023, the Council directed staff to bring back this topic for Council consideration.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with seeking direction from the Council on this item.

CEQA (California Environmental Quality Act):

Not a Project.

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-97-01

SUBJECT: RULES FOR THE CONDUCT OF CITY COUNCIL MEETINGS, PLACEMENT OF ITEMS ON THE AGENDA, AND MATTERS TO BE RECONSIDERED

EFFECTIVE DATE: May 7, 1997

REVISED DATE: March 15, 2023

ORIGINATING DEPARTMENT: CITY MANAGER

SECTION 1 - SCOPE

- 1.1** These rules shall establish the procedures for the conduct of all meetings of the City Council of the City of Morgan Hill. The purpose of these rules is to provide procedures consistent with the Ralph M. Brown Act, establish procedures which will be convenient for the public, be fair to all members of the City Council, and contribute to the orderly conduct of City business.

SECTION 2 - MEETINGS

- 2.1** Open to Public: All meetings of the City Council, whether regular or special, shall be open to the public, unless a closed session is scheduled as authorized by law.
- 2.2** Regular Meetings: The City Council shall conduct its regular meetings at the time and place established by ordinance, if specified in the ordinance or resolution.
- 2.3** Review Status of Agenda at 9:00 p.m.: The City Council may review the agenda at 9:00 p.m. to determine if it will be able to conclude its business by 10:00 p.m. If, at 10:00 p.m., the City Council has not concluded its business, before continuing the meeting it shall review and discuss the status of the remaining agenda items and determine by majority vote whether to continue any remaining items to a future regular or special meeting, adjourn the meeting to another date and time, or extend the meeting beyond 10:00 p.m. as needed. The meeting may be extended beyond 10:00 p.m. one time. Additional extensions of time will be at the Mayor's discretion.
- 2.4** Special Meetings/Workshops: A special meeting and/or workshop may be called at any time by the Mayor or Presiding Officer of the City Council or by three members of the City Council. Written notice of any such meeting must specify the purpose of the meeting. Notice of the meeting must be made in accordance with the law.
- 2.5** Closed Sessions: The City Council may hold closed sessions during a regular or special meeting, or at any time authorized by law, to consider or hear any matter which is authorized by law. At times, Closed Sessions may have to be held in an order different than presented due to the timeliness of the matter, to save the City money when an outside attorney has been retained or due to the need for extra time to discuss and deliberate an

important closed session item. Closed session items may be continued to the conclusion of the agenda.

- 2.6 Quorum:** Three (3) members of the City Council shall constitute a quorum and shall be sufficient to transact business. If less than three Council members appear at a regular meeting, the Mayor, Mayor Pro Tempore in the absence of the Mayor, any member of the City Council, or in the absence of all Council members, the City Clerk or Deputy City Clerk shall adjourn the meeting to a stated day and hour.
- 2.7 Adjourned Meetings:** The City Council may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment and permitted by law.

SECTION 3 - POSTING NOTICE AND AGENDA

- 3.1 Posting of Notice and Agenda:** For every regular or special meeting, the City Clerk or other authorized person, shall post a notice of the meeting specifying the time and place at which the meeting will be held and an agenda containing a brief description of all items of business to be discussed at the meeting. The notice and agenda may be combined in a single document.
- a. Posting for Regular Meetings:** For any regular meeting of the City Council, the notice and agenda shall be posted no later than seventy-two (72) hours prior to the time set for the meeting consistent with all Brown Act requirements.
 - b. Posting for Special Meetings:** For any special meetings of the City Council, the notice and agenda shall be posted no later than twenty-four (24) hours prior to the time set for the meeting consistent with all Brown Act requirements.
- 3.2 Location of Posting:** The notice and agenda shall be posted on the City's website and in a place to which the public has unrestricted access during at least normal business hours and where the notice and agenda are not likely to be removed or obscured by other posted materials.
- 3.3 Availability of the Agenda to the Public:** The agenda for any regular or special meeting shall be made available to the public as soon as is practical after delivery to the members of the City Council.

SECTION 4 - AGENDA CONTENTS

- 4.1 Description of Matters:** All items of business to be discussed at a meeting of the City Council shall be briefly described on the agenda. The description of the item and the proposed action to be considered should be set forth as clearly as practical so that members of the public will know the nature of the action under review and consideration.
- 4.2 Placement of items on the agenda:** The Mayor, City Manager, or City Attorney may place items on the agenda. Members of the City Council may request items to be added to an upcoming City Council agenda by requesting an item during the "Future Council Initiated Agenda Items" Section of the agenda. When a Future Council Initiated Agenda Item is requested, the Council Member making the request will send the City Manager a brief

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summary outlining the request and any relevant background. If the requested item is not included in the current Strategic Priorities Workplan, the team will bring forward the item at a future Council Meeting within 30-45 days of the request via a brief staff report, including the brief summary provided by the requesting Council Member. At that meeting, the City Council will review the request and determine if the majority of the City Council wants the items agendaized at a future meeting for discussion.

- 4.3 Limitation to Act on Only Items on the Agenda:** No action shall be taken by the City Council on any item not on the posted agenda, subject only to the exceptions listed below:
- a. Upon a majority determination that an "emergency situation" (as defined by State Law) exists; and
 - b. Upon a determination by a 4/5 vote of the City Council that there is a need to take immediate action and that the need to take the action came to the attention of City officials subsequent to posting of the agenda.
- 4.4 Change in Order of Business:** The Mayor or Presiding Officer may decide to take matters listed on the agenda out of the prescribed order unless a majority of members present object to this variation.
- 4.5 City Council Reports:** On an alternating basis, at each Regular City Council meeting, with a time limit of three minutes, a Council Member has the opportunity to share with the Council and community any pertinent updates or information in regard to their appointments to outside agencies, upcoming events, or relevant City business. These are non-action items.
- 4.6 City Manager Report:** These are updates on current City activities, reports on issues raised at previous Council meetings, or recognitions. These are non-action items.
- 4.7 City Attorney Report:** These are updates on current City activities, reports on issues raised at previous Council meetings, or reportable actions of the City Council in Closed Sessions and/or current litigation. These are non-action items.
- 4.8 Other Reports:** These are pertinent updates or information on upcoming activities or events relevant to City business with a time limit of one minute. These are non-action items.
- 4.9 Public Comment for items not on the agenda:** This refers to those matters not scheduled on the agenda where a member of the public wants to address a matter of importance to the City Council. Since the matter is not on the agenda, no action by Council can be taken. If a member of Council so desires, the matter can be placed on the agenda of a future Council meeting for review and consideration.
- 4.10 Consent Calendar:** These are items of a routine or generally uncontested nature. Any member of the Council or member of the public may request to have an item pulled from the consent calendar and acted on individually by the Council. Items pulled will be discussed after action is taken on the balance of the consent calendar. The Mayor shall decide if the items are heard before or after moving on to public hearing and other business items.
- 4.11 Public Hearings:** These are matters that are duly noticed and published in a newspaper of general circulation and where required by law, written notice is given to the affected

residents who have the opportunity to speak in favor or against a matter or ask questions about the matter.

- 4.12 Other Business:** These are other matters of City business which are not appropriately placed on the consent calendar and do not require published notices and require Council action and direction.
- 4.13 Future Business:** These are items that members of the City Council wish to discuss to potentially take action on or have placed on future agendas.

SECTION 5. ORDER OF BUSINESS

5.1 The order of business at meetings of the City Council shall be as follows:

- a. CALL TO ORDER
- b. ROLL CALL ATTENDANCE
- c. DECLARATION OF POSTING AGENDA
- d. WORKSHOP (if needed; 5:00-6:00 p.m., or as deemed appropriate)
- e. CLOSED SESSION (if needed; 6:00-7:00 p.m., or as deemed appropriate)
- f. SILENT INVOCATION
- g. PLEDGE OF ALLEGIANCE
- h. PRESENTATIONS
- i. PROCLAMATIONS
- j. RECOGNITIONS
- k. CITY COUNCIL REPORTS
- l. CITY MANAGER'S REPORT
- m. CITY ATTORNEY'S REPORT
- n. OTHER REPORTS
- o. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA
- p. ADOPTION OF AGENDA
- q. CONSENT CALENDAR
- r. PUBLIC HEARINGS
- s. OTHER BUSINESS
- t. FUTURE COUNCIL INITIATED AGENDA ITEMS

u. CLOSED SESSION

v. ADJOURNMENT

SECTION 6. PUBLIC COMMENT

6.1 Public Comment: Persons present at meetings of the City Council may comment on individual items on the agenda at the time the items are scheduled to be heard. In addition, comments may be offered on items not on the agenda under that portion of the agenda. In accordance with State law, matters not scheduled on the agenda cannot be acted upon by the City Council, but items raised by the public during public comment may be referred to a future City Council agenda at the request of the Mayor or City Council.

6.2 Limitations: The public comment period may be 3 minutes for items on the agenda or items not listed on the agenda. Speakers are called in the order the speaker cards are submitted. Project applicants or appellants will be allowed more than the designated 3 minutes in accordance with City Council Policy 03-01. Consistent with this policy, the Mayor or Presiding Officer may recall an applicant or appellant to address questions after the public comment is heard. In addition, applicants will be given time at the end of the public hearing to address any questions or comments.

The Mayor or Presiding Officer may allow speakers who wish to speak under public comment for items not on the agenda to concede a portion of their time, specifically, one speaker may concede a portion of their time to one other speaker. For all other business items, the Mayor or Presiding Officer may allow speakers more time and/or allow speakers to concede a portion of their time to a designated speaker of a group, specifically up to two speakers may concede their time to one speaker, unless a majority of the City Council objects. Speakers that wish to designate a group speaker shall notify the City Clerk before discussion on the item begins. Additionally, any speaker that concedes their time must be present at that City Council meeting. Speaker who would like to share documents or presentations may do so by submitting said document to the City Clerk by noon on the day of the City Council Meeting. Speaker may not share videos or presentations with videos embedded within them.

6.3 Procedure: To address the City Council, each speaker is requested to fill out a Speaker Card and turn it in to the City Clerk before discussion on the agenda item begins. The speaker is requested to provide their name, contact information, and the subject(s) upon which the speaker wishes to address the City Council. Speakers who do not wish to provide their name should provide an alternative designation so that they can be called to speak by the City Clerk.

Public comment may be provided in writing for items on the agenda, as well as for items not on the agenda. Public comment in writing may be submitted via email to ccpubliccomment@morganhill.ca.gov or by mail to the City Clerk at 17575 Peak Avenue, Morgan Hill, CA 95037. Please email your comments to the City Clerk no later than 3:00 p.m. on Tuesday (the day before the City Council meeting) for your comments to be submitted to the members of the City Council with sufficient time to review the comments. You may continue to provide written comments up to noon on Wednesday (the day of the meeting although Council Members may not have sufficient time to review them. Public

comments submitted to the City Clerk after noon the day of the meeting will be provided to the City Council as time allows.

Written comments WILL NOT be read aloud during the City Council Meeting. Please note that written comments are posted on the City's website, so do not include any personal information you do not want to be posted on the web.

SECTION 7. PROCEDURES FOR THE CONDUCT OF MEETINGS

7.1 Role of the Mayor/Presiding Officer:

- a. The Presiding Officer of the City Council, who shall be the Mayor or in the Mayor's absence shall be the Mayor Pro Tempore, or in their absence any other designated member of the City Council, shall be responsible for maintaining the order and decorum of meetings. It shall be the duty and responsibility of the Presiding Officer to ensure that the rules of operation and decorum contained herein are observed. The Presiding Officer shall maintain control of communication between Council Members and between the Council, staff, and public.
- b. Communication with Council Members:
 1. Council Members should request the floor from the Presiding Officer before speaking.
 2. When one member of the Council has the floor and is speaking, other Council Members shall not interrupt or otherwise disturb the speaker.
 3. During both questions, when one Council Member has the floor, they are limited to 5 minutes. During discussion, the Mayor and Council Members as a whole are limited to 15 minutes. The time limit may be extended at the Mayor's discretion.
 4. With the concurrence of the Mayor, a Council Member holding the floor may address a question to another Council Member. The Council Member being questioned may or may not respond while the floor is still held by the Council Member asking the question. The reply shall be limited to the question asked.
- c. The Mayor or Presiding Officer may declare that an item within the meeting will be conducted in "workshop" format, which means that the procedures described in section 7.1B do not strictly apply. This is to allow for a more open discussion without strict formalities. The Mayor or Presiding Officer may end the workshop format for the item at his/her discretion.
- d. Communication with Members of the Public Addressing the Council
 1. The Mayor or Presiding Officer shall open the floor for public testimony as appropriate.
 2. After a witness or subject matter expert has addressed the City Council during public comment, Council members may only ask questions of witnesses or

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subject matter experts. Such questions should be directed to the person through the Presiding Officer unless the Presiding Officer grants the Council Member permission to directly question the person.

3. Staff members, through the City Manager, shall be a resource to the City Council to answer questions arising during discussions between Council Members and between Council Members and members of the public. Communications in this regard shall be through the Presiding Officer.
4. Members of the public shall direct their questions and comments through the Presiding Officer.
- 7.2 Rules of Order: The City Council adopts no specific rules of order except those listed herein. The City Council shall refer to The Standard Code of Parliamentary Procedure by Alice Sturgis (McGraw Hill) as a guide for the conduct of meetings. The Sturgis guideline regarding not requiring seconds for governmental bodies' motions, resolutions or ordinances is not adopted as the rule in the City. The Mayor or Presiding Officer has the discretion to impose reasonable rules at any particular meeting based upon facts and circumstances found at any particular meeting. These latter rules will be followed unless objected to by a majority of the City Council members present.
- 7.3 Motions: The Mayor or any member of the City Council may bring a matter of business on the agenda before the Council by making a motion. Before the matter can be considered or debated it must be seconded. Once the motion has been properly made and seconded, the Presiding Officer shall open the matter for full debate offering the first opportunity to debate to the moving party and, thereafter, to any Council Member recognized by the Mayor or Presiding Officer. Debate shall be closed upon consent of a majority of the Council.
- 7.4 Reconsideration: Immediately after a vote on a matter, any member of the City Council may request to have his/her vote changed on a matter before the Council moves on to the next item. Such a request will be granted by the Mayor or Presiding Officer unless a majority of the Council objects.

A matter may be reconsidered by the City Council if a member on the prevailing side of the vote requests reconsideration. Such a motion may be made at a meeting where such action is taken or at a subsequent meeting of the Council, however, nothing in this policy precludes the majority of members of the City Council from requesting reconsideration of any item.

7.5 Debate:

- a. The discussions and deliberations at meetings of the City Council are to secure the informed judgement of Council members on proposals submitted for decision. This purpose is best served by the exchange of thought through discussion and debate.

Debate is regulated by these rules in order to assure every member a reasonable and equal opportunity to be heard.

- b. Obtaining the Floor for Debate:

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As soon as a debatable motion has been stated to the Council by the Mayor or Presiding Officer, any member of the Council has a right to discuss it after obtaining the floor. The member obtains the floor by seeking recognition from the Mayor or Presiding Officer. A member who has been recognized is entitled to be heard so long as he/she observes the rules of debate.

c. Speaking More Than Once:

To encourage the full participation of all members of the Council, no member or members shall be permitted to monopolize the discussion of the question. If a Council member has already spoken and other members wish to speak, the latter members should be recognized in preference to the member who has already spoken. However, if no other members seek recognition, the Mayor or Presiding Officer may recognize the member who has already spoken.

d. Relevancy of Debate:

All discussion must be relevant to the motion before the City Council. A member is given the floor only for the purpose of discussing the pending question; discussion which departs is out of order. The Mayor or Presiding Officer should then direct the speaker to limit discussion to the question before the City Council.

A motion-its nature or consequences-may be attacked vigorously. But it is never permissible to attack the motives, character, or personality of a member either directly or by innuendo or implication. It is the duty of the Mayor or Presiding Officer instantly to stop any member who engages in personal attacks. It is the motion, not its proposer, that is the subject of debate. Meetings must discuss measures and ideas, not people.

Arguments, for or against a measure, should be stated as concisely as possible.

Debate must be fundamentally impersonal. All discussion is addressed to the Mayor or Presiding Officer and must never be directed to any individual.

e. Mayor's Duties During Debate:

The Mayor or Presiding Officer has the responsibility of controlling and expediting debate. A Council member who has been recognized to speak on a question has a right to the undivided attention of the Council.

It is the duty of the Mayor or Presiding Officer to keep the subject clearly before the members, to rule out irrelevant discussion, and to restate the question whenever necessary.

SECTION 8. DECORUM

- 8.1 Council Members: Members of the City Council value and recognize the importance of the trust invested to them by the public to accomplish the business of the City. Council Members shall accord the utmost courtesy to each other, to City employees, and to the public appearing before the City Council.

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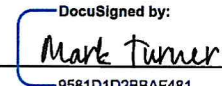
- 8.2** City Employees: Members of City staff shall observe the same rules of order and decorum applicable to the City Council. City staff shall act at all times in a business and professional manner towards Council Members and members of the public.
- 8.3** Public: Members of the public attending City Council meetings shall observe the same rules of order and decorum applicable to the City Council.
- 8.4** Noise in the Chamber: Noise emanating from the audience within the Council Chamber or lobby area, which disrupts City Council meetings, shall not be permitted.
- 8.5** Sergeant-at-Arms: The Chief of Police, or his/her designated representative shall be ex-officio Sergeant-at-Arms of the City Council.

SECTION 9. VIOLATIONS OF PROCEDURES

- 9.1** Nothing in these policies and procedures shall invalidate a properly noticed and acted upon action of the City Council in accordance with State Law.

This policy shall remain in effect until modified by the City Council.

APPROVED:

DocuSigned by:

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MARK TURNER, MAYOR

From: [Rene Spring](#)
To: [Christina Turner](#)
Cc:
Subject: Fwd: Input on my requests for future agenda items
Date: Thursday, May 4, 2023 11:33:53 AM

1. Request for staff to return with a report for consideration that examines term-limits for Mayor, Councilmembers and City Commissioners

I'd like for staff to come back with a report that enables us to have a public discussion related to term-limit for Mayor, Councilmembers and City Commissioners. Term-limit measures applicable to elected Mayor and City Council members, I believe, would require voter approval. Many cities across California, including several cities in the Bay Area - have such term-limits in place. Back in November 2022, as recent examples, the voters of Saratoga, San Bruno, and Milpitas overwhelmingly supported term-limit related measures for Mayor and Councilmembers for their cities as well. I personally do favor life-time term-limits though I'm aware of other term-limit options being out there incl. some with 'cooling off' periods. I'm including term-limits for Commissioners here as well. I'm concerned that we miss out on opportunities to have more residents participating and be willing to run for offices down the road, if we are not able to regularly 'free' up Commissioner seats, too, as much as the work of the current Commissioners is appreciated. I'm very much OK to keep the discussions of term-limits for Mayor and Councilmember separated from the one for City Commissioners. I believe it's an interesting topic to look into, to discuss in public and to get inputs from residents, too.

Sent from my iPhone