



City Council

Special/Regular Meeting Agenda

| | | |
|--------------------------------|---|-----------------------|
| <i>Mark Turner</i> | - | <i>Mayor</i> |
| <i>Marilyn Librers</i> | - | <i>Mayor Pro Tem</i> |
| <i>Soraida Iwanaga</i> | - | <i>Council Member</i> |
| <i>Yvonne Martínez Beltrán</i> | - | <i>Council Member</i> |
| <i>Miriam Vega</i> | - | <i>Council Member</i> |

Wednesday, November 5, 2025

5:00 p.m. Closed Session

6:00 p.m. Regular Session

**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 participate by teleconference/video conference. Information on how the public may observe and participate in the meeting is below.

MEETING PARTICIPATION

Morgan Hill City Council meetings are held in person. The community may attend in person or via Zoom (video/teleconference). The meetings are also live-streamed on the City's website and Facebook page.

As a courtesy, and technology permitting, members of the public may attend online. However, the City cannot guarantee that the public's access to online technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Ralph M. Brown Act, the meeting will continue despite technical difficulties for participants using the online option.

Those wishing to participate in the meetings remotely must register in advance at <https://bit.ly/CityCouncilZoomRegistration>. Additionally, Zoom participants must be running the latest version or will be required to update to the latest version before being able to join the meeting remotely.

Remote participation is also available by calling (669) 900-9128 and entering webinar id: 873 3200 8380#. Dial *9 to raise your hand, and be called upon to speak for up to 3

minutes. Dial *6 to unmute.

PUBLIC COMMENT

Public comment may be offered verbally at the meeting or in writing before the meeting. Public comment is limited to three minutes, but the Mayor may adjust time limits for individual or total comments while ensuring all viewpoints are heard, encouraging speakers to avoid repetition, and allowing a designated spokesperson for organized support or opposition to present longer if needed.

Those attending remotely may only offer public comment for items on the agenda in one of four categories:

- Consent Calendar
- Other Business
- Public Hearings
- Closed Session

Public comment will be heard from those attending in person first with the submission of a speaker card. Once that is complete, we will move to those on Zoom that have their hand raised. Following public comment from Zoom, we will close the public comment period for that item.

Remote public comment for items not on the agenda will not be accepted.

Written public comment may be submitted to the City Clerk:

- In person at the City Council Meeting;
- Via email to ccpubliccomment@morganhill.ca.gov; or
- Hand delivered or mailed 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) so that your comments can be submitted to the members of the City Council with sufficient time to review them. 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 noon (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. It is recommended that you do not include any personal information that you do not want to be posted on the web. Please be advised that communications directed to the City Council are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under the applicable law. Communications

will NOT be edited for redactions and will be printed/posted as submitted.

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 or by email at 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.

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 5:00 p.m. 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 to Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney; Michael Horta, Human Resources Director; Dat Nguyen, Finance Director; Chris Ghione, Assistant City Manager, Public Services

Employee Organization: Morgan Hill Police Officers Association; Employees Covered under Management Resolution #23-051

OPPORTUNITY FOR PUBLIC COMMENT ON CLOSED SESSION

ADJOURN TO CLOSED SESSION

REGULAR MEETING

6:00 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Martinez Beltran

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

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. ACCEPTANCE OF 2023 INFLOW AND INFILTRATION SANITARY SEWER PROJECT IN THE AMOUNT OF \$2,634,308

Recommendation:

1. Accept as complete the 2023 Inflow and Infiltration Sanitary Sewer 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. **APPROVE FINAL MAP FOR DIANA AVENUE SINGLE FAMILY HOMES - TRACT NO. 10669 AND RELATED SUBDIVISION IMPROVEMENTS AGREEMENT**

Recommendation:

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with MH Diana 2025 Inc., a California Corporation; and
3. Authorize the recordation of the Final Map and the Subdivision Improvements Agreement.

3. **APPROVE SECOND AMENDMENT TO HOUSING-RELATED CONSULTANT AGREEMENT FOR LEGAL SERVICES**

Recommendation:

Approve and authorize the City Manager to execute and administer a second amendment to the Burke, Williams & Sorensen, LLP housing-related consultant agreement for legal services to increase the amount from \$60,000 to \$220,000.

4. **APPROVE MEMORANDUM OF UNDERSTANDING (MOU) WITH MORGAN HILL AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES (AFSCME) AND MOU WITH COMMUNITY SERVICE OFFICERS' ASSOCIATION (CSOA) AND CORRESPONDING SALARY SCHEDULES**

Recommendation:

1. Approve a MOU with AFSCME effective December 21, 2025 - December 31, 2028 and corresponding salary schedules; and
2. Approve a MOU with CSOA effective December 21, 2025 - December 31, 2028 and corresponding salary schedules.

5. **APPROVE THE OCTOBER 15, 2025 AND OCTOBER 22, 2025 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the October 15 and October 22, 2025 City Council Meeting Minutes.

OTHER BUSINESS

6. **APPROVE A MEMORANDUM OF UNDERSTANDING WITH THE SANTA CLARA VALLEY OPEN SPACE AUTHORITY FOR A PUBLIC ACCESS PARTNERSHIP ON DEVELOPMENT OF THE EL TORO MOUNTAIN AREA**

Recommendation:

Authorize the City Manager to execute and administer a Memorandum of Understanding with the Santa Clara Valley Open Space Authority for a partnership on public access development of the El Toro Mountain area.

7. **APPROVE REQUEST TO RENAME NOB HILL TRAIL PARK AFTER COMMUNITY MEMBER MARTY CHEEK OR PROVIDE ALTERNATIVE DIRECTION**

Recommendation:

Approve or do not approve the renaming of the Nob Hill Trail Park in recognition of Marty Cheek.

8. **INTRODUCE ORDINANCE AMENDING CHAPTER 5.28 (AMUSEMENT AND ENTERTAINMENT PREMISES) OF THE MUNICIPAL CODE**

Recommendation:

1. Waive the first and second reading of the Ordinance amendment; and
2. Introduce the Ordinance.

PUBLIC HEARINGS

9. **INTRODUCE ORDINANCES APPROVING THE FOLLOWING CITY-INITIATED ZONING AMENDMENTS:**

CONDIT - AUTO PARK: PLANNED DEVELOPMENT (PD) ZONING AMENDMENT TO THE DEVELOPMENT PLAN FOR THE AUTO PARK PLANNED UNIT DEVELOPMENT (PUD) LOCATED ON THE SOUTHWEST CORNER OF CONDIT ROAD AND DIANA AVENUE (ZA2025-0001)

CONDIT - CONDIT ROAD: PLANNED DEVELOPMENT (PD) ZONING AMENDMENT TO THE DEVELOPMENT PLAN FOR THE CONDIT ROAD PLANNED UNIT DEVELOPMENT (PUD) LOCATED ON THE WEST SIDE OF CONDIT ROAD BETWEEN E. DUNNE AVENUE AND TENNANT AVENUE (ZA2025-0002)

LAUREL - HONDA: PLANNED DEVELOPMENT (PD) ZONING AMENDMENT TO THE ALLOWED USES OF THE HIGHWAY COMMERCIAL - CH (PD) OVERLAY ZONE ON THE EASTERLY TERMINUS OF LAUREL ROAD (ZA2025-0005)

Recommendation:

1. Open/close public hearing;
2. Waive first and second reading of the Zoning Amendment ZA2025-0001: Condit – Auto Park PUD;
3. Introduce Ordinance approving Zoning Amendment ZA2025-0001;
4. Waive first and second reading of the Zoning Amendment ZA2025-0002: Condit – Condit Road PUD;
5. Introduce Ordinance approving Zoning Amendment ZA2025-0002;
6. Waive first and second reading of the Ordinance approving Zoning Amendment ZA2025-0005: Laurel Road – Honda PUD; and
7. Introduce Ordinance approving Zoning Amendment ZA2025-0005.

10. INTRODUCE ORDINANCE TO AMEND THE TENNANT STATION PLANNED UNIT DEVELOPMENT (PUD) TO MODIFY THE MAXIMUM SQUARE FOOTAGES ALLOWED FOR THREE MAJOR USES AND ADD AN ADMINISTRATIVE FUNCTION TO MAKE MINOR CHANGES TO SQUARE FOOTAGES IN THE FUTURE

Recommendation:

1. Open/close public hearing;
2. Waive first and second reading of the Ordinance; and
3. Introduce Ordinance amending the Tennant Station Planned Unit Development.

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 described in the notice of this meeting during consideration of that item. If you wish to address the Council on any item on this agenda, please complete a speaker request card located in the foyer of the Council Chambers and deliver it to the Minutes Clerk before the City Council discussion on the item. You are not required to give your name on the speaker card 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 request an item on the agenda for a future City Council meeting. 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.

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.

Strategic Priorities 2024-2025

- Fiscal Sustainability
- Affordable Housing and Homelessness
- Community Engagement
- Economic Development and Tourism
- Transportation
- Healthy Community

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



CITY COUNCIL STAFF REPORT

MEETING DATE: November 5, 2025

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

ACCEPTANCE OF 2023 INFLOW AND INFILTRATION SANITARY SEWER PROJECT IN THE AMOUNT OF \$2,634,308

RECOMMENDATION(S)

1. Accept as complete the 2023 Inflow and Infiltration Sanitary Sewer 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

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

Guiding Documents

Wastewater System Master Plan

REPORT NARRATIVE:

On April 19, 2023, the 2023 Inflow and Infiltration Sewer Repair Project was awarded to Pacific Underground Construction, Inc. in the amount of \$2,387,620 with an authorized contingency of \$250,000. The project resulted in sewer main repairs at 19 locations within the City (See Attachment 1).

The project began in July 2023 and was substantially completed in July 2025. Four change orders were authorized in the amount of \$246,688 (See Attachment 2) due to unforeseen conditions at various locations along with additional sewer main repair work in the Jackson Oaks Area and 16 mortar manhole rehabilitations at various locations within the City.

The final construction contract with Pacific Underground Construction is \$2,634,308. 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 the Project (See Attachment 3).

COMMUNITY ENGAGEMENT:

The 2023 Inflow and Infiltration Sewer Repair Project occurred within residential neighborhoods and businesses. Staff worked with the contractor to minimize inconveniences to residents and provide email and door notifications prior to any construction activities. Staff also provided regular updated construction information weekly through Nextdoor and on the City's website.

ALTERNATIVE ACTIONS:

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

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

June 17, 2020 - City Council adopted the Capital Improvement Budget which includes the proposed sewer projects.

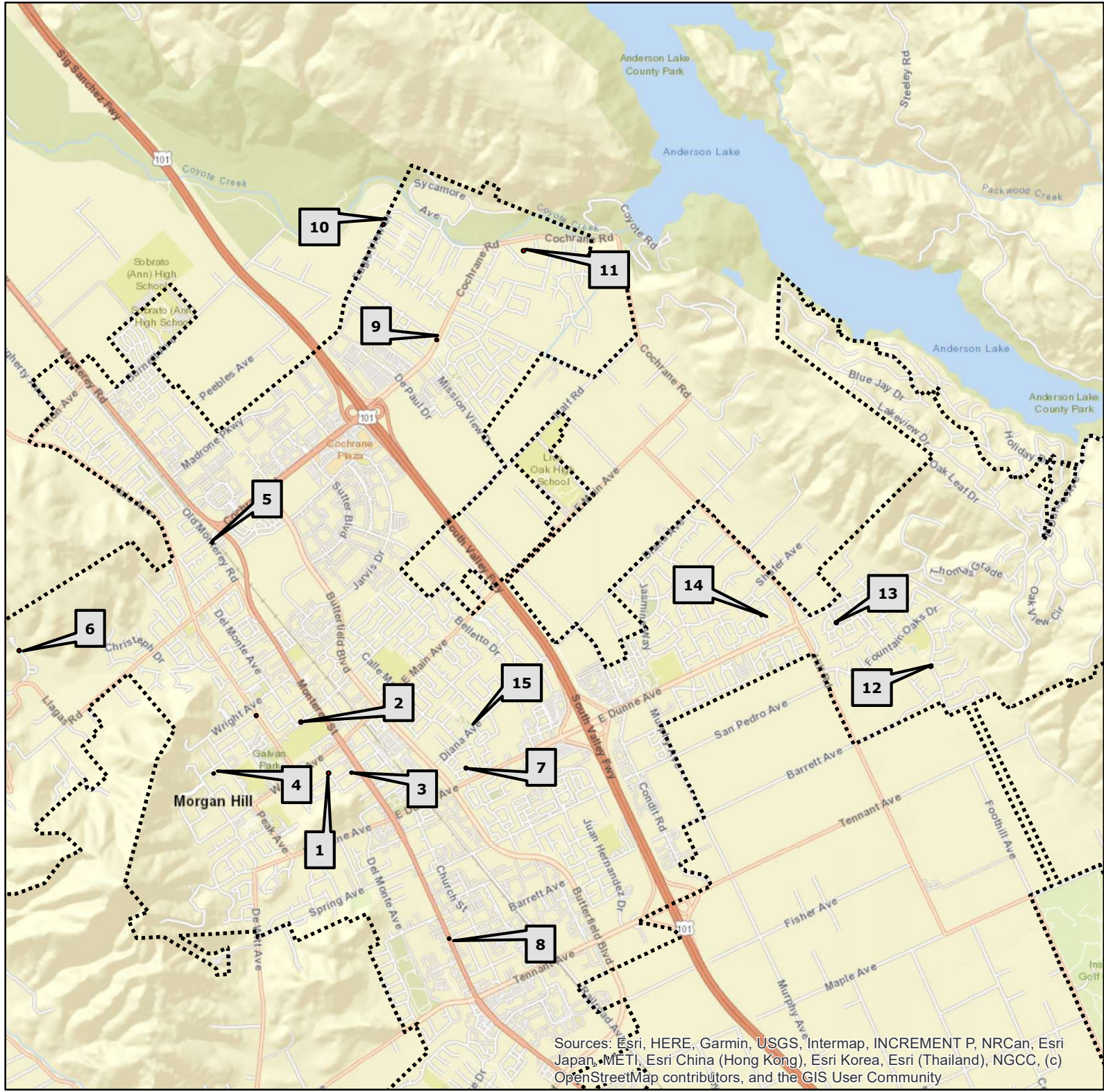
April 19, 2023 - City Council awarded 2023 Inflow and Infiltration Sanitary Sewer Project.

FISCAL AND RESOURCE IMPACT:

The final contract amount for the 2023 Inflow and Infiltration Sewer Rehabilitation Project is \$2,634,308 (including four change orders in the amount of \$246,688). The project was awarded to Pacific Underground Construction, Inc. in the amount of \$2,387,620 with an authorized contingency of \$250,000 (Total of \$2,637,620). The balance of \$3,312 will be returned to the CIP Fund (643).

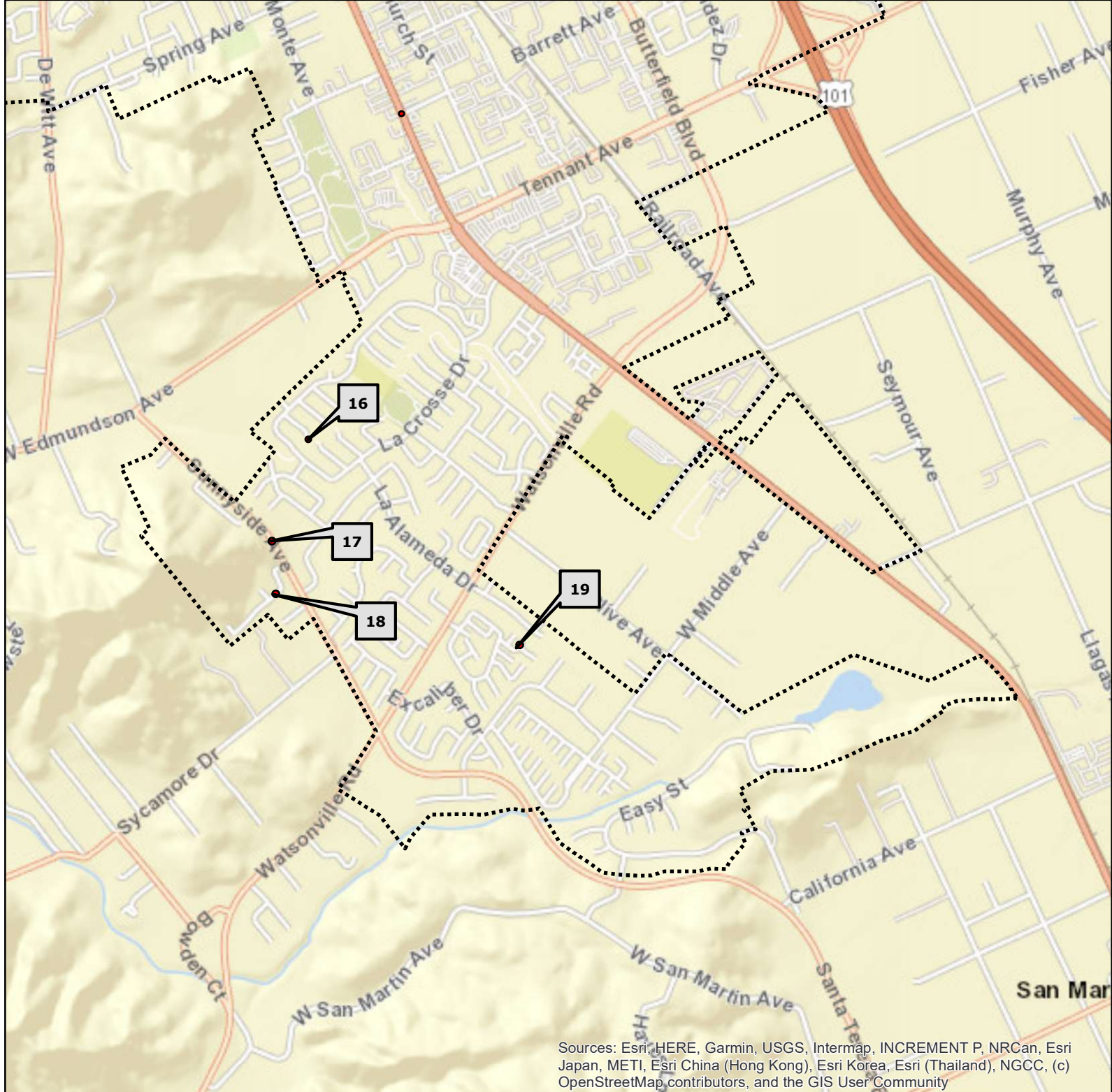
CEQA (California Environmental Quality Act):**Categorical Exemption**

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

- | | | |
|--------------------------------|----------------------------------|--------------------------------|
| 1. 17519 Del Monte Ave. | 5. 18525 Old Monterey Rd. | 10. Eagle View Dr. |
| 2. 80 W. Central Ave. | 6. 18663 Castle Lake Dr. | 11. 18790 Alicante Cir. |
| 3. Del Monte/ W 2nd St. | 7. 17065 Creekside Cir. | 12. 16650 Trail Dr. |
| 4. 17799 Florence Ct. | 8. 16310 Monterey Rd. | 13. 2245 Brega Ln. |
| | 9. Cochrane Rd. | 14. Tassajara Cir. |
| | | 15. Diana Ave. |



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


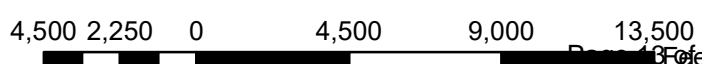
- 16. El Pajaro Ct @ Trail.**
- 17. 15800 Sunyside Ave.**
- 18. 1140 Appian Way.**
- 19. 8090 Tahoe Way.**



CITY OF MORGAN HILL
Engineering and Utilities Department
CIP Engineering Division

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2023 Inflow and Infiltration Sewer Project

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CIP Contract Acceptance Funding Closeout Statement

| | | | |
|-----------------------------|---|-----------------------------|-------------|
| Project: | 2023 Inflow and Infiltration Sanitary Sewer Project | | |
| Project No: | 302018 | | |
| Date of Project Award: | 19-Apr-23 | Project Award Amount: | \$2,387,620 |
| Funding Source: | 643 | Contingency Authorized: | \$250,000 |
| Date of Project Acceptance: | 5-Nov-25 | Total Authorized: | \$2,637,620 |
| | | Actual Base Contract Spent: | \$2,387,620 |

| Change Orders | | | | |
|---------------|--|-----------|-------------------------------|--------------|
| | Description | Date | Council Approval Req'd? (Y/N) | |
| C.O. #1: | Mortar Manhole Rehab (16 locations), Unforseen Condition at Various Locations, Add/Deducts to Project Bid Schedule, and additional 32 LF at Monterey Road/Barrett Avenue | 1-Jul-24 | N | \$48,811.44 |
| C.O. #2 | Add Replacement of approximately 350' of 8" Sewer Main at Oak Hill Court Open Space. Unforseen Condition, and Add/Deduct to Project Bid Schedule | 1-Oct-24 | N | \$105,688.47 |
| C.O. #3: | Work Related to Fisher Basin | 11-Nov-24 | N | \$56,985.00 |
| C.O. #4: | Additional Time and Material Work at Oak Hill Open Space and other time and material work to complete project | 29-Apr-25 | N | \$35,203.02 |

| | |
|-------------|--------------|
| | |
| | |
| Total C.O.: | \$246,687.93 |

| Additional Appropriations | | |
|---------------------------|--------|------|
| Source | Amount | Date |
| None | | |

| | | | |
|----------------------------|------------|--|-----------------------|
| Construction Fund Balance: | \$3,312.07 | Total Construction Amount (Base Contract plus CO's): | \$2,634,307.93 |
|----------------------------|------------|--|-----------------------|

Recording Requested By:

When Recorded Mail To:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

NOTICE OF COMPLETION
Civil Code §§ 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. Owner's address is 17575 Peak Ave., Morgan Hill, CA 95037.
4. The nature of Owner's interest in the Project is:
XX Fee ownership __ Lessee __ Other: _____
5. Construction work on the Project performed on Owner's behalf is generally described as follows: Sewer Main Repairs at various locations within the City of Morgan Hill.
6. The name of the original Contractor for the Project is: Pacific Underground Construction, Inc. located at 1817 Stone Avenue Morgan Hill, CA 95125.
7. The Project was accepted as completed on: November 5, 2025.
8. The Project is located within the City of Morgan Hill.

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

Signature

Scott Creer – City Engineer

*EXEMPT FROM NOTARY ACKNOWLEDGMENT REQUIREMENTS PER
GOVERNMENT CODE § 27287 AND CIVIL CODE § 9208*



CITY COUNCIL STAFF REPORT

MEETING DATE: November 5, 2025

PREPARED BY:

Nolen Ugalde, Assistant Engineer

APPROVED BY: City Manager

APPROVE FINAL MAP FOR DIANA AVENUE SINGLE FAMILY HOMES - TRACT NO. 10669 AND RELATED SUBDIVISION IMPROVEMENTS AGREEMENT

RECOMMENDATION(S)

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with MH Diana 2025 Inc., a California Corporation; and
3. Authorize the recordation of the Final Map and the Subdivision Improvements Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

2024-2025 Strategic Priorities

Economic Development and Tourism

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

The Diana Avenue Single Family Homes - Tract No. 10669 (also known as the “Diana – Dividend Residential Project”) is a residential development consisting of 23 single-family homes. The project is located on the southeast corner of the intersection of Diana Avenue and Cayman Street at 730 Diana Avenue and the southern portion of 760 Diana Avenue, as shown on the attached Site Map (Attachment 1).

Subdivision Improvements Agreement

The project's Subdivision Improvements Agreement (Attachment 2) requires the development to construct various public improvements along Diana Avenue and the new Cayman Street extension, including, but not limited to, curb and gutter, sidewalk, and streetlights, etc. These improvements will need an offer of dedication to the City for appropriate rights-of-ways, easements, or other interests in real property.

Final Map

The Developer, MH Diana 2025 Inc., has completed all the conditions specified in the project's Tentative Map ([Resolution 25-04](#)) which was approved by the Planning Commission, and the conditions in the Design Permit ([Approval Certificate 25-003](#)), which the Development Services Director administratively approved.

The City Council is required to approve the Final Map (Attachment 3) if it conforms to all requirements of the Subdivision Map Act and any conditions of approval for the Tentative Map.

The Developer has furnished the City with the necessary documents to complete the processing of the Final Map and has made provisions to provide the City with the required fees, security, and insurance before the Final Map is recorded. The Final Map conforms to the requirements of the Subdivision Map Act, and the conditions of approval have been met.

Staff recommends that the City Council approve the Final Map and authorize the City Manager to sign the Subdivision Improvements Agreement pending review and approval by the City Attorney.

COMMUNITY ENGAGEMENT:

Inform

The Planning Commission approved the project's Tentative Map ([Resolution 25-04](#)) at its February 25, 2025 meeting. The project's Design Permit ([Approval Certificate 25-003](#)) was separately approved, administratively, by the Development Services Director on March 7, 2025. The project was publicly noticed, including a mailing to property owners within 600 feet of the project.

ALTERNATIVE ACTIONS:

There is no feasible alternative action as the Developer has met the requirements of the Tentative Map conditions approved by the Planning Commission to file for a Final Map approval and has furnished the necessary documents to complete the processing of the Subdivision Improvements Agreement.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

November 6, 2024 — City Council approved [Resolution No. 24-037](#) approving 18 development standard waivers and one concession request for the project containing 14 percent affordable units.

February 25, 2025 — The Planning Commission adopted [Resolution No. 25-04](#) approving the project's Tentative Map.

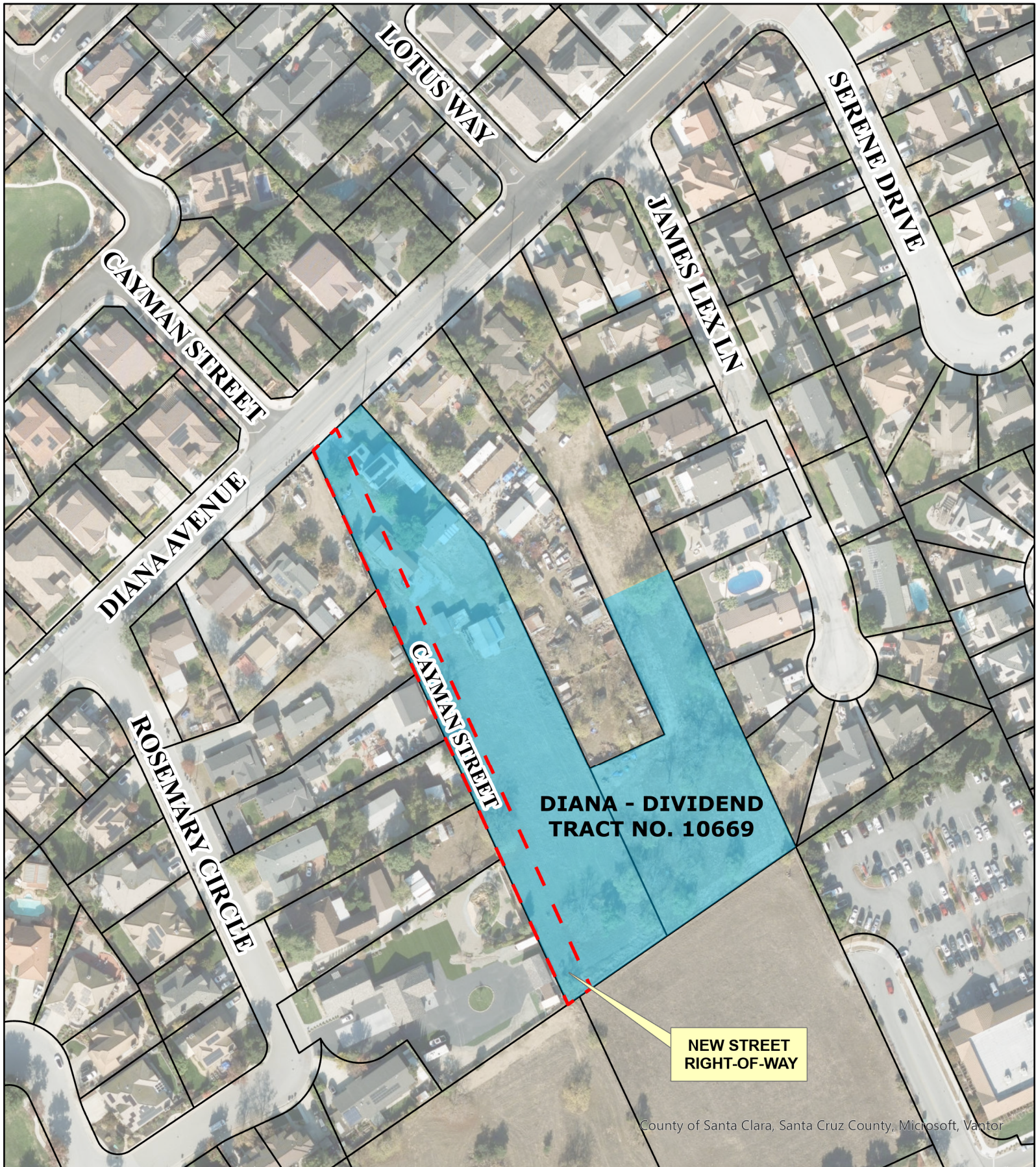
FISCAL AND RESOURCE IMPACT:

Development review costs for this project are paid for from development processing fees.

CEQA (California Environmental Quality Act):

Project

A Modified Initial Study/15183 Checklist prepared for the Project was completed in compliance with CEQA Guidelines Section 15183 and the project was found to be exempt from further environmental review consistent with state and local guidelines implementing CEQA.

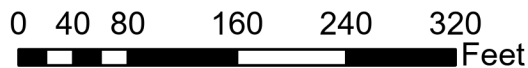


County of Santa Clara, Santa Cruz County, Microsoft, Vantor



**Engineering and Utilities Department
Land Development Engineering Division**

**Site Map
Diana - Dividend
Tract No. 10669**



RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

CITY OF MORGAN HILL
City Clerk's Office
17575 PEAK AVENUE
MORGAN HILL, CA 95037

(RECORD AT NO FEE PURSUANT TO
GOVERNMENT CODE SECTION 27383)

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

SUBDIVISION IMPROVEMENTS AGREEMENT

MH DIANA 2025 INC.

DIANA AVENUE SINGLE FAMILY HOMES – TRACT NO. 10669

This Subdivision Improvements Agreement (“Agreement”) between the City of Morgan Hill, a municipal corporation (“City”), and **MH Diana 2025 Inc.**, a California Corporation (“Subdivider”), is entered into this _____ day of _____, 2025. City and Subdivider hereby acknowledge the following:

1. Subdivider has filed a Tentative Subdivision Map and supporting documents for **Tract No. 10669**, the subdivision known as **Diana Avenue Single Family Homes** (“Map”).
2. City desires, as part of the conditions of approval (“Conditions”) of the Final Tract Map or Parcel Map (“Final Map”), that certain improvements be installed by Subdivider (“Improvements”) as shown on the City Engineer approved and signed Subdivision Improvement Plans entitled “**Improvement Plans for Diana Avenue Subdivision, Tract No. 10669**” (“Plans”).
3. Subdivider has been unable to complete, prior to filing of the Final Map, all of the improvements required by City to the satisfaction of the City Engineer.
4. Subdivider is required by the terms of the Morgan Hill Municipal Code (“Municipal Code”), to improve all streets, highways, or public areas which are part of the development, including but not limited to necessary paving, curbs, sidewalks, catch basins, water mains, culverts, storm drains, and sanitary sewers, in accordance with the plans and specifications on file with the City Engineer and to post certain securities to secure the completion of the Improvements.
5. To assure City that Subdivider will construct, install and complete all Improvements required for the Subdivision, the parties have entered into this Agreement.
6. This Agreement is executed pursuant to California Government Code Section 66410 et seq., and Chapter 17.32 of the Municipal Code in order to provide for the manner in which Improvements shall be constructed and completed.

NOW, THEREFORE, and in consideration of the approval of the Final Map, and in order to ensure satisfactory performance by Subdivider of Subdivider's obligations under the Conditions, the Subdivision Map Act, and applicable ordinances of City, the parties hereto, for themselves, their successors, and assigns, hereby agree as follows:

Section 1. Incorporation by Reference

The Development Agreement between Subdivider and City, if applicable, Subdivider's Map application, the Conditions, the Map, all Plans as referenced in Section 2 below and all items submitted to the Planning Department, Planning Commission and City Council, all are incorporated herein by reference. In the event of any inconsistency between their representations in any incorporated documents and this Agreement, this Agreement shall govern.

Section 2. Construction of Improvements

(a) Subdivider shall construct, as provided for in the Conditions, the Improvements as shown fully executed in the Plans entitled "**Improvement Plans for Diana Avenue Subdivision, Tract No. 10669**" subject to the approval of City.

(b) Subdivider shall acquire and dedicate, or pay the cost of acquisition by City, of all rights-of-way, easements, and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances.

(c) Survey Monumentation:

(1) Subdivider shall place survey monumentation as described on the Map.

(2) Subdivider shall replace or repair all survey monumentation that is destroyed or damaged as a result of Subdivider's activities. Any such repair or replacement shall be to the satisfaction and subject to the approval of City.

(d) Injury to Improvements, Public Property or Public Utilities Facilities.

(1) Subdivider shall replace or have replaced, or repair or have repaired, as the case may be, all Improvements, public utilities facilities and surveying or subdivision monuments which are destroyed or damaged as a result of any work under this Agreement.

(2) Subdivider shall bear the entire cost of replacement or repairs of any and all public or public utility property damaged or destroyed by reason of any work done under this Agreement, whether such property is owned by the State of California, or any agency or political subdivision thereof, or by City, or any public or private utility corporation, or by any combination of such owners. Any repair or replacement shall be to the satisfaction, and subject to the approval, of the City Engineer.

Section 3. Modification of Plans

Subdivider agrees that, if during the construction of the Improvements, it is determined by City that revisions to the Plans are necessary in the interest of the public, Subdivider will undertake such design and construction changes required by City.

Section 4. Security

(a) Pursuant to California Government Code Section 66499.3(a), and the Municipal Code, Subdivider shall, concurrently with the execution hereof, furnish a surety bond in an amount equal to one hundred percent (100%) of the estimated construction cost of the Improvements as security guaranteeing the faithful performance of the Improvements and this Agreement ("Performance Bond").

Improvements and the City Engineer's Estimated Costs of Improvements as of **August 22, 2025**, are attached hereto as Exhibit "A".

The Performance Bond shall be in a form substantially the same as Exhibit "B".

(b) Pursuant to California Government Code Section 66499.3(b), Subdivider shall, concurrently with the execution hereof, furnish a surety bond in an amount equal to one hundred percent (100%) of the estimated construction cost of the Improvements (as listed in Section 4(a) above) as security guaranteeing the payment to the contractors, subcontractors and persons furnishing labor, materials, or equipment in connection with this Agreement ("Labor and Materials Bond"). The Labor and Materials Bond shall be in a form substantially the same as Exhibit "C".

(c) Subdivider shall, upon completion of the Improvements, furnish a surety bond in an amount equal to fifty percent (50%) of the construction cost of the Improvements to secure the guarantee and warranty of the work for a period of one year following the completion and acceptance thereof by the City Council ("Warranty Period") against any defective work or labor performed, or defective materials furnished by Subdivider in connection with this Agreement ("Warranty Bond"). The Warranty Bond shall be in a form substantially the same as Exhibit "D".

(d) Pursuant to Government Code Section 66499.9, any liability upon the security given for faithful performance of any act or agreement shall be limited to:

(1) The performance of the work covered by the Agreement or the performance of the required act.

(2) The performance of any changes or alterations in such work; provided that all changes or alterations do not exceed ten percent of the original estimated cost of the Improvements.

(3) The guarantee and warranty of the work for a period of one year following completion and acceptance thereof, against any defective work or labor done or defective materials furnished in the performance of the Agreement or the performance of the act.

(4) Costs and reasonable expenses and fees, including reasonable attorneys' fees.

(e) The surety on each bond and the form thereof shall be satisfactory to City. The surety shall be furnished by a surety company authorized to write the same in the State of California and that is approved and accepted by the City's risk manager.

(f) Subdivider agrees to furnish any bonds required by the State or County for Improvements outside the City's jurisdiction.

(g) The release of any securities shall be governed by the provisions of Government Code Section 66499.7.

Section 5. Inspections

At least fifteen (15) calendar days prior to the commencement of any work hereunder, Subdivider shall notify City in writing of the fixed start date of construction so that City shall be able to provide inspection services. Subdivider shall at all times maintain proper facilities and provide safe access to all parts of the work site(s) for City inspections, including any workshops or plants where work related to the Improvements is being conducted.

Subdivider shall pay and reimburse City for all expenses incurred by City for inspecting and checking all work to be performed under the provisions of the Municipal Code or this Agreement. City Engineering plan checking and field improvement inspection costs are included in the Department of Public Works Fee Schedule which may be revised from time to time.

Upon completion of the work, the Subdivider's Engineer shall file original sealed "as-built" plans with City Engineer and shall submit a sealed letter to City Engineer certifying that Subdivider's Engineer has inspected the Improvements throughout construction and that said Improvements are completed in conformance with the Improvement Plans and in accordance with this Agreement.

Section 6. Timing of Performance

Subdivider agrees to perform and complete all Improvements within eighteen (18) months from the date of the recording of the Final Map; provided however, the City Manager may extend the deadline for completion by not more than six (6) months at his or her reasonable discretion and determination that granting the extension will not be detrimental to the public welfare. No extension of this deadline for completion shall be made except upon the basis of a written application made by Subdivider stating fully the ground for the application and the facts relied upon for an extension.

It is further agreed by and between Subdivider and City that any extension granted shall in no way affect the validity of this Agreement or release the surety(ies) on any bond attached hereto or the financial institution guaranteeing the same. Subdivider further agrees to maintain the securities described in Section 4 above in full force and effect during the terms of this Agreement, including

any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by City.

Section 7. Work Performance and Warranty

(a) Subdivider shall construct, at Subdivider's own expense, all of the Improvements in a good and workmanlike manner, and furnish all required materials incident thereto, in accordance with the Plans and to the satisfaction of City, including any changes required by City which in City's opinion are necessary to complete the Improvements.

(b) All work shall be conducted and completed in accordance with the Plans and federal, state, Municipal Code, laws, ordinances, and regulations. For any Improvements partially completed prior to this Agreement, Subdivider agrees to complete the Improvements in accordance with this Agreement.

(c) Neither Subdivider, nor any of Subdivider's agents or contractors in connection with Subdivider's obligations under this Agreement are, or shall be considered to be, employees or agents of City.

(d) The work performance for the Improvements shall not be deemed complete until such time as such Improvements have been accepted for maintenance by the City Council.

(e) Subdivider warrants that: (1) it has investigated the work to be performed under this agreement, (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 Subdivider discover any conditions materially differing from those inherent in the Improvements or work or as represented by City, it shall immediately inform City and shall not proceed, except at Subdivider's risk, until written instructions are received from City.

(f) Subdivider guarantees and warrants the work required by this Agreement and agrees to remedy any defects in the Improvements or work arising from faulty or defective materials or construction occurring within one year after its acceptance. Following notice, Subdivider shall, without delay or cost to City, repair, replace, or construct any defective or unsatisfactory portion of the Improvements. City may, at its sole option, perform the repair or replacement itself if Subdivider or its surety has failed to commence repair within twenty (20) days after City has mailed written notice to Subdivider. In such event, Subdivider or its surety agrees to pay the cost of repair and replacement to City, plus fifteen percent (15%); and City may recover such costs as a lien against the Subdivision. City may proceed immediately to make repairs should an emergency arise.

Section 8. Acquisition and Dedication of Easements or Rights-of-Way

(a) No construction or installation of the Improvements shall be commenced before:

(1) The offer of dedication to City of appropriate rights-of-way, easements, or other interests in real property for the Improvements, which offer of dedication shall be irrevocable and remain open pursuant to California Government Code Section 66477.2,

and authorization from the property owner to allow construction or installation of Improvements, or

(2) The dedication to, and acceptance by, City of appropriate rights-of-way, easements, or other interests in real property, as determined by the City Engineer, or

(3) The issuance by a court of competent jurisdiction pursuant to state Eminent Domain Law of an order of possession.

(b) Except as otherwise provided by this Agreement, City rejects all lands, rights-of-way, and easements offered for dedication on the Final Map of the Subdivision. All such offers shall, however, remain open, and shall constitute irrevocable offers of dedication in accordance with Government Code Section 66477.2. All such offers may be accepted by City in its sole discretion at any later date without further notice to Subdivider as provided by law. By way of explanation only, it is the current intention of City to accept all or part of the irrevocable offers to dedicate upon acceptance of the Improvements called for in this Agreement.

(c) Nothing in this Section 8 shall be construed as authorizing or granting an extension of time to Subdivider.

Section 9. Indemnity

Subdivider hereby agrees to save harmless and indemnify, including, without limitation, City's defense costs (including reasonable attorney's fees), from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of any injuries or damages sustained by any person or property resulting or arising, or alleged to have resulted or arisen, from Subdivider or Subdivider's contractors, subcontractors, agents, or employees activities, omissions or operations pursuant to this Agreement. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, Subdivider will defend City, (at City's request and with counsel satisfactory to City) and will indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise.

Subdivider shall defend, indemnify, and hold harmless the City and its elective and appointive boards, officials, officers, agents, employees and volunteers from any claim, action, or proceeding to review, set aside, void, or annul an approval of the City concerning the Map and acts made in respect thereof, provided any such action is brought within the time period provided for in California Government Code Section 66499.37.

City shall promptly notify Subdivider of any claim, action, or proceeding, and cooperate fully in the defense of any claim, action, or proceeding.

It is expressly understood and agreed that this Section 9 will survive termination of this Agreement.

Section 10. Insurance

Concurrent with the execution of this Agreement, Subdivider is required to 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 Subdivider and its Subcontractors relating to or arising from the performance of work associated with the Improvements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by the City. 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. If the Subdivider will utilize the services of a General Contractor to perform all of the work associated with the Improvements, then Subdivider may opt to have all coverages provided by Subdivider’s General Contractor, provided that a written contract is executed between Subdivider and the General Contractor whereby the written contract specifically required General Contractor to fulfill all of the City insurance requirements as outlined in this Agreement, including all endorsements in favor of the City. Verification of the written contract must be provided to City upon request. If Subdivider fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement City shall issue a stop work order, or terminate the Agreement for default. Subdivider further understands that the City reserves the right to modify the insurance requirements set forth herein, with thirty (30) days’ notice provided to Subdivider, at any time as deemed necessary to protect the interests of the City.

(a) Policies and Limits. The following insurance policies and limits are required for this Agreement:

(1) Commercial General Liability Insurance (“CGL”): Subdivider shall maintain CGL and shall include coverage for liability arising from Subdivider’s or its Subcontractor’s acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) five million dollars (\$5,000,000.00) combined single limit each occurrence and either a general aggregate limit of ten million dollars (\$10,000,000.00) or a general aggregate limit of five million dollars (\$5,000,000) as applied on a “per project” or “per location” basis, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater. Further, if CGL coverage is being provided by Subdivider’s General Contractor pursuant to Section 10, General Contractor may elect to insure the CGL exposures under an “Owners and Contractors Protective Liability Policy (OCP)” on which the City is included as an additional insured.

a. CGL policy may not exclude explosion, collapse, underground excavation hazard, or removal of lateral support.

b. CGL policy must include blanket contractual and completed operations.

c. CGL policy will apply as though separate policies have been issued to each insured (“separation of insureds”).

(2) Workers’ Compensation Insurance and Employer’s Liability: Subdivider shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers’ Compensation Insurance and Safety Act and provide protection 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 Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater. If Subdivider is self-insured, Subdivider must provide its Certificate of Permission to Self-Insure, duly authorized by the State of California Department of Industrial Relations.

(3) Automobile Liability: Subdivider shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if Subdivider does not own automobiles, then Subdivider 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) five million dollars (\$5,000,000.00) combined single limit, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

(4) Pollution (Environmental) Liability: The performance of Subdivider’s work or service under this Agreement involves handling of hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials. Subdivider shall procure and maintain Pollution Liability covering the Subdivider’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) two million dollars (\$2,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

(b) Required Endorsements. Subdivider shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below. Further, if coverages are being provided by Subdivider’s General Contractor pursuant to Section 10, endorsements may not be restricted to work performed “under a written contract” (i.e. “blanket endorsements”)

(1) ALL Policies:

“Waiver of Subrogation” - Each required policy must include an endorsement providing that the carrier agrees to waive any right of subrogation it may have against the City of Morgan Hill and the City’s elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

(2) ALL Policies except Workers Compensation:

a. “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 and at least as broad as ISO Form CG 20 37 for completed operations.

b. “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.

(c) Subcontractors. Subdivider must ensure that each Subcontractor is required to maintain the same insurance coverage required under this Section 10 as appropriate based on each subcontractor’s scope of work, with respect to its performance of work associated with the Improvements, including those requirements related to the additional insureds and waiver of subrogation.

(d) 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 “VIII” or better.

(e) Certificates. Subdivider shall furnish City with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, Subdivider shall promptly furnish City of Morgan Hill with copies of all policies outlined herein. No policy subject to the Subdivider’s agreement with the City shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days' notice by the insurer to City, unless due to non-payment of premiums, in which case ten (10) days written notice must be made to City. 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

Section 11. Permits and Requisite Fees

(a) Subdivider shall pay all current fee obligations in the total amount of **\$1,825,000** due under City Resolution No. 5592, as amended, in accordance with the Department of Public Work fee schedule, as follows:

(1) **\$675,962.12** payable at the time of recording of the Final Map, and

(2) **\$1,150,000** payable on a pro-rata basis for each individual lot in the Subdivision prior to final inspection of each and every residence.

(3) All fees payable pursuant to this Subsection (a) constitutes valid and due consideration for City's approval of the Final Map, and amounts set forth are estimates that are subject to change prior to the issuance of building permit(s), subject to resolution or ordinance of the City Council.

(b) Subdivider shall, at its expense, obtain all necessary permits and licenses for the construction of the Improvements, give all necessary notices, and pay all fees and taxes required by law.

(c) Subdivider shall obtain a City of Morgan Hill Business License.

(d) Subdivider agrees to procure, at its expense, any necessary permits for Improvements outside the City's jurisdiction.

Section 12. On-Site Supervision

Subdivider shall designate an on-site supervisor, satisfactory to City, who shall be on the work site(s) at all times during the construction of the Improvements, and who has the authority to act on behalf of Subdivider when communicating with City personnel.

Section 13. Waiver

Waiver by City or Subdivider of any breach of any of the provisions of the Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of the same or any other provision of this Agreement. Acceptance by City of any work by Subdivider shall not be a waiver of any of the provisions of this Agreement.

Section 14. Notices. All notices shall be personally delivered or mailed, via first class mail to the below listed addresses. 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.

- a. Address of Subdivider is as follows:
MH Diana 2025 Inc.
385 Woodview Avenue 100
Morgan Hill, CA 95037-9084

- | | |
|--|---|
| <p>b. Address of City is as follows:</p> <p>City Engineer City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037</p> | <p>With a copy to:</p> <p>City Clerk City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037</p> |
|--|---|

Section 15. Noncompliance

If City determines that Subdivider is in violation of any federal, state, County or City laws, ordinances, rules, regulations, and requirements, and/or the terms and provisions of this Agreement, it may issue a cease and desist order, stop work order, or other action City deems necessary.

Section 16. Notice of Breach and/or Default

City may serve written notice upon Subdivider and surety of breach of this Agreement or of any portion thereof, and default of Subdivider for any of the following circumstances:

- (a) Subdivider refuses or fails to complete the Improvements as required in Section 6 above.
- (b) Subdivider refuses or fails to perform or cure any defects in the Improvements as required in Section 7.
- (c) Subdivider is insolvent, is subject to a receivership, or files any petition in bankruptcy, either voluntary or involuntary which Subdivider fails to discharge within thirty (30) days.
- (d) The commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance in lieu of or in avoidance of foreclosure.
- (e) Subdivider or any of Subdivider’s contractors, subcontractors, agent, or employees materially violates any of the provisions of this Agreement and not cure the violation within a reasonable time.

Section 17. Performance by Surety or City

- (a) In the event of a material breach and/or default by Subdivider, Subdivider’s surety shall have the duty to take over and complete the Improvements.
- (b) If the surety, within a reasonable time after receiving notice of Subdivider’s default does not provide City written notice to take over the performance of this Agreement or if the surety does not commence performance thereof within the time specified in such notice to City, City may take over the construction of the Improvements and prosecute the same to completion, by contract or by any method City may deem advisable, on behalf and at the expense of Subdivider, and

Subdivider's surety shall be liable to City for any excess cost or damages incurred by City thereby. In such event, City, without liability for so doing, may take possession of and utilize such materials, appliances, and other property belonging to Subdivider as may be on the work site(s) and necessary therefore to complete the Improvements.

(c) City shall have the right to draw upon or utilize the appropriate security provided for in Section 4 to recover costs and damages to City damages. The right of City to draw upon or utilize the security is additional and not in lieu of any other remedy available to City at law or in equity. The parties agree that the estimated costs and security amounts may not reflect the actual cost of construction or installation of Improvements, and therefore, City damages for Subdivider's default shall be measured by the cost of completing the required Improvements.

(d) Failure of Subdivider to comply with terms of this Agreement shall constitute consent to filing by City of a notice of violation against all lots in the Subdivision, or to rescind the approval or otherwise revert the Subdivision to acreage. The remedies provided in this Subsection (d) are in addition to and not in lieu of other remedies available to City.

(e) In the event that Subdivider fails to perform any obligation under this Agreement, Subdivider agrees to pay all costs and expenses incurred by City in securing performance of such obligation, including the costs of suit and reasonable attorney's fees.

(f) The failure by City to take an enforcement action with respect to a default, or to declare a breach, shall not be construed as a waiver of that default or breach or subsequent default or breach.

Section 18. Successors in Interest

This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties. It shall be recorded in the Office of the Recorder of Santa Clara County concurrently with the Final Map of the Subdivision and shall constitute a covenant running with the land and an equitable servitude upon the real property within the Subdivision. It shall be the responsibility of City to cause the executed Agreement to be recorded. Sale of all or part of the lands of the underlying Subdivision shall not serve to transfer the obligations of the Subdivider under this Agreement. All obligations under this Agreement attach to Subdivider until all obligations of Subdivider are fulfilled or transferred by substitution of replacement agreement and replacement securities acceptable to City.

Section 19. Effective Date

This Agreement shall be effective as of the date and year first above written.

Section 20. Amendment of Agreement

This Agreement may only be amended by mutual consent of the original parties or their successors in interest, provided that any such amendment is executed in writing by the parties to be bound thereby.

Section 21. Execution

By signing this Agreement, the person signing states that he or she is authorized to enter into contracts on behalf of Subdivider. The undersigned, on behalf of Subdivider, binds Subdivider, its partners, successors, executors, administrators, and assigns with respect to the terms and conditions of this Agreement.

Section 22. 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.

Section 23. Law to Govern: Venue

The law of the State of California shall govern this Agreement. In the event of litigation between the parties, the action must be filed in the Santa Clara County Superior Court.

Section 24. Limitations Upon Subcontracting and Assignment.

Neither this Agreement or any portion shall be assigned by Subdivider without prior written consent of City. Subdivider shall provide City with written notice of any assignment or transfer of all or a portion of the Subdivision property no later than thirty calendar days prior to such action. The notice shall indicate the portion of the Subdivision to be assigned and describe, with supporting evidence, the proposed assignee's reputation, experience, financial resources and access to credit, and capability to successfully carry out the development of the Subdivision Improvements to completion.

Section 25. Miscellaneous

- (a) Compliance with Law: Subdivider shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.
- (b) Non-Discrimination. Subdivider covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, ancestry, or sexual orientation in any activity pursuant to this Agreement.
- (c) Conflict of Interest and Reporting. Subdivider shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
- (d) Time of Essence. Time is of the essence in the performance of this Agreement.
- (e) Interpretation. This Agreement shall be interpreted as though prepared by both parties.
- (f) Preservation of Agreement. Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.
- (g) Negotiated Document. It is agreed and understood by the parties hereto, that this Agreement has been arrived at through negotiations and that neither party is deemed to be the party

which prepared the Agreement within the meaning of Civil Code Section 1654.

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

[TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS: (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND** (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.]

CITY OF MORGAN HILL

By:

Christina J. Turner, City Manager

Date: _____

ATTEST:

By:

Michelle Bigelow, City Clerk

Date: _____

APPROVED AS TO FORM:

By:

Donald A. Larkin, City Attorney

Date: _____

"Subdivider"

MH Diana 2025 Inc.

By: _____

James A. Pedicini, President

Date: OCTOBER 16, 2025

By: _____

Jacob C. Grunbaum, Secretary

Date: OCTOBER 16, 2025

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

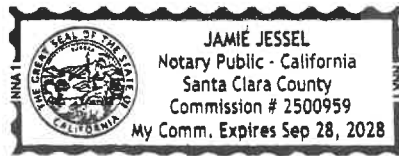
State of **California**
County of **Santa Clara**

On October 16 20 25, before me, Jamie Jessel a Notary Public in and for said County and State, personally appeared James A. Pedicini proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Jamie Jessel
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

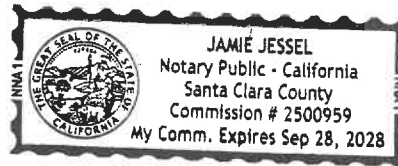
State of **California**
County of **Santa Clara**

On October 16 20 25, before me, Jamie Jessel a Notary Public in and for said County and State, personally appeared Jacob C. Grunbaum proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Jamie Jessel
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT "A"
IMPROVEMENTS AND
ESTIMATED COSTS OF IMPROVEMENTS
AS OF AUGUST 22, 2025

REF
1730 N. First Street
San Jose, CA 95112
City Right-of-Way

PROBABLE CONSTRUCTION COST (CITY RW)
730 DIANA AVENUE
MORGAN HILL, CA

BKF JOB NO. 20231724-10
Estimated Date: 8/22/2025

| ITEM | DESCRIPTION | UNIT PRICE | QUANTITY | UNIT | AMOUNT | NOTES |
|---|---|---------------------|----------|------|----------------------|-------------|
| A. SITE IMPROVEMENTS | | | | | | |
| 1. | Curb & Gutter | \$55.00 | 1,600 | LF | \$88,200 | |
| 2. | Vertical Curb | \$40.00 | 28 | LF | \$1,120 | |
| 3. | Valley Gutter | \$130.00 | 60 | LF | \$7,800 | |
| 4. | Sidewalk | \$20.00 | 3,925 | SF | \$78,500 | |
| 5. | New AC | \$20.00 | 17,080 | SF | \$341,600 | |
| 6. | 12" Deepflit | \$10.00 | 356 | SF | \$3,560 | |
| 7. | Striping | \$5,000.00 | 1 | LS | \$5,000 | |
| 8. | Rough Grading - cut & fill | \$28.00 | 3,600 | CY | \$100,800 | Export |
| 9. | Fine Grading | \$1.50 | 24,550 | SF | \$36,825 | |
| 10. | Driveway | \$30.00 | 1,385 | SF | \$41,550 | |
| 11. | Mill and Fill (Diana) | \$10.00 | 2,580 | SF | \$25,800 | |
| SITE SUB-TOTAL | | | | | \$725,055 | |
| B. DRY UTILITIES | | | | | | |
| 1. | Joint Trench | \$350.00 | 715 | LF | \$250,250 | Allowance |
| 2. | Underpinning Existing Overhead Utilities | \$600.00 | 182 | LF | \$109,200 | |
| 3. | Street Light | \$5,000.00 | 5 | EA | \$25,000 | Allowance |
| 4. | No. 5 PullBox | \$2,800.00 | 1 | EA | \$2,800 | Allowance |
| 5. | Joint Pole | \$8,000.00 | 2 | EA | \$16,000 | Allowance |
| DRY UTILITIES SUB-TOTAL | | | | | \$250,250 | |
| C. STORM DRAIN | | | | | | |
| 1. | Storm Drain Manhole | \$15,000.00 | 7 | EA | \$105,000 | |
| 2. | Storm Drain Catch Basin | \$3,000.00 | 2 | EA | \$6,000 | |
| 3. | 18" RCP | \$225.00 | 570 | LF | \$128,250 | |
| 4. | 15" RCP | \$200.00 | 235 | LF | \$47,000 | |
| STORM DRAIN SUB-TOTAL | | | | | \$286,250 | |
| D. SANITARY SEWER | | | | | | |
| 1. | 8" PVC Main | \$180.00 | 620 | LF | \$111,600 | |
| 2. | Connect to Ex. SS Manhole | \$3,500.00 | 1 | EA | \$3,500 | |
| 3. | Sanitary Sewer Manhole | \$15,000.00 | 3 | EA | \$45,000 | |
| SANITARY SEWER SUB-TOTAL | | | | | \$160,100 | |
| E. DOMESTIC & FIRE WATER | | | | | | |
| 1. | Water Valve - GV | \$700.00 | 13 | EA | \$9,100 | |
| 2. | 8" Blow Off Valve | \$1,200.00 | 1 | EA | \$1,200 | |
| 3. | Fire Hydrant Assembly | \$7,000.00 | 1 | EA | \$7,000 | |
| 4. | 1" Water Meter and Box | \$1,700.00 | 13 | EA | \$22,100 | |
| 5. | 8" Water Main | \$90.00 | 1,680 | LF | \$151,200 | |
| 6. | 1" Water Lateral | \$55.00 | 315 | LF | \$17,325 | |
| 7. | 1.5" Water Lateral | \$55.00 | 30 | LF | \$1,650 | |
| 8. | 8" Fire Service | \$110.00 | 26 | LF | \$2,860 | |
| 9. | 8" Tee (to existing 8" main) | \$6,000.00 | 2 | EA | \$12,000 | |
| 10. | 1" Tapping Valve & Sleeve (to existing 8" main) | \$2,500.00 | 1 | EA | \$2,500 | |
| DOMESTIC & FIRE WATER SUB-TOTAL | | | | | \$227,235 | |
| F. LANDSCAPING & IRRIGATION | | | | | | |
| 1. | Street Trees | \$1,200.00 | 10 | EA | \$12,000 | |
| LANDSCAPING SUB-TOTAL | | | | | \$12,000 | |
| G. TRAFFIC CONTROL, SIGNAGE & STRIPING | | | | | | |
| 1. | Traffic Control | \$20,000.00 | 1 | LS | \$20,000 | |
| TRAFFIC CONTROL SUB-TOTAL | | | | | \$20,000 | |
| H. DEMOLITION | | | | | | |
| 1. | Remove Curb and Gutter | \$9.50 | 178 | LF | \$1,672 | |
| 2. | Remove Existing Landscape | \$1.50 | 600 | SF | \$900 | |
| 3. | Remove Existing Sidewalk | \$5.00 | 802 | SF | \$4,010 | |
| 4. | Remove Existing Driveway | \$10.00 | 310 | SF | \$3,100 | |
| 5. | Remove Utilities and Appurtenances | \$2,000.00 | 1 | LS | \$2,000 | |
| 6. | Mobilization | | 1 | LS | \$39,116 | 4% of total |
| 7. | Erosion Control/WPPP | | 1 | LS | \$39,116 | 4% of total |
| DEMOLITION SUB-TOTAL | | | | | \$89,914 | |

| | |
|--|--------------------|
| Total Cost For Off Site Construction (City RW) | \$1,770,804 |
| 15% contingency | \$265,621 |
| Total FINAL Cost For Off Site Construction (City RW) plus 15% contingency | \$2,036,425 |

PERFORMANCE BOND
(100% of Engineer's Estimate)

Bond No.: 070227283
Premium: \$12,219.00

Whereas, the City Council of the City of Morgan Hill, State of California, and **MH Diana 2025 Inc.** (hereinafter designated as "principal") have entered into a Subdivision Improvements Agreement:

MH DIANA 2025 INC.
DIANA AVENUE SINGLE FAMILY HOMES – TRACT NO. 10669

whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated OCTOBER 16, 2025, and identified as project **Diana Avenue Single Family Homes**, is hereby referred to and made a part hereof; and

Whereas, said principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

Now, therefore, we, the principal and The Ohio Casualty Insurance Company, as surety, are held and firmly bound unto the City of Morgan Hill hereinafter called ("City"), in the penal sum of **two million thirty-six thousand four hundred and twenty-five dollars (\$2,036,425)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The Surety's office is located at 1990 North California Boulevard, Suite #620, Walnut Creek, CA 94596

Telephone No. 925-433-4493; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number are as follows:

License No.: OD88818
Address: 333 So. Hope St., Suite 3750, Los Angeles, CA 90071
Telephone No.: 213-618-1307

The non-resident agent for the Surety, if any, is a party to the transaction:

Name of non-resident agent: N/A
Non-resident agent's office address: _____
Telephone No.: _____

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and

performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

Executed this 17th day of October 2025

MH Diana 2025 Inc.
Principal

[Signature] VICE PRESIDENT
Principal

By: The Ohio Casualty Insurance Company
Surety

By: [Signature]
Attorney-in-Fact
Natalie K. Trofimoff

By: [Signature]
California Resident Agent
Natalie K. Trofimoff

By: _____
Non-resident Agent - Attorney-in-Fact

APPROVED:

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

By: _____
Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On October 20 2025, before me, Jamie Jessel, a Notary Public in and for said County and State, personally appeared Joshua Vratsos proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Jamie Jessel
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)
) ss
County of Los Angeles)

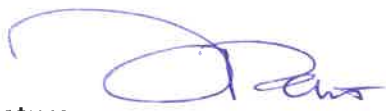
On OCT 17 2025, before me, Maria Pena, Notary Public, personally appeared Natalie K. Trofimoff, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Seal)

Signature: 
Maria Pena, Notary Public

LABOR AND MATERIAL BOND
(100% of Engineer's Estimate)

Bond No.: 070227283

Premium: Incl. w/Performance Bond

Whereas, the City Council of the City of Morgan Hill, State of California, and **MH Diana 2025 Inc.** (hereinafter designated as "the principal") have entered into a Subdivision Improvements Agreement:

MH DIANA 2025 INC.
DIANA AVENUE SINGLE FAMILY HOMES – TRACT NO. 10669

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated OCTOBER 16, 2025, and identified as project, **Diana Avenue Single Family Homes**, is hereby referred to and made a part hereof; and

Whereas, under the terms of the agreement, the principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Morgan Hill, hereinafter called "City," to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

Now, therefore, the principal and the undersigned as corporate surety, and their successors and assigns are held firmly bound unto the City of Morgan Hill and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the agreement and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of **two million thirty-six thousand four hundred and twenty-five dollars (\$2,036,425)**, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City of Morgan Hill in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety's office is located at 1990 North California Boulevard, Suite #620, Walnut Creek, CA 94596 Telephone No. 925-433-4493, the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number as follows:

Labor and Material Bond
Page 1 of 3
Version: December 2017

License No.: OD88818
Address: 333 So. Hope St., Suite 3750, Los Angeles, CA 90071
Telephone No.: 213-618-1307

The following non-resident agent, if any, for the Surety is a party to the transaction:

Name of non-resident agent: N/A,
Non-resident agent's office address: _____
Telephone No.: _____

The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

Executed this 17th day of October 20 25.

MH Diana 2025 Inc. [Signature] VICE PRESIDENT
Principal Principal

By: The Ohio Casualty Insurance Company
Surety

By: [Signature]
Attorney-in-Fact
Natalie K. Trofimoff

By: [Signature]
California Resident Agent
Natalie K. Trofimoff

By: N/A
Non-resident Agent - Attorney-in-Fact

APPROVED:
Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:
By: _____
Donald A. Larkin, City Attorney
Date: _____

(Acknowledgment on following page.)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

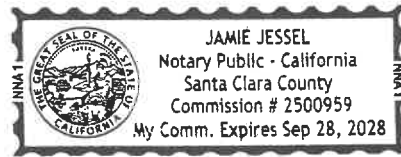
State of **California**
County of **Santa Clara**

On October 20 2025, before me, Jamie Jessel, a Notary Public in and for said County and State, personally appeared Joshua Vrotsos proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Jamie Jessel
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

Labor and Material Bond

Page 3 of 3

Version: December 2017

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

Civil Code § 1189

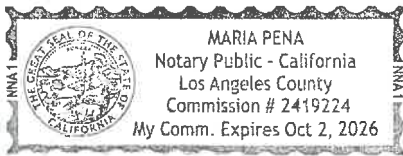
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)
) ss
County of Los Angeles)

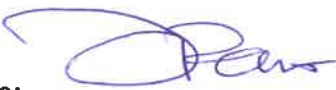
On OCT 17 2025, before me, Maria Pena, Notary Public, personally appeared Natalie K. Trofimoff, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Seal)

Signature: 
Maria Pena, Notary Public



POWER OF ATTORNEY

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: 8213811-977459

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana...

all of the city of Los Angeles state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations...

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 14th day of April, 2025.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: [Signature]
Nathan J. Zangerle, Assistant Secretary

State of PENNSYLVANIA ss
County of MONTGOMERY

On this 14th day of April, 2025 before me personally appeared Nathan J. Zangerle, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2029
Commission number 1126044
Member, Pennsylvania Association of Notaries

By: [Signature]
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes Nathan J. Zangerle, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this ___ day of ___, 2025.



By: [Signature]
Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.

OCT 17 2025

BASIS OF BEARINGS

THE BEARING NORTH 45°23'00" WEST OF DIANA AVENUE BETWEEN FOUND MONUMENTS AS SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED ON JANUARY 7TH, 1960 IN BOOK 115 OF MAPS PAGE 32 OF SANTA CLARA COUNTY RECORDERS OFFICE, WAS TAKEN AS THE BASIS OF BEARINGS FOR THIS SURVEY.

MAP REFERENCES

- R1 RECORD OF SURVEY MAP, RECORDED IN BOOK 115 OF MAPS ON PAGE 32
- R2 TRACT MAP NO. 10277, RECORDED IN BOOK 882 OF MAPS ON PAGES 1-3
- R3 PARCEL MAP, RECORDED IN BOOK 739 OF MAPS ON PAGES 38-39
- R4 CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT DOCUMENT 15165533

MAP NOTES

1. ALL DISTANCES AND DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
2. THE DISTINCTIVE BORDER DENOTES THE BOUNDARY OF THE LAND SUBDIVIDED BY THIS MAP AND CONTAINS 135,092 SQ.FT. (GROSS), MORE OR LESS, 109,008 SQ.FT. (NET) MORE OR LESS.
3. FOR PRIVATE EASEMENTS RESERVED OVER LOT A, REFER TO SHEET 3 FOR DETAILS.

LEGEND

- | | |
|----------|-----------------------------------|
| APN | ASSESSOR'S PARCEL NUMBER |
| DOC. | OFFICIAL DOCUMENT |
| E.V.A.E. | EMERGENCY VEHICLE ACCESS EASEMENT |
| P.A.E. | PUBLIC ACCESS EASEMENT |
| P.I.E.E. | PRIVATE INGRESS EGRESS EASEMENT |
| P.S.E. | PUBLIC SERVICE EASEMENT |
| P.S.D.E. | PRIVATE STORM DRAIN EASEMENT |
| P.S.S.E. | PRIVATE SANITARY SEWER EASEMENT |
| P.U.E. | PUBLIC UTILITY EASEMENT |
| W.L.E. | WATER LINE EASEMENT |
| (R) | RADIAL LINE |
-
- | | |
|---|---------------------------------------|
| ⊙ | FOUND STREET MONUMENT AS NOTED |
| ● | FOUND IRON PIPE AS NOTED |
| ○ | SET IRON PIPE TAGGED L.S. 7625 |
| ⊙ | SET STREET MONUMENT STAMPED L.S. 7625 |
| □ | SET NAIL IN CONCRETE TAGGED L.S. 7625 |

- | | |
|-----------|-------------------------|
| — — — — — | DISTINCTIVE BORDER LINE |
| - - - - - | EASEMENT LINE |
| — — — — — | MONUMENT LINE |
| — — — — — | STREET CENTERLINE |
| — — — — — | LOT LINE |

| LINE TABLE | | |
|------------|-------------|--------|
| NO. | BEARING | LENGTH |
| L1 | S64°25'06"W | 2.23' |
| L2 | S70°57'04"E | 4.58' |
| L3 | S15°02'15"W | 5.50' |
| L4 | S66°00'15"E | 5.50' |
| L5 | S19°57'15"W | 4.58' |
| L6 | S64°31'00"W | 7.18' |
| L7 | S25°33'22"E | 0.50' |
| L8 | S25°27'52"E | 5.00' |
| L9 | S19°30'06"W | 14.01' |
| L10 | S64°31'00"W | 5.00' |
| L11 | S09°54'35"W | 20.92' |
| L12 | S42°15'02"E | 17.33' |
| L13 | S64°32'55"W | 4.58' |
| L14 | S25°27'05"E | 22.33' |
| L15 | N64°32'55"E | 4.59' |

| LINE TABLE | | |
|------------|-------------|--------|
| NO. | BEARING | LENGTH |
| L16 | S25°29'00"E | 23.80' |
| L17 | S15°12'23"E | 26.09' |
| L18 | N64°29'22"E | 20.33' |
| L19 | S15°12'23"E | 27.93' |
| L20 | N64°36'20"E | 15.15' |

| CURVE TABLE | | | |
|-------------|--------|-----------|--------|
| NO. | RADIUS | DELTA | LENGTH |
| C1 | 22.50' | 35°13'18" | 13.83' |
| C2 | 28.00' | 39°29'51" | 19.30' |
| C3 | 28.00' | 39°29'51" | 19.30' |
| C6 | 28.00' | 89°55'38" | 43.95' |
| C7 | 28.00' | 90°00'00" | 43.98' |
| C8 | 28.00' | 90°00'00" | 43.98' |

TRACT NO. 10669

DIANA - CAYMAN

23 RESIDENTIAL UNITS AND 1 COMMON LOT

CONSISTING OF 3 SHEETS

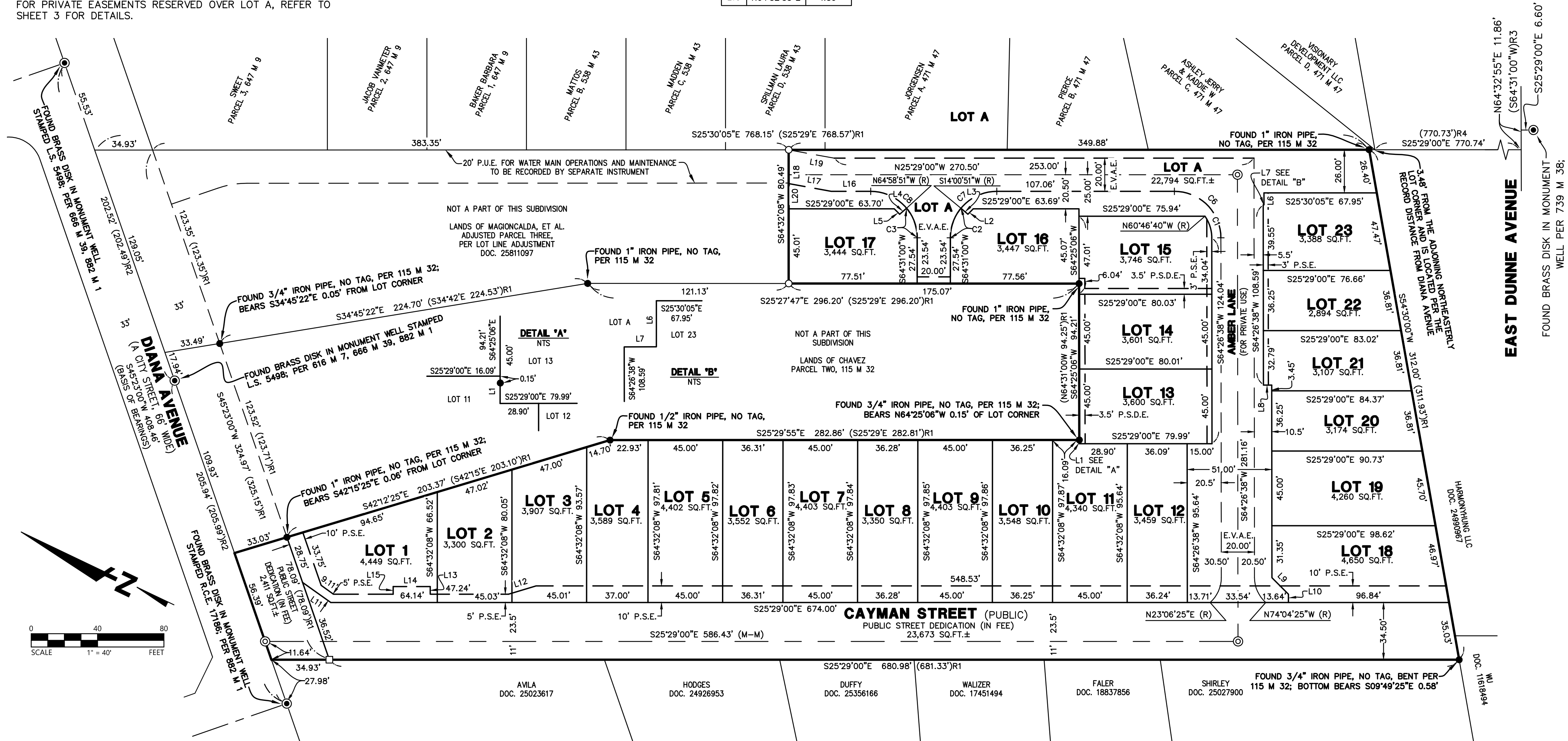
BEING A SUBDIVISION OF THE LANDS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED ON MAY 30, 2025 AS DOCUMENT NO 25814430, RECORDS OF SANTA CLARA COUNTY.

LYING ENTIRELY WITHIN THE CITY OF MORGAN HILL, SANTA CLARA COUNTY, CALIFORNIA

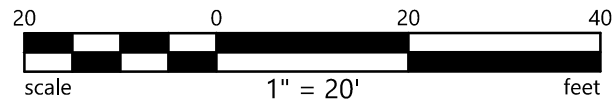
DATE: OCTOBER 2025



ENGINEERS—SURVEYORS—PLANNERS
1730 NORTH FIRST STREET, SUITE 600
SAN JOSE, CALIFORNIA 95112



NOT A PART OF THIS SUBDIVISION
LANDS OF MAGIONCALDA, ET AL
ADJUSTED PARCEL THREE,
PER LOT LINE ADJUSTMENT
DOC. 25811097



MAP NOTES

1. ALL DISTANCES AND DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
2. THE DISTINCTIVE BORDER DENOTES THE BOUNDARY OF THE LAND SUBDIVIDED BY THIS MAP AND CONTAINS 132,681 SQ.FT. (GROSS), MORE OR LESS, 109,086 SQ.FT. (NET) MORE OR LESS.

BASIS OF BEARINGS

THE BEARING NORTH 45°23'00" WEST OF DIANA AVENUE BETWEEN FOUND MONUMENTS AS SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED ON JANUARY 7TH, 1960 IN BOOK 115 OF MAPS PAGE 32 OF SANTA CLARA COUNTY RECORDERS OFFICE, WAS TAKEN AS THE BASIS OF BEARINGS FOR THIS SURVEY.

LEGEND

- APN ASSESSOR'S PARCEL NUMBER
 - DOC. OFFICIAL DOCUMENT
 - E.V.A.E. EMERGENCY VEHICLE ACCESS EASEMENT
 - P.A.E. PUBLIC ACCESS EASEMENT
 - P.I.E.E. PRIVATE INGRESS EGRESS EASEMENT
 - P.S.E. PUBLIC SERVICE EASEMENT
 - P.S.D.E. PRIVATE STORM DRAIN EASEMENT
 - P.S.S.E. PRIVATE SANITARY SEWER EASEMENT
 - P.U.E. PUBLIC UTILITY EASEMENT
 - W.L.E. WATER LINE EASEMENT
 - (R) RADIAL LINE
-
- FOUND STREET MONUMENT AS NOTED
 - FOUND IRON PIPE AS NOTED
 - ⊙ SET IRON PIPE TAGGED L.S. 7625
 - ⊙ SET STREET MONUMENT STAMPED L.S. 7625
-
- DISTINCTIVE BORDER LINE
 - - - EASEMENT LINE
 - — — STREET CENTERLINE
 - LOT LINE

TRACT NO. 10669

DIANA - CAYMAN

23 RESIDENTIAL UNITS AND 1 COMMON LOT
CONSISTING OF 3 SHEETS

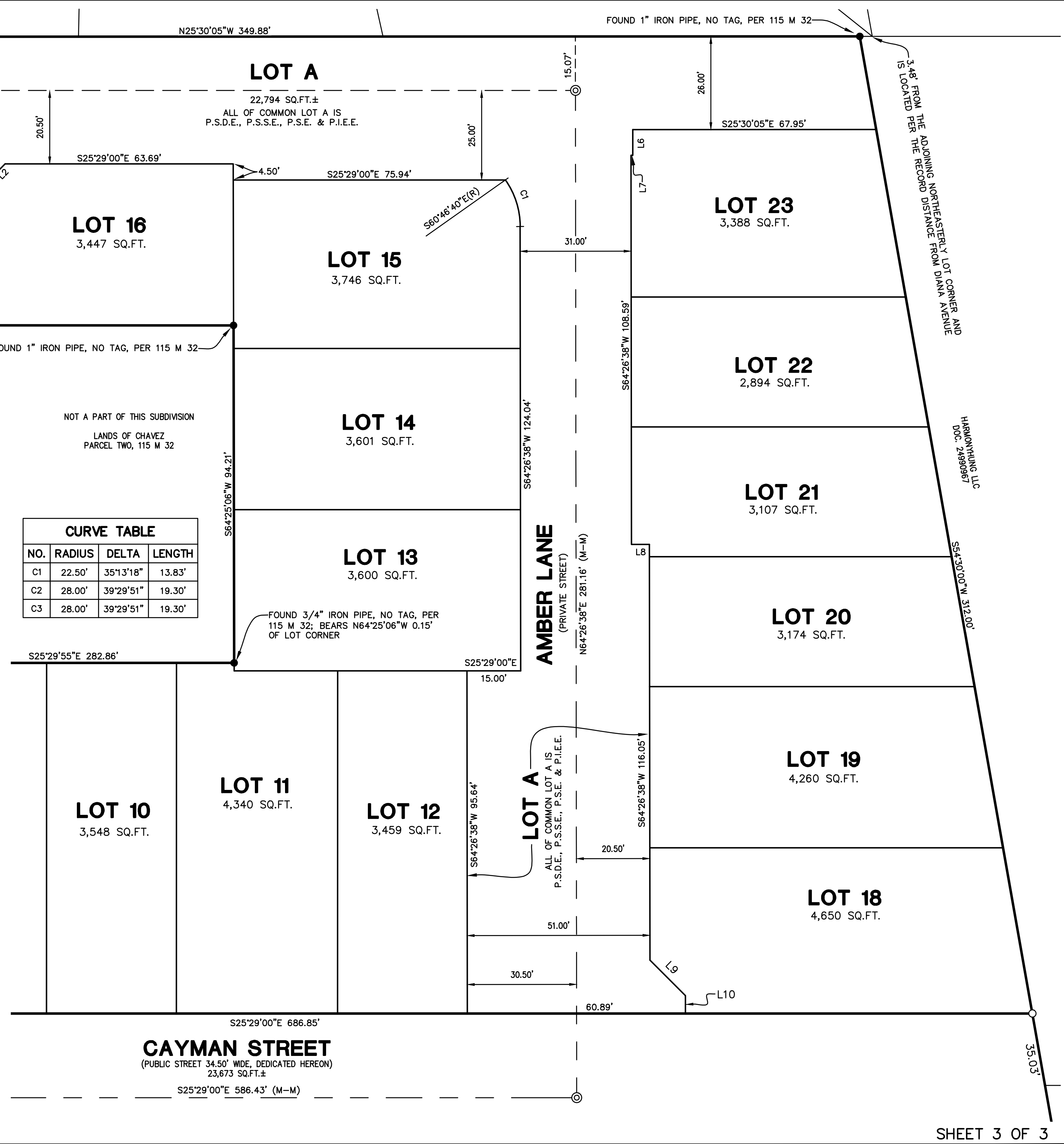
BEING A SUBDIVISION OF THE LANDS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED ON MAY 30, 2025 AS DOCUMENT NO 25814430, RECORDS OF SANTA CLARA COUNTY.

LYING ENTIRELY WITHIN THE CITY OF MORGAN HILL, SANTA CLARA COUNTY, CALIFORNIA

DATE: OCTOBER 2025



ENGINEERS—SURVEYORS—PLANNERS
1730 NORTH FIRST STREET, SUITE 600
SAN JOSE, CALIFORNIA 95112



LINE TABLE

| NO. | BEARING | LENGTH |
|-----|-------------|--------|
| L2 | S70°57'04"E | 4.58' |
| L3 | S15°02'15"W | 5.50' |
| L4 | S66°00'15"E | 5.50' |
| L5 | S19°57'15"W | 4.58' |
| L6 | S64°31'00"W | 7.18' |
| L7 | S25°33'22"E | 0.50' |
| L8 | S25°27'52"E | 5.00' |
| L9 | S19°30'06"W | 14.01' |
| L10 | S64°31'00"W | 5.00' |

CURVE TABLE

| NO. | RADIUS | DELTA | LENGTH |
|-----|--------|-----------|--------|
| C1 | 22.50' | 35°13'18" | 13.83' |
| C2 | 28.00' | 39°29'51" | 19.30' |
| C3 | 28.00' | 39°29'51" | 19.30' |



CITY COUNCIL STAFF REPORT

MEETING DATE: November 5, 2025

PREPARED BY:

John Lang, Housing and Economic Mobility Director

APPROVED BY: City Manager

APPROVE SECOND AMENDMENT TO HOUSING-RELATED CONSULTANT AGREEMENT FOR LEGAL SERVICES

RECOMMENDATION(S)

Approve and authorize the City Manager to execute and administer a second amendment to the Burke, Williams & Sorensen, LLP housing-related consultant agreement for legal services to increase the amount from \$60,000 to \$220,000.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities

Affordable Housing and Homelessness

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

The City of Morgan Hill's Housing Program has historically contracted with Burke, Williams & Sorensen (BWS), LLP to prepare documents relating to Affordable Housing Agreements, Settlements, Loan Agreements, and, more recently, Inclusionary Housing Agreements, legal counsel for Rent Hearing panels, as well as assisting with the review of various real estate transfer documents. With an increase in the need for various housing-related legal services, staff is recommending a Second Amendment to the housing-related legal services agreement with Burke, Williams & Sorensen, LLP for an amount not to exceed \$220,000, for services through June 30, 2026.

The services to be performed by Burke, Williams & Sorensen shall consist of the following:

- Review and drafting of loan agreements and related documents in connection with the City's provision of financing of affordable housing developments.
- Implementation of the Inclusionary Housing Ordinance.
- Drafting of documents in connection with the effective maintenance of the City's

affordable housing program.

- Providing legal counsel regarding compliance with state and federal housing law and regulations pertaining to affordable housing transactions, fair housing laws, etc.
- Review and negotiation of lender and investor documents, escrow processing, and closings for affordable housing transactions.
- Review and compliance of new housing legislation, general assistance to Housing and Development Services staff, and related services, as may be authorized by the City Attorney.

Within the calendar year, three areas required additional legal services, resulting in expenditures that exceeded traditional annual spending norms. For the first time in 16 years, the City received a request to conduct a Rent Hearing under the Mobile Home Rents Ordinance. Legal services were required to staff the hearing and provide legal guidance related to the City's ordinance. Additional legal services have been required to support the Below Market Rate (BMR) program for ownership homes being transferred and or rented in violation of the deed restriction. Lastly, Eden Housing closed financing on Magnolia's Housing project, which included a \$600,000 loan from the City of Morgan Hill. Burke, Williams & Sorenson were instrumental in navigating the loan documents and other legal agreements associated with the project.

Legal services supporting the City's Affordable Housing program are funded through Housing funds, not the General Fund. The current contract with Burke, Williams & Sorenson is for \$60,000, and the City has expended all funds. The proposed Amendment would increase the contract to \$220,000.

COMMUNITY ENGAGEMENT:

This report services to inform the community of the proposed contract amendment to increase the dollar amount for outside legal services specific to the Housing Division.

ALTERNATIVE ACTIONS:

The Council could alternatively choose not to approve the contract amendment and direct staff to seek another qualified firm for these legal services.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On November 18, 2020, City Council approved a contract with Burke, Williams & Sorenson for \$75,000 to provide legal services through June 30, 2022. Following June 30, 2022, annual contracts with Burke, Williams & Sorenson in the amount of \$60,000 have been executed under the City Attorney's signature authority.

FISCAL AND RESOURCE IMPACT:

The legal services that support the housing program provided by Burke, Williams & Sorenson are funded through Housing funds, not through the General Fund. The Second Amendment would increase the maximum compensation to Burke, Williams & Sorenson from \$60,000, for an amount not to exceed \$220,000.

CEQA (California Environmental Quality Act):

Not a Project – CEQA does not apply to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

**SECOND AMENDMENT TO AGREEMENT
BURKE, WILLIAMS & SORENSEN, LLP**

This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and BURKE, WILLIAMS & SORENSEN, LLP, a California limited liability partnership ("CONSULTANT"). CITY and CONSULTANT may sometimes be referred to collectively herein as the "Parties" and individually as a "Party."

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Second Amendment to Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 2025.
2. The CITY and CONSULTANT entered into that "CONSULTANT AGREEMENT FOR LEGAL SERVICES" made as of May 6, 2024, for consultant services for a maximum compensation of Sixty Thousand Dollars ("CONSULTANT AGREEMENT FOR LEGAL SERVICES").
3. The CITY and CONSULTANT entered into a "First Amendment to Agreement" made as of June 23, 2025, under which the CONSULTANT'S the billing rates were increased and the term of the Agreement extended until June 30, 2026. The CONSULTANT AGREEMENT FOR LEGAL SERVICES and the First Amendment thereto are attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the CONSULTANT AGREEMENT FOR LEGAL SERVICES, as amended, as attached as Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:
 - A. Paragraph 1 shall be amended to update the Effective Date of the Agreement to May 6, 2024, to reflect the most recent version of the Consultant Agreement for Legal Services. The end date of the Agreement remains until June 30, 2026, as amended in the First Amendment to Agreement.
 - B. Paragraph 4.1 shall be amended to reflect the increased total compensation that shall not exceed TWO HUNDRED TWENTY THOUSAND DOLLARS (\$220,000.00).
2. **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.

3. **Counterpart Signatures.** This Agreement may be signed in multiple counterparts, which shall, when executed by all the Parties, constitute a single binding agreement.

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

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

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

ATTEST:

THE CITY OF MORGAN HILL

Michelle Bigelow, City Clerk

Dorothy Ma, Deputy City Attorney

Date: _____

Date: _____

BURKE, WILLIAMS & SORENSEN,
LLP

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT 1

**FIRST AMENDMENT TO AGREEMENT
BURKE, WILLIAMS & SORENSEN, LLP**

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 6/23/2025 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and BURKE, WILLIAMS & SORENSEN, LLP, a California limited liability partnership, ("CONSULTANT"). CITY and CONSULTANT may sometimes be referred to collectively herein as the "Parties" and individually as a "Party."

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into based upon the authority of the City Attorney pursuant to Chapter 2.09 of the Morgan Hill Municipal Code.
2. The CITY and CONSULTANT entered into that "CONSULTANT AGREEMENT FOR LEGAL SERVICES" made as of March 30, 2023, for consultant services for a maximum compensation of Sixty Thousand Dollars (\$60,000.00) ("CONSULTANT AGREEMENT FOR LEGAL SERVICES"). The CONSULTANT AGREEMENT FOR LEGAL SERVICES thereto is attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the CONSULTANT AGREEMENT FOR LEGAL SERVICES, as attached as Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:

- A. Paragraph 1 shall be amended and replaced in its entirety by the following:

"1. **Term of Agreement.** This Agreement shall be effective and cover services rendered from March 30, 2023, until June 30, 2026, subject to the provisions of Section 4.4 [Termination] of this Agreement. The City Attorney is authorized to extend the term of this Agreement. Any such extension shall be in writing and signed by both parties to this Agreement."

- B. Paragraph 4.1 and 4.2. shall be amended to have all references to "Exhibit B" be updated to reference the revised rates and basis set forth in **Exhibit "B-1"** effective July 1, 2025, that is incorporated herein by this reference.

- C. Paragraph 11 shall be amended and replaced in its entirety by the following:

"11.1 CONSULTANT states that it does not represent clients with adverse interests to the CITY.

11.2 CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement including, without limitation, complying with California Government Code section 1090 et seq., the California Political Reform Act (California Government Code section 87100 et seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations

section 18700 et seq.).

11.3. CONSULTANT will further comply and will ensure that its agents and its subcontractors comply, with California Government Code section 84308 (“Levine Act”) and the applicable regulations of the Fair Political Practices Commission concerning campaign disclosure (2 California Code of Regulations sections 18438.1 – 18438.8).”

D. Paragraph 12 shall be amended to update the name and address to Lisa N. Maxwell, 1999 Harrison Street, Suite 1650, Oakland, CA 94612.

- 2. **Conflicts.** In the event of a conflict between the terms and provisions of this First Amendment to Agreement and the terms and provisions of the CONSULTANT AGREEMENT FOR LEGAL SERVICES the terms of this First Amendment to Agreement shall govern and control.
- 3. **Notice of Security and/or Privacy Incident.** If CONSULTANT, or its subconsultant, suspect, discover or are notified of a data security incident or potential breach of security and/or privacy relating to CITY PII, PHI and/or PCI, CONSULTANT shall immediately, but in no event later than forty-eight (48) hours from suspicion, discovery, or notification of the incident or potential breach, notify CITY of such incident or potential breach. CONSULTANT shall, upon CITY’s request, investigate such incident or potential breach, inform the CITY of the results of any such investigation, and assist the CITY in maintaining the confidentiality of such information. In addition to the foregoing, CONSULTANT shall provide CITY with any assistance necessary to comply with any state and/or federal laws requiring the provision of notice of any privacy incident or security breach with respect to any CITY PII, PHI and/or PCI to the affected or impacted individuals and/or organizations, in addition to any notification to applicable state and federal agencies. CONSULTANT agrees that it shall reimburse CITY for all expenses, costs, attorneys’ fees, and resulting fines, penalties, and damages associated with such incident, breach, investigation and/or notification.
- 4. **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.

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[Signatures on the Next Page]

5. **Counterpart Signatures.** This Agreement may be signed in multiple counterparts, which shall, when executed by all the Parties, constitute a single binding agreement.

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

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

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

ATTEST:

Signed by:

Michelle Bigelow

Michelle Bigelow, City Clerk

Date: 6/24/2025

THE CITY OF MORGAN HILL

Signed by:

Dorothy Ma

Dorothy Ma, City Attorney

Date: 6/23/2025

BURKE, WILLIAMS & SORENSEN, LLP

By:

Title:

Date:

John J. Welsh
John J. Welsh
 Managing Partner
 6/23/25
Lisa N. Maxwell

By: Lisa N. Maxwell

Title: Partner

Date: 06/23/2025

EXHIBIT B -1
HOURLY BILLING RATES

BURKE, WILLIAMS & SORENSEN, LLP Rates

for Legal Services, effective July 1, 2025

| | <u>Rates</u> | <u>Cost-Recovery Rates*</u> |
|--------------------------------|----------------|-----------------------------|
| Partners: | \$430 per hour | \$510 per hour |
| Senior Associates (years 4+) | \$380 per hour | \$465 per hour |
| Junior Associates (years 1-3): | \$355 per hour | \$450 per hour |
| Paralegals: | \$230 per hour | \$265per hour |

*Cost-recovery rates apply to work done for a particular matter where a third-party pays or reimburses the City for its legal fees, e.g. inclusionary housing agreements, etc.

EXHIBIT 1

**CONSULTANT AGREEMENT FOR LEGAL SERVICES
BURKE, WILLIAMS & SORENSEN, LLP**

THIS AGREEMENT is made and entered into as of this ____ day of 5/6/2024, 2024, ("Effective Date"), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and BURKE, WILLIAMS & SORENSEN, LLP, a limited liability partnership ("CONSULTANT"). CITY and CONSULTANT may sometimes be referred to collectively herein as the "Parties" and individually as a "Party."

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to the authority of the City Attorney pursuant to Chapter 2.09 of the Morgan Hill Municipal Code.
2. CONSULTANT 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.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date until June 30, 2025, subject to the provisions of Section 4.4 [Termination] of this Agreement. The City Attorney is authorized to extend the term of this Agreement. Any such extension shall be in writing and signed by both parties to this Agreement.
2. **Services to be Provided.** The services to be performed by CONSULTANT shall consist of the following: assist with the review and drafting of loan agreements and related documents in connection with the CITY's provision of financing to and for affordable housing development, assist with the implementation of the Inclusionary Housing Ordinance and drafting of documents in connection with the effective maintenance of CITY' s affordable housing program, assist with the provision of advice regarding compliance with state and federal housing law and regulations pertaining to affordable housing transactions and fair housing law, assist with the review and negotiation of lender and investor documents, assist with escrow processing and closings in affordable housing transactions, assist with the review and compliance of new housing legislation, and provide general assistance to the CITY's Housing and Community Development Division.
3. **Compliance with Outside Counsel Retention and Billing Policy.** CONSULTANT agrees that it will abide by the Outside Counsel Retention and Billing Policy attached hereto and incorporated herein as **Exhibit "A."**

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

4.1. **Amount.** Compensation for all services, fees and expenses under this Agreement shall not exceed SIXTY THOUSAND DOLLARS (\$60,000.00). Compensation shall be on an hourly billing rate, which rates are set forth in **Exhibit "B,"** effective July 1, 2024, attached hereto and incorporated herein by reference. No rate changes shall be made during the term of this agreement without prior written approval from the CITY. Services or work performed in excess of the total compensation set forth above without written approval of the City Attorney shall be at no cost to CITY.

The City Attorney shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT during term of the Agreement, including any extended term, so long as City Council has appropriated sufficient funds therefor, and the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement.

4.2. **Payment.** For work under this Agreement, payment shall be made per monthly invoice. For extra work not a part of this Agreement, written authorization by CITY will be required, payment shall be based on hourly rates in Exhibit "B."

4.3. **Records of Expenses.** CONSULTANT shall keep accurate records of payroll, travel, and expenses. These records will be made available to CITY.

4.4. **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 Attorney of CITY is authorized to terminate this AGREEMENT, in whole or in part, on behalf of CITY.

4.5. **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.

5. **Insurance Requirements.**

5.1. **Commencement of Work.** CONSULTANT shall not commence work under this Agreement until it has obtained CITY approved insurance as outlined below. Insurance coverages shall remain in full force and effect at all times during the period covered by this Agreement. Any deductibles or self-insured retentions must be declared to and approved by CITY. CONSULTANT shall furnish CITY with copies of all certificates subject to this Agreement, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY with copies of all policies outlined herein. No policy subject

to this Agreement shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY by certified mail.

5.1.1 Insurance Types and Amounts.

- a. Commercial general liability. CONSULTANT shall maintain insurance against claims and liabilities for personal injury, death, or property damage, providing protection of at least \$1,000,000 combined single limit. Further, CONSULTANT shall provide proof of the following separate endorsements:
 - The CITY, its elected officials, officers, employees, agents, and representatives are named as additional insureds; and,
 - the insurer waives the right of subrogation against CITY and CITY'S elected officials, officers, employees, agents, and representatives; and,
 - insurance shall be primary non-contributing.
- b. Automobile liability. CONSULTANT shall maintain insurance covering all owned, non-owned and hired automobiles against claims and liabilities for personal injury, death, or property damage, providing protection of at least \$1,000,000 combined single limit.
- c. Workers Compensation. CONSULTANT and all subcontractors shall maintain Worker's Compensation Insurance, as required by law. Further, 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 CONSULTANT shall provide CITY, prior to commencement of work, with the following separate endorsement:
 - The insurer waives the right of subrogation against CITY and CITY'S elected officials, officers, employees, agents, and representatives.
- d. Professional liability. CONSULTANT shall maintain either a claims-made or occurrence liability insurance in the minimum amount of \$1,000,000.00 each claim. Further, if CONSULTANT maintains a claims-made policy, CONSULTANT shall provide written evidence of such insurance to CITY for at least five (5) years after the completion of work performed under this Agreement.

5.1.2 Acceptability of Insurers. All insurance required by this Agreement shall be carried only by responsible insurance companies licensed to do business in California. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

5.1.3 Provision of Agreement to Insurers. CONSULTANT represents and warrants that they have provided a copy of this Agreement to their respective insurers, and the insurers are aware of all obligations pertaining to CONSULTANT as stated in this Agreement.

6. 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.

7. Independent Contractor. It is agreed that CONSULTANT shall act and be an independent contractor and not an agent or employee of CITY. CONSULTANT shall be solely responsible for the performance of its employees, agents, or subcontractors under this agreement.

8. 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 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.

9. **Maintenance of Records.**

9.1. **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.

9.2. **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.

9.3. **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.

10. **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.

11. **Conflict of Interest and Reporting.** CONSULTANT states that it does not represent clients with adverse interests to the CITY.

12. **Notices.** All notices shall be personally delivered or mailed via first class mail to the addresses listed below. These addresses shall be used for delivery of service of process.

Address of CONSULTANT is as follows:

Susan E. Bloch
Burke, Williams & Sorensen, LLP
1999 Harrison Street, Suite 1650
Oakland, CA 94612

Address of CITY is as follows:

| | |
|-----------------------|-----------------------|
| City Attorney | with a copy to: |
| City of Morgan Hill | City Clerk |
| 17575 Peak Avenue | 17575 Peak Avenue |
| Morgan Hill, CA 95037 | Morgan Hill, CA 95037 |

13. **Licenses, Permits and Fees.** CONSULTANT shall obtain all permits and licenses to the extent required by ordinances, codes, and regulations of the federal, state, and local government.

14. **Familiarity with Work.** By executing this Agreement, CONSULTANT warrants that: (1) it has investigated the work to be performed, (2) it has the skills, knowledge, and experience to perform this work competently and fulfill all professional and ethical obligation of attorneys at law in the State of California; 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.

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

16. **Limitations Upon Subcontracting and 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.

17. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

18. **Indemnification.** CONSULTANT agrees to protect, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities,

expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by CONSULTANT, CONSULTANT'S agents, officers, employees, subcontractors, or independent contractors hired by CONSULTANT.

The only exception to CONSULTANT'S responsibility to protect, defend, and hold harmless CITY, is due to the sole negligence of CITY. This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONSULTANT.

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.

19. **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 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.

20. **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.

21. **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.

22. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

23. **Binding Agreement.** Notwithstanding the provisions of Section 16 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.

///

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[SIGNATURES ON NEXT PAGE]

24. **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.

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

[TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS: (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND** (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER, OR ASSISTANT TREASURER.]

ATTEST:

DocuSigned by:

Michelle Bigelow

Michelle Bigelow, City Clerk

Date: 5/6/2024

THE CITY OF MORGAN HILL

DocuSigned by:

Donald A. Larkin

Donald A. Larkin, City Attorney

Date: 5/6/2024

BURKE, WILLIAMS & SORENSEN, LLP

Susan E. Bloch

By: Susan E. Bloch, Partner

Title: _____
Date: April 29, 2024

By: _____

Title: _____

Date: _____

**EXHIBIT A
CITY OF MORGAN HILL
OUTSIDE COUNSEL BILLING AND RETENTION POLICY**

A. Retention

The role of retained counsel will be that of co-counsel with the retaining attorney. (City Attorney). All legal services provided will be pursuant to a written analysis (including strategy and budget) developed by retained counsel in cooperation with the retaining attorney, and approved by the retaining attorney before work on the specified project begins. Retained counsel will also:

1. Obtain authorization from the retaining attorney before beginning work on any pleading, discovery, motion, or other legal paper, and before securing the services of any expert;
2. Review the above with the retaining attorney prior to use;
3. Provide written status reports on the progress of the litigation to the retaining attorney on the progress of the project as necessary, logical, or requested, but no less frequently than every 60 days;
4. Provide summaries of each deposition taken to the retaining attorney;
5. Coordinate with the retaining attorney to use the legal and paralegal services of the City Attorney's office to keep costs down;
6. Maintain a complete file and provide a copy of all documents generated to the retaining attorney;
7. Make a continuous and diligent attempt to resolve any litigation at the lowest possible cost, with the least expensive professional effort consistent with quality legal representation. To this end, the CITY will be billed for the time of only one attorney at depositions, hearings, trial, and interoffice conferences. Services performed without prior approval of the retaining attorney are not authorized and may not be approved for payment.

From time to time the retaining attorney may direct a departure from the requirements listed above, or may disapprove certain efforts proposed by retained counsel, or may direct efforts with which retained counsel disagrees. The retaining attorney is responsible for these decisions and will consult with the client as appropriate about such matters.

B. Billing Requirements

Retained counsel's services must be itemized individually and billed monthly. Each monthly statement must include 1) the name and billing rate of each attorney and paralegal who worked on the matter; 2) the date each service was performed; 3) a brief description of each service performed; 4) the time spent by each attorney and paralegal on each service performed, to the nearest tenth of one hour; 5) itemized costs; and 6) subtotal of fees and costs billed for the month and total for the matter to date.

Retained counsel will be reimbursed customary costs. When authorized, telephone, photocopy, electronic research, and expedited delivery charges may be billed at the actual net cost to retained counsel or a rate approved in advance by the retaining attorney. Charges for approved travel will be at coach rates and automobile mileage will be reimbursed at the CITY's current rate (reflects IRS).

Costs for the following items will not be reimbursed unless approved in advance by the retaining attorney:

- Electronic research (Lexis, Westlaw, etc.)
- Word processing and photocopying
- Secretarial time
- Secretarial and paralegal overtime
- Express mail and messenger delivery
- Travel time in excess of 3 hours per trip

Bills must be submitted to the attention of the retaining attorney, 17575 Peak Avenue, Morgan Hill, California, 95037, in the form discussed above.

C. Contract

Each retained counsel will be required to execute a consultant agreement in a form acceptable to the CITY.

Retained counsel may not bill in excess of the contracted amount without prior written approval from the City Attorney.

**EXHIBIT B
HOURLY BILLING RATES**

BURKE, WILLIAMS & SORENSEN, LLP

Rates for Legal Services, effective July 1, 2024

| Rates | Rates | Cost-Recovery Rates* |
|--------------------------------|----------------|----------------------|
| Partners: | \$435 per hour | \$515 per hour |
| Senior Associates (years 4+): | \$385 per hour | \$475 per hour |
| Junior Associates (years 1-3): | \$365 per hour | \$455 per hour |
| Paralegals: | \$220 per hour | \$255 per hour |

*Cost-recovery rates apply to work done for a particular matter where a third-party pays or reimburses the City for its legal fees, e.g. inclusionary housing agreements, etc.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 5, 2025

PREPARED BY:

Michael Horta, Human Resources Director

APPROVED BY: City Manager

APPROVE MEMORANDUM OF UNDERSTANDING (MOU) WITH MORGAN HILL AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES (AFSCME) AND MOU WITH COMMUNITY SERVICE OFFICERS' ASSOCIATION (CSOA) AND CORRESPONDING SALARY SCHEDULES

RECOMMENDATION(S)

1. Approve a MOU with AFSCME effective December 21, 2025 - December 31, 2028 and corresponding salary schedules; and
2. Approve a MOU with CSOA effective December 21, 2025 - December 31, 2028 and corresponding salary schedules.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure
Fostering a Positive Organizational Culture
Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The City's negotiating team and the AFSCME and CSOA bargaining units have respectively reached agreements related to Memorandums of Understanding (MOUs) for an additional three-year contract period. The new terms for the MOUs are December 21, 2025 through December 31, 2028.

The AFSCME agreement was ratified by AFSCME members on October 22, 2025 and is included as an attachment. The CSOA agreement was ratified by CSOA members on October 31, 2025 and the agreement will be supplemented prior to the City Council meeting. Both of the agreements fall within the negotiating economic parameters given by the City Council. These parameters were based on the "Employee Compensation Guiding Principles" that were adopted by the City Council on May 17, 2017, which

included seven guiding principles, including: (1) recruitment and retention, (2) fiscal sustainability, (3) compensation structure, (4) market-based compensation, (5) internal equity, (6) transparency and accountability, and (7) legal compliance.

The total compensation package offered to the bargaining unit members is competitive with that of our twelve local comparator government employers in this region and provides incentive for employees to continue employment with the City of Morgan Hill. The compensation and benefits provided to our employees allow the City to continue to recruit and retain a quality workforce.

All provisions included in the AFSCME and CSOA MOUs, which affect wages, shall be implemented December 21, 2025.

AFSCME

A summary of the major components of the recommended AFSCME MOU is provided below.

- **Base Salary Increases**

- 3.00% effective December 21, 2025
- 2.00% effective December 20, 2026
- 1.00% effective December 19, 2027

- **CALPERS Cost Sharing - Employee paid Employer Contribution**

- Reduce by 2.00% effective December 21, 2025
- Reduce by 3.00% effective December 20, 2026
- Reduce by 1.12% effective December 19, 2027

- **Deferred Compensation Program:** City shall contribute an additional one percent (1.00%) of an employee’s base salary to a 457 Deferred Compensation plan per pay period effective December 19, 2027.

- **Health:** The City will contribute (monthly) to the City’s health plans up to the following amounts:

| | 2026 |
|-------------------------|-------------|
| Employee + Family | \$2,947.97 |
| Employee + 1 | \$2,249.59 |
| Employee Only | \$1,124.80 |
| Health-In- Lieu (waive) | \$610 |

Up to a 6% increase matching the City's contribution to the Kaiser medical premium increase in 2027 and 2028.

- **Boot Allowance:** Increase to \$300 per year from \$250 per year.
- **9/80 Extra Hours:** Those working on a 9/80 schedule will be entitled to the number of hours regularly worked as paid time off in observance of the holidays listed. All other employees will receive the additional hours as floating holiday based on the number of holidays that fall on each specific year.

CSOA

A summary of the major components of the recommended CSOA MOU is provided below.

- **Base Salary Increases**

2.00% effective December 21, 2025
 2.00% effective December 20, 2026
 2.00% effective December 19, 2027

- **CALPERS Cost Sharing- Employee paid Employer Contribution**

Reduce by 2.00% effective December 21, 2025
 Reduce by 2.00% effective December 20, 2026
 Reduce by 2.12% effective December 19, 2027

- **Deferred Compensation Program:** City shall contribute an additional one percent (1.00%) at year 5 and one percent (1.00%) at year 10 of an employee's base salary to a 457 Deferred Compensation plan per pay period.
- **Health:** The City will contribute (monthly) to the City's health plans up to the following amounts:

| | 2026 |
|-------------------------|-------------|
| Employee + Family | \$2,969.65 |
| Employee + 1 | \$2,392.59 |
| Employee Only | \$1,126.07 |
| Health-In- Lieu (waive) | \$715 |

Up to a 6% increase matching the City's contribution to the Kaiser medical premium increase in 2027 and 2028.

- **Training Pay:** Increase to 8.00% as a flat rate of base pay from 5.00% of base

pay.

- **Tactical Dispatcher Pay:** 5.00% pay once a month for training and when the employee is called out for tactical dispatch duties.
- **Education Incentive Pay Program:** Remove "Dispatch" from the P.O.S.T. certificate requirement to provide an incentive to those who qualify with an alternative P.O.S.T certificate.

COMMUNITY ENGAGEMENT:

Inform

The Human Resources Team will post the approved AFSCME and CSOA MOUs and corresponding salary schedules on the Human Resources website page as is the City's practice for all labor agreements and salary information.

ALTERNATIVE ACTIONS:

Negotiations with represented bargaining units were conducted within the parameters set by the City Council.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On November 15, 2023, the City Council approved a two-year AFSCME MOU from December 24, 2023 – December 31, 2025, and corresponding salary schedules.

On November 15, 2023, the City Council approved a two-year CSOA MOU from December 24, 2023 – December 31, 2025, and corresponding salary schedules.

FISCAL AND RESOURCE IMPACT:

The fiscal impact of the MOUs and salary schedules are within the City Council's approved parameters. For the current fiscal year (2025-26), staff anticipate savings from vacancies will sufficiently cover the net cost due to the above negotiated items. Therefore, no budgetary appropriations are needed. The cost for future years will be built into the upcoming budget. For Fiscal Year (FY) 2026-27, the additional increase to the forecast is approximately \$0.2 million to the General Fund and \$0.4 million to other funds due to the above negotiated items. For Fiscal Year (FY) 2027-28, the additional increase to the forecast is approximately \$0.4 million to the General Fund and \$0.5 million to other funds due to the above negotiated items.

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.

MEMORANDUM OF UNDERSTANDING



American Federation of State, County, and Municipal Employees Local 101, District Council 57

December 2421, 20253 - December 31, 20285

AFSCME
MEMORANDUM OF UNDERSTANDING
December 24~~21~~, 202~~53~~ – December 31,
202~~85~~ TABLE OF CONTENTS

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This Memorandum of Understanding (“MOU”) has been executed by representatives of the Morgan Hill City Council (“City”) and representatives of the American Federation of State, County and Municipal Employees Local 101 (“Union”).

ARTICLE I. – TERM

1.01 The term of this Agreement shall commence December 21~~4~~, 202~~53~~, and end on December 31, 202~~85~~.

ARTICLE II. – REPRESENTATION

2.01 Union is a recognized employee organization within the meaning of City’s Employer-Employee Relations Resolution No. 4955.

2.02 Union represents all regular full and part-time City employees excluding positions represented by the Police Officers’ Association (“POA”), the Community Service Officers’ Association (“CSOA”), and those identified in the Management/Confidential Resolution.

2.03 Regular Part-Time Employees – Regular part-time employees in Union represented classifications who work at least twenty (20) hours per week shall receive insurance, educational incentive, tuition reimbursement, and paid leave benefits provided for in this agreement on a pro-rated basis, according to the number of hours worked per week.

2.04 **Meet & Confer Process**

2.04.01 Union is the only employee organization which is entitled to meet and confer with City on behalf of represented employees as outlined in Item 2.02 above.

2.04.02 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto, unless made and executed in writing by all parties hereto, and, if required, approved and implemented by City and Union.

2.05 **Release Time**

2.05.01 The Union President, Steward, or designee shall be allowed release time with pay on an as-needed basis to participate in meetings related to employee discipline as set forth in Section 11 of the City of Morgan Hill Personnel Rules. This includes meetings with City management which may lead to discipline of an employee, when the employee has requested representation by Union and the employee has a legal right to be represented. No notation is required on the Union President, Steward, or designee’s timecard when using release time for the purposes described in this Section.

2.05.02 A total of up to forty (40) hours each fiscal year of release time with pay may be used by the Union President, Steward, or designee for the following purposes when representation is requested by the employee and the employee has a legal right to be represented:

A. Preparation for pre-disciplinary or disciplinary meetings;

- B. Processing formal grievances in accordance with the formal grievance procedure set forth in Section X of this MOU;
- C. Meeting with employees regarding informal grievances and presenting informal grievance issues to City management; and
- D. Attending Union sponsored trainings, meetings, conferences, or other functions. The forty (40) hours of release time are cumulative - the Union President, Steward, or designee together are allowed a total of forty (40) hours under this provision. The Union President, Steward, or designee shall note "Release Time" on their timecard when using release time for the purposes described in this Section.

2.05.03 The Union President, Steward, or designee shall be allowed release time with pay on an as-needed basis to participate in City-initiated meetings to discuss issues within the scope of representation. No notation is required on the Union President, Steward, or designee's timecard when using release time for the purpose described in this Section.

2.05.04 The Union President, Steward, or designee shall first obtain permission from his or her supervisor or other appropriate management personnel before using release time, regardless of the purpose for which release time is needed. Permission to use release time may be delayed in circumstances when City work would be seriously compromised by the Union President, Steward, or designee stopping work. However, permission will be granted within a reasonable time frame and will not be unreasonably denied.

2.05.05 Union general membership meetings will continue to be held during lunch or after work.

2.05.06 City shall provide release time for three (3) Union employees selected by Union for attendance at formal meet and confer sessions.

2.06 **Dues Deduction Process**

2.07 **Voluntary Union Dues Deduction**

2.07.01 City shall deduct Union dues from the pay checks of members if Union follows the requirements of this paragraph. Union dues are the dues that Union charges members for membership in the Union, representation in collective bargaining and other employment related matters within the scope of representation and Union political activity.

2.07.02 City shall only deduct Union dues from an employee's paycheck if the Union has submitted a signed authorization card to City clearly stating the employee's desire for City to deduct Union dues. It is understood and agreed by both City and Union that Union accepts responsibility for submitting authorization cards to City and for informing City whenever an employee withdraws his or her authorization. Such deductions shall be made from each authorizing employee's paycheck and remitted to Union each month.

2.09 **Indemnification, Defense and Hold Harmless for Dues Deduction**

Union agrees that City undertakes these deductions as a convenience and courtesy and that City shall incur no liability for providing this courtesy service. Union further agrees to indemnify, defend and hold City harmless against any and all claims, suits, orders, judgments, costs or attorney's fees, including, but not limited to, pre-litigation, administrative staff, retained outside counsel costs and any other matters for which City may seek indemnification for as a result of the action taken or not taken by City for any dues deduction.

2.10 **Agreement to Meet and Confer**

Should City change the terms and conditions of employment of any job classification(s) represented herein, City will meet and confer with Union no later than thirty (30) days before effective date of such change or changes for the purpose of negotiating appropriate salary adjustment(s) for the so changed classification(s) at a level appropriate to compensate for the increased duties, requirements or safety hazards.

2.11 **Printing of MOU**

2.11.01 City and Union will split the printing cost of the Agreement equally. Union will choose the printer.

ARTICLE III. – MANAGEMENT RIGHTS

3.01 The rights of City, as exercised by the City Council and the City administration include, but are not limited to, 1) the exclusive right to determine the mission of its constituent departments, commissions and boards, 2) set standards of service, 3) determine the procedures and standards of selection for employment, 4) direct its employees, 5) take disciplinary action, 6) relieve its employees from duty because of lack of work or other legitimate reasons, 7) maintain the efficiency of governmental operations, 8) determine the methods, means, and personnel by which government operations are to be conducted, 9) determine the content of job classifications, subject to any requirement to meet and confer or under current state law, 10) require that employees work overtime, and 11) exercise complete control and discretion over its organization and the technology of performing its work, except that any agreement between City and Union evidenced by a MOU pursuant to Government Code 3500 et. seq. shall take precedence over any of the above enumerated employee and management rights and that such MOU will be honored in good faith during the life of this contract, subject to City's rights to determine when an emergency exists and to take all necessary action to carry out its mission in emergencies.

3.02 Nothing in this article shall be construed to limit, amend, decrease, revoke, or otherwise modify the rights vested in City by any law regulating, authorizing, or empowering City to act or refrain from acting.

ARTICLE IV. – DEFINITIONS

4.01 Salaries, Wages, and Salary and Wages

4.01.01 The terms “Salaries”, “Wages” or “Salary and Wages” shall mean the gross monthly base pay prior to any deductions.

4.02 Personnel Rules

4.02.01 The term “Personnel Rules” as used in this Agreement means those regulations titled “City of Morgan Hill Personnel Rules” enacted as Resolution No. 6150 and thereafter and hereafter amended. In the event a conflict in interpretation between these Personnel Rules as included by reference and similar sections as contained in this MOU, the language in the MOU will be used for interpretation.

ARTICLE V. – SALARIES, WAGES & PAID BENEFITS

5.01 The Salaries and Wages paid by the City to employees represented by Union will be in accordance with the job classifications they hold with pay rates to be increased by ~~five~~ three percent (~~35%~~) effective December 21~~4~~, 202~~53~~ (Exhibit A)

~~5.02~~ The Salaries and Wages paid by City to employees represented by Union will be in accordance with the job classifications they hold with pay rates to be increased by ~~two~~five percent (~~25%~~) effective the pay period December 20~~2~~, 202~~64~~ (Exhibit B).

~~5.025.03~~ The Salaries and Wages paid by City to employees represented by Union will be in accordance with the job classifications they hold with pay rates to be increased by one percent (1%) effective the pay period December 19, 2027 (Exhibit C).

5.05 Holiday Pay

5.05.01 City will observe the following holidays: New Year’s Day, Martin Luther King Day, President’s Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Day after Thanksgiving, Christmas Eve and Christmas. Employees will receive one (1) day holiday to be used during the furlough period or on the last work day before the furlough. City will maintain minimum staffing levels on these days and the Department Director will determine which day the employee may take off.

- A. Each employee will receive two (2) floating holidays each fiscal year to be used during that fiscal year with the approval of the employee’s supervisor.
- B. Recognized holidays of City will be aligned to coincide with school holidays in the Morgan Hill Unified School District.
- C. Any hours worked on a holiday shall be compensated at double time. If a holiday falls on a Friday or a Monday, any hours worked on the weekend (Saturday or Sunday) connected to the holiday will be compensated at the holiday pay rate. This does not apply to employees who are regularly scheduled to work weekends.
- D. Holiday standby shall be compensated at the rate of three (3) hours at double time.

~~E.~~—Those employees working ~~on teams where all are~~ on a 9/80 schedule will be

entitled to the number of hours regularly worked as paid time off in observance of the holidays listed. All other employees will receive the additional hours as floating holiday time based on the number of holidays that fall on each specific year. . The classifications are as follows:-

- ~~F.—~~
- ~~G. Electrician~~
- ~~H. Maintenance Worker I, II, III~~
- ~~I. Utility Worker I, II, III~~
- ~~J. Utility Supervisor~~
- ~~K. Senior Maintenance Worker~~
- ~~L. Senior Utility Worker~~
- ~~M. Water Quality Specialist~~

5.06 **Work Furlough**

5.06.01 City shall annually implement an end of year furlough that includes the time period of December 24th through January 1st of each year. The specific furlough dates and staffing requirements shall be determined by City. Furlough dates shall be provided to Union by November 1st of each year, and staffing requirements shall be finalized and published by December 1st of each year.

5.07 **Other Pay**

5.08 **Certification Pay**

All employees in the Utility classifications that are required to have certificates to perform their jobs, and who in fact possess the appropriate current certificate(s), will be entitled to receive a fixed amount of three percent (3%) of base salary.

A flat certification pay of \$150 per month will be provided to employees in the following job classifications for the certificates described below:

Utility Worker

- Water Distribution 1-5 (Each Grade Counts as a separate Certificate)
- Collections 1-5 (Each Grade Counts as a separate Certificate)
- Treatment 1-5 (Each Grade Counts as a separate Certificate)
- Backflow

Maintenance Worker

- Backflow
- State Applicators Permit additional category of Right of Way or Aquatics (Each Specialization Counts as a separate certificate)
- Playground Safety Inspection Certificate

Facility Maintenance Specialist

- Certified Pool Operator or Aquatics Facility Operator (Either, will not count as two certifications)
- Playground Safety Inspection Certificate

Assistant/Associate Engineer

- CAL OES Safety Assessment Program

Engineering Technician

- Land Surveyor in Training (LSIT)

- ESRI Certificate
- Certified Public Infrastructure Inspector (CPII)

Development Service Technician

- ICC Permit Technician
- ICC Plans Examiner
- ICC Residential Building Inspector
- ICC Commercial Building Inspector

Building Inspector II

- CASp
- ICC Plans Examiner
- State Fire Marshal Fire Inspector 1
- State Fire Marshal Fire Inspector 2

Code Compliance Officer

- ICC Property Maintenance and Housing Code Inspector
- ICC Residential Building Inspector
- ICC Commercial Building inspector
- PC 832

Plan Check Engineer

- CASp
- ICC Commercial Building inspector
- Certified Building Official Certificate
- NFPA Certified Plans Examiner
- NFPA Certified Fire Alarm Plans Examiner

The City Manager may approve certifications for certificate pay during the duration of this Agreement, provided that the certificate is related to the duties of the classification for which the pay will be given.

Regardless of the number of certifications, the maximum certificate pay is \$450 per month. If the employee is promoted to classifications where a certificate is now required, the employee will no longer receive certificate pay for the required certificate.

5.09 Weekend and Weeknight Standby Pay

5.09.01 Weekend Standby (Friday (9/80 day off), Saturday or Sunday) shall be compensated at the rate of four (4) hours at time and one-half (1/2) for each twenty-four (24) hour period covered.

Shift:

Saturday – Starts 24 hours after start of work shift Friday until start of standby shift on Sunday.

Sunday – Starts 48 hours after start of work shift Friday until start of work shift on Monday.

9/80 Friday- Start of work shift Friday through 24 hours from start of work shift Friday

- 5.09.02 Weeknight Standby (Monday – Friday) shall be compensated at the rate of one and a half (1.50) hours at time and one-half (1/2) for each weeknight of standby.

Shift:

The weeknight standby period shall begin at the end of the regular work shift and end with the commencement of the regular work shift the following morning or if assigned Friday, 24 hours from the start of the work shift Friday.

Employees assigned standby must be able to report to the Corporation Yard within forty five (45) minutes from the time they are called.

5.10 **Out of Class Pay**

- 5.10.01 Whenever an employee is temporarily assigned in writing by their supervisor to work in a higher vacant classification to perform all of the duties of the higher classification for a period of more than ten (10) cumulative working days, the employee shall be entitled to out of class pay on the eleventh (11th) day of assignment. Having once satisfied the ten (10) day qualifying requirement, any subsequent such assignment shall be so compensated an additional five percent (5%) beginning with the first day of reassignment. Any out of class assignment must meet CalPERS guidelines in order to be considered pensionable compensation. Out of class assignment are of a limited curation and shall not exceed 960 hours in any fiscal year.

- 5.10.02 Should the assignment last more than sixty (60) consecutive calendar days, the employee shall be compensated at a step within the normal range which is at least an additional five percent (5%) higher than that received in accordance with 5.10.01.

5.10.03 **Special Assignment Pay**

Special assignment pay may be granted to employees who have assumed, for ~~an extended period,~~ at least one work week, significant additional responsibilities outside their current classification. The request for special assignment pay shall describe the assignment, justify why it is to be performed by the designated employee, and give a specific duration for completion of the assignment with a start and end date. Special assignment pay is up to 10% above the employee's normal pay rate. The special assignment and related compensation may be revoked at any time at the discretion of the Department Director, or the City Manager (or designee). Special assignment pay will be requested in advance by the Department Director and authorized by the City Manager or designee, and then processed by the Human Resources Division. Special assignment pay shall be discontinued on the date originally identified for completion of the assignment, unless an extension of specific duration is approved by the City Manager or designee prior to the end of the original assignment end date. Special assignment pay is not be considered pensionable compensation as defined by CalPERS.

5.11 **Bilingual Pay**

- 5.11.01 Union employees identified by a Department Director to use Spanish or American Sign Language in their work and who are certified by the process described below shall receive the following compensation:

A. Employees hired prior to June 30, 2013 shall receive five percent (5%) of base salary.

On July 1, 2013, that amount will be calculated and converted to a fixed amount, or one hundred and fifty dollars (\$150.00) per month, whichever is greater.

- B. Should there be subsequent adjustments to base salaries, the amount determined on July 1, 2013 shall remain the fixed amount in perpetuity.
- C. Employees hired on or after July 1, 2013 shall receive a monthly stipend of one hundred and fifty dollars (\$150.00).
- D. The Certification process shall be completed by a provider contracted by Human Resources or a three (3) person panel (established by Human Resources) to determine conversational competence. Employees shall be subject to recertification every two (2) years unless waived by City.
- E. An eligible employee may request to be tested for bilingual certification at any time and the test shall occur within a reasonable amount of time.

5.12 **Overtime/Compensatory Time**

5.12.01 Overtime/Compensatory time is defined as one-and-a-half (1.5) times an employee's total hourly salary. Overtime/Comp time is paid for any amount of time exceeding fifteen (15) minutes more than the employee's normal work shift, provided the employee is working an eight (8) hour or more work shift or any work time in excess of the forty (40) hour work week unless additional hours are worked as a result of a shift change. Full-Time employees who work fifteen (15) minutes or more of overtime will receive a minimum of half (1/2) hour of overtime pay. Overtime/Compensatory time for a regular part-time employee who works over his/her normal work schedule will accrue compensatory time at the employee's normal rate of hourly salary for hours under forty (40) per week, and one-and-a-half (1.5) times for hours over forty (40) per week. All such time must be approved in advance with the employee's supervisor or Department Director. Overtime is paid on completed fifteen (15) minute increments above the half (1/2) hour minimum. Time spent on paid sick leave, disability leave, vacation leave, military leave, compensatory time off, or other authorized paid leave shall be deemed time worked for the purposes of this Article.

5.12.02 Employees called back to work outside their regular work shift shall be compensated for a minimum of two (2) hours at time and one half (1/2) of their regular pay rate. For purposes of this provision, the job shall commence once an employee arrives on-site and shall be considered completed when either management or police dispatch is notified. City reserves the right to assign additional work within the two (2) hour period and subsequent call outs within the original two (2) hour call out do not receive an additional two (2) hour call out minimum. Consecutive work time which is past a two (2) hour call out shall be at time and one half (1/2) pay. Additional call-outs during the course of the day (once a two (2) hour call out is completed), and outside of a completed two (2) hour call out period, shall re-start the two (2) hour call out time.

5.12.03 Union personnel will have the option of receiving either paid overtime or compensatory time off. In the event that overtime pay is not available or authorized, the employee can either choose compensatory time off or decline working overtime. The compensatory time accrual limit shall be one hundred sixty (160) hours maximum.

5.12.04 During emergency situations (EOC activation) such as floods, earthquakes, severe storms,

etc., City reserves the right to require that all overtime be compensated in pay, not compensatory time.

5.12.05 Employees working more than twelve (12) hours in a day shall receive double time for hours worked beginning with the thirteenth (13th) hour of work.

5.12.06 Employees who are contacted and consulted by telephone about a work-related problem outside their regular work shift, and who provide advice or direction, shall be compensated at an overtime rate for the actual time spent on the telephone, rounded up to the nearest thirty (30) minutes. The time will be recorded on timesheets as overtime.

5.13 **Base Work Schedules**

5.13.01 The work day, for pay purposes, shall be a twenty four (24) hour period commencing with the beginning of the employee's regularly scheduled shift.

5.13.02 The normal work schedule shall be forty (40) hours consisting of five (5) consecutive days of eight (8) hours each, exclusive of a lunch period, Monday through Friday or any schedule identified in Administrative Policy VI-001 Section 4.

5.13.03 Should the normal work schedule need to be modified in terms of days or shift hours by the Department Director to facilitate the needs of City, such modification in normal work schedules will be discussed with Union representatives as to methods for changing or rotating assignments fifteen (15) days prior to any change, except in cases of emergencies.

A. The affected employee should be notified at least ten (10) full working days prior to any change. Such modification cannot exceed a forty (40) hour work week unless additional hours are worked as a result of a shift change or in cases of emergencies.

B. Recreation employees may choose to request schedule changes as needed rather than work overtime.

5.13.03 For the purposes of calculating overtime, compensatory time and defining payroll periods, the aforementioned schedules will apply.

5.13.04 Reporting for Duty

A. Employees who are unable to report for work at the beginning of their established shift shall notify their immediate supervisor at least thirty (30) minutes prior to the commencement of that shift. Employees shall follow departmental procedures for providing notice of their absence.

B. Failure to report to work for three (3) consecutive days (or shifts if applicable for which the employee is scheduled to work) without giving proper notice to City will be considered a voluntary resignation of employment even if a coworker or supervisor covers the shift or otherwise arranges for coverage of the shift. Such employee shall, however, be reinstated provided the employee satisfactorily shows that his/her failure to report was the result of reasonable extenuating circumstances beyond the employee's control.

5.13.05 Except in the case of emergencies, employees shall receive a lunch break after four (4) hours of overtime worked.

5.13.06 Any employee working eight (8) or more hours at the overtime rate during the sixteen (16) hour period immediately preceding the beginning of his/her regular work shift shall be entitled to a rest period of eight (8) consecutive hours on the completion of such overtime work with the following provisions:

- A. No employee shall be required to work in excess of sixteen (16) hours without rest unless an emergency is investigated and continued work is deemed necessary to prevent extreme property damage or to preserve human life.
- B. If the eight (8) hour rest period overlaps his/her regular work shift in whole or in part, he/she will be paid at the straight-time rate for the time that falls within his/her regular work shift.
- C. If the eight (8) hour rest period overlaps a portion of the first half of his/her work shift, the employee may be excused from work until the beginning of the second half of said shift. If the eight (8) hour rest period overlaps a portion of the second half of his/her work shift, he/she may be excused from work until the following work shift. He/she will be paid, however, for that portion of the rest period that overlaps his/her normal working shift. He/she will not be paid for the time between expiration of the rest period and his/her reporting for work.
- D. Hours worked prior to an eight (8) hour rest period shall not be included in determining another rest period.
- E. If the employee is called back to work during his/her eight (8) hour rest period, a new rest period will commence at the conclusion of such work.

5.14 **Health Benefits**

5.14.01 The City will contribute to the City's medical and dental health plans as follows:

- A. For employees with family coverage, up to \$~~2,574.54~~947.97/month in 202~~64~~2, and up to ~~\$2,703.27~~ 6% matching the Kaiser medical premium increase in 202~~75~~ and 2028.
- B. For employees with employee plus one coverage, up to \$~~1,964.63~~2,249.59/month in 202~~64~~2, and up to ~~\$2,062.86~~ 6% matching the Kaiser medical premium increase in 202~~75~~ and 2028.
- C. For employees with employee only coverage, up to \$~~982.32~~1,124.80/month in 202~~64~~2, and up to ~~\$1,031.44~~ 6% matching the Kaiser medical premium increase in 202~~75~~ and 2028.
- D. Employees enrolling in City health but not using the maximum amount available from the City for their premium category (ee only, ee+1, ee+family) shall not be entitled to the surplus. Employees enrolling in plans whose cost exceeds the maximum amount available from the City for their premium category shall have the difference deducted on a pre-tax basis from their paycheck.
- E. Employees who waive medical coverage and annually provide proof of alternative medical coverage shall be entitled to a taxable cash in lieu payment of five hundred seventy dollars (\$570.00) per month, Employees who waive dental coverage and annually provide proof of alternative dental coverage shall be entitled to a taxable cash

in lieu payment of forty dollars (\$40.00) per month.

F. In the event that health premiums increase six percent (6%) or more both the City and the Union agree to reopen the contract for the limited purpose of discussing changes to the City contribution rate.

5.14.02 City agrees to provide, at City's expense, up to 100 percent (100%) of the premium cost per employee for the Employee Assistance Program, as presently constituted.

5.14.03 All members shall have the option of continuing their current medical insurance at the employee's own cost after retirement. This option can continue as long as there is no lapse in coverage and so long as the employee pays the monthly premium to the California Public Employees Retirement System (CalPERS) or to the Finance Department as per their billing requirements.

5.14.04 The CalPERS Medical insurance program shall remain in effect for the term of this agreement or unless the parties agree to terminate the agreement with CalPERS.

ARTICLE VI. – EDUCATIONAL INCENTIVE PROGRAM

6.01 **Educational Incentive Pay Program (for employees hired before July 1, 2008)**

6.01.01 See Exhibit C

6.02 **Tuition Reimbursement**

6.02.01 City shall provide a tuition reimbursement program of up to fifteen hundred dollars (\$1,500.00) per fiscal year for the cost of books and tuition for classes beneficial to the employee's career development. Mandatory fees required to attend classes and parking fees also may be reimbursed through tuition reimbursement. All classes must be approved in advance by the Department Director. Reimbursement will take place upon a successful completion or passing of the course.

ARTICLE VII. - TYPES OF LEAVE

7.01 **Sick Leave**

7.01.01 Sick Leave credit shall be accumulated on the basis of eight (8) hours per month. The employee's accumulated sick leave is unlimited.

7.01.02 City will pay twenty-five percent (25%) of unused sick leave at the end of each calendar year. This payment will be based on semi-annual calculations, that will be processed with the first payroll in December. Employees who have a balance of at least one hundred sixty (160) hours of sick leave may choose to receive twenty-five percent (25%) or fifty percent (50%) of the unused sick leave earned that year. The balance of sick leave will be added to the employee's accumulated sick leave.

A. The twenty-five percent (25%) payout will not be calculated or paid to any employee absent from work on a work related injury which is being covered by worker's compensation.

7.01.03 Upon retirement, one hundred percent (100%) of the employees' unused sick leave balance will be credited to the employees' retirement eligibility. This amount would then be converted into time in service and added to the employee's retirement eligibility. (Reference - City contract with CalPERS, Section 20862.8)

7.01.04 Union employees shall be allowed to utilize two (2) Personal Leave Days totaling sixteen (16) hours per fiscal year chargeable to sick leave. Use of sixteen (16) hours of personal time during the calendar year will not impact the sick leave cash out in Section 7.01.02 for that calendar year, however it will affect the accumulated sick leave balance, one hundred sixty (160) hours, used to determine whether the employee qualified for the cash out of the unused sick leave earned that year.

7.01.05 Employees may use up to twenty-four (24) hours of compensatory time when ill or to attend a medical/dental appointment. All other time missed in a fiscal year due to illness or medical/dental appointments requires the use of sick leave. If the employee does not have sick leave and is not on an approved extended leave, the employee may choose to use vacation or compensation leave or may take that time off without pay. Vacation or compensatory time will not substitute for sick leave when the employee has available sick leave, with the exception of twenty four (24) hours of compensatory time per fiscal year as noted above. Per Section 7.01.04, employees may use sixteen (16) hours of personal time, which is charged to sick leave, for unforeseen appointments and unexpected absences.

7.02 **Vacation Accrual**

7.02.01 Vacation Accrual shall be as follows:

- A. Eighty (80) hours per year from the date of hire through the second (2nd) year of employment.
- B. Eighty eight (88) hours vacation during the third (3rd) year of employment.
- C. One hundred and four (104) hours vacation during the fourth (4th) year of employment.
- D. One hundred and twelve (112) hours vacation during the fifth (5th) year of employment.
- E. One hundred and twenty (120) hours vacation during the sixth (6th) year of employment.
- F. One hundred and twenty-eight (128) hours vacation during the seventh (7th) year of employment.
- G. One hundred and thirty-six (136) hours vacation during the eighth (8th) year of employment.
- H. One hundred and forty-four (144) hours vacation during the ninth (9th) year of employment.
- I. One hundred and fifty-two (152) hours vacation during the tenth (10th) year of employment.
- J. One hundred and sixty (160) hours vacation after the tenth (10th) year of service.

7.02.02 Maximum accumulation of vacation shall be no more than ~~that earned for three (3) years annual accrual effective December 31, 2024 and~~ (2) years annual accrual effective June

30, 2025. This vacation accumulation maximum shall be enforceable on those dates each year. Employees may exceed the maximum prior to those dates. Any employee who has more than ~~three (3) years annual accrual on the books January 1, 2025 and~~ two (2) years annual accrual on the books on within the pay period that includes July 1, 2025 shall not accrue additional vacation until vacation usage drops below the allowable accrual.

7.02.03 City guarantees during the term of the MOU, that no employee will lose vacation accrued if the employee follows departmental guidelines for requesting time off.

7.02.04 Employees who have vacation or compensatory time off at least equal to two (2) weeks shall have the option, twice per fiscal year, of receiving pay in lieu of time off for a total of eighty (80) hours of the accrued time per fiscal year. ~~For calendar year 2024 an additional forty (40) hours of accrued vacation and/or compensatory time may be cashed out for a maximum of 120 hours.~~ Employees may elect this option by December 15th of each year for the cash-out of the following calendar year. The cash out election is irrevocable. City will follow IRS regulations regarding cash-out of leave and communicate the procedures for cashing-out to Association. The City will research if cash out can be placed directly into deferred compensation 457 plan.

7.03 **Extended Leave Policy**

7.03.01 In the event an employee is absent from work for illness or injury, unless notified otherwise, prior to the end of the affected pay period, the time off will be coded and deducted from (1) accumulated sick leave, (2) accumulated comp time, and (3) accumulated vacation time, in that order. If a determination is subsequently made by City that the injury was job related, all sick leave, comp time and vacation time used to cover the leave will be credited back to the employee in an amount up to the worker's compensation determination. The amount of compensation from City may need to be offset by payments received from worker's compensation. At no time shall the employee receive compensation and worker's compensation payment in excess of their normal pay. Employees with insufficient time off credited to them will be coded on payroll as absent without pay. Extended leave is defined as two (2) weeks or more of consecutive time off due to illness or injury.

7.04 **Bereavement Leave**

7.04.01 Union members shall, per occurrence, be granted Bereavement Leave when a death occurs in the employee's or the employee's spouse's immediate family. For the purpose of this section, "immediate family" is defined as father, mother, brother, sister, spouse, natural or legally adopted child, step-child, in-laws, grandparents, and grandchildren. Employees are granted up to five (5) days of bereavement leave. Up to three (3) days of Bereavement Leave shall be ~~paid granted~~ when the death and service are within the State of California and the other two (2) days would need to be supplemented with other leave time. ~~and~~ Up to five (5) days are paid when the death or service is outside the State. City paid Bereavement Leave usage shall not be charged against the employee's Sick Leave or Vacation Time. Employees may also use up to two (2) additional days of Sick Leave to supplement their allotted Bereavement Leave if other circumstances require absence during that time.

7.04.02 Requests for additional Bereavement Leave beyond the allotted ~~three (3) or~~ five (5) days shall be subject to the approval of the employee's supervisor and deducted from the employee's accumulated Comp Time, Personal Leave, or Vacation Time. Special circumstances beyond this definition may be considered on a case-by-case basis and must

be approved by the City Manager.

- 7.04.03 This leave will not affect the twenty-five percent (25%) or fifty percent (50%) cash out of sick leave for the same calendar year.

ARTICLE VIII. – MISCELLANEOUS BENEFITS

8.01 CalPERS Retirement Contributions

- 8.01.01 For employees hired on or before January 1, 2013, and “Classic Employees” as defined in Government Code section 7522.02(c) of the California Public Employees’ Pension Reform Act of 2012 (“PEPRA”) hired on or after January 1, 2013, City agrees to continue its CalPERS miscellaneous contract with for all applicable retirement benefits in effect on July 1, 2007 which will provide the single highest year and the 2.5% @ 55 basic retirement formula.
- 8.01.02 For employees that are considered “New Members” as defined in Government Code section 7522.04(f) of PEPRA hired on or after January 1, 2013, the PERS miscellaneous contract will provide for the three (3) highest years compensation average and the 2.0% @ 62 retirement formula.
- 8.01.03 Beginning with CalPERS rates effective July 1, 2014, City and Union members agreed to split any rate differences at a 50/50 ratio.
- 8.01.04 Effective July 1, 2013, Union members will pay the full employee contribution rate of eight percent (8%).
- 8.01.05 Effective July 1, 2022, Union Members will share the employer’s CalPERS contribution rate at 6.12%. The employee’s contribution towards employer’s share of pension cost will be capped at 6.12%. The City and Union members agree to split any rate decreases below the FY 2022-23 employer’s CalPERS contribution rate of 28.77% at a 50/50 ratio.
- 8.01.06 Effective December 21, 2025, the employee’s contribution towards employer’s share of pension cost will reduce to 4.12%.
- 8.01.07 Effective December 20, 2026, the employee’s contribution towards employer’s share of pension cost will reduce to 1.12%.
- 8.01.08 Effective December 19, 2027, the employee’s contribution towards employer’s share of pension cost will be eliminated.

8.02 Deferred Compensation Plan

- 8.02.1 City shall continue to contribute two percent (2%) of an employee’s base salary to a 457

Deferred Compensation plan per pay period at the time of hire, an additional one percent (1%) after 5 years of service and an additional one percent (1%) after 10 years of service. Effective December 19, 2027 all employees will receive an additional one percent (1%) city contribution. Employees may elect to contribute via payroll deduction to the City's deferred compensation plans. Employees' contributions can be a lump sum contribution or a percentage of base wages. Employees must submit a completed deferred compensation enrollment/change form to the Human Resources Division for changes in their deferred compensation contributions. Changes shall be effective consistent with the Human Resources submittal deadlines and effective dates.

8.03 Life Insurance Program

8.03.01 For the term of this agreement, City will maintain a Life Insurance Program for each employee represented by Union in the amount of one hundred thousand dollars (\$100,000.00) effective August 1, 2008. This amount decreases when the employee reaches age 65, 70, and 75. The Life Insurance benefit will be paid to the employee's beneficiary upon the death of the employee as outlined in the program documents. City will continue to pay 100 percent (100%) of the cost involved with this program. Any employee currently purchasing additional life insurance through the flexible benefits plan may continue to do so.

8.04 Long Term Disability Program

8.04.01 For the term of this agreement, City will maintain a Long Term Disability Program on all employees represented by Union. The amount of monthly coverage for the Long Term Disability will be sixty six and two thirds percent (66^{2/3}%) of the employee's monthly earnings or a maximum benefit paid of four thousand dollars (\$4,000.00) per month, reduced by any deductive benefits. The maximum benefit period is to age sixty-five (65) or twelve (12) months, whichever is longer. The elimination period is the sixty (60) days of total disability. Employees may be eligible for some benefits for partial disability as outlined in the Plan documents. City will continue to pay one hundred percent (100%) of the costs involved with this Long Term Disability Program.

8.05 Short Term Disability Program

8.05.01 For the term of this agreement, City will maintain a Short Term Disability Program on all employees represented by Union. The amount of weekly coverage for the Short Term Disability will be sixty six and two thirds percent (66^{2/3}%) of the employee's weekly earnings or a maximum of nine hundred eighty-three (\$983.00) per week with a duration of eight (8) weeks and the elimination period of eight (8) days. The employee must be totally disabled to qualify for benefits. Per Plan requirements, maternity benefits are included in the Short-Term Disability coverage. City will continue to pay 100 percent (100%) of the costs involved with this program.

8.06 IRS 125 Program

8.06.01 City shall maintain in effect the IRS-125 Program.

ARTICLE IX. – MISCELLANEOUS POLICIES AND PROCEDURES

9.01 Hepatitis B Vaccines

9.01.01 City agrees to provide Hepatitis-B shots for those employees represented by Union who regularly or occasionally perform field duties.

9.02 Uniforms

9.02.01 City will provide uniforms for those employees in the Parks, Streets and Utility Divisions required to wear uniforms as a condition of employment. All divisions will be provided soft caps with the City logo attached. With the exception of City provided soft cap or safety helmet, no other caps, head gear, or hats are to be worn. City will also provide regular uniform cleaning. The uniform cleaning amount is \$21.75 per pay period and will be PERSable under special compensation. Employees assigned uniforms are to report to work in uniforms that are neat and clean.

9.02.02 City will provide up to ~~three~~ hundred ~~and fifty~~ dollars (~~\$25300.00~~) per fiscal year towards a one-time purchase of safety shoes for employees who regularly or occasionally perform field duties. This purchase will be made by City issued credit card. If the total cost of the safety shoe purchase is less than the amount provided by the City, the employee may apply the difference towards additional safety shoes or other safety-shoe related accessories at time of purchase, such as shoe protectant spray, shoelaces, insoles. Shoe-related accessories does not include socks. At no time, should the purchase exceed the ~~\$30250.00~~ limit. If the total cost does exceed the ~~\$30250.00~~ limit, the employee must use their personal credit card, debit card, or cash to pay the difference at the time of purchase. Proof of purchase is required to be submitted to their department; once purchased, employees are required to wear the shoes at all times when applicable duties are performed. If a new employee receives their initial safety shoes between the months of January – July, their next safety shoe purchase will be the following July.

It is the employee's responsibility to maintain safety shoes in proper working condition and replace them if necessary if they are damaged, worn, or unsafe. At any time, an employee's supervisor or manager may determine that shoes are unsafe and require replacement.

9.03 **Light Duty Determination**

9.03.01 In the event an employee is injured and off the job for ten (10) working days or more and may be able to return to work but not able to perform all her/his normal job duty assignments, a temporary "light duty" assignment may be made by City. To be eligible for such a modified assignment, City may require the employee to provide the Human Resources Office with a medical statement from his/her treating physician that clearly states the medical limitations and abilities of the employee. City may require a second or third doctor's determination at City expense. All light duty work requests shall be coordinated through the Human Resources Office. Light duty may be granted provide that:

- A. A temporary modified work assignment is available and may be accommodated without adverse consequences to City or disruption in services or operations,
- B. City may change regular days off and work hours while the employee is assigned to the temporary modified work assignment,
- C. No temporary modified work assignment shall extend for more than ninety (90) days with the approval of the City Manager, and
- D. No temporary modified work assignment creates any employee entitlement to an assignment in a light duty position.

9.03.02 An employee receiving such a light duty determination could be reassigned to another assignment or other reduced work schedule up to a forty (40) hour work week upon the determination of the Department Director. Once the employee is certified by

his/her treating physician or City doctor as no longer in need of light duty, he/she will be reassigned to their normal work assignment.

9.04 **Substance Abuse Policy**

9.04.01 City's Substance Abuse Policy (Administrative Policy VI018) shall continue in effect for the term of this agreement.

9.05 **Class "A" License**

9.05.01 All Utility Worker and Maintenance Worker employees are required to maintain a Class "A" license. Pursuant to the Department of Transportation regulations, such employees are subject to the Department of Transportation Drug Policy. A copy of the Drug and Alcohol Testing Policy as agreed to by City and Union is attached Exhibit D).

9.06 **City-Wide Safety Committee**

9.06.01 City shall maintain a City-wide Safety Committee with Union appointing up to two (2) members. The Committee shall meet at least quarterly and shall review all accident reports and make recommendations thereon, review departmental safety programs and make recommendations thereon, and assist in planning and presenting safety programs. Responsibility for and authority over safety continues to be vested in City Management.

9.07 **Lay Off Procedure**

9.07.01 The City Council may abolish any position in the Classified Service due to lack of funds, work or need.

9.07.02 If City implements a reduction in work force, City will administer the lay-off policy consistent with the following concepts:

A. ORDER: The order of lay-off shall be as follows:

1. Temporary (as-needed) employees;
2. Probationary employees; and
3. Permanent employees in inverse order of seniority within the classification series being reduced.

B. SENIORITY: Seniority shall be determined by the length of current continuous permanent service with City regardless of classification in which employed. Continuous service shall be defined as that which has not been interrupted by separation of service from City. Seniority shall be retained, but shall not accrue, during any period of authorized leave without pay (more than thirty (30) days), except for military leave. The treatment of personnel employed by means of State or Federal grant monies shall be in accordance with regulations for retention as established by the grantor. In the absence of such regulations, the type of position (Classified or Exempt) shall govern treatment of such personnel. Part time employees shall only receive their total hours of credit and are only subject to combine their total hours for bumping another part-time employee. At no time shall a part time employee be eligible to bump a full-time employee, regardless of seniority. Should a full-time employee who is subject to lay off, be eligible or certified to work in a part time position, the full-time employee may bump into that position beginning with the least senior part time employee first.

C. NOTICE: Probationary and regular employees in the Classified Service, who are

scheduled to be laid off, shall receive at least a twenty-one (21) day notice. When City determines that it must implement a reduction in work force, notice to the employee shall be in writing and the bargaining unit shall receive the following information, in addition to the opportunity to discuss with a representative of management:

1. Reason for layoff,
2. Effective date of layoff,
3. Conditions governing re-employment, and
4. Information regarding unemployment insurance.

9.07.03 In lieu of layoff, an employee may elect transfer or demotion to a vacant position in the Classified Service which City intends to fill and for which the employee is qualified. Such actions shall be governed by the terms of Section 10 of the Personnel Rules and in no event shall result in an employee being placed in a classification carrying a higher maximum rate of pay. If two (2) or more employees have requested transfer or demotion to the same vacant position and City has determined they are both qualified to fill it, the more senior employee shall receive preference. For purposes of this section, total time in the Classified Service shall be utilized in determining seniority.

9.07.04 Within ten (10) days from the date layoff notices are issued, an employee who would otherwise be laid off may elect to displace an employee in a classification carrying a lower or the same maximum rate of pay, provided that the displacing employee must have held regular status in such classification and have greater time in the classification and directly related higher classifications combined than the employee being displaced. For example, related classifications would mean Utility Worker I, Utility Worker II, Senior Utility Worker, etc.

9.07.05 A probationary or regular employee displaced in accordance with this paragraph shall, in turn, be provided the same notice and “bumping” privilege as set forth in that paragraph.

9.07.06 Regular and probationary personnel laid off in accordance with this Section shall, unless they request otherwise, be placed on a re-employment list for three (3) years. If an employee is re-employed from such a list, all service credits and sick leave accrued to the date of layoff shall be restored. In no event, however, shall City be required to restore credits for vacation and sick leave paid out at the time of layoff.

9.07.07 At the time of layoff, the employee’s name shall be removed from all promotional eligible lists, but, at the employee’s request, shall be retained on open-competitive lists subject to the provisions of Section 10 of the City’s Personnel Rules. If the employee is re-employed prior to the expiration of a promotional list, they shall be reinstated to the list.

9.07.08 Prior to the effective date of layoff, the Department Director shall furnish the City Manager a final evaluation of the employee’s performance.

9.07.09 Management employees are not eligible to “bump down” into a Union represented position regardless of their previous seniority or status.

9.08 **Work Stoppage, Any Job Action, Slowdown**

9.08.01 During the life of this MOU, no work stoppage, strikes, or picketing shall be caused or sanctioned by Union and no lockouts shall be made by City.

9.08.02 In the event that any employee covered by this Agreement, individually or collectively,

violates the provisions of this article and Union fails to exercise good faith in halting the work interruption, Union and the employees involved shall be deemed in violation of this article and City shall be entitled to seek all remedies available to it under applicable law.

- 9.08.03 Should City change or increase the duties, requirements, or safety hazards of any job classification(s) represented herein, City will meet and confer with Union no later than thirty (30) days before effective date of such change or changes for the purpose of negotiating appropriate salary adjustment(s) for the so changed classification(s) at a level appropriate to compensate for the increased duties, requirements or safety hazards.

ARTICLE X. – GRIEVANCE PROCEDURE

- 10.01 The following grievance procedure will be in effect:
- 10.02 A grievance is defined as any dispute involving the interpretation, application or alleged violation of:
- A. A current Memorandum of Understanding between City and Union.
 - B. City's Personnel Rules where the provision in dispute is within the scope of representation.
- 10.03 Disciplinary appeals are subject to the provisions of City's Personnel Rules. Disciplinary appeals are subject to the provisions of City's Personnel Rules.
- 10.04 **Informal and Formal Grievances**
- 10.04.01 Step 1. Union or an employee who has a grievance shall bring it to the attention of his/her immediate supervisor within twenty (20) working days of the occurrence of the act which is the basis for the dispute. If the employee and the immediate supervisor are unable to resolve the grievance within ten (10) working days of the date it is raised with the immediate supervisor, the employee shall have the right to submit a formal grievance which shall contain the following information:
- A. The name of the grievant;
 - B. The grievant's department and specific work site;
 - C. The name of the grievant's immediate supervisor;
 - D. A statement of the nature of the grievance including the date and place of occurrence;
 - E. The specific provision, policy, or procedure alleged to have been violated;
 - F. The remedies sought by the grievant; and
 - G. The name of the individual or organization, if any, designated by the grievant to represent him/her in the processing of the grievance. However, in no event, shall an employee organization other than the one which formally represents the position occupied by the grievant be designated as the grievant's representative.
- 10.04.02 Step 2. If Union or an employee is dissatisfied with the decision of the immediate supervisor in Step 1, they may submit the grievance to the appropriate Department Director within ten (10) working days from the date of the immediate supervisor's

decision. The Department Director shall respond to the Grievance in writing within seven (7) working days from the date of its receipt.

10.04.03 Step 3. If the employee is dissatisfied with the decision of the Department Director in Step 2, he/she may submit the grievance to the City Manager within ten (10) working days from receipt of the Department Director's response. The City Manager or his/her designated representative shall respond to the Grievance in writing within the ten (10) working days of its receipt. Within this period, the City Manager or his/her designee, at his/her discretion, may conduct an informal hearing involving the parties to the dispute.

10.04.04 Step 4. If Union or the employee is dissatisfied with the decision of the City Manager, he/she may submit the grievance to an Employee Relations Panel as provided in Part C, listed below. Notice of such appeal must be filed in writing by the employee with the City Manager within fifteen (15) working days of receipt of the City Manager or his/her designee's decision.

10.05 **Employee Relations Panel**

10.05.01 The Employee Relations Panel shall consist of three (3) members selected as follows:

- A. A City Management official selected by the City Manager;
- B. A City employee selected by the grievant provided, however, that the participation of the employee so selected shall not constitute a conflict of interest nor subject that employee to any recriminations as a result of his/her participation; and
- C. A representative of the California State Mediation and Conciliation Service, or an individual chosen by the parties knowledgeable in public sector labor relations from any source reasonably likely to produce such an individual, including, but not limited to, a labor organization or management organization. This person shall serve as chairperson.
 - i. Where provided compensation, pay shall be shared by City and the grievant or Union.
 - ii. The majority decision of the panel shall be final and binding, subject only to ratification by the City Council if said decision mandates a capital expenditure or significant, unbudgeted expenditures. In those instances, the ruling shall be submitted to the City Council for action which may include modification or reversal. Denial of an award by the City Council does not constitute a waiver of Union's right to seek enforcement of the Award in the Courts.

10.05.02 The conduct of the Panel's hearing shall be governed by the following ground rules.

- A. All hearings shall be convened during regular established City hours to the participation in the hearing is required by the Panel, shall not suffer loss of wages for time devoted to this purpose.
- B. All hearings shall be conducted in an expeditious manner, with the Chairperson retaining final authority to rule on procedural matters or on other points affecting the length and conduct of the hearing. Legal counsel, court reporters and briefs shall only be utilized upon agreement between City and Union or grievant and shall not serve to delay the Panel's decision, except by mutual agreement.

- C. The Panel shall be committed to resolving the grievance in an objective, timely and equitable fashion and shall not permit either party to engage in any presentation or line of an argument which detracts from this purpose. Moreover, the Panel shall not accept evidence not presented in Step 3 of this procedure.
- D. No hearing shall be convened unless both parties have stipulated in writing to the issue or issues to be heard by the panel.

10.05.03 **General Conditions**

- A. Any time limit set forth in this procedure may be extended by written agreement between City and the grievant or Union.
- B. Failure on the part of the grievant or their designated representative to comply with the time limits of this procedure or any extension thereto shall constitute a withdrawal of the grievance without further recourse for re- submittal under this procedure. Failure on the part of City to comply with prescribed time limits or extension thereto shall result in the grievance being moved to the next step of the procedure.
- C. The grievant shall be entitled to have a representative of his own choosing, except as provided in Step 1, B-G., present at any grievance meeting with City.
- D. A representative of a recognized employee organization which represents the grievant’s position shall be entitled to be present at any hearing held in conjunction with Step 3 and Step 4 of this procedure.
- E. The City Manager or his/her designated representative shall serve as the central repository for all grievance records.

ARTICLE XI. – MISCELLANEOUS

11.01 City and Union consent to form a committee whose task shall be to create a program that provides for certain positions within City’s classifications to be designated as “flexibly staffed.” Flexibly staffed positions will afford City the opportunity to increase the capacity of the work force to deliver quality services to citizens and provides City employees with advancement opportunities within their job classification. Once the program is established, Human Resources shall be responsible for its oversight.

ARTICLE XII. – RATIFICATION

12.01 This MOU shall become effective December 2~~14~~, 202~~53~~.

12.02 Unless mutually agreed otherwise by City and Union, Union shall provide City with its written requests on terms within the scope of representation for the period including January 1, 202~~85~~ no later than two (2) weeks prior to the start of negotiations. City and Union shall begin to meet and confer on or before August 1, 202~~85~~ and endeavor to complete negotiations on a successor MOU by the end of November 202~~85~~.

FOR THE CITY OF MORGAN HILL

FOR AFSCME, LOCAL 101

Christina Turner Date
City Manager

Osbaldo Esquivel Date
President

Donald Larkin Date
City Attorney

~~Oracio Vasquez~~ Grant Murdock- Date
~~Vice President~~ AFSCME Negotiator

Michael Horta Date
Human Resources Director

John ~~Henry~~ Amos Date
~~Treasurer~~ AFSCME Negotiator

Dat Nguyen Date
Finance Director

~~Lisa Cvitanich~~ Steven Robles Date
~~Secretary~~ AFSCME Negotiator

~~Edith Ramirez~~ Chris Ghione Date
Assistant City Manager for ~~Development~~ Public Services

Carol McEwan Date
Union Representative, AFSCME Council 57

Exhibit A

CITY OF MORGAN HILL AFSCME LOCAL 101 MONTHLY SALARY FOR REGULAR EMPLOYEES BY CLASSIFICATION

Effective: 12/21/2025 (3% increase)

Monthly figures are rounded to the nearest \$1.00

| Position | A Monthly | A Hourly | B Monthly | B Hourly | C Monthly | C Hourly | D Monthly | D Hourly | E Monthly | E Hourly | F Monthly | F Hourly |
|--|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|
| Accountant I | 8,873 | 51.19 | 9,316 | 53.75 | 9,782 | 56.44 | 10,271 | 59.26 | 10,785 | 62.22 | 11,324 | 65.33 |
| Accounting Asst. I | 6,184 | 35.67 | 6,493 | 37.46 | 6,817 | 39.33 | 7,158 | 41.30 | 7,516 | 43.36 | 7,892 | 45.53 |
| Accounting Asst. II | 6,470 | 37.33 | 6,793 | 39.19 | 7,133 | 41.15 | 7,490 | 43.21 | 7,864 | 45.37 | 8,257 | 47.64 |
| Accounting Technician | 7,990 | 46.10 | 8,389 | 48.40 | 8,809 | 50.82 | 9,249 | 53.36 | 9,712 | 56.03 | 10,197 | 58.83 |
| Assistant Planner | 8,873 | 51.19 | 9,316 | 53.75 | 9,782 | 56.44 | 10,271 | 59.26 | 10,785 | 62.22 | 11,324 | 65.33 |
| Assistant Engineer | 9,857 | 56.87 | 10,350 | 59.71 | 10,867 | 62.70 | 11,411 | 65.83 | 11,981 | 69.12 | 12,580 | 72.58 |
| Associate Planner | 9,551 | 55.10 | 10,029 | 57.86 | 10,530 | 60.75 | 11,057 | 63.79 | 11,610 | 66.98 | 12,190 | 70.33 |
| Associate Engineer | 11,451 | 66.06 | 12,023 | 69.36 | 12,624 | 72.83 | 13,255 | 76.47 | 13,918 | 80.30 | 14,614 | 84.31 |
| Business Assistant | 6,800 | 39.23 | 7,140 | 41.19 | 7,497 | 43.25 | 7,872 | 45.41 | 8,265 | 47.68 | 8,678 | 50.07 |
| Building Inspector II | 9,905 | 57.15 | 10,401 | 60.00 | 10,921 | 63.00 | 11,467 | 66.15 | 12,040 | 69.46 | 12,642 | 72.94 |
| Building Inspector Supervisor | 11,652 | 67.22 | 12,235 | 70.59 | 12,847 | 74.12 | 13,489 | 77.82 | 14,163 | 81.71 | 14,872 | 85.80 |
| Code Compliance Officer | 8,972 | 51.76 | 9,420 | 54.35 | 9,891 | 57.06 | 10,386 | 59.92 | 10,905 | 62.91 | 11,450 | 66.06 |
| Communication and Engagement Coordinator | 9,098 | 52.49 | 9,553 | 55.11 | 10,031 | 57.87 | 10,532 | 60.76 | 11,059 | 63.80 | 11,612 | 66.99 |
| Community Services Coordinator | 7,466 | 43.07 | 7,840 | 45.23 | 8,232 | 47.49 | 8,643 | 49.86 | 9,075 | 52.36 | 9,529 | 54.98 |
| Council Services Assistant | 6,756 | 38.97 | 7,093 | 40.92 | 7,448 | 42.97 | 7,821 | 45.12 | 8,212 | 47.37 | 8,622 | 49.74 |
| Custodian | 4,521 | 26.08 | 4,747 | 27.39 | 4,985 | 28.76 | 5,234 | 30.20 | 5,496 | 31.71 | 5,770 | 33.29 |
| Deputy City Clerk | 7,836 | 45.21 | 8,228 | 47.47 | 8,639 | 49.84 | 9,071 | 52.33 | 9,525 | 54.95 | 10,001 | 57.70 |
| Development Services Technician | 7,836 | 45.21 | 8,228 | 47.47 | 8,639 | 49.84 | 9,071 | 52.33 | 9,525 | 54.95 | 10,001 | 57.70 |
| Electrician | 9,334 | 53.85 | 9,800 | 56.54 | 10,290 | 59.37 | 10,805 | 62.34 | 11,345 | 65.45 | 11,912 | 68.73 |
| Engineering Technician I | 6,928 | 39.97 | 7,274 | 41.97 | 7,638 | 44.07 | 8,020 | 46.27 | 8,421 | 48.58 | 8,842 | 51.01 |
| Engineering Technician II | 7,660 | 44.19 | 8,043 | 46.40 | 8,445 | 48.72 | 8,867 | 51.16 | 9,311 | 53.72 | 9,776 | 56.40 |
| Environmental Programs Coordinator | 8,873 | 51.19 | 9,316 | 53.75 | 9,782 | 56.44 | 10,271 | 59.26 | 10,785 | 62.22 | 11,324 | 65.33 |
| Environmental Services Technician | 6,928 | 39.97 | 7,274 | 41.97 | 7,638 | 44.07 | 8,020 | 46.27 | 8,421 | 48.58 | 8,842 | 51.01 |
| Exec. Asst. to the Chief of Police | 7,378 | 42.57 | 7,747 | 44.70 | 8,134 | 46.93 | 8,541 | 49.28 | 8,968 | 51.74 | 9,417 | 54.33 |
| Facilities Maintenance Specialist | 7,466 | 43.07 | 7,840 | 45.23 | 8,232 | 47.49 | 8,643 | 49.86 | 9,075 | 52.36 | 9,529 | 54.98 |
| Fire/Building Inspector | 9,905 | 57.15 | 10,401 | 60.00 | 10,921 | 63.00 | 11,467 | 66.15 | 12,040 | 69.46 | 12,642 | 72.94 |
| Housing Program Coordinator | 9,551 | 55.10 | 10,029 | 57.86 | 10,530 | 60.75 | 11,057 | 63.79 | 11,610 | 66.98 | 12,190 | 70.33 |
| Information Services Technician | 8,873 | 51.19 | 9,316 | 53.75 | 9,782 | 56.44 | 10,271 | 59.26 | 10,785 | 62.22 | 11,324 | 65.33 |
| Junior Engineer | 8,873 | 51.19 | 9,316 | 53.75 | 9,782 | 56.44 | 10,271 | 59.26 | 10,785 | 62.22 | 11,324 | 65.33 |
| Maintenance Worker I | 6,140 | 35.42 | 6,447 | 37.19 | 6,769 | 39.05 | 7,108 | 41.01 | 7,463 | 43.06 | 7,836 | 45.21 |
| Maintenance Worker II | 6,774 | 39.08 | 7,113 | 41.04 | 7,469 | 43.09 | 7,842 | 45.24 | 8,234 | 47.51 | 8,646 | 49.88 |
| Maintenance Worker III | 7,452 | 42.99 | 7,824 | 45.14 | 8,215 | 47.40 | 8,626 | 49.77 | 9,058 | 52.25 | 9,510 | 54.87 |
| Maintenance Supervisor | 9,840 | 56.77 | 10,332 | 59.61 | 10,848 | 62.59 | 11,391 | 65.72 | 11,960 | 69.00 | 12,558 | 72.45 |
| Management Analyst | 9,098 | 52.49 | 9,553 | 55.11 | 10,031 | 57.87 | 10,532 | 60.76 | 11,059 | 63.80 | 11,612 | 66.99 |
| Multimedia Coordinator | 6,800 | 39.23 | 7,140 | 41.19 | 7,497 | 43.25 | 7,872 | 45.41 | 8,265 | 47.68 | 8,678 | 50.07 |
| Municipal Services Assistant | 6,470 | 37.33 | 6,793 | 39.19 | 7,133 | 41.15 | 7,490 | 43.21 | 7,864 | 45.37 | 8,257 | 47.64 |
| Office Assistant I | 4,667 | 26.92 | 4,900 | 28.27 | 5,145 | 29.68 | 5,402 | 31.17 | 5,672 | 32.73 | 5,956 | 34.36 |
| Office Assistant II | 5,866 | 33.84 | 6,159 | 35.53 | 6,467 | 37.31 | 6,791 | 39.18 | 7,130 | 41.14 | 7,487 | 43.19 |
| Plan Check Engineer | 11,652 | 67.22 | 12,235 | 70.59 | 12,847 | 74.12 | 13,489 | 77.82 | 14,163 | 81.71 | 14,872 | 85.80 |
| Plans Examiner | 9,905 | 57.15 | 10,401 | 60.00 | 10,921 | 63.00 | 11,467 | 66.15 | 12,040 | 69.46 | 12,642 | 72.94 |
| Police Analyst | 10,033 | 57.88 | 10,535 | 60.78 | 11,062 | 63.82 | 11,615 | 67.01 | 12,196 | 70.36 | 12,805 | 73.88 |
| Public Works Inspection Supervisor | 11,652 | 67.22 | 12,235 | 70.59 | 12,847 | 74.12 | 13,489 | 77.82 | 14,163 | 81.71 | 14,872 | 85.80 |
| Public Works Inspector | 9,334 | 53.85 | 9,800 | 56.54 | 10,290 | 59.37 | 10,805 | 62.34 | 11,345 | 65.45 | 11,912 | 68.73 |
| Recreation Services Coordinator | 7,466 | 43.07 | 7,840 | 45.23 | 8,232 | 47.49 | 8,643 | 49.86 | 9,075 | 52.36 | 9,529 | 54.98 |
| Senior Accountant | 9,760 | 56.31 | 10,248 | 59.12 | 10,760 | 62.08 | 11,298 | 65.18 | 11,863 | 68.44 | 12,456 | 71.86 |
| Senior Information Services Technician | 9,539 | 55.03 | 10,016 | 57.78 | 10,516 | 60.67 | 11,042 | 63.70 | 11,594 | 66.89 | 12,174 | 70.23 |
| Senior Maintenance Worker | 8,214 | 47.39 | 8,624 | 49.75 | 9,055 | 52.24 | 9,508 | 54.85 | 9,984 | 57.60 | 10,483 | 60.48 |
| Senior Public Works Inspector | 10,033 | 57.88 | 10,535 | 60.78 | 11,062 | 63.82 | 11,615 | 67.01 | 12,196 | 70.36 | 12,805 | 73.88 |
| Senior Recreation Services Coordinator | 7,840 | 45.23 | 8,232 | 47.50 | 8,644 | 49.87 | 9,076 | 52.36 | 9,530 | 54.98 | 10,007 | 57.73 |
| Senior Utility Worker | 8,214 | 47.39 | 8,624 | 49.75 | 9,055 | 52.24 | 9,508 | 54.85 | 9,984 | 57.60 | 10,483 | 60.48 |
| Support Services Supervisor | 8,851 | 51.07 | 9,294 | 53.62 | 9,759 | 56.30 | 10,247 | 59.11 | 10,759 | 62.07 | 11,297 | 65.17 |
| Unhoused Specialist | 7,466 | 43.07 | 7,840 | 45.23 | 8,232 | 47.49 | 8,643 | 49.86 | 9,075 | 52.36 | 9,529 | 54.98 |
| Utility Worker I | 6,140 | 35.42 | 6,447 | 37.19 | 6,769 | 39.05 | 7,108 | 41.01 | 7,463 | 43.06 | 7,836 | 45.21 |
| Utility Worker II | 6,774 | 39.08 | 7,113 | 41.04 | 7,469 | 43.09 | 7,842 | 45.24 | 8,234 | 47.51 | 8,646 | 49.88 |
| Utility Worker III | 7,452 | 42.99 | 7,824 | 45.14 | 8,215 | 47.40 | 8,626 | 49.77 | 9,058 | 52.25 | 9,510 | 54.87 |
| Utility Supervisor | 10,001 | 57.70 | 10,502 | 60.59 | 11,027 | 63.62 | 11,578 | 66.80 | 12,157 | 70.14 | 12,765 | 73.64 |
| Utilities Technology Specialist | 8,248 | 47.58 | 8,660 | 49.96 | 9,093 | 52.46 | 9,548 | 55.08 | 10,025 | 57.84 | 10,526 | 60.73 |
| Water Quality Specialist | 8,248 | 47.58 | 8,660 | 49.96 | 9,093 | 52.46 | 9,548 | 55.08 | 10,025 | 57.84 | 10,526 | 60.73 |

Exhibit B

CITY OF MORGAN HILL AFSCME LOCAL 101 MONTHLY SALARY FOR REGULAR EMPLOYEES BY CLASSIFICATION

Effective: 12/20/2026 (2% increase)

Monthly figures are rounded to the nearest \$1.00

| Position | A Monthly | A Hourly | B Monthly | B Hourly | C Monthly | C Hourly | D Monthly | D Hourly | E Monthly | E Hourly | F Monthly | F Hourly |
|--|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|
| Accountant I | 9,050 | 52.21 | 9,503 | 54.82 | 9,978 | 57.56 | 10,477 | 60.44 | 11,001 | 63.47 | 11,551 | 66.64 |
| Accounting Asst. I | 6,307 | 36.39 | 6,623 | 38.21 | 6,954 | 40.12 | 7,301 | 42.12 | 7,666 | 44.23 | 8,050 | 46.44 |
| Accounting Asst. II | 6,599 | 38.07 | 6,929 | 39.98 | 7,276 | 41.98 | 7,640 | 44.07 | 8,022 | 46.28 | 8,423 | 48.59 |
| Accounting Technician | 8,150 | 47.02 | 8,557 | 49.37 | 8,985 | 51.84 | 9,434 | 54.43 | 9,906 | 57.15 | 10,401 | 60.01 |
| Assistant Planner | 9,050 | 52.21 | 9,503 | 54.82 | 9,978 | 57.56 | 10,477 | 60.44 | 11,001 | 63.47 | 11,551 | 66.64 |
| Assistant Engineer | 10,054 | 58.00 | 10,557 | 60.90 | 11,085 | 63.95 | 11,639 | 67.15 | 12,221 | 70.51 | 12,832 | 74.03 |
| Associate Planner | 9,742 | 56.21 | 10,229 | 59.02 | 10,741 | 61.97 | 11,278 | 65.06 | 11,842 | 68.32 | 12,434 | 71.73 |
| Associate Engineer | 11,680 | 67.38 | 12,264 | 70.75 | 12,877 | 74.29 | 13,521 | 78.00 | 14,197 | 81.90 | 14,906 | 86.00 |
| Business Assistant | 6,936 | 40.01 | 7,282 | 42.01 | 7,647 | 44.12 | 8,029 | 46.32 | 8,430 | 48.64 | 8,852 | 51.07 |
| Building Inspector II | 10,104 | 58.29 | 10,609 | 61.20 | 11,139 | 64.26 | 11,696 | 67.48 | 12,281 | 70.85 | 12,895 | 74.39 |
| Building Inspector Supervisor | 11,885 | 68.57 | 12,480 | 72.00 | 13,104 | 75.60 | 13,759 | 79.38 | 14,447 | 83.35 | 15,169 | 87.51 |
| Code Compliance Officer | 9,151 | 52.79 | 9,609 | 55.43 | 10,089 | 58.21 | 10,593 | 61.12 | 11,123 | 64.17 | 11,679 | 67.38 |
| Communication and Engagement Coordinator | 9,280 | 53.54 | 9,744 | 56.22 | 10,232 | 59.03 | 10,743 | 61.98 | 11,280 | 65.08 | 11,844 | 68.33 |
| Community Services Coordinator | 7,616 | 43.94 | 7,996 | 46.13 | 8,396 | 48.44 | 8,816 | 50.86 | 9,257 | 53.40 | 9,720 | 56.08 |
| Council Services Assistant | 6,891 | 39.75 | 7,235 | 41.74 | 7,597 | 43.83 | 7,977 | 46.02 | 8,376 | 48.32 | 8,795 | 50.74 |
| Custodian | 4,612 | 26.61 | 4,842 | 27.94 | 5,084 | 29.33 | 5,339 | 30.80 | 5,606 | 32.34 | 5,886 | 33.96 |
| Deputy City Clerk | 7,993 | 46.11 | 8,393 | 48.42 | 8,812 | 50.84 | 9,253 | 53.38 | 9,715 | 56.05 | 10,201 | 58.85 |
| Development Services Technician | 7,993 | 46.11 | 8,393 | 48.42 | 8,812 | 50.84 | 9,253 | 53.38 | 9,715 | 56.05 | 10,201 | 58.85 |
| Electrician | 9,520 | 54.92 | 9,996 | 57.67 | 10,496 | 60.55 | 11,021 | 63.58 | 11,572 | 66.76 | 12,151 | 70.10 |
| Engineering Technician I | 7,066 | 40.77 | 7,420 | 42.81 | 7,791 | 44.95 | 8,180 | 47.19 | 8,589 | 49.55 | 9,019 | 52.03 |
| Engineering Technician II | 7,813 | 45.08 | 8,204 | 47.33 | 8,614 | 49.70 | 9,045 | 52.18 | 9,497 | 54.79 | 9,972 | 57.53 |
| Environmental Programs Coordinator | 9,050 | 52.21 | 9,503 | 54.82 | 9,978 | 57.56 | 10,477 | 60.44 | 11,001 | 63.47 | 11,551 | 66.64 |
| Environmental Services Technician | 7,066 | 40.77 | 7,420 | 42.81 | 7,791 | 44.95 | 8,180 | 47.19 | 8,589 | 49.55 | 9,019 | 52.03 |
| Exec. Asst. to the Chief of Police | 7,526 | 43.42 | 7,902 | 45.59 | 8,297 | 47.87 | 8,712 | 50.26 | 9,148 | 52.77 | 9,605 | 55.41 |
| Facilities Maintenance Specialist | 7,616 | 43.94 | 7,996 | 46.13 | 8,396 | 48.44 | 8,816 | 50.86 | 9,257 | 53.40 | 9,720 | 56.08 |
| Fire/Building Inspector | 10,104 | 58.29 | 10,609 | 61.20 | 11,139 | 64.26 | 11,696 | 67.48 | 12,281 | 70.85 | 12,895 | 74.39 |
| Housing Program Coordinator | 9,742 | 56.21 | 10,229 | 59.02 | 10,741 | 61.97 | 11,278 | 65.06 | 11,842 | 68.32 | 12,434 | 71.73 |
| Information Services Technician | 9,050 | 52.21 | 9,503 | 54.82 | 9,978 | 57.56 | 10,477 | 60.44 | 11,001 | 63.47 | 11,551 | 66.64 |
| Junior Engineer | 9,050 | 52.21 | 9,503 | 54.82 | 9,978 | 57.56 | 10,477 | 60.44 | 11,001 | 63.47 | 11,551 | 66.64 |
| Maintenance Worker I | 6,263 | 36.13 | 6,576 | 37.94 | 6,905 | 39.84 | 7,250 | 41.83 | 7,613 | 43.92 | 7,993 | 46.11 |
| Maintenance Worker II | 6,910 | 39.87 | 7,255 | 41.86 | 7,618 | 43.95 | 7,999 | 46.15 | 8,399 | 48.46 | 8,819 | 50.88 |
| Maintenance Worker III | 7,601 | 43.85 | 7,981 | 46.04 | 8,380 | 48.34 | 8,799 | 50.76 | 9,239 | 53.30 | 9,701 | 55.97 |
| Maintenance Supervisor | 10,036 | 57.90 | 10,538 | 60.80 | 11,065 | 63.84 | 11,618 | 67.03 | 12,199 | 70.38 | 12,809 | 73.90 |
| Management Analyst | 9,280 | 53.54 | 9,744 | 56.22 | 10,232 | 59.03 | 10,743 | 61.98 | 11,280 | 65.08 | 11,844 | 68.33 |
| Multimedia Coordinator | 6,936 | 40.01 | 7,282 | 42.01 | 7,647 | 44.12 | 8,029 | 46.32 | 8,430 | 48.64 | 8,852 | 51.07 |
| Municipal Services Assistant | 6,599 | 38.07 | 6,929 | 39.98 | 7,276 | 41.98 | 7,640 | 44.07 | 8,022 | 46.28 | 8,423 | 48.59 |
| Office Assistant I | 4,760 | 27.46 | 4,998 | 28.83 | 5,248 | 30.28 | 5,510 | 31.79 | 5,786 | 33.38 | 6,075 | 35.05 |
| Office Assistant II | 5,983 | 34.52 | 6,283 | 36.25 | 6,597 | 38.06 | 6,926 | 39.96 | 7,273 | 41.96 | 7,636 | 44.06 |
| Plan Check Engineer | 11,885 | 68.57 | 12,480 | 72.00 | 13,104 | 75.60 | 13,759 | 79.38 | 14,447 | 83.35 | 15,169 | 87.51 |
| Plans Examiner | 10,104 | 58.29 | 10,609 | 61.20 | 11,139 | 64.26 | 11,696 | 67.48 | 12,281 | 70.85 | 12,895 | 74.39 |
| Police Analyst | 10,234 | 59.04 | 10,746 | 61.99 | 11,283 | 65.09 | 11,847 | 68.35 | 12,440 | 71.77 | 13,062 | 75.35 |
| Public Works Inspection Supervisor | 11,885 | 68.57 | 12,480 | 72.00 | 13,104 | 75.60 | 13,759 | 79.38 | 14,447 | 83.35 | 15,169 | 87.51 |
| Public Works Inspector | 9,520 | 54.92 | 9,996 | 57.67 | 10,496 | 60.55 | 11,021 | 63.58 | 11,572 | 66.76 | 12,151 | 70.10 |
| Recreation Services Coordinator | 7,616 | 43.94 | 7,996 | 46.13 | 8,396 | 48.44 | 8,816 | 50.86 | 9,257 | 53.40 | 9,720 | 56.08 |
| Senior Accountant | 9,955 | 57.43 | 10,453 | 60.31 | 10,976 | 63.32 | 11,524 | 66.49 | 12,101 | 69.81 | 12,706 | 73.30 |
| Senior Information Services Technician | 9,729 | 56.13 | 10,216 | 58.94 | 10,727 | 61.88 | 11,263 | 64.98 | 11,826 | 68.23 | 12,417 | 71.64 |
| Senior Maintenance Worker | 8,378 | 48.33 | 8,797 | 50.75 | 9,236 | 53.29 | 9,698 | 55.95 | 10,183 | 58.75 | 10,692 | 61.69 |
| Senior Public Works Inspector | 10,234 | 59.04 | 10,746 | 61.99 | 11,283 | 65.09 | 11,847 | 68.35 | 12,440 | 71.77 | 13,062 | 75.35 |
| Senior Recreation Services Coordinator | 7,997 | 46.14 | 8,397 | 48.45 | 8,817 | 50.87 | 9,258 | 53.41 | 9,721 | 56.08 | 10,207 | 58.89 |
| Senior Utility Worker | 8,378 | 48.33 | 8,797 | 50.75 | 9,236 | 53.29 | 9,698 | 55.95 | 10,183 | 58.75 | 10,692 | 61.69 |
| Support Services Supervisor | 9,028 | 52.09 | 9,480 | 54.69 | 9,954 | 57.43 | 10,451 | 60.30 | 10,974 | 63.31 | 11,523 | 66.48 |
| Unhoused Specialist | 7,616 | 43.94 | 7,996 | 46.13 | 8,396 | 48.44 | 8,816 | 50.86 | 9,257 | 53.40 | 9,720 | 56.08 |
| Utility Worker I | 6,263 | 36.13 | 6,576 | 37.94 | 6,905 | 39.84 | 7,250 | 41.83 | 7,613 | 43.92 | 7,993 | 46.11 |
| Utility Worker II | 6,910 | 39.87 | 7,255 | 41.86 | 7,618 | 43.95 | 7,999 | 46.15 | 8,399 | 48.46 | 8,819 | 50.88 |
| Utility Worker III | 7,601 | 43.85 | 7,981 | 46.04 | 8,380 | 48.34 | 8,799 | 50.76 | 9,239 | 53.30 | 9,701 | 55.97 |
| Utility Supervisor | 10,201 | 58.85 | 10,712 | 61.80 | 11,247 | 64.89 | 11,810 | 68.13 | 12,400 | 71.54 | 13,020 | 75.12 |
| Utilities Technology Specialist | 8,413 | 48.53 | 8,833 | 50.96 | 9,275 | 53.51 | 9,739 | 56.18 | 10,225 | 58.99 | 10,737 | 61.94 |
| Water Quality Specialist | 8,413 | 48.53 | 8,833 | 50.96 | 9,275 | 53.51 | 9,739 | 56.18 | 10,225 | 58.99 | 10,737 | 61.94 |

Exhibit C

CITY OF MORGAN HILL AFSCME LOCAL 101 MONTHLY SALARY FOR REGULAR EMPLOYEES BY CLASSIFICATION

Effective: 12/19/2027 (1% increase)

Monthly figures are rounded to the nearest \$1.00

| Position | A Monthly | A Hourly | B Monthly | B Hourly | C Monthly | C Hourly | D Monthly | D Hourly | E Monthly | E Hourly | F Monthly | F Hourly |
|--|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|
| Accountant I | 9,141 | 52.74 | 9,598 | 55.37 | 10,078 | 58.14 | 10,582 | 61.05 | 11,111 | 64.10 | 11,666 | 67.31 |
| Accounting Asst. I | 6,370 | 36.75 | 6,689 | 38.59 | 7,023 | 40.52 | 7,374 | 42.54 | 7,743 | 44.67 | 8,130 | 46.91 |
| Accounting Asst. II | 6,665 | 38.45 | 6,999 | 40.38 | 7,349 | 42.40 | 7,716 | 44.52 | 8,102 | 46.74 | 8,507 | 49.08 |
| Accounting Technician | 8,231 | 47.49 | 8,643 | 49.86 | 9,075 | 52.36 | 9,529 | 54.97 | 10,005 | 57.72 | 10,505 | 60.61 |
| Assistant Planner | 9,141 | 52.74 | 9,598 | 55.37 | 10,078 | 58.14 | 10,582 | 61.05 | 11,111 | 64.10 | 11,666 | 67.31 |
| Assistant Engineer | 10,155 | 58.58 | 10,662 | 61.51 | 11,196 | 64.59 | 11,755 | 67.82 | 12,343 | 71.21 | 12,960 | 74.77 |
| Associate Planner | 9,840 | 56.77 | 10,332 | 59.61 | 10,848 | 62.59 | 11,391 | 65.72 | 11,960 | 69.00 | 12,558 | 72.45 |
| Associate Engineer | 11,796 | 68.06 | 12,386 | 71.46 | 13,006 | 75.03 | 13,656 | 78.78 | 14,339 | 82.72 | 15,055 | 86.86 |
| Business Assistant | 7,005 | 40.41 | 7,355 | 42.43 | 7,723 | 44.56 | 8,109 | 46.78 | 8,515 | 49.12 | 8,940 | 51.58 |
| Building Inspector II | 10,205 | 58.87 | 10,715 | 61.82 | 11,251 | 64.91 | 11,813 | 68.15 | 12,404 | 71.56 | 13,024 | 75.14 |
| Building Inspector Supervisor | 12,004 | 69.25 | 12,604 | 72.72 | 13,235 | 76.35 | 13,896 | 80.17 | 14,591 | 84.18 | 15,321 | 88.39 |
| Code Compliance Officer | 9,243 | 53.32 | 9,705 | 55.99 | 10,190 | 58.79 | 10,699 | 61.73 | 11,234 | 64.81 | 11,796 | 68.05 |
| Communication and Engagement Coordinator | 9,373 | 54.08 | 9,842 | 56.78 | 10,334 | 59.62 | 10,851 | 62.60 | 11,393 | 65.73 | 11,963 | 69.02 |
| Community Services Coordinator | 7,692 | 44.38 | 8,076 | 46.59 | 8,480 | 48.92 | 8,904 | 51.37 | 9,349 | 53.94 | 9,817 | 56.64 |
| Council Services Assistant | 6,960 | 40.15 | 7,308 | 42.16 | 7,673 | 44.27 | 8,057 | 46.48 | 8,460 | 48.80 | 8,882 | 51.25 |
| Custodian | 4,658 | 26.87 | 4,891 | 28.22 | 5,135 | 29.63 | 5,392 | 31.11 | 5,662 | 32.66 | 5,945 | 34.30 |
| Deputy City Clerk | 8,073 | 46.57 | 8,476 | 48.90 | 8,900 | 51.35 | 9,345 | 53.92 | 9,813 | 56.61 | 10,303 | 59.44 |
| Development Services Technician | 8,073 | 46.57 | 8,476 | 48.90 | 8,900 | 51.35 | 9,345 | 53.92 | 9,813 | 56.61 | 10,303 | 59.44 |
| Electrician | 9,616 | 55.47 | 10,096 | 58.25 | 10,601 | 61.16 | 11,131 | 64.22 | 11,688 | 67.43 | 12,272 | 70.80 |
| Engineering Technician I | 7,137 | 41.18 | 7,494 | 43.23 | 7,869 | 45.40 | 8,262 | 47.67 | 8,675 | 50.05 | 9,109 | 52.55 |
| Engineering Technician II | 7,891 | 45.53 | 8,286 | 47.80 | 8,700 | 50.19 | 9,135 | 52.70 | 9,592 | 55.34 | 10,071 | 58.10 |
| Environmental Programs Coordinator | 9,141 | 52.74 | 9,598 | 55.37 | 10,078 | 58.14 | 10,582 | 61.05 | 11,111 | 64.10 | 11,666 | 67.31 |
| Environmental Services Technician | 7,137 | 41.18 | 7,494 | 43.23 | 7,869 | 45.40 | 8,262 | 47.67 | 8,675 | 50.05 | 9,109 | 52.55 |
| Exec. Asst. to the Chief of Police | 7,601 | 43.85 | 7,981 | 46.04 | 8,380 | 48.35 | 8,799 | 50.76 | 9,239 | 53.30 | 9,701 | 55.97 |
| Facilities Maintenance Specialist | 7,692 | 44.38 | 8,076 | 46.59 | 8,480 | 48.92 | 8,904 | 51.37 | 9,349 | 53.94 | 9,817 | 56.64 |
| Fire/Building Inspector | 10,205 | 58.87 | 10,715 | 61.82 | 11,251 | 64.91 | 11,813 | 68.15 | 12,404 | 71.56 | 13,024 | 75.14 |
| Housing Program Coordinator | 9,840 | 56.77 | 10,332 | 59.61 | 10,848 | 62.59 | 11,391 | 65.72 | 11,960 | 69.00 | 12,558 | 72.45 |
| Information Services Technician | 9,141 | 52.74 | 9,598 | 55.37 | 10,078 | 58.14 | 10,582 | 61.05 | 11,111 | 64.10 | 11,666 | 67.31 |
| Junior Engineer | 9,141 | 52.74 | 9,598 | 55.37 | 10,078 | 58.14 | 10,582 | 61.05 | 11,111 | 64.10 | 11,666 | 67.31 |
| Maintenance Worker I | 6,325 | 36.49 | 6,642 | 38.32 | 6,974 | 40.23 | 7,323 | 42.25 | 7,689 | 44.36 | 8,073 | 46.58 |
| Maintenance Worker II | 6,979 | 40.26 | 7,328 | 42.28 | 7,694 | 44.39 | 8,079 | 46.61 | 8,483 | 48.94 | 8,907 | 51.39 |
| Maintenance Worker III | 7,677 | 44.29 | 8,061 | 46.50 | 8,464 | 48.83 | 8,887 | 51.27 | 9,331 | 53.83 | 9,798 | 56.52 |
| Maintenance Supervisor | 10,137 | 58.48 | 10,644 | 61.41 | 11,176 | 64.48 | 11,735 | 67.70 | 12,321 | 71.08 | 12,937 | 74.64 |
| Management Analyst | 9,373 | 54.08 | 9,842 | 56.78 | 10,334 | 59.62 | 10,851 | 62.60 | 11,393 | 65.73 | 11,963 | 69.02 |
| Multimedia Coordinator | 7,005 | 40.41 | 7,355 | 42.43 | 7,723 | 44.56 | 8,109 | 46.78 | 8,515 | 49.12 | 8,940 | 51.58 |
| Municipal Services Assistant | 6,665 | 38.45 | 6,999 | 40.38 | 7,349 | 42.40 | 7,716 | 44.52 | 8,102 | 46.74 | 8,507 | 49.08 |
| Office Assistant I | 4,808 | 27.74 | 5,048 | 29.12 | 5,300 | 30.58 | 5,565 | 32.11 | 5,844 | 33.71 | 6,136 | 35.40 |
| Office Assistant II | 6,043 | 34.86 | 6,345 | 36.61 | 6,663 | 38.44 | 6,996 | 40.36 | 7,346 | 42.38 | 7,713 | 44.50 |
| Plan Check Engineer | 12,004 | 69.25 | 12,604 | 72.72 | 13,235 | 76.35 | 13,896 | 80.17 | 14,591 | 84.18 | 15,321 | 88.39 |
| Plans Examiner | 10,205 | 58.87 | 10,715 | 61.82 | 11,251 | 64.91 | 11,813 | 68.15 | 12,404 | 71.56 | 13,024 | 75.14 |
| Police Analyst | 10,336 | 59.63 | 10,853 | 62.61 | 11,396 | 65.75 | 11,966 | 69.03 | 12,564 | 72.48 | 13,192 | 76.11 |
| Public Works Inspection Supervisor | 12,004 | 69.25 | 12,604 | 72.72 | 13,235 | 76.35 | 13,896 | 80.17 | 14,591 | 84.18 | 15,321 | 88.39 |
| Public Works Inspector | 9,616 | 55.47 | 10,096 | 58.25 | 10,601 | 61.16 | 11,131 | 64.22 | 11,688 | 67.43 | 12,272 | 70.80 |
| Recreation Services Coordinator | 7,692 | 44.38 | 8,076 | 46.59 | 8,480 | 48.92 | 8,904 | 51.37 | 9,349 | 53.94 | 9,817 | 56.64 |
| Senior Accountant | 10,055 | 58.01 | 10,557 | 60.91 | 11,085 | 63.95 | 11,640 | 67.15 | 12,222 | 70.51 | 12,833 | 74.03 |
| Senior Information Services Technician | 9,827 | 56.69 | 10,318 | 59.53 | 10,834 | 62.50 | 11,376 | 65.63 | 11,944 | 68.91 | 12,542 | 72.36 |
| Senior Maintenance Worker | 8,462 | 48.82 | 8,885 | 51.26 | 9,329 | 53.82 | 9,795 | 56.51 | 10,285 | 59.34 | 10,799 | 62.30 |
| Senior Public Works Inspector | 10,336 | 59.63 | 10,853 | 62.61 | 11,396 | 65.75 | 11,966 | 69.03 | 12,564 | 72.48 | 13,192 | 76.11 |
| Senior Recreation Services Coordinator | 8,077 | 46.60 | 8,481 | 48.93 | 8,905 | 51.38 | 9,350 | 53.94 | 9,818 | 56.64 | 10,309 | 59.47 |
| Senior Utility Worker | 8,462 | 48.82 | 8,885 | 51.26 | 9,329 | 53.82 | 9,795 | 56.51 | 10,285 | 59.34 | 10,799 | 62.30 |
| Support Services Supervisor | 9,119 | 52.61 | 9,575 | 55.24 | 10,053 | 58.00 | 10,556 | 60.90 | 11,084 | 63.94 | 11,638 | 67.14 |
| Unhoused Specialist | 7,692 | 44.38 | 8,076 | 46.59 | 8,480 | 48.92 | 8,904 | 51.37 | 9,349 | 53.94 | 9,817 | 56.64 |
| Utility Worker I | 6,325 | 36.49 | 6,642 | 38.32 | 6,974 | 40.23 | 7,323 | 42.25 | 7,689 | 44.36 | 8,073 | 46.58 |
| Utility Worker II | 6,979 | 40.26 | 7,328 | 42.28 | 7,694 | 44.39 | 8,079 | 46.61 | 8,483 | 48.94 | 8,907 | 51.39 |
| Utility Worker III | 7,677 | 44.29 | 8,061 | 46.50 | 8,464 | 48.83 | 8,887 | 51.27 | 9,331 | 53.83 | 9,798 | 56.52 |
| Utility Supervisor | 10,304 | 59.44 | 10,819 | 62.42 | 11,360 | 65.54 | 11,928 | 68.81 | 12,524 | 72.25 | 13,150 | 75.87 |
| Utilities Technology Specialist | 8,497 | 49.02 | 8,921 | 51.47 | 9,368 | 54.04 | 9,836 | 56.75 | 10,328 | 59.58 | 10,844 | 62.56 |
| Water Quality Specialist | 8,497 | 49.02 | 8,921 | 51.47 | 9,368 | 54.04 | 9,836 | 56.75 | 10,328 | 59.58 | 10,844 | 62.56 |

EXHIBIT ~~DE~~

AFSCME, LOCAL 101 EDUCATIONAL INCENTIVE PAY PROGRAM

Effective: July 2, 1995

(Employees hired prior to July 1, 2008 are eligible for EIP)

I. INTRODUCTION

Educational Incentive Pay (EIP) shall be paid in addition to regular pay when education is in addition to the regular requirements of their job as stated in City's adopted job descriptions and said education is job-related. An employee may not receive more than a seven- and one-half percent (7.5%) increase above the employee's base monthly salary.

II. PROGRAM GOALS

The goals of this program are:

- A. To encourage employees to pursue education and programs which enhance their job performance and understanding.
- B. To prepare employees for possible promotions to other positions or future openings within City.
- C. To reward employees for their own initiative demonstrated through their participation in this program.

Any evaluation or decision regarding this program or an employee's participation in the program will be made based on the intent of the above stated goals.

III. DEFINITIONS

- A. "Job-Related" - A course or training program that directly relates to or enhances the employee's ability to perform the duties of their classification.
- B. "Degree Program" - A series of college level courses that when completed results in an Associate of Arts, Associate of Science, Bachelor of Arts, Bachelor of Science, Master of Arts, or Master of Science degree. Courses that qualify for a degree program are those courses identified by the college or university that count toward the specific degree program the employee has selected.
- C. "Requalification" - The annual process that an employee must complete in order to continue receiving EIP for the following fiscal year.
- D. "Minimum job requirements" - The minimum job qualifications listed on the job description for each job classification.

IV. RATES OF PAY FOR EDUCATION ABOVE STATED JOB REQUIREMENTS

A. For classifications that have a minimum education requirement of high school diploma or the equivalent (GED), the following steps are available for attainment of up to seven- and one-half percent (7.5%) EIP:

- (1) One and a quarter percent (1.25%) = fifteen (15) recognized semester college units, two hundred forty (240) hours of job-related training, or the equivalent.

- (2) One and a quarter percent (1.25%) = thirty (30) recognized semester college units, four hundred eighty (480) hours of job-related training, or the equivalent.
 - (3) One and a quarter percent (1.25%) = forty-five (45) recognized semester college units, seven hundred twenty (720) hours of job-related training, or the equivalent.
 - (4) One and a quarter percent (1.25%) = sixty (60) recognized semester college units, nine hundred sixty (960) hours of job-related training, attainment of an Associate of Arts degree or Associate of Science degree, or the equivalent.
 - (5) One and a quarter percent (1.25%) = ninety (90) recognized semester college units, one thousand four hundred forty (1440) hours of job-related training, or the equivalent.
 - (6) One and a quarter percent (1.25%) = one hundred twenty (120) recognized semester college units, one thousand nine hundred twenty (1920) hours of job-related training, attainment of a Bachelor of Arts degree or Bachelor of Science degree, or the equivalent.
- B. For classifications that have a minimum education requirement of an Associate of Arts or Associate of Science degree or two (2) years of job-related college course work, the following steps are available for attainment of up to seven and a half percent (7.5%) EIP:
- (1) One and a quarter percent (1.25%) = fifteen (15) recognized semester college units toward attainment of a Bachelor's degree, two hundred forty (240) hours of job-related education or training, or the equivalent.
 - (2) One and a quarter percent (1.25%) = thirty (30) recognized semester college units toward attainment of a Bachelor's degree, four hundred eighty (480) hours of job-related education or training, or the equivalent.
 - (3) One and a quarter percent (1.25%) = Attainment of a Bachelor of Arts or Bachelor of Science degree, nine hundred sixty (960) hours of job-related education or training, or the equivalent.
 - (4) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree, fifteen (15) recognized semester units that qualify toward attainment of a Master of Arts or Master of Science degree, or the equivalent.
 - (5) One and a quarter percent (1.25%) = Attainment of a Master of Arts or Master of Science degree or the equivalent.
 - (6) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree or Master's degree, an additional two hundred forty (240) hours of job-related education or training.
- C. For classifications that have a minimum education requirement of a Bachelor of Arts or Bachelor of Science degree, the following steps are available for attainment of up to seven and a half percent (7.5%) EIP:
- (1) One and a quarter percent (1.25%) = fifteen (15) recognized semester units that qualify toward attainment of a Master of Arts or Master of Science degree, or the equivalent.
 - (2) One and a quarter percent (1.25%) = Attainment of a Master of Arts or Master of Science degree or the equivalent.

- (3) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree or Master's degree, an additional two hundred forty (240) hours of job-related education or training, or the equivalent.
- (4) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree or Master's degree, four hundred eighty (480) hours of job-related education or training, or the equivalent.
- (5) One and a quarter percent (1.25%) = Following attainment of a Master's degree, seven hundred twenty (720) hours of job-related education or training, or the equivalent.
- (6) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree or Master's degree, nine hundred sixty (960) hours of job-related education or training, or the equivalent.
- D. "Equivalents" are defined in the requalification section of this policy.
- E. Different certificates will qualify towards EIP based on the certificate's degree of difficulty, hours required for completion, and the recommendation of the Department Director. Attachment A lists specific certificates and licenses, and the respective EIP points that qualify for EIP.

V. REVIEW PROCESS FOR CERTIFICATIONS

The following review process will be used for assessing how a certification, other than a college course, will count towards EIP:

- A. Where possible, the formula found in the "Equivalents other than college units" section of this article will be used to evaluate the degree to which the certificate counts towards EIP.
- B. If it is possible to obtain, the Human Resources Manager will contact the agency awarding the certificate and request a statement describing the number of preparation and/or course hours needed to obtain the certificate. This statement will then be converted to formula hours.
- C. In the event a determination cannot be made using paragraphs A and B listed above, the employee will make a recommendation to their Department Director and to the Union President or in the absence of the Union President, the Vice-President. This recommendation by the employee shall be in writing and shall include the degree to which the employee feels the certificate should count towards EIP and the justification for such.
- D. If these two (2) individuals agree with the employee's recommendation or if they both agree with a modified recommendation, they will present such to the Human Resources Manager for final determination.
- E. The Human Resources Manager, if he/she concurs with the recommendation, will see that such certification is counted towards the employee's EIP.
- F. If the Department Director and Union President cannot agree on a recommendation, the Human Resources Manager will, with both parties present, conduct an informal hearing and allow both individuals to state their recommendation along with appropriate justification. The Human Resources Manager may decide to choose one of the recommendations presented or a modification of such. The decision of the Human Resources Manager will be final.
- G. If both the Department Director and the Union President agree on a recommendation which the Human Resources Manager cannot endorse, the Human Resources Manager will explain

his/her justifications and attempt to get the parties to modify their recommendation. If agreement cannot be reached the issue will be presented to the City Manager for determination.

- H. If the employee is not satisfied with the decision of the City Manager, the employee may file a grievance pursuant to the grievance procedure contained in the AFSCME MOU. The grievance will be advanced to the final step in the grievance process as the City Manager review has already taken place.

VI. PROGRAM QUALIFICATIONS AND GUIDELINES

The following qualifications and guidelines exist to help administer this program:

- A. An employee must have completed his/her initial probation before being eligible for this program. Employees on probationary status as a result of promotions shall be deemed eligible under this program.
- B. The employee must demonstrate that the course or degree being sought and being considered for the EIP program will be directly related towards enhancing the employee's present job skills or future promotional opportunities within City. The Human Resources Manager will make this determination after discussions with the employee and the Department Director. The burden of proof as to job relatedness of specific educational levels shall be upon employee. In addition, courses required as part of a degree program will also be considered.
- C. Employees should contact their Department Director prior to enrollment in a course or class to receive confirmation that such a class would qualify for this program. The Department Director will contact the Human Resources Office to receive confirmation that a specific course or certification qualifies for EIP.
- D. Upon Department Director approval, City will make every effort to reasonably accommodate employee course schedules provided employee workload, overtime budgets, etc. are not adversely impacted.
- E. All attendance and participation in this program will be on the employee's own time and at their own expense.
- F. The tuition reimbursement program is a separate benefit contained in the MOU and employees may have the option of using the tuition reimbursement program towards the attainment of their education or professional development goals. Use of the tuition reimbursement program by the employee will not violate any provisions of this article.
- G. To qualify for this program, the employee must complete the course(s) with a passing grade of "C" or better. If grades are not assigned, the employee must provide other written certification which demonstrates that the employee has successfully passed the course or obtained certification.
- H. Payment of EIP will be effective on the first day of the payroll period following the date of the college degree, course certification, etc., provided the employee has made a timely request to the Human Resources Manager for such pay. In no circumstances will payroll periods be split to match the exact date appearing on the degree or certificate.
- I. EIP is based upon education which is in addition to the regular requirements of the job as stated on City's adopted job description. Employees should refer to each specific job description for the minimum educational requirements. These educational requirements are used as the starting point for EIP calculations.

VII. DOCUMENTATION OF EDUCATIONAL ACHIEVEMENT

- A. City will provide an EIP Program form to be kept in the employee’s personnel file to track the employee’s participation in this program.
- B. Evidence of successful completion of a degree, course or certificate shall consist of a diploma or certificate indicating the major field of study along with a copy of college transcripts.
- Ec C. The employee is responsible to furnish in a timely fashion all necessary documentation to the Human Resources Office.

VIII. TERMINATION OF EDUCATIONAL INCENTIVE PAY

- A. EIP shall be terminated at such time as the employee receiving EIP is promoted to or otherwise placed in a position requiring the educational level which the employee already possesses or a higher educational level.
- B. In cases where a promotion would cause an employee to lose their EIP due to a reclassification, the employee will receive a new base salary equal to or greater than an amount five percent (5%) above their old base salary and EIP combined.
- C. EIP will also be terminated when an employee fails to requalify as per the guidelines outlined in this policy.
- D. Once an employee fails to requalify, they will lose their EIP until such time as they have completed the outlined requalification requirements. At such time, the employee will then be able to return to the EIP level they enjoyed before they failed to requalify.

IX. REQUALIFICATION PROCESS

Requalification for continued receipt of EIP shall be training sessions provided by the City during each year of the contract as identified by the Human Resources Manager.

X. EMPLOYEES PREVIOUSLY ON LONGEVITY

- A. Effective October 1, 1989, the City’s Longevity Pay Program will be replaced entirely with a special EIP for only those employees still on the Longevity Pay Program as of that date. The terms of this special program will be as follows:
 - i. All eligible employees shall be converted to the special EIP program at the same pay as they enjoyed under the Longevity Pay Program. No employee will be allowed to begin receiving longevity pay who is not already receiving such pay prior to October 1, 1989. This special EIP Program assumes that these employees will continue to requalify under the City’s existing EIP program guidelines for continued receipt of EIP.
 - ii. An employee previously on the longevity pay program may use this special EIP program or they may convert at any time they choose to the regular EIP program outlined in this article. This is a one-way conversion. Once an employee elects the regular EIP Program, he/she may not return to this special EIP Program.
 - iii. Employees covered under the previous longevity program may advance on their anniversary date to the various pay levels of five percent (5%) after ten (10) years

service, seven- and one-half percent (7.5%) after fifteen (15) years of service, and ten percent (10%) after twenty (20) years of service. Advancement is based upon the assumption that these employees will continue to requalify under the City's existing EIP program guidelines for continued receipt of EIP pay.

- B. Once an employee fails to requalify, they will lose their EIP until such time as they have completed the outlined requalification requirements. At such time, the employee will then be able to return to the EIP level they enjoyed before they failed to requalify.
- C. Employees previously on the City longevity program who do not wish to continue to requalify annually may make a one-time decision to freeze their percentage benefit at its current rate.

**Attachment A of AFSCME
Educational Incentive Pay Program
List of Qualifying Certificates and Point Values**

EIP Point Equivalency

| ISSUING ORGANIZATION | CERTIFICATE NAME | GRADE NO. | EIP POINT VALUE |
|-----------------------------|---|------------------|------------------------|
| State of California | Water Treatment Operator | I - V | 6 points ea. |
| AWWA | Water Distribution Operator | I - IV | 6 points ea. |
| AWWA | Backflow Prevention Tester | n/a | 40 hours = 2.5 points |
| AWWA | Cross Connection Specialist | n/a | 40 hours = 2.5 points |
| CWEA | Collection System Maintenance | I - IV | 6 points ea. |
| CWEA | Mechanical/Electrical/Instrumentation Technologist | I - IV | 6 points ea. |
| CSUS Homestudy Program | Operation and Maintenance of Wastewater Collection Systems Vol. 1 | n/a | 6 points |
| CSUS Homestudy Program | Operation and Maintenance of Wastewater Collection Systems Vol. 2 | n/a | 6 points |
| CSUS Homestudy Program | Water Treatment Plant Operation Vol. 1 (90 hours) | n/a | 6 points |
| CSUS Homestudy Program | Water Treatment Plant Operation Vol. 2 (90 hours) | n/a | 6 points |
| CSUS Homestudy Program | Small Water System Operation and Maintenance (90 hours) | n/a | 6 points |
| CSUS Homestudy Program | Water Distribution System Operation and Maintenance (90 hours) | n/a | 6 points |
| State of California | Qualified Applicators License | B | 6 points |
| CSUS Homestudy Program | Manage for Success: Effective Utility Leadership Practices (45 hours) | n/a | 3 points |
| CSUS Homestudy Program | Utility Management | n/a | 1.5 points |

| ISSUING ORGANIZATION | CERTIFICATE NAME | GRADE NO. | EIP POINT VALUE |
|--|---|------------------|------------------------|
| CSUS Homestudy Program | Collection Systems: Methods for Evaluation and Improving Performance | n/a | 2 points |
| CSUS Homestudy Program | Small Wastewater System Operation and Maintenance Volume I (90 hours) | n/a | 6 points |
| CSUS Homestudy Program | Operation of Wastewater System Treatment Plants Volume I (90 hours) | n/a | 6 points |
| CSUS Homestudy Program | Operation of Wastewater System Treatment Plants Volume II (90 hours) | n/a | 6 points |
| CSUS Homestudy Program | Operations of Wastewater Treatment Plants Volume I (90 hours) | n/a | 6 points |
| CSUS Homestudy Program | Operations of Wastewater Treatment Plants Volume II (90 hours) | n/a | 6 points |
| State of California | Water Distribution Operator | I - V | 6 points ea. |
| AWWA | Water Treatment Operator | I - IV | 6 points ea. |
| AWWA | Water Conservation Practitioner | n/a | 2.5 points |
| State of California | Journeyman Electrician Certification | n/a | 6 points |
| International Society of Arboriculture | Certified Arborist | n/a | 6 points |
| State of California | Class A Drivers License | n/a | 6 points |
| State of California | Real Estate Salesperson License | n/a | 10 points |
| State of California | Real Estate Broker License | n/a | 25 points |
| State of California | Notary Public | n/a | 3.5 points |
| State of California | General Contractors License | n/a | up to 4.5 points |
| IIMC | Certified Municipal Clerk | n/a | up to 38.75 EIP points |
| ICC | Plans Examiner | n/a | 4 points |
| ICC | Building Inspector | n/a | 4 points |

| ISSUING ORGANIZATION | CERTIFICATE NAME | GRADE NO. | EIP POINT VALUE |
|---|--|------------------|------------------------|
| ICC | Electrical Inspector | n/a | 4 points |
| ICC | Building Code Accessibility/Usability Specialist | n/a | 4 points |
| ICC | Housing Inspector | n/a | 4 points |
| ICC | Zoning Inspector | n/a | 4 points |
| ICC | Mechanical Inspector | n/a | 4 points |
| ICC | Plumbing Inspector | n/a | 4 points |
| ICC | Light Commercial Combination Inspector | n/a | 4 points |
| ICC | Elevator Inspector | n/a | 4 points |
| ICC | Special Inspector | n/a | 4 points |
| CABO | One- and Two-Family Dwelling Inspector | n/a | 4 points |
| State of California | Engineer in Training | n/a | 7.5 points |
| State of California | Professional Engineer | n/a | 12 points |
| State of California | Land Surveyor in Training | n/a | 7.5 points |
| State of California | Land Surveyor | n/a | 10.5 points |
| International Assn. of Administrative Professionals | Computer Concepts | n/a | 3 |
| International Assn. of Administrative Professionals | Information Systems | n/a | 3 |
| International Assn. of Administrative Professionals | Records Management | n/a | 3 |
| International Assn. of Administrative Professionals | Business Communications | n/a | 3 |
| International Assn. of Administrative Professionals | Human Resources Management | n/a | 3 |

| ISSUING ORGANIZATION | CERTIFICATE NAME | GRADE NO. | EIP POINT VALUE |
|---|----------------------------------|-----------|-----------------|
| International Assn. of Administrative Professionals | Accounting | n/a | 1 |
| International Assn. of Administrative Professionals | Management <i>or</i> Supervision | n/a | 4 |
| International Assn. of Administrative Professionals | Organizational Behavior | n/a | 3 |
| International Assn. of Administrative Professionals | Communications | n/a | 3 |
| International Assn. of Administrative Professionals | Leadership | n/a | 3 |

RATIONALE FOR ASSIGNING POINT VALUES

In general, certification/license requirements were equated to college units by using our standard formula of three (3) college semester units = forty-eight (48) hours of class time = three (3) EIP points. None of the organizations listed above offered standard Continuing Professional Education (CPE) credits for the certifications/licenses, however, employees may take preparatory courses at institutions which do offer CPE credits. If such credits are offered, they count toward EIP, with one (1) CPE credit being equal to one (1) college semester unit.

EIP credit may also be given for home study which is *not* related to a preparatory class, provided that the employee keeps a detailed written log showing the hours of study and the specific topics studied.

For certifications which accept college courses or degrees in lieu of experience, employees will receive credit for the courses/degree under Section IV of the EIP Program.

Real Estate License

The State of California offers two (2) real estate licenses which might be obtained by City employees to benefit their job: a Real Estate Salesperson License, and a Real Estate Broker License. The requirements for each license are outlined below.

| Real Estate Salesperson License | EIP Points | Real Estate Broker License | EIP Points |
|---|--------------------------------|--|----------------------------------|
| Must be 18 years old | 0 | Must be 18 years old | 0 |
| Must complete 1 3-semester unit course on Real Estate Principles, and 2 additional 3-unit courses within 18 months of receiving the license (9 semester units total required) | 9 college units = 9 EIP points | Must take 8 3-unit classes and have two years of full-time licensed real estate sales person experience or a 4-year degree | 24 college units = 24 EIP points |
| Pass Real Estate Salesperson exam | 1 | Pass Real Estate Broker exam | 1 |
| TOTAL POINTS | 10 | TOTAL POINTS | 25 |

Notary Public

The requirements for becoming a Notary Public in the State of California are outlined below.

| Notary License | EIP Points |
|--|-------------------|
| Must be 18 years old, legal resident | 0 |
| Certified home study, up to 32 hours | up to 2 |
| Optional 8-hour preparatory class for the exam | .5 |
| Pass Notary exam | 1 |
| TOTAL POSSIBLE POINTS | up top 3.5 |

General Contractors License

The requirements for obtaining a General Contractors License in the State of California are outlined below.

| General Contractors License | EIP Points |
|--|---------------------------|
| Must have 4 years of experience at the journey level (or a BS degree and 1 year of experience) | 0 |
| Certified home study, up to 32 hours | up to 2 |
| Optional 24-hour preparatory class for the exam | 24 hours = 1.5 EIP points |

| General Contractors License | EIP Points |
|------------------------------------|-------------------|
| Pass General Contractors exam | 1 |
| TOTAL POSSIBLE POINTS | up to 4.5 |

Certified Municipal Clerk

The process for becoming a Certified Municipal Clerk varies considerably depending on the work experience and educational level of the applicant. This table summarizes the primary ways individuals become a Certified Municipal Clerk and assigns EIP points for individuals working on this certification. A copy of the IIMC application for certification is available for review.

| Certified Municipal Clerk | EIP Points |
|--|---|
| Must be a City or Deputy City Clerk, a 3-year member of IIMC, accept the IIMC Code of Ethics, submit an application form, and have a letter from a Clerk sponsor | 0 |
| <i>Educational Requirements:</i> Must attend a 100-hour Clerks Institute, have a BA degree in Public Administration or a related field, or have an AA in Public Administration and 67 of Clerks Institute training | 100 hours = 6.25 EIP points |
| <i>Experience Requirements:</i> Must obtain 50 IIMC points based on a combination of work experience, Municipal Clerks Conferences, and relevant college/university course credits not included in educational qualifications. Up to 40 IIMC points for work experience: 4 points per year for a full-time Municipal or Deputy Clerk with administrative responsibility | Depends on method of meeting the requirement 0 EIP points for work experience |
| Up to 20 IIMC points for attending IIMC Conferences (1 IIMC point per 6-hour day; total 120 hours) Up to 25 IIMC points for college course credits, 1 pt=1 course hour | up to 7.5 EIP points for 120 hours at conferences 25 college credits = 25 EIP points |
| TOTAL POSSIBLE POINTS | up to 38.75 |

ICBO and CABO Certifications

The International Code Council (ICC) and the California Association of Building Officials (CABO) offer a number of different certifications (Plans Examiner, Building Inspector, Plumbing Inspector etc.) useful for the professional development in certain fields. The certification process for each of the certificates list above is the same and is summarized below.

| ICC /CABO Certificates | EIP Points |
|--|-------------------------|
| Certified home study, up to 32 hours | up to 2 |
| Optional 8-hour exam preparation class | 8 hours = .5 EIP points |
| Pass ICC /CABO exam | 1.5 |
| TOTAL POSSIBLE POINTS | up to 4 |

Engineer-in-Training

The requirements to obtain an Engineer-in-Training certificate are outlined in the California Business and Professions Code and are summarized below.

| Engineer-in-Training Certificate | EIP Points |
|--|-----------------------------|
| Three years of engineering experience <i>or</i> 3 years of college education (90 units) in an engineering curriculum | 0 EIP points for experience |
| Certified home study, up to 48 hours | up to 3 |
| Optional 42-hour exam preparation class | 42 hours = 3 EIP points |
| Pass EIT exam | 3 |
| TOTAL POSSIBLE POINTS | up to 9 EIP points |

Professional Engineer

The requirements to obtain a Professional Engineer certificate are outlined in the California Business and Professions Code and are summarized below.

| Professional Engineer Certificate | EIP Points |
|---|-----------------------------|
| Six years of engineering experience <i>or</i> 4-year college degree in an engineering curriculum plus two years of experience | 0 EIP points for experience |
| Certified home study, up to 96 hours | up to 6 |
| Optional 42-hour exam preparation class | 42 hours = 3 EIP points |
| Pass PE exam | 6 |
| TOTAL POSSIBLE POINTS | up to 15 EIP points |

Land Surveyor-in-Training

The requirements to obtain a Land Surveyor-in-Training certificate are outlined in the California Business and Professions Code and are summarized below.

| Land Surveyor-in-Training Certificate | EIP Points |
|---|-----------------------------|
| Two years of land surveying experience or 2 years post-secondary education in land surveying (60 units) | 0 EIP points for experience |
| Certified home study, up to 48 hours | up to 3 |
| Optional 42-hour exam preparation class | 42 hours = 3 EIP points |
| Pass LSIT exam | 3 |
| TOTAL POSSIBLE POINTS | up to 9 EIP points |

Land Surveyor

The requirements to obtain a Land Surveyor certificate are outlined in the California Business and Professions Code and are summarized below.

| Land Surveyor Certificate | EIP Points |
|--|-----------------------------|
| Six years of engineering experience <i>or</i> 4-year college degree in (120 units) in an engineering curriculum plus two years of experience | 0 EIP points for experience |
| Certified home study, up to 96 hours | up to 6 |
| Optional 42-hour exam preparation class | 42 hours = 3 EIP points |
| Pass Land Surveyor exam | 3 |
| TOTAL POSSIBLE POINTS | up to 12 EIP points |

Exhibit **ED**

**CITY OF MORGAN HILL & AFSCME,
LOCAL 101
DRUG AND ALCOHOL TESTING PROGRAM
PURSUANT TO THE DEPARTMENT OF
TRANSPORTATION REGULATIONS**

EFFECTIVE DATE: November 3, 1997
REVISED: July 1, 2003

Effective January 1, 1996, the City of Morgan Hill must comply with the United States Department of Transportation regulation implementing the Federal Omnibus Transportation Employee Testing Act (OTETA) of 1991. OTETA requires the City to establish alcohol and drug testing programs to help prevent the misuse of alcohol and drugs by drivers of commercial motor vehicles. Keeping in mind the basic objectives stated in the City of Morgan Hill Policy on Substance Abuse, which went into effect September 26, 1989, the City has established the following alcohol and drug testing procedures and program in compliance with the OTETA, hereafter referred to as "the program".¹

Employees covered by this program are subject to pre-employment, cause, and random testing, and may be subject to post-accident, return-to-duty and unannounced follow-up testing. The testing procedures use an evidential breath test (EBT) device for alcohol testing. For drug testing, urine specimen collection and testing by a laboratory certified by the Department of Health and Human Services is required. If the Medical Review Officer (MRO) determines that an employee has misused alcohol or drugs in violation of this program, the City will remove the employee from safety-sensitive functions. The employee will not perform safety-sensitive functions until the employee meets the requirements established in this program which may include referral to a Substance Abuse Professional (SAP), participation in a rehabilitation program, return-to duty testing, and/or follow-up testing.

DEFINITIONS

Following are the definitions for the Drug and Alcohol Testing Program. This is a list of major definition areas and is not intended to be all inclusive of definition or terms.

| WORD/PHRASE | DEFINITION |
|------------------------------------|---|
| Adulterated Specimen | A specimen that contains a substance that is not expected to be present in human urine or contains a substance expected to be present but is at a concentration so high that it is not consistent with human urine. |
| Alcohol | The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol including methyl and isopropyl alcohol. |
| Alcohol Concentration (or Content) | The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this part. |
| Collection Agency | State licensed service provider that follows procedures for the collection of urine samples in a split specimen process for delivery to a toxicological laboratory for testing. |
| Collection Site | A place where individuals present themselves for the purpose of providing breath or urine samples to be analyzed for specified alcohol or drugs. |

¹This program meets the federal regulatory requirement that the City promulgate policies and procedures on the misuse of alcohol and use of controlled substances.

| WORD/PHRASE | DEFINITION |
|--------------------------------|--|
| Commercial Motor Vehicle (CMV) | <p>A motor vehicle or combination of motor vehicles used in commerce or transport passengers or property if the motor vehicle:</p> <ol style="list-style-type: none"> 1. Has a gross vehicle weight rating of 26,001 or more pounds; or 2. Has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or 3. Is designed to transport 16 or more passengers including the driver; or 4. Is of any size and is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded under the Hazardous Materials Regulations (49 CFR part 172, subpart F). |
| Controlled Substance | Drugs as deemed under this policy include marijuana, cocaine, opiates, amphetamines, phencyclidine (PCP). |
| DOT | Federal Department of Transportation |
| Driver | Any person who operates a commercial motor vehicle. This includes, but is not limited to: full time, regularly employed drivers, casual, intermittent or occasional drivers, and leased drivers and independent, owner-operator contractors who are either directly employed by or under lease to the City or who operate a commercial motor vehicle at the direction of or with the consent of the City. For the purposes of pre-employment/ pre-duty testing only, the term "driver" includes a person applying to the City to drive a commercial motor vehicle. |
| Drug | Any substance (other than alcohol) that is a controlled substance as defined above and 49 CFR Part 40. |
| FHWA | The Federal Highway Administration, U.S. Department of Transportation. |
| Owner-Operator (s) | A driver(s) who has been contracted for services with the District. For the purposes of these procedures and the City's Alcohol and Controlled Substances Abuse Policy, owner-operators are not to be considered employees, but will be required to participate in the City's Alcohol and Controlled Substances Abuse Policy like all employee drivers. |

| WORD/PHRASE | DEFINITION |
|--|--|
| Medical Review Officer (MRO) | A licensed physician accredited by the Medical Review Officers' Association National with knowledge and expertise of the clinical and medical diagnosis and treatment of alcohol and drug related disorders. |
| On Duty Time | <p>All time from the time a driver begins to work or is required to be in readiness to work until the time the driver is relieved from work and all responsibility for performing work. "On duty time" shall include:</p> <ol style="list-style-type: none"> <li data-bbox="553 556 1398 661">1. All time at a City facility or other City property, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the City; <li data-bbox="553 703 1291 766">2. All time inspecting, servicing, or conditioning any commercial motor vehicle at any time; <li data-bbox="1105 808 1414 850">3. All driving time; <li data-bbox="553 882 1258 955">4. All time, other than driving time, in or upon any commercial motor vehicle; <li data-bbox="570 997 1372 1176">5. All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; <li data-bbox="553 1207 1388 1281">6. All time spent performing the driver requirements relating to accidents; <li data-bbox="553 1323 1356 1396">7. All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle. |
| Performing (a safety-sensitive function) | A driver is performing a safety-sensitive function during any period in which the driver is actually performing, ready to perform or immediately available to perform any safety-sensitive functions. |
| Positive Test | A test is only positive and reported to the City when the initial screening test is positive, the confirming test is positive, and the Medical Review Officer has discussed with the employee the results of the two tests and ascertained that the tests are accurate. |
| Provider | Certified professional/agency contracted to provide services prescribed by this program. |

| WORD/PHRASE | DEFINITION |
|--|--|
| Reasonable Suspicion | The City believes the actions or appearance or conduct of a commercial motor vehicle driver who is on duty as defined below, are indicative of the use of alcohol or drugs. |
| Refusal to Submit (to an alcohol or drug test) | A covered employee who (1) fails to arrive at the collection site within a reasonable time, as determined by the employer, (2) refuses to take an alcohol or drug test, (3) fails to provide adequate breath for testing without a valid medical explanation after he/she has received notice of the requirement for breath testing in accordance with FHWA regulations, (4) fails to provide adequate urine for drug testing without a valid medical explanation after he or she has received notice of the requirement for urine testing in accordance with FHWA regulations, (5) provides a Verified Adulterated or Substituted test, (6) engages in conduct that clearly obstructs the testing process, (7) fails to remain at the collection facility until all testing is completed, or (8) refuses to submit to a direct observation when required by the collector or employer. A refusal includes not providing a breath sample or urine as directed, refusing to sign appropriate control forms, not being readily available following an accident, using alcohol within eight hours of an accident, or tampering with a sample. |
| Safety-Sensitive Function | Any of those on-duty functions set forth in 49 CFR section 395.2 and as defined under "On duty time." |
| Split-Specimen | A division of the original urine sample that is stored by the lab when provided by the collection agency for a second test to be used when the primary test results are challenged. |
| Substance Abuse Professional (SAP) | A licensed physician, or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and drug related disorders. |
| Substituted Specimen | A specimen with creatine and specific gravity values that are so diminished that they are not consistent with human urine. |
| Supervisor | Any one of the following positions: Director of Public Works, Utility Systems Manager, Maintenance Supervisor, or in their absence, a designated trained individual. |

| WORD/PHRASE | DEFINITION |
|--------------------------|---|
| Toxicological Laboratory | A drug abuse service laboratory licensed to perform alcohol and drug testing under the auspices of the federal government with specific expertise and chain of custody procedures, split specimen sampling, and drug/alcohol record-keeping methodologies. The agency must have all necessary personnel, materials, equipment, facilities and supervision to provide for the collection, security, temporary and long-term storage and transportation or shipment of the samples to a laboratory. |

I. COVERED EMPLOYEES

A. Covered employees must comply with the alcohol and drug testing requirements of this program. "Covered employees" are those employees who are required to drive, may be required to drive, or have the potential to drive, and who meet any of the three (3) following qualifications:

1. They are required by the City to possess a Commercial Driver's License (Class A or B) to do their jobs.
 - a. This includes all regular, probationary, temporary, and work-out-of class assignments in job positions which require a Commercial Driver's License.
 - b. This also includes applicants to jobs with the City which require the possession of a Commercial Driver's License.
2. They operate a commercial motor vehicle.

"Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle:

- a. Has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or
- b. Has a gross vehicle weight rating of 26,001 or more pounds; or
- c. Is designed to transport 16 or more passengers, including the driver; or

- d. Is of any size and is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded and over 1,000 lbs. under the Hazardous Materials Regulations.²
3. They are performing safety-sensitive functions.
- a. "Safety-sensitive function" means any of the following functions:
 - 1) All time spent at the driving controls of a commercial motor vehicle in operation;
 - 2) All time, other than driving time, in or upon any commercial motor vehicle except time spent resting in a sleeper berth;
 - 3) All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded;
 - 4) All time spent performing the requirements for covered employees who are involved in an accident, as further described in Section X;
 - 5) All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle;
 - 6) All time inspecting, servicing or conditioning any commercial motor vehicle at any time.
 - b. A covered employee" performs a safety-sensitive function" during any period in which the employee is actually performing, ready to perform, or immediately available to perform any safety-sensitive function.
 - c. Employees who have the required commercial license and who want to be immediately available to perform safety-sensitive functions in a temporary, stand-by, call back, or work-out-of-class status will be subject to the provisions of this program.
4. Covered employees will also include any employee who has a Commercial Driver's License where the medical examination and/or license fees are paid for by the City.

²49 C.F.R. Section 390.5

II. GENERAL PROVISIONS FOR ALL ALCOHOL AND DRUG TESTING PROGRAMS

A. Notice to Covered Employees That Alcohol and Drug Testing is Required By Federal Law

Before performing an alcohol or drug test under this program, the City shall notify the employee that the alcohol or drug test is required by federal law.

B. Administration of the City's Alcohol and Drug Testing Program

The City has designated the Drug Program Coordinator in the Human Resources Office to answer employee questions about the City's alcohol and drug testing program and procedures.

C. Record Retention Requirements

In compliance with the record retention requirements under the OTETA, the City shall maintain confidential records of its alcohol and drug misuse prevention program in a secure location with controlled access. Records of positive results, documentation of refusals to take test, calibration documentation for breath testing devices, and driver evaluation and referrals shall be maintained for five (5) years in accordance with federal law. The City or its service agent shall generate an annual calendar year summary of the results of its program, which will also be retained for five (5) years. Records relating to the alcohol and drug collection process and training, including collection logbooks, documents relating to the random selection process, breath alcohol technician training, documents relating to reasonable cause tests, post-accident tests, and random tests, compliance, and evaluation, shall be maintained for up to five (5) years. The City or its service agent shall prepare an annual summary by March 15 for the previous year containing specific information as to the number of covered employees, employees who refused to submit to tests, the number of supervisors receiving training, the covered employees, the number and types of tests given, the results, the number of covered employees who refused to submit to tests, the number of supervisors receiving training, the covered employees who returned to duty after a positive test, and other similar information.

D. Access to Records

Covered employees are entitled, upon written request to the Human Resources Office, to obtain copies of any records pertaining to the employee's misuse of alcohol or drugs, including any records pertaining to his or her alcohol or drug tests. The City shall promptly provide the records requested by the employee.

Copies of or information in these records shall not be otherwise released to any other person except as follows:

1. To the Drug Program Coordinator and the City Manager who require access to

these records to comply with the requirements of federal law and this program;

2. To federal, state or local officials with regulatory authority over the City or any of its covered employees and who have legitimate need for access;
3. To a decision maker in connection with a lawsuit, grievance, or other proceeding initiated by or on behalf of the employee, and arising from the results of an alcohol and/or drug test administered under this program, or from the City's determination that the covered employee engaged in conduct prohibited by Section III; or
4. To a person identified by the covered employee in accordance with the terms of the employee's written consent authorizing such release.

E. Confidentiality and Recordkeeping

The City desires to comply with the confidentiality and recordkeeping requirements. As such, the City stipulates that with the exception of the Drug Program Coordinator or designee, Collection Facility, Testing Laboratory, MRO and SAP, the results of individual tests shall not be released to anyone without the expressed written authorization of the tested individual, unless ordered by means of proper legal procedure and appropriate legal authority, such as a court ordered subpoena, or in connection with a City disciplinary, grievance or arbitration proceeding initiated by or on behalf of the individual and arising from a certified positive alcohol or drug test.

To maintain confidentiality, records pertaining to program administration, the collection process and individual test records will not be a part of the individual personnel files. A separate test records retention system will be maintained by the Drug Program Coordinator.

The records will be secured and maintained by the Drug Program Coordinator. Access to the test records is restricted to the Drug Program Coordinator and the City Manager. The release to City Management of such information from the Drug Program Coordinator, medical sources of MRO will require the signed release of the employee. Unless noted, such records are permanent and are subject to examination by the Drug Program Coordinator, the City Manager or their designee.

However, information related to an employee's availability for work will be provided to the employee's supervisor to ensure that an employee is removed from a safety-sensitive function when necessary or accommodated in a non-safety-sensitive function, when appropriate. In the case of reasonable cause testing, the supervisor will receive the results of the alcohol and/or drug tests.

Collection and test records of employees producing negative alcohol and drug tests must be retained for one (1) year. Collection and test records of employees producing

positive alcohol tests of 0.02% Breath Alcohol Concentration (BAC) or greater must be retained for three (3) years and positive drug test must be retained for five (5) years.

The following lists of records shall be retained and maintained by the Drug Program Coordinator:

1. Supporting documents for pre-employment, post accident, reasonable cause or random testing decisions.
2. Records of 2 (2) year drug and alcohol testing histories of new hires.
3. Records of the collection process to indicate specimen identification, accountability and chain of custody.
4. Any individual reports or records provided directly to the tested employee by the MRO.
5. Records of test results and any information provided by the affected employee concerning split samples, retests, or follow-up tests.
6. Return to work test records.
7. All reports forwarded to reporting agencies.
8. Records and documents provided by the Drug Program Coordinator, Rehabilitation Agencies and any consultants.

III. PROHIBITIONS

A. It is UNLAWFUL for covered employees to do the following:

1. To perform safety-sensitive functions after a positive alcohol test result indicating a 0.04% BAC or a positive drug test result, regardless of when the alcohol or drug was ingested and regardless of whether the employee is under the influence of alcohol or drugs;
2. Report for duty or remain on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.04% or greater. No employer having actual knowledge that a driver has an alcohol concentration of 0.04% or greater shall permit the driver to perform or continue to perform safety-sensitive functions. (See Federal Register, Section 382.201);
3. Perform or continue to perform safety-sensitive functions with an alcohol concentration of 0.02% to 0.04% (see Federal Register, Section 382.505);
4. To use alcohol or products containing alcohol while performing safety-

sensitive functions;

5. To perform safety-sensitive functions within four (4) hours after using alcohol or products containing alcohol;
6. To use alcohol or products containing alcohol for eight (8) hours following an accident for which the employee is required to take a post-accident alcohol test;
7. To report for duty or remain on duty and perform safety-sensitive functions when the employee is currently using a drug, unless the use of the drug is prescribed by a physician. Employees who are taking prescribed medication that may impair their ability to perform safety-sensitive functions are required to inform their supervisor immediately and prior to performing any safety sensitive functions.
8. To refuse to submit to any of the alcohol or drug test required by OTETA (random, post-accident, reasonable cause, follow-up, return to duty test) and alcohol/drug testing rules as described in this program.

A "Refusal to submit" to an alcohol or drug test means that a covered employee:

- a. Fails to arrive at the collection site within a reasonable time, as determined by the employer;
 - b. Refuses to take the test;
 - c. Fails to provide adequate breath for testing without a valid medical explanation after he or she has received notice of the requirement for breath testing in accordance with this program;
 - d. Fails to provide adequate urine for drug testing without a valid medical explanation after he or she has received notice of the requirement for urine testing in accordance with this program;
 - e. Provides a Verified Adulterated or Substituted test;
 - f. Engages in conduct that clearly obstructs the testing process;
 - g. Fails to remain at the collection facility until all testing is completed;
- or
- h. Refuses to submit to a direct observation when required by the collector or the employer.

B. The following drugs are specified in the law and will be analyzed during drug testing:

| <u>Drug</u> | <u>Initial Screen (ng/ML)</u> | <u>Confirmation Level</u> |
|----------------------------------|--------------------------------------|----------------------------------|
| Marijuana | 50 | 15 |
| Cocaine | 300 | 150 |
| Amphetamines/ Methamphetamine | 1,000 | 500 |
| Opiates | 300 | 300 |
| Phencyclidine (PCP) | 25 | 25 |

IV. CONSEQUENCES TO ENGAGING IN ANY GENERAL PROHIBITION

Any covered employee who engages in any action prohibited by this program under Section III will be subject to the following consequences.³

- A. The employee shall be relieved from performing safety-sensitive functions.
- B. The employee shall be immediately suspended according to Section VI.
- C. The employee shall be evaluated by a SAP who shall determine what assistance, if any, the employee needs in resolving problems associated with the misuse of alcohol or drugs.
- D. After the completion of the suspension period, the employee may return to work as soon as medically certified by the MRO/SAP. The employee must, however, provide a negative test result and be certified for return to duty no later than ninety (90) calendar days after notification of the positive test result.

The employee must, at a minimum, provide six (6) follow-up tests during the first year following the employee's return to safety sensitive duties. The SAP will establish the number and frequency of follow-up tests and that follow-up testing may last up to five (5) years. Failure to be certified by the MRO/SAP or return to work shall result in termination.

- 1. The employee may use accumulated vacation, sick leave, personal leave, comp time or leave without pay while undergoing treatment/rehabilitation.
- 2. Leave accruals may not be used for discipline such as a suspension.
- 3. Any employee who is given an alcohol confirmation test according to 49 CFR 40.65 by the BAT and the BAC level is 0.02% or greater, but less than 0.04%, shall be required to take leave without pay or use vacation or personal leave, but not sick leave time, until the driver's next regularly scheduled duty period, but not less than twenty four (24) hours following administration of the test. Any employee who is given an alcohol confirmation test by the BAT and the BAC level is 0.02% or greater, but less than 0.04%, on the second time shall be suspended without pay for five (5) regularly scheduled work days. The employee shall be referred to the SAP for evaluation and assessment of fitness for duty.
- 4. Any employee who has a BAC level that is 0.02% or greater, but less than 0.04%, on the third time within a five (5) year period will be treated as the second step in random testing.

³For consequences to outside applicants, please see Section VIII (D)(4) of this program regarding pre-employment testing.

- E. Any covered employee who refuses to submit to an alcohol or drug test required by this program shall be terminated.
- F. The City's Drug Program Coordinator or designee will assist in advising the employee of the resources available to the employee in evaluating and resolving problems associated with the misuse of alcohol or drugs, including the names, addresses, and telephone numbers of SAPs and counseling and treatment programs.

V. SELF-IDENTIFICATION PROCEDURE

Covered employees are encouraged to advise the City if they are involved with the misuse of alcohol or for the use of drugs. This procedure is available only to covered employees who have not been notified of a random test, reasonable cause test, or a post-accident test. This procedure cannot be used by covered employees to avoid the consequences for a positive test or a refusal to test.

PROCEDURE

If an employee self-identifies a problem with misuse of alcohol or drugs, the City will refer the employee to a SAP. Prior to returning to a safety-sensitive position, the employee will be tested.

If the SAP determines that the employee requires participation in a rehabilitation program, the employee will be referred to his/her own medical insurance plan and/or the City's Employee Assistance Program (EAP). The City is not required to pay for treatment beyond the cost contributed for those programs as stated in the AFSCME MOU.

If an employee self-identifies a second time, it will be treated as a first incident of a positive test through random testing.

VI. PERSONNEL ACTIONS

A. Disciplinary Action for Misconduct

Any covered employee who engages in an act prohibited by Section III violates federal law. Employee violations of this program may constitute misconduct under the City of Morgan Hill's Personnel Rules and Regulations, Section 11, "Disciplinary Actions" as may be amended from time to time.

B. Nothing in this section shall be interpreted as interfering with the City's right to remove from the workplace an employee who poses a direct threat to another employee or others.

C. All disciplinary action under this program is subject to the disciplinary procedures contained in the City's Personnel Rules and Regulations.

D. The following is a guideline for disciplinary action when an employee violates the City's alcohol and drug program. Discipline shall be based on the degree of the offense and in accordance with the following guidelines:

E. DISCIPLINARY GUIDELINES

| RANDOM TESTING | |
|----------------|---|
| 1st Incident | <ul style="list-style-type: none"> * Counseling * Suspension (5 days) * Participate and complete rehabilitation, if necessary * Last Chance Agreement |
| 2nd Incident | <ul style="list-style-type: none"> * Termination |

| POST ACCIDENT TESTING | |
|-----------------------|---|
| 1st Incident | <ul style="list-style-type: none"> * Discipline (suspension or termination) dependent on seriousness of accident and/or the degree of disregard for safety * "Last Chance" Agreement * Participate and complete rehabilitation, if necessary |
| 2nd Incident | <ul style="list-style-type: none"> * Termination |

| REASONABLE SUSPICION | |
|----------------------|---|
| 1st Incident | <ul style="list-style-type: none"> * Counseling * Suspension (5 days) * "Last Chance" Agreement * Participate and complete rehabilitation, if necessary |
| 2nd Incident | <ul style="list-style-type: none"> * Termination |

| SELF-IDENTIFICATION | |
|---------------------|---|
| 1st Incident | * No discipline * Referred to SAP * Participate and complete rehabilitation, if necessary |
| 2nd Incident | * Termination |

| PROBATIONARY EMPLOYEES | |
|--|--|
| Positive Drug Test | * Termination of probation. However, at the City's option, if an employee has status in a previous classification, the employee's probationary appointment may be terminated, or the employee may remain on probation and be subject to these disciplinary guidelines depending on the severity of the case and the classification |
| Positive Alcohol Test (.04 or greater) | * Termination of probation. However, at the City's option, if an employee has status in a previous classification, the employee's probationary appointment may be terminated, or the employee may remain on probation and be subject to these disciplinary guidelines depending on the severity of the facts of the case and the classification. |
| Positive Alcohol Test (.02 to .04) | * Termination of probation. However, at the City's option, probationary employee may be referred to SAP and required to participate in rehabilitation, if necessary. Any second positive test for alcohol during probation will result in termination of probation. However, at the City's option, if an employee has status in a previous classification, the employee may remain on probation and be subject to these disciplinary guidelines depending on the severity of the case and the classification. Any second positive test showing a result between 0.02% and 0.04% after completion of probation will be treated as the first step in the appropriate category. |

| OTHER FACTORS | |
|---------------|---|
| 1. | If an employee has a confirmed positive test from follow-up testing, the employee will be given a last chance agreement unless he/she is already on a last chance agreement at which point he/she will be terminated. |
| 2. | If an employee is required by the SAP to participate in rehabilitation and the employee refuses to participate in the required rehabilitation program, the employee will be terminated. |
| 3. | If an employee is required by the SAP to participate in rehabilitation and the employee fails to complete the required rehabilitation program, the employee will be terminated. |
| 4. | If an employee refuses to be tested under this program, the employee will be terminated. |

VII. DRUG AND ALCOHOL TESTING METHODOLOGY

A. Alcohol Testing

Alcohol testing shall be done based on an "evidential breath testing device" which is the testing method used by law enforcement officials in drunk driving cases. A breath alcohol technician shall explain the test to the employee being tested and properly administer the test to the employee.

B. Drug Testing

Drug testing shall be done based on a "split specimen" procedure of collecting and analyzing urine samples. The specimen taken will be divided into primary and secondary specimens. If the primary specimen test is positive, the employee shall be informed of their right to request a test of the secondary specimen by a separate laboratory or by the same laboratory, if they choose, at the employee's expense. The employee will be removed from the safety-sensitive function pending the outcome of the secondary sample test results. The employee has seventy-two (72) hours within which to make the request for the secondary sample test. If the secondary test result is negative, the City shall reimburse the employee for the cost of the secondary test and all references to the positive test will be expunged from all records. If the secondary test result is positive, the employee will be subject to the procedures in Personnel Rules Section VI.

C. Chain of Custody/Confidentiality

All alcohol and drug tests required to be administered to covered employees under this program shall be conducted by the City's service providers to ensure appropriate chain of custody and confidentiality of results.

VIII. PRE-EMPLOYMENT ALCOHOL AND DRUG TESTING

A. Preface

Prior to performing any safety-sensitive functions for the City, the employee or applicant shall undergo testing for alcohol and drugs. The City shall not allow a covered employee to perform safety-sensitive functions unless the employee has been administered an alcohol test with a result indicating an alcohol concentration less than 0.02% and has received a drug test result indicating a verified negative test result.

B. Procedures

1. All regular, probationary, temporary, limited term, and work-out-of class assignments in job positions which require a Commercial Driver's License and the performance of safety-sensitive functions are subject to pre-employment testing.

2. All persons selected by the City Manager and offered a position from an appropriate employment list for a job position requiring a Commercial Driver's License and the performance of safety-sensitive functions are subject to pre-employment testing. This section applies equally to current employees of the City and outside applicants. The drug samples may be collected during pre-employment medical examinations and the samples will be provided to the City certified laboratory.
3. Every job announcement and internal transfer opportunities bulletin for a position requiring a Commercial Driver's License and the performance of safety-sensitive functions will include a written statement of the alcohol and drug testing requirement as stated above.
4. Pursuant to the City's Policy regarding Substance Abuse, all job positions are subject to pre-employment alcohol and drug testing.
5. All pre-employment alcohol and drug tests will be conducted by the City's service providers to ensure appropriate chain of custody and confidentiality of results.

C. Exceptions to Pre-Employment Testing

1. Persons employed by the City upon implementation of the program and who are in positions requiring the possession of a Commercial Driver's License and the performance safety-sensitive functions will not be required to submit to initial drug testing to continue in their jobs. Commencing on implementation of the program, all other persons who are entering into positions requiring the possession of a Commercial Driver's License and the performance of safety-sensitive functions, for example, but not limited to, new hires, rehires, transfers, and return-to-duty from any leave of absence for 20 consecutive working days or more, shall be required to submit to pre-employment testing under this program.
2. Current employees in covered classes will not be required to submit to pre-employment testing if they have been tested within the last twelve (12) months in their current position.
3. Current employees of the City who wish to be eligible for temporary or work-out-of-class assignments and have previously passed pre-employment alcohol and drug tests and agreed to remain within the pool of employees from which random testing is conducted.

D. Consequences

1. Any covered employee who tests positive on a drug test or has an alcohol test result of 0.04% BAC or greater will be removed from the safety-sensitive eligibility list and will be subject to the provisions in Section IV. The employee may, however, reapply for future safety-sensitive position with the City and will be subject to testing in accordance with this program at that time.
2. If the pre-employment alcohol test result indicates a BAC of 0.02% or greater but less than 0.04%, the employee will have the right to request retesting of the second split specimen at their expense. If the retest result is negative, the employee will be reimbursed the cost by the City and the employee will be considered for the safety sensitive position. If the retest is positive, the employee will be removed from the safety-sensitive eligibility list and will be subject to the provisions in Section IV. The employee may, however, reapply for future safety-sensitive positions with the City and will be subject to testing in accordance with this program at that time.
3. All outside applicants for positions with the City which require the possession of a Commercial Driver's License and the performance of safety-sensitive functions must submit to pre-employment alcohol and-drug testing without exception. Any applicant who has a confirmed positive test for alcohol or drugs or refuses to take the test will not be hired.

IX. NEW HIRE DRUG AND ALCOHOL RECORD CHECK

A. Preface

The City is required to request information about safety-sensitive function employees from previous DOT-regulated employers who have employed the new hires during any period preceding the two (2) years before the date of the new hire's application or transfer. After obtaining written consent from the employee, the City must request information from previous DOT-regulated employers regarding alcohol tests with results of 0.04% or higher concentration, verified positive drug tests, refusals to be tested and other violations of DOT agency and drug and alcohol testing regulations. In respect to any employee who violated a regulation, the City must obtain documentation of the employee's successful completion of DOT return-to-duty requirements.

B. Procedures

1. The City will obtain the written consent of any employee seeking to begin performing safety-sensitive duties for the first time, such as a new hire or an employee transferring into a safety-sensitive position. If the employee refuses to provide this written consent, the City will not permit the employee to perform safety-sensitive functions.

2. The City will request the following information from the employee's previous DOT-related employers:
 - a. Alcohol tests with a result of 0.04% or higher alcohol concentration.
 - b. Verified positive drug tests.
 - c. Refusals to be tested (including verified adulterated or substituted drug test results).
 - d. Other violations of DOT agency drug and alcohol testing regulations.
 - e. With respect to any employee who violated a DOT drug and alcohol regulation, documentation of the employee's successful completion of DOT return-to-duty requirements including follow-up tests. If the previous employer does not have information about the return-to-duty process (e.g., an employer who did not hire an employee who tested positive on a pre-employment test) the City will seek to obtain this information from the employee.
 - f. This information obtained from a previous employer includes any drug or alcohol test information obtained from previous DOT-regulated employers. The City will obtain a release of information from the new hire. This release will accompany the request for information, and will maintain a written, confidential record of this information, including the date, the party to whom it was released, and a summary of the information provided.
3. The City will maintain a written, confidential record of the information obtained or of the good-faith effort made to obtain the information. The City will retain this information for three (3) years from the date of the employee's first performance of safety-sensitive duties.
4. The City must ask the employee whether he or she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the employee applied for, but did not obtain, in safety-sensitive work covered by DOT agency drug and alcohol testing rules during the preceding two (2) years. If the employee admits that he or she had a positive test or a refusal to test, the City will not use the employee to perform safety-sensitive functions unless the employee documents successful completion of the return-to-duty process.
5. If the City has not obtained results pre-employment drug or alcohol testing or made a documented good-faith effort to obtain this information within thirty (30) days of the hire date, the employee must be removed from performance of safety-sensitive functions.

6. The City must comply with requests for two (2) year drug and alcohol testing histories from any future employers of personnel covered by this policy.

X. RANDOM ALCOHOL AND DRUG TESTING

A. Preface

Covered employees are required to submit to alcohol and drug testing on a random basis. Twenty-five percent (25%) of the average number of covered employee positions shall be subject to random alcohol testing in each calendar year. Fifty percent (50%) of the average number of covered employee positions shall be subject to random drug testing in each calendar year. The City will change the minimum annual percentage testing rate in compliance with any change by the Federal Highway Administration (FHWA) Administrator to increase or decrease the annual violation rate. The FHWA annual violation rate is based on the reported rate for commercial drivers.

B. Procedures

1. The Provider shall randomly select a sufficient number of covered employees for alcohol and drug testing during each calendar year to equal an annual rate not less than the minimum annual percentage rate established by the FHWA Administrator.
2. The Provider shall select covered employees for random alcohol and drug testing by a scientifically valid method, such as a random number table of a computer-based random number generator matched with the covered employees' Social Security numbers, City identification numbers, or other comparable identifying number. Under the selection process used, each covered employee shall have an equal chance of being tested each time selections are made.
3. Random alcohol and drug tests shall be unannounced and the dates for administering random alcohol and drug tests shall be spread reasonably throughout the calendar year.
4. Each covered employee who is notified of selection for random alcohol or drug testing shall go to the test site immediately. If a notified employee is performing a safety-sensitive function, the employee shall cease to perform that safety-sensitive function and go to the testing site as soon as possible.
5. A covered employee shall only be tested for alcohol while the employee is performing safety-sensitive functions, four (4) hours before the employee is to perform safety-sensitive functions, or four (4) hours after the employee has

ceased performing such functions. The employee will be on City paid time during the testing process

6. A covered employee may be tested for drugs at anytime while the employee is at work for the City.
7. The City shall not require any covered employee to submit to a random test while the employee is off work. If a covered employee is off work, the City will skip the employee's name and the next employee's name on the selection list will be selected and tested. The City shall document that the employee was off work and that the employee was in the random selection pool for that cycle. If the employee's absence lasts for more than thirty (30) days, the pre-employment testing provisions of this program shall apply.
8. Employees performing safety-sensitive functions may be tested for alcohol with a pre-trip inspection. . However, if the pre-trip inspection is not appropriate, the employee may be requested to perform other safety-sensitive functions (e.g., driving a truck or loading a truck) in order to comply with the requirements for alcohol testing.
9. Upon notification of a Negative Dilute, the City may immediately re-test the employee.

C. Consequences

1. Covered employees shall be subject to the referral, evaluation, and rehabilitation requirements in Section IV and may be subject to disciplinary action under Section VI if they refuse to submit to a random alcohol or drug test or if they have an alcohol test with a result indicating an alcohol concentration of 0.04% or greater or a drug test with a verified positive test result.
2. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or who has had an alcohol test with a result of 0.02% to 0.04% BAC or greater shall not return to duty until the employee has submitted to a return to duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary, and may be subject to the referral, evaluation, and rehabilitation requirements in Section IV.

XI. POST-ACCIDENT ALCOHOL AND DRUG TESTING

A. Preface

As soon as practicable following an accident, the City shall test a surviving covered employee for alcohol and drugs where the accident has resulted in any one of the following conditions:

1. Death of a human being.
2. Bodily injury to a person who, as a result of the accident, receives medical treatment away from the scene of the accident.
3. The covered employee received a citation or there is a high probability that the covered employee will receive a citation for a moving traffic violation arising from performance of a safety-sensitive function with respect to the accident. In the case where it is not immediately known if the above criteria is met, the employee will provide a sample and the sample will not be tested until it is determined that the criteria for post-accident testing are met.
4. At least one (1) of the involved vehicles is required to be towed from the scene of the accident.

Following the accident, the covered employee will be tested as soon as possible, not to exceed eight (8) hours for alcohol and thirty-two (32) hours for drugs.

B. Procedures

1. These procedures do not supersede the Vehicle Use Policy contained in the City of Morgan Hill's Administrative Policy and Procedure Manual or any other departmental policy or procedure regarding reporting of vehicle accidents, incidents, citations, or damage.
2. The covered employee shall notify his or her supervisor as soon as possible following an accident. The covered employee shall refrain from using alcohol for eight (8) hours following the accident or until it is determined that a post-accident alcohol test is not required as provided below. Any employee leaving the scene of the accident without appropriate authorization prior to submitting to an alcohol or drug test or being released by the supervisor will be considered to have refused to test.
3. The supervisor at the site of an accident shall:
 - a. Attend to any emergency needs of employees, passengers, pedestrians, etc. by requesting medical, fire and/or police assistance and the presence of another supervisor;

- b. Take the covered employee involved in the accident aside and give the employee a direct verbal order to abstain from alcohol and drugs until after they have been tested or until after eight (8) hours for alcohol or thirty two hours (32) for drugs and to stand by at the site until the supervisor has determined if the accident is one requiring a post-accident alcohol and drug test;
 - c. Evaluate the accident to determine whether a post-accident test is required under this program and document with written notes the supervisor's decision to require or to not require a post-accident alcohol and drug test.
4. If the supervisor at the site affirms that a post-accident alcohol or drug test of the covered employee is required, the supervisor shall take the following actions:

- a. The supervisor shall inform the covered employee the test is required by the OTETA. The supervisor will also explain that by refusing to take the alcohol and drug tests, the employee will be subject to the mandatory referral, evaluation and rehabilitation requirements of Section IV. . Refusal to take the tests will subject the employee to disciplinary action in accordance with Section IV.

Any employee who refuses to submit to a post-accident test as required by federal law shall be terminated from employment pursuant to Section IV. The employee will be offered the opportunity to be safely transported home. If an employee appears to be impaired, refuses the post-accident alcohol and drug test, and intends or attempts to drive home, the City will inform the employee that it is required to notify the proper authorities.

- b. The supervisor shall transport the employee to the designated collection site to take the necessary tests. The supervisor shall inform the employee that they have a right to request a steward. However, the process will proceed whether or not the steward is present. The supervisor transporting the employee will stay with the employee, verify the employee's identification at the collection site and later return the employee to the employee's division or work unit.
- c. If the covered employee is injured and requires off-site treatment, the supervisor shall escort the employee to a hospital or other appropriate treatment facility. The hospital will be requested to collect the necessary specimen and provide safe-keeping until the sample is picked up by the City collection agency.

- d. The supervisor shall ensure that the covered employee does not perform any safety-sensitive function until the employee is cleared by the post-accident test results. This includes ensuring that neither the covered employee nor any other employee involved in the accident operates the vehicle any further. If necessary, the supervisor will move the vehicle or request another employee not involved in the accident to do so.
5. If the supervisor at the site of the accident determines that the accident does not meet the criteria for a post-accident alcohol and drug test, the covered employee may continue to perform safety-sensitive functions.
6. If the covered employee is taken into police custody at the site of an accident and the site supervisor has affirmed that the accident is one requiring post-accident drug testing, the City's collection agency will be requested to test the employee for alcohol and drugs.
7. If a post-accident alcohol test is required and is not administered within two (2) hours following the accident, the City shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If the alcohol test is not administered within eight (8) hours, the City shall cease attempts to administer an alcohol test and shall prepare and maintain the same record.
8. If a post-accident drug test is required and is not administered within thirty-two (32) hours following the accident, the City shall cease attempts to administer a drug test and shall prepare and maintain on file a record stating the reasons the test was not promptly administered.

C. Consequences

1. Covered employees shall be subject to the referral, evaluation, and rehabilitation requirements in Section IV and shall also be subject to the disciplinary consequences of Section VI if they refuse to submit to a post-accident alcohol or drug test or if they have a post-accident alcohol test with a result indicating an alcohol concentration of 0.04% or greater or a drug test with a verified positive test result.
2. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or who has had an alcohol test with a result of 0.02% to 0.04% BAC or greater shall not perform a safety-sensitive function until the employee has submitted to a return to duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary, and may be subject to the referral, evaluation, and rehabilitation requirements in Section IV.

XII. REASONABLE SUSPICION ALCOHOL AND DRUG TESTING

A. Preface

The City shall require a covered employee to submit to an alcohol and/or drug test when the City has reasonable suspicion to believe that the employee is under the influence of alcohol or drugs.

B. Procedures

1. The City's decision to require a covered employee to submit to a reasonable suspicion alcohol and/or drug test shall be based on a supervisor's determination that reasonable suspicion exists that the employee is in violation of Section III . The City's determination must be based on:

- a. Specific, personal, and articulate observations concerning the appearance, behavior, speech or performance of the employee; or
- b. Violation of a safety rule, or other unsafe work incident which, after further investigation of the employee's behavior, leads the supervisor(s) to believe that alcohol or drug use may be a contributing factor; or
- c. Other physical, circumstantial or contemporaneous indicators of alcohol or drug use

Suspicion based solely on third party observation, violation of safety rule or unsafe work incident is not reasonable suspicion for testing. However, such suspicion may be a basis for further investigation, or for action to protect the safety of others, such as ordering the employee to stop work.

No action shall be taken against a covered employee based solely on the employee's behavior and appearance, with respect to alcohol or drug use, without a positive test.

2. The supervisor will obtain the assistance of another supervisor, when feasible, to observe and document the above behavior or factors.

3. The supervisor shall inform the employee of the facts upon which the reasonable suspicion is based, advise the employee that the supervisor wishes to question the employee about the employee's behavior or conduct on which the reasonable suspicion is based, and advise the employee that he or she has the right to request the presence of a steward or other representative before answering the supervisor's questions.

- a. If the employee chooses to be represented, the steward or other representative will be allowed up to one (1) hour to arrive. If no steward other representative is available within one (1) hour, the supervisor should continue the procedure.

- b. The supervisor shall request an explanation from the employee concerning the employee's behavior or conduct on which the reasonable suspicion is based. If a satisfactory explanation is not provided, the employee will be tested.
 - c. The supervisor must complete the Observation/Incident Report within one (1) hour of the incident. The supervisor will provide a copy of the completed Observation/Incident Report to the Union. A copy should be given to the steward or other representative, if present, and another sent to the Union president.
4. If the employee refuses to submit to the test, the employee will be terminated pursuant to Section VI. The employee shall be offered the opportunity to be safely transported home.

If an employee appears to be impaired, refuses the reasonable suspicion alcohol and drug test, and intends or attempts to drive home, the supervisor will inform the employee that the City is required to notify the proper authorities. Again, an employee who has refused to submit to a post-accident test will be disciplined in accordance with Section VI.

5. If the employee submits to the reasonable suspicion alcohol and/or drug test, the supervisor will assign the employee to non-safety-sensitive duties until the supervisor receives the test results, unless in the supervisor's judgment, the continued presence of the employee in the workplace poses a significant safety risk to the employee or others or is disrupting the workplace. In that event, the supervisor shall place the employee on sick leave or other accrued leave and arrange to safely transport the employee home.
- a. If the alcohol and/or drug test is positive, the employee will be subject to the return to duty/follow-up testing program and procedures.
6. No supervisor shall physically search an employee or an employee's private property (purse, briefcase, car) based on the supervisor's reasonable suspicion that the employee has violated Section III.
7. The supervisor(s) or City official(s) who observe(s) the employee's behavior on which reasonable suspicion testing is based must have received at least sixty (60) minutes of training on alcohol misuse and an additional sixty (60) minutes training on drug use. The training must cover the physical, behavioral, speech, and performance indicators of probable alcohol misuse and use of drugs.
8. No reasonable suspicion alcohol testing may be done except while the employee is performing a safety-sensitive function, four (4) hours before the employee is to perform a safety-sensitive function, or four (4) hours after the employee has ceased performing such function.

9. If an alcohol test is not conducted within two (2) hours of the observation, the City must prepare and maintain a record stating the reasons the alcohol test was not promptly administered. If eight (8) hours have passed, the City will not administer the test.
10. A written record must be made of the observations leading to an alcohol or drug reasonable suspicion test and signed by the supervisor or City official who made the observations, within one (1) hour of the observed behavior or before the results of the alcohol or drug test are received, whichever is earlier.

C. Consequences

1. Covered employees shall be subject to the referral, evaluation, and rehabilitation requirements contained herein and may be subject to the disciplinary consequences of Section VI if they refuse to submit to a reasonable suspicion alcohol or drug test or if they have a reasonable suspicion alcohol concentration of 0.04% or greater or a drug test with a verified positive test result.
2. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or has had an alcohol test with a result of 0.02% to 0.04% BAC or greater shall not perform a safety-sensitive function until the employee has submitted to a return to duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary.

XIII. RETURN TO DUTY/FOLLOW-UP TESTING

A. Preface

Covered employees who have alcohol test results of 0.04% BAC or greater or who test positive for drugs are subject to return-to-duty testing and are also subject to unannounced follow-up alcohol and/or drug test following their return to duty.

B. Procedures

1. Return to duty test

- a. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or had an alcohol test with a result of 0.04% BAC or greater shall not return to duty until the employee has submitted to a return to duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary.

- b. Any covered employee who has engaged in conduct in violation of Section III concerning the use of drugs or who has had a drug test with a positive result shall not return to duty until the employee has submitted to a return to duty drug test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, of necessary.

2. Follow-up testing

- a. If an employee tests positive for either alcohol or controlled substances, he/she will be subject to unannounced follow-up alcohol and controlled substances tests following his/her return to duty. The number and frequency of such follow-up testing shall be as directed by the SAP and consist of at least six (6) tests in the first twelve (12) months following the employee's return to duty.
- b. Follow-up testing shall not exceed sixty (60) months from the date of the employee's return. The SAP may terminate the requirement for follow-up testing at any time after the first six (6) tests have been administered if the SAP determines that such testing is no longer necessary.
- c. Follow-up alcohol testing shall be conducted only when the employee is performing safety-sensitive functions, four (4) hours before the employee is to perform safety-sensitive functions, or (4) four hours after the employee has ceased performing safety-sensitive functions.
- d. Follow-up drug testing may be conducted at anytime while the employee is at work for the City.

C. Consequences

1. Covered employees shall be subject to the referral, evaluation, and rehabilitation requirements contained herein and may be subject to the disciplinary consequences of Section VI if they refuse to submit to a return-to-duty or a follow-up alcohol or drug test or if they have a return-to-duty or follow-up alcohol test with a result indicating a BAC of 0.04% or greater or drug test with a verified positive test result.
2. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or who has had an alcohol test with a result of 0.02% to 0.04% BAC or greater shall not return to duty until the employee has submitted to a return-to-duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary. In addition, the employee may be subject to the

disciplinary consequences of Section VI if they refuse to submit to a return-to-duty or a follow-up alcohol or drug test or if they have a return-to-duty or follow-up alcohol test with a result indicating a BAC of 0.04% or greater or drug test with a verified positive test result.

XIV. DOCUMENT DISTRIBUTION AND TRAINING

A. City's Alcohol and Drug Testing Programs and Procedures

Every employee who is covered by the federal alcohol and drug testing regulation as explained in this program shall be provided with a copy of this program prior to the start of alcohol and drug testing. Each employee is required to sign a statement certifying that he or she has received a copy of this program. The City will maintain the original of the signed document in the official personnel file and will provide a copy of the certificate to the employee.

B. Required Training for Covered Employee

Every covered employee will receive a one (1) hour training course on the City's Alcohol and Drug Testing Programs and Procedures. Each employee will sign an attendance roster and will receive a certificate of completion of this training. A copy of the certificate of completion will be placed in the employee's official personnel file. Every subsequent year, refresher training will be provided.

C. Supervisory Training

All supervisors of covered employees will receive a minimum of one (1) hour of training for alcohol and one (1) hour for drugs related to the City's Alcohol and Drug Testing Program and Procedures. In addition, the supervisor will be trained on alcohol and drug usage and impairment with strategies for dealing with these types of issues. Each supervisor will sign an attendance roster and will receive a certificate of completion of this training. A copy of the certificate of completion will be placed in the supervisor's official personnel file. Every subsequent year, refresher training will be provided.

CERTIFICATE OF RECEIPT
OF CITY OF MORGAN HILL & AFSCME, LOCAL 101
DRUG AND ALCOHOL TESTING PROGRAM

I, _____, understand that I am employed by the City of Morgan Hill in a position that is covered by the federal alcohol and drug testing regulations, and that I will be subject to the alcohol and drug testing programs described in this program which implements those federal alcohol and drug testing regulations. I hereby certify that the City has provided me with a copy of this program. I understand that the City will maintain the original of the signed certificate and that I will be provided a copy of the certificate. I also understand that federal law requires the City to ensure that I have been provided with a copy of the City's alcohol and drug testing program and also requires me to sign this statement certifying my receipt of a copy of this program.

Date _____
Signature of Employee _____

I hereby acknowledge that I asked for and received a copy of this certificate of receipt.

Date _____
Signature of Employee _____

**TERMS OF THE COMMUNITY SERVICE OFFICERS’
MEMORANDUM OF UNDERSTANDING
RATIFIED 10.31.2025**

Term of agreement: December 21, 2025 – December 31, 2028 - 3 years

Salaries: 2.0% in Year 1, 2.0% in Year 2 and 2.0% in Year 3

Cost Sharing: Reduce CALPERS cost sharing amount of employee paid employer contribution by 2.0% in year 1, 2.0% in year 2 and 2.12% in year 3.

Health: the City will contribute (monthly) to the City’s health plans up to the following amounts:

| | |
|------------------------|------------|
| | 2026 |
| Employee + Family | \$2,969.65 |
| Employee + 1 | \$2,392.59 |
| Employee Only | \$1,126.07 |
| Health-In-Lieu (waive) | \$715 |

Up to a 6% increase matching the City’s contribution to the Kaiser medical premium increase in 2027 and 2028.

Deferred Compensation: City shall contribute an additional 1% at year 5 and 1% at year 10 of an employee’s base salary to a 457 deferred compensation plan per pay period.

Training Pay: Increase to 8% as a flat rate of base pay from 5% base pay during the hours that a Public Safety Dispatcher is training a new Public Safety Dispatcher.

Tactical Dispatcher Pay: 5% of base pay once a month for training and when the employee is called out for tactical dispatch duties.

Education Incentive Pay Program: Remove “Dispatch” from the P.O.S.T. certificate requirement to provide an incentive to those who qualify with an alternative P.O.S.T. certificate.

A supplement to this staff report will be provided with a copy of the agreement language

**EXHIBIT A
COMMUNITY SERVICE OFFICERS ASSOCIATION SALARY SCHEDULES**

Effective 12/21/2025

2% Increase for All Classifications

| Position | A Monthly | A Hourly | B Monthly | B Hourly | C Monthly | C Hourly | D Monthly | D Hourly | E Monthly | E Hourly | F Monthly | F Hourly |
|-------------------------------|-------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|
| Animal Services Officer | \$ 5,847.01 | \$ 33.73 | \$ 6,139.36 | \$ 35.42 | \$ 6,446.32 | \$ 37.19 | \$ 6,768.64 | \$ 39.05 | \$ 7,107.07 | \$ 41.00 | \$ 7,462.43 | \$ 43.05 |
| Community Services Officer | \$ 6,928.86 | \$ 39.97 | \$ 7,275.31 | \$ 41.97 | \$ 7,639.07 | \$ 44.07 | \$ 8,021.03 | \$ 46.28 | \$ 8,422.08 | \$ 48.59 | \$ 8,843.18 | \$ 51.02 |
| Police Records Specialist | \$ 6,322.97 | \$ 36.48 | \$ 6,639.11 | \$ 38.30 | \$ 6,971.07 | \$ 40.22 | \$ 7,319.62 | \$ 42.23 | \$ 7,685.60 | \$ 44.34 | \$ 8,069.88 | \$ 46.56 |
| Property/Evidence Tech | \$ 7,004.44 | \$ 40.41 | \$ 7,354.66 | \$ 42.43 | \$ 7,722.40 | \$ 44.55 | \$ 8,108.52 | \$ 46.78 | \$ 8,513.94 | \$ 49.12 | \$ 8,939.64 | \$ 51.57 |
| Public Safety Dispatcher | \$ 8,415.20 | \$ 48.55 | \$ 8,835.96 | \$ 50.98 | \$ 9,277.76 | \$ 53.53 | \$ 9,741.64 | \$ 56.20 | \$ 10,228.73 | \$ 59.01 | \$ 10,740.16 | \$ 61.96 |
| PSD Supervisor | \$ 9,965.71 | \$ 57.49 | \$ 10,464.00 | \$ 60.37 | \$ 10,987.20 | \$ 63.39 | \$ 11,536.56 | \$ 66.56 | \$ 12,113.39 | \$ 69.88 | \$ 12,719.06 | \$ 73.38 |
| Records Specialist Supervisor | \$ 7,488.56 | \$ 43.20 | \$ 7,862.99 | \$ 45.36 | \$ 8,256.14 | \$ 47.63 | \$ 8,668.94 | \$ 50.01 | \$ 9,102.39 | \$ 52.51 | \$ 9,557.51 | \$ 55.14 |

**EXHIBIT B
COMMUNITY SERVICE OFFICERS ASSOCIATION SALARY SCHEDULES**

Effective 12/20/2026

2% Increase for All Classifications

| Position | A Monthly | A Hourly | B Monthly | B Hourly | C Monthly | C Hourly | D Monthly | D Hourly | E Monthly | E Hourly | F Monthly | F Hourly |
|-------------------------------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|
| Animal Services Officer | \$ 5,963.95 | \$ 34.41 | \$ 6,262.14 | \$ 36.13 | \$ 6,575.25 | \$ 37.93 | \$ 6,904.01 | \$ 39.83 | \$ 7,249.21 | \$ 41.82 | \$ 7,611.67 | \$ 43.91 |
| Community Services Officer | \$ 7,067.44 | \$ 40.77 | \$ 7,420.81 | \$ 42.81 | \$ 7,791.85 | \$ 44.95 | \$ 8,181.45 | \$ 47.20 | \$ 8,590.52 | \$ 49.56 | \$ 9,020.04 | \$ 52.04 |
| Police Records Specialist | \$ 6,449.42 | \$ 37.21 | \$ 6,771.90 | \$ 39.07 | \$ 7,110.49 | \$ 41.02 | \$ 7,466.01 | \$ 43.07 | \$ 7,839.32 | \$ 45.23 | \$ 8,231.28 | \$ 47.49 |
| Property/Evidence Tech | \$ 7,144.53 | \$ 41.22 | \$ 7,501.76 | \$ 43.28 | \$ 7,876.85 | \$ 45.44 | \$ 8,270.69 | \$ 47.72 | \$ 8,684.22 | \$ 50.10 | \$ 9,118.43 | \$ 52.61 |
| Public Safety Dispatcher | \$ 8,583.50 | \$ 49.52 | \$ 9,012.68 | \$ 52.00 | \$ 9,463.31 | \$ 54.60 | \$ 9,936.48 | \$ 57.33 | \$ 10,433.30 | \$ 60.19 | \$ 10,954.97 | \$ 63.20 |
| PSD Supervisor | \$ 10,165.03 | \$ 58.64 | \$ 10,673.28 | \$ 61.58 | \$ 11,206.94 | \$ 64.66 | \$ 11,767.29 | \$ 67.89 | \$ 12,355.65 | \$ 71.28 | \$ 12,973.44 | \$ 74.85 |
| Records Specialist Supervisor | \$ 7,638.33 | \$ 44.07 | \$ 8,020.25 | \$ 46.27 | \$ 8,421.26 | \$ 48.58 | \$ 8,842.32 | \$ 51.01 | \$ 9,284.44 | \$ 53.56 | \$ 9,748.66 | \$ 56.24 |

**EXHIBIT C
COMMUNITY SERVICE OFFICERS ASSOCIATION SALARY SCHEDULES**

Effective 12/19/2027

2% Increase for All Classifications

| Position | A Monthly | A Hourly | B Monthly | B Hourly | C Monthly | C Hourly | D Monthly | D Hourly | E Monthly | E Hourly | F Monthly | F Hourly |
|-------------------------------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|
| Animal Services Officer | \$ 6,083.23 | \$ 35.10 | \$ 6,387.39 | \$ 36.85 | \$ 6,706.76 | \$ 38.69 | \$ 7,042.09 | \$ 40.63 | \$ 7,394.20 | \$ 42.66 | \$ 7,763.91 | \$ 44.79 |
| Community Services Officer | \$ 7,208.79 | \$ 41.59 | \$ 7,569.23 | \$ 43.67 | \$ 7,947.69 | \$ 45.85 | \$ 8,345.07 | \$ 48.14 | \$ 8,762.33 | \$ 50.55 | \$ 9,200.44 | \$ 53.08 |
| Police Records Specialist | \$ 6,578.41 | \$ 37.95 | \$ 6,907.33 | \$ 39.85 | \$ 7,252.70 | \$ 41.84 | \$ 7,615.34 | \$ 43.93 | \$ 7,996.10 | \$ 46.13 | \$ 8,395.91 | \$ 48.44 |
| Property/Evidence Tech | \$ 7,287.42 | \$ 42.04 | \$ 7,651.79 | \$ 44.14 | \$ 8,034.38 | \$ 46.35 | \$ 8,436.10 | \$ 48.67 | \$ 8,857.91 | \$ 51.10 | \$ 9,300.80 | \$ 53.66 |
| Public Safety Dispatcher | \$ 8,755.17 | \$ 50.51 | \$ 9,192.93 | \$ 53.04 | \$ 9,652.58 | \$ 55.69 | \$ 10,135.21 | \$ 58.47 | \$ 10,641.97 | \$ 61.40 | \$ 11,174.06 | \$ 64.47 |
| PSD Supervisor | \$ 10,368.33 | \$ 59.82 | \$ 10,886.74 | \$ 62.81 | \$ 11,431.08 | \$ 65.95 | \$ 12,002.64 | \$ 69.25 | \$ 12,602.77 | \$ 72.71 | \$ 13,232.91 | \$ 76.34 |
| Records Specialist Supervisor | \$ 7,791.10 | \$ 44.95 | \$ 8,180.65 | \$ 47.20 | \$ 8,589.68 | \$ 49.56 | \$ 9,019.17 | \$ 52.03 | \$ 9,470.13 | \$ 54.64 | \$ 9,943.63 | \$ 57.37 |



City Council

Meeting Minutes

- Mark Turner* - Mayor
Marilyn Librers - Mayor Pro Tem
Soraida Iwanaga - Council Member
Yvonne Martínez Beltrán - Council Member
Miriam Vega - Council Member

Wednesday, October 15, 2025

5:00 p.m. Closed Session
6:00 p.m. Regular Session

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

SPECIAL/REGULAR MEETING

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

SPECIAL MEETING

5:00 p.m. Closed Session

CALL TO ORDER

Mayor Pro Tem Librers called the City Council meeting to order at 5:00 p.m.

DECLARATION OF POSTING AGENDA

City Clerk Bigelow declared the posting of the agenda.

ROLL CALL ATTENDANCE

City Clerk Bigelow called the roll.

| | |
|----------------|--|
| PRESENT | Marilyn Librers, Soraida Iwanaga, Yvonne Martinez Beltran, Miriam Vega |
| ABSENT | Mark Turner |

Mayor Turner attended the closed session remotely.

CLOSED SESSION

City Attorney Larkin announced the closed session items.

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; Chris Ghione, Assistant City Manager, Public Services

Employee Organization: Morgan Hill Police Officers Association; AFSCME Local 101 Morgan Hill; Community Service Officers Association; Employees Covered under Management Resolution #23-051

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Government Code section 54956.9(d)(1)

Name of case: Martha Leticia Valdes, Claim No. 3108548

OPPORTUNITY FOR PUBLIC COMMENT

Public comment opened at 5:00 p.m. With no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 5:00 p.m.

REGULAR MEETING

The regular meeting convened at 6:04 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PROCLAMATIONS

Proclaiming the month of October as Brain Health and Dementia Awareness Month

CITY COUNCIL REPORTS

Mayor Pro Tem Librers shared that she attended the Cal Cities Conference and especially enjoyed the keynote speaker. She also participated in the South County Youth Task Force meeting, chaired the Habitat Implementation Board and Governing Board meetings, and noted that she and a colleague attended a fundraising event for

Green Foothills.

CITY MANAGER'S REPORT

Last Saturday, October 11, about 30 volunteers from Community Christian dedicated several hours to beautifying Community Park and the area near the Centennial Recreation Center. They spread mulch around the skate park, painted picnic tables, picked up litter, and installed posts for new shade sails by the pickleball courts, with the sails to be added next week. Their continued efforts are deeply valued by the City. Additionally, the second week of October marks Code Enforcement Officer Week, recognizing the hard work of Ozzie Esquivel, John Amos, and the team, including Daniel Cardwell and Eric Blomquist. This year, the team increased monitoring with some evening and weekend work, and their dedication aligns well with today's Building Code update.

CITY ATTORNEY'S REPORT

City Attorney Larkin shared that City Council met in closed session earlier in the evening. On the matter of negotiations, there was no reportable action. The second matter was continued to the end of the regular meeting.

OTHER REPORTS

Council Member Martinez Beltran shared highlights from attending the Cal Cities Conference, which saw its highest attendance since COVID. She attended sessions focused on leveraging AI to expand reach and achieve cost savings. She participated in the Cal Cities Board meeting and the Peninsula Division lunch where she was sworn onto the board. She also attended the Latino Caucus Board meeting where they celebrated their 35th anniversary. Additional engagements included the ABAG meeting, a Santa Clara County Courts legislative event, and hosting an event on Measure A and Prop 50. She also joined the MHUSD Superintendent and City teammates for the MHUSD/San Jose State event, participated in PAC Board discussions for VTA, attended Silicon Valley Clean Energy and SCRWA meetings, and joined a transportation webinar with Senator Wiener on SB 79.

Council Member Vega attended the Habitat meeting and participated in the Cal Cities Conference, where she joined sessions on placing revenue measures on the ballot and addressing homelessness and mental health. She valued the opportunity to spend time with staff, build connections, and learn how other cities are tackling similar challenges. Additionally, she volunteered at the Food and Wine Festival to support a chef and took part in the City/School Liaison Committee meeting.

Council Member Iwanaga shared that she attended the Cal Cities Conference for the first time, participating in sessions on homelessness and mass transit, noting that many proposed solutions are geared toward larger cities. She also attended the SCRWA meeting and was pleased to see several projects progressing toward completion. In addition, she attended the October 5th Food and Wine Festival, which benefited

MHUSD.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Public comment opened at 6:24 p.m. With no requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

| | |
|------------------|---|
| RESULT: | Passed |
| MOVER: | Council Member Vega |
| SECONDER: | Council Member Iwanaga |
| AYES: | Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega |
| NAYS: | None |
| ABSTAIN: | None |
| ABSENT: | Mayor Turner |

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.

MOTION:

Approving consent calendar items 1, 3, 4, 5, and 7 through 11.

| | |
|------------------|---|
| RESULT: | Passed |
| MOVER: | Council Member Martinez Beltran |
| SECONDER: | Council Member Iwanaga |
| AYES: | Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega |
| NAYS: | None |
| ABSTAIN: | None |
| ABSENT: | Mayor Turner |

- 1. APPROVE THE SERVICE PROVIDER AGREEMENT RELATED TO THE ADMINISTRATION OF THE CITY'S 457(B) DEFERRED COMPENSATION**

PLAN WITH SHUSTER ADVISORY GROUP

Recommendation:

1. Approve the service provider agreement related to the administration of the City's 457(b) Deferred Compensation Plan with Shuster Advisory Group; and
2. Appoint the City Manager as the Plan Administrator; and
3. Authorize the City Manager to execute and administer the related agreements.

3. **APPROVE A THREE-YEAR AGREEMENT WITH MAGGIORA BROS DRILLING, INC IN THE AMOUNT OF \$750,000 FOR ON-CALL ROUTINE AND EMERGENCY REPAIR, MAINTENANCE, AND REHABILITATION OF THE CITY'S WATER WELLS AND BOOSTER STATIONS**

Recommendation:

Approve and authorize the City Manager to execute a three-year agreement with Maggiora Bros Drilling, Inc. in the total not-to-exceed amount of \$750,000 for on-call routine and emergency repair, maintenance, and rehabilitation of the City's water wells and booster stations.

4. **APPROVE AMENDED AND RESTATED CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS WITH HYDROSCIENCE ENGINEERS FOR DESIGN SERVICES RELATED TO THE SEWER TRUNK LINE BETWEEN MORGAN HILL AND GILROY**

Recommendation:

1. Approve Amended and Restated Consultant Agreement for Design Professionals with HydroScience Engineers, Inc. to provide additional services for the New Sewer Trunk Line to Gilroy project for a total not-to-exceed amount of \$654,238; and
2. Authorize the City Manager to execute and administer the amended and restated consultant agreement.

5. **APPROVE SECOND AMENDMENT TO DESIGN SERVICES AGREEMENT WITH SCHAAF & WHEELER CONSULTING CIVIL ENGINEERS FOR THE BUTTERFIELD BASIN ONLINE CONVERSION PROJECT FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$293,352**

Recommendation:

1. Approve the Second Amendment to the Consultant Agreement with Schaaf & Wheeler Consulting Civil Engineers to provide additional services for the Butterfield Basin Online Conversion Project for a total not-to-exceed amount of \$293,352; and

2. Authorize the City Manager to execute and administer the amended consultant agreement.

7. **APPROVE AND AUTHORIZE THE CITY MANAGER TO PURCHASE THREE UTILITIES DIVISION REPLACEMENT VEHICLES**

Recommendation:

1. Approve the purchase of a Ford T-350 E Transit Cargo Van from Rush Truck Center in the amount of \$75,323 to replace vehicle W18163;
2. Approve the purchase of a Ford F-550 Truck with a Wachs valve turner up-fit from Rush Truck Center in the amount of \$254,753 to replace vehicle W15117;
3. Approve the purchase of a Vac-Con Combo Jet/Vacuum Truck from Municipal Maintenance Equipment in the amount of \$647,687 to replace vehicle S15112; and
4. Authorize the disposal of surplus vehicles in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

8. **APPROVE OBJECTIVE DEVELOPMENT STANDARDS CONCESSION AND WAIVER REQUESTS FOR THE MYRTLE – MYRTLE INVESTMENTS RESIDENTIAL PROJECT**

Recommendation:

Adopt a resolution approving the applicant's request for one concession to the City's undergrounding requirement and four waivers to the City's Objective Residential Development Design and Development Standards pursuant to California Density Bonus Law (Gov. Code §65915).

9. **APPROVE SEPTEMBER 17, 2025, CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the September 17, 2025, City Council Meeting Minutes.

10. **AWARD MAINTENANCE SERVICE AGREEMENT FOR ENGINEERED WOOD FIBER AND MULCH TO JET MULCH, INC. IN THE AMOUNT OF \$120,000 FOR THE INITIAL TWO-YEAR TERM**

Recommendation:

1. Award a maintenance service agreement to JET Mulch, Inc. in the amount of \$120,000 for a two-year term, with the option to extend up to three additional consecutive one-year terms; and
2. Authorize the City Manager to execute and administer the agreement and

amendments.

11. RECEIVE MONTHLY BUDGET UPDATE AND AUGUST 2025 FINANCIAL AND INVESTMENT REPORTS

Recommendation:
Receive and file reports.

ITEMS PULLED FOR DISCUSSION

2. APPROVE FIRST AMENDMENT TO THE FY 2025-26 COUNTYWIDE SOLID WASTE SERVICES FOOD RECOVERY PROGRAM CONTRACT WITH JOINT VENTURE SILICON VALLEY

Recommendation:

1. Approve the first amendment to the FY 2025-26 Joint Venture Silicon Valley consultant agreement to extend the effective date of services from December 31, 2025 to June 30, 2026 and increase the agreement amount by \$296,801; and
2. Authorize the City Manager to execute and administer the first amendment to the agreement with Joint Venture Silicon Valley.

Public Services Director Ghione provided a report.

Public comment opened at 6:28 p.m. With no requests to speak, public comment closed.

MOTION:

Approving the recommended actions.

| | |
|------------------|---|
| RESULT: | Passed |
| MOVER: | Council Member Martinez Beltran |
| SECONDER: | Council Member Vega |
| AYES: | Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega |
| NAYS: | None |
| ABSTAIN: | None |
| ABSENT: | Mayor Turner |

6. APPROVE AGREEMENT WITH GEOGRAPHIC TECHNOLOGIES GROUP FOR GIS SERVICES IN THE AMOUNT OF \$238,173

Recommendation:

Approve an agreement with Geographic Technologies Group for GIS Services in the amount of \$238,173.

GIS Manager van der Leeden provided a report.

Public comment opened at 6:37 p.m. With no requests to speak, public comment closed.

MOTION:

Approving the recommended actions.

| | |
|------------------|---|
| RESULT: | Passed |
| MOVER: | Council Member Martinez Beltran |
| SECONDER: | Council Member Iwanaga |
| AYES: | Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega |
| NAYS: | None |
| ABSTAIN: | None |
| ABSENT: | Mayor Turner |

OTHER BUSINESS

12. INTRODUCE AN ORDINANCE OF THE CITY OF MORGAN HILL AMENDING CHAPTERS 15.08 (BUILDING CODE), 15.12 (ELECTRICAL CODE), 15.16 (MECHANICAL CODE), 15.20 (PLUMBING CODE), 15.44 (FIRE CODE) AND TO ADOPT BY REFERENCE THE 2025 CALIFORNIA BUILDING STANDARDS CODES KNOWN AND DESIGNATED AS CALIFORNIA CODE OF REGULATIONS, TITLE 24

Recommendation:

1. Waive reading;
2. Introduce the ordinance by title; and
3. Set November 19, 2025, at 6:00 p.m. as the date and time for a public hearing to consider adoption of an ordinance.

Building Official Blomquist provided a presentation and report.

Public comment opened at 6:46 p.m. With no requests to speak, public comment closed.

MOTION:

Waiving the first and second reading of the ordinance.

| | |
|------------------|---|
| RESULT: | Passed |
| MOVER: | Council Member Martinez Beltran |
| SECONDER: | Council Member Iwanaga |
| AYES: | Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega |
| NAYS: | None |
| ABSTAIN: | None |
| ABSENT: | Mayor Turner |

MOTION:

Introducing the ordinance.

| | |
|------------------|---|
| RESULT: | Passed |
| MOVER: | Council Member Martinez Beltran |
| SECONDER: | Council Member Vega |
| AYES: | Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega |
| NAYS: | None |
| ABSTAIN: | None |
| ABSENT: | Mayor Turner |

MOTION:

Setting November 19, 2025, at 6:00 p.m. as the date and time for a public hearing to consider adoption of an ordinance.

| | |
|------------------|---|
| RESULT: | Passed |
| MOVER: | Council Member Martinez Beltran |
| SECONDER: | Council Member Iwanaga |
| AYES: | Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega |
| NAYS: | None |
| ABSTAIN: | None |
| ABSENT: | Mayor Turner |

13. **ACCEPT MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNERS ASSOCIATION ANNUAL REPORT (DBA VISIT MORGAN HILL)**

Recommendation:
Accept and file the Visit Morgan Hill Annual Report.

Economic Development Director Mahood introduced Visit Morgan Hill Executive Director Krista Rupp who provided a presentation and report.

Public comment opened at 7:25 p.m. With no requests to speak, public comment closed.

Report received.

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.

None.

The meeting adjourned to closed session at 7:25 p.m.
The meeting reconvened at 7:30 p.m.
There was no reportable action.

ADJOURNMENT

There being no further business, Mayor Pro Tem Librers adjourned the meeting at 7:30 p.m.

Minutes Prepared by:

Michelle Bigelow, City Clerk



City Council

Meeting Minutes

Mark Turner - Mayor
Marilyn Librers - Mayor Pro Tem
Soraida Iwanaga - Council Member
Yvonne Martínez Beltrán - Council Member
Miriam Vega - Council Member

Wednesday, October 22, 2025

5:00 p.m. Closed Session
6:00 p.m. Regular Session

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

SPECIAL/REGULAR MEETING

A special meeting of the City Council was called at 5:00 p.m. for the purpose of conducting a closed session.

SPECIAL MEETING

5:00 p.m. Closed Session

CALL TO ORDER

Mayor Turner called the City Council meeting to order at 5:00 p.m.

ROLL CALL ATTENDANCE

Deputy City Clerk Rossi called the roll.

| | |
|----------------|---|
| PRESENT | Mark Turner, Marilyn Librers, Soraida Iwanaga, Yvonne Martinez Beltran, Miriam Vega |
| ABSENT | None |

DECLARATION OF POSTING AGENDA

Deputy City Clerk Rossi declared the posting of the agenda.

CLOSED SESSION

City Attorney announced the closed session item.

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; Chris Ghione, Assistant City Manager, Public Services

Employee Organization: Morgan Hill Police Officers Association; AFSCME Local 101 Morgan Hill; Community Service Officers Association; Employees Covered under Management Resolution #23-051

PUBLIC COMMENT FOR CLOSED SESSION ITEMS

Public comment opened at 5:01 p.m. With no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 5:01 p.m.

REGULAR MEETING

The regular meeting convened at 6:00 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Mayor Turner expressed his gratitude to Senator Dave Cortese for visiting the Reachout Food Pantry at St. Catherine’s of Alexandria Church to learn more about their critical work and food supply needs. He also thanked Assembly Member Gail Pellerin for delivering a Proclamation on October 2, 2025, in recognition of the Healthy Morgan Hill Initiative. The Mayor shared that he attended the MOHI Food and Wine event, where approximately 650 people attended to raise funds for the Morgan Hill Unified School District. He continues working with farmers, ranchers, and winery owners to coordinate with county supervisors regarding proposed amendments. Additionally, he participated in the Health Fair at St. Catherine’s last Sunday and the Wellness Fair at 5th Element Gym to promote the Healthy Morgan Hill Initiative launched in May 2025. Lastly, he invited the community to the Pumpkins on 3rd Street event on October 23, 2025, from 4:00 p.m. to 7:30 p.m. at 3rd Street and Depot Street, featuring trick-or-treating, a pumpkin patch, vendors, pet costumes, and live music.

CITY MANAGER'S REPORT

City Manager Turner announced the appointment of Vicky Rossi as the new Deputy City Clerk. She mentioned that the 2025 Morgan Hill Halloween Haunt featured 25 decorated homes, with winners to be announced soon. The program is sponsored by the Morgan Hill Wine Trolley, and proceeds from ticket sales from their Halloween Haunt trolley tours will benefit Morgan Hill Parks and Recreation. You can view the participating homes on the map at www.morganhill.ca.gov/mhhaunt. The 5th Annual Morgan Hill Open Studios will take place on October 25 and October 26, 2025, with a preview reception at Colibri Art Gallery and a commendation from Supervisor Arenas' office recognizing support for the arts. The next regular City Council meeting is scheduled for November 5, 2025, followed by a facilitated session on November 10, 2025, to discuss norms and ethics policy. She concluded with recognition of the Small Business and Entrepreneurship Cohort Class graduates from October 2, 2025.

CITY ATTORNEY'S REPORT

City Attorney Larkin shared that the Council met in closed session earlier in the evening and there was no reportable action.

OTHER REPORTS

Council Member Martinez Beltran attended several community and regional events, including the CAIR 30th Anniversary, labor union campaigns, and Congress Member Zoe Lofgren's annual barbecue. She also celebrated the reopening of Britton Middle School's gym, joined discussions on water rates at the Valley Water Commission meeting, and acknowledged new state legislation signed by the Governor. She closed by noting the County's resolution prohibiting ICE enforcement on County property.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Public comment opened, the following people were called to speak:

Greg Felios

Dmitry Novokhaskiy

With no further requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

| | |
|----------------|---------------------|
| RESULT: | Passed |
| MOVER: | Council Member Vega |

| | |
|------------------|---|
| SECONDER: | Mayor Pro Tem Librers |
| AYES: | Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega |
| NAYS: | None |
| ABSTAIN: | None |
| ABSENT: | None |

OTHER BUSINESS

1. HOUSING UPDATE

Recommendation:
Receive report and provide feedback.

Assistant City Manager Ramirez introduced the conversation. Development Services Director Carman and Housing and Economic Mobility Director Lang provided a presentation and report.

Public comment opened at 7:43 p.m. The following people were called to speak:
Joe Guerra
Rocke Garcia
John McKay
Chris Borello
Armando Benavides (Zoom)
With no further requests to speak, public comment closed.

No action taken.

The meeting recessed at 8:05 p.m. and reconvened at 8:15 p.m.

2. ECONOMIC DEVELOPMENT UPDATE

Recommendation:
Receive report and provide feedback.

Economic Development Director Mahood provided a presentation and report.

Public comment opened at 9:16 p.m. The following people were called to speak:
Nick Gaich
Cenobio Albarran Mendoza
John McKay
Armando Benavides (Zoom)
With no further requests to speak, public comment closed.

No action taken.

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 9:30 p.m.

Minutes Prepared by:

Michelle Bigelow, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: November 5, 2025

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

APPROVE A MEMORANDUM OF UNDERSTANDING WITH THE SANTA CLARA VALLEY OPEN SPACE AUTHORITY FOR A PUBLIC ACCESS PARTNERSHIP ON DEVELOPMENT OF THE EL TORO MOUNTAIN AREA

RECOMMENDATION(S)

Authorize the City Manager to execute and administer a Memorandum of Understanding with the Santa Clara Valley Open Space Authority for a partnership on public access development of the El Toro Mountain area.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Supporting our Youth, Seniors, and Entire Community
Preserving our Community History

2024-2025 Strategic Priorities

Healthy Community

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

REPORT NARRATIVE:

The effort to establish a public trail up El Toro Mountain is a long-standing initiative for the City of Morgan Hill, driven by the mountain's status as a city landmark and a popular, though historically informal, hiking destination. For many years, the mountain was a de facto hiking spot for locals, with a visible network of informal trails. The Morgan Hill Historical Society previously sponsored an annual community hike to the summit, which drew hundreds of participants. However, this access was not continued due to the existing pathways crossing private property and the trail not being formally designed.

With the popularity of the hike, the City began a formal process to create a sanctioned public trail in the early 2000s. However, the City's ability to acquire land via working with willing property owners has taken a significant amount of time. Significant planning work has occurred and the trail is included in the City's Bikeways, Trails, Parks and

Recreation Master Plan. In recent years, the City has been guided by the El Toro Trail Access Strategy, which was developed in 2015 and can be viewed online here:

<https://www.morganhill.ca.gov/DocumentCenter/View/20003>

The City has worked to develop this "Access Strategy" to determine the most viable and least impactful trail access points. While the City and Santa Clara Valley Open Space Authority (OSA) own considerable property on the El Toro Mountain, the access to this property at the base of the mountain has not been adequate to develop a public trail. The City, in collaboration with the OSA, has been working to acquire additional property and secure agreements with private landowners to create a safe and legal trail. The most significant point of this ongoing effort has focused on finding an access near the area of Spring and DeWitt Avenues.

Over the last few months, a very significant positive turn has occurred for the project. The West Hills Church off of DeWitt Avenue has granted the City and OSA an easement for trail access through their property in association with approval of their expansion project. With this new easement, the City and OSA are now planning to take additional steps to continue the partnership in developing a memorandum of understanding (MOU) to move forward in working to develop the trail system. The significant components of the MOU being proposed include the following:

- OSA and City will work cooperatively to plan for joint public access facilities at the Preserve (area around the trail) on a mutually agreed upon timeline.
- City will lead efforts to secure rights to a property suitable for a trailhead staging area near DeWitt Avenue and Spring Avenue; and will plan, design, permit, and construct these facilities. Authority will reasonably support these efforts.
- OSA will lead efforts to secure rights to property or trail easements to allow for a sustainable trail network on El Toro; and will plan, design, and construct these facilities. City will reasonably support these efforts.
- City will cooperate with OSA to resolve issues that may arise during trail planning with the existing easements on City-owned property on the east side of El Toro.
- City and OSA will work together to determine roles and responsibilities for environmental review required by the California Environmental Quality Act (CEQA), if any.
- City and OSA will develop a management agreement that establishes cost-sharing and other ongoing responsibilities related to long term maintenance and management of the trailhead staging area and trail facilities. Such agreement will include, but not be limited to, the following terms
 - City will maintain and operate trailhead staging area facilities such as parking, restrooms, and trash collection.
 - OSA will maintain and operate trails and trailside amenities on the Preserve (benches, interpretive signs, etc.), provide trail patrols, and conduct vegetation and habitat management and habitat restoration.
 - City will provide security response and emergency response (including Morgan Hill Police and Fire) for the trailhead staging area and trail facilities.
 - The City will consider developing ordinances, as needed, for enforcement

of rules and regulations of the Preserve.

These components are intended to provide guidance on who leads areas on the next steps in development of the trail. Through the proposed MOU, the City and the Authority will be working cooperatively to plan joint public access facilities. The City and Authority will mutually support each other's efforts for the staging area and trails with the City leading the work on securing and planning the staging area and the Authority leading the work on securing and planning the trails.

COMMUNITY ENGAGEMENT:

Involve

The City conducted significant specific trail planning engagement in 2015 during development of the El Toro Trail Access Strategy. Since significant time has passed additional engagement will be required in the future as the project moves forward. Approving the MOU will assist in ensuring the City and OSA work collaboratively on engaging residents as future planning occurs.

ALTERNATIVE ACTIONS:

The City Council could choose not approve this MOU and provide staff with alternate direction.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Parks and Recreation Commission reviewed the components of the proposed MOU on September 16, 2025 and has recommended approval by the City Council.

Prior Council Action:

- Approved the purchase of the Acton property which provides an easement for the trail in 2010
- Approved the El Toro Trail Access Strategy in February 2015.
- Approved acquisition and funding agreement providing funding for the purchase of property by the Open Space Authority off West Main Avenue for the El Toro Trail System in December 2016.
- Approved the Bikeways, Trails, Parks and Recreation Master Plan, which includes the El Toro Trail Development in July 2017.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact associated with signing of the MOU.

CEQA (California Environmental Quality Act):

Not a Project

Since the resulting activity is an administrative program that will not result in a change to the physical environment, this action is not a project under the California Environmental Quality Act.

**Memorandum of Understanding between
City of Morgan Hill and Santa Clara Valley Open Space Authority
Regarding the El Toro Open Space Preserve**

This Memorandum of Understanding (MOU or Agreement) is entered as of _____, by and between the Santa Clara Valley Open Space Authority (Authority) and the City of Morgan Hill (City) regarding public access planning and management for the future El Toro Open Space Preserve (Preserve) and other properties located on El Toro, a prominent mountain in the City of Morgan Hill.

- a. Nestled above the City of Morgan Hill, in the Santa Cruz Mountains, El Toro is home to coast live oaks, California bay woodlands, chaparral and grasslands. Recognizing the value of these lands for open space, recreation and habitat, Authority and City have been working together for over a decade to acquire land and trail rights on El Toro in support of opening the future Preserve to public access.
- b. The Morgan Hill City Council approved the *Revised El Toro Trail "Access Strategy"* on February 4, 2014 for proposed public access on El Toro.
- c. Providing public access on El Toro supports the goals of the City's *Bikeways, Trails, Parks and Recreation Master Plan* (2017).
- d. City and Authority wish to continue to work together to plan for public access to the Preserve and have the shared goal of providing well-managed public access to the future Preserve to ensure safe trail routes and protection of natural resources.
- e. City currently owns property on the eastern face of El Toro (APN: 773-06-013, 773-06-014, 773-06-010, 773-05-032, 773-09-030, 773-07-033), and Authority currently owns adjoining property to the north and south— the former Pravettoni Property (773-06-015, 773-06-016) and El Toro Preserve (773-09-013, 773-09-014).
- f. Additional property rights are needed to provide a trailhead staging area and trail network for the Preserve. The preferred primary access point for a trailhead is near DeWitt Avenue and Spring Avenue.
- g. City and Authority wish to memorialize their respective roles and responsibilities in their partnership to advance the shared goal of opening the Preserve to the public.

NOW, THEREFORE, Authority and City agree as follows:

1. Authority and City will work cooperatively to plan for joint public access facilities at the Preserve on a mutually agreed upon timeline.
2. City will lead efforts to secure rights to a property suitable for a trailhead staging area near DeWitt Avenue and Spring Avenue; and will plan, design, permit, and construct these facilities. Authority will reasonably support these efforts.
3. Authority will lead efforts to secure rights to property or trail easements to allow for a sustainable trail network on El Toro; and will plan, design, and construct these facilities. City will reasonably support these efforts.
4. City will cooperate with Authority to resolve issues that may arise during trail planning with the existing easements on City-owned property on the east side of El Toro.
5. City and Authority will work together to determine roles and responsibilities for environmental review required by the California Environmental Quality Act (CEQA), if any.

6. City and Authority will develop a management agreement that establishes cost-sharing and other ongoing responsibilities related to long term maintenance and management of the trailhead staging area and trail facilities. Such agreement will include, but not be limited to, the following terms:
 - i. City will maintain and operate trailhead staging area facilities such as parking, restrooms, and trash collection.
 - ii. Authority will maintain and operate trails and trailside amenities on the Preserve (benches, interpretive signs, etc.), provide trail patrols, and conduct vegetation and habitat management and habitat restoration.
 - iii. City will provide security response and emergency response (including Morgan Hill Police and Fire) for the trailhead staging area and trail facilities.
 - iv. City will consider developing ordinances, as needed, for enforcement of rules and regulations of the Preserve.

IN WITNESS THEREOF, the parties have caused this Memorandum of Understanding to be entered as of the date first written above.

CITY OF MORGAN HILL

SANTA CLARA VALLEY OPEN SPACE
AUTHORITY

By: _____

By: _____

Christina Turner, City Manager

Andrea Mackenzie, General Manager

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____

By: _____

Donald Larkin, City Attorney

William P. Parkin, Legal Counsel



EL TORO TRAIL MEMORANDUM OF UNDERSTANDING

City Council
November 5, 2025

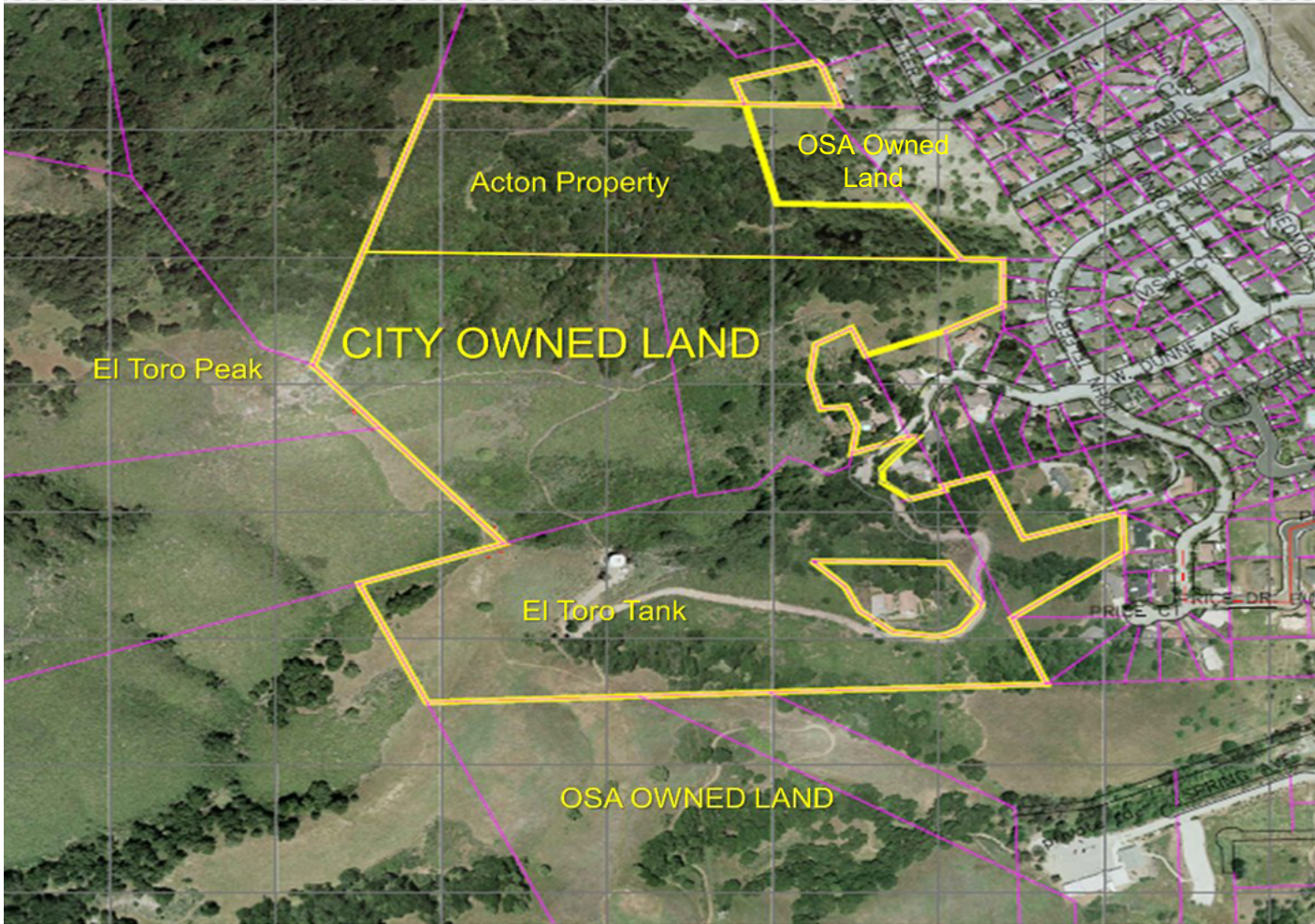


Item Purpose

- Receive update on progress on the El Toro Trail
- Approve a Memorandum of Understanding with the Santa Clara Valley Open Space Authority (OSA) for Trail Development



El Toro Trail Update



Background

- Long time destination of residents.
- Legal full public access has not been available.
- Ownership of several parcels by the City and OSA.
- City and OSA work with willing property owners.

El Toro Trail Update

Access Strategy Key Need

- Creating one primary trail head:
Primary trail head to have typical amenities such as parking lot, information kiosk, and potential restroom facilities. Public information should market primary trail head for those inclined to drive and park.
- Focusing the location of a primary trailhead off of DeWitt Avenue, south of Spring Avenue. This location should be designed to discourage parking on neighborhood streets.

REVISED EL TORO TRAIL “ACCESS STRATEGY”

Formalizing an Existing Trail System

City Council Meeting
February 4, 2015

El Toro Trail Update

- Recent Action: Easement dedicated by West Hills Church.
- Current Item: MOU with the Open Space Authority
- Next Step:
 - Identify and acquire property for Trailhead near Spring and DeWitt
 - Resident Engagement on the project



El Toro Trail Update

MOU Key Points

- OSA and City will work cooperatively to develop the trail.
- City will take the lead on trailhead staging area acquisition, development and management.
- OSA will take the lead on trail acquisition, development, and management.

Parks and Recreation Commission

- Recommended approval of MOU by the City Council.



Questions?

CITY COUNCIL STAFF REPORT

MEETING DATE: November 5, 2025

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

APPROVE REQUEST TO RENAME NOB HILL TRAIL PARK AFTER COMMUNITY MEMBER MARTY CHEEK OR PROVIDE ALTERNATIVE DIRECTION

RECOMMENDATION(S)

Approve or do not approve the renaming of the Nob Hill Trail Park in recognition of Marty Cheek.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

REPORT NARRATIVE:

At the request of the community member who initiated the request, this item was continued from the May 21, 2025 City Council meeting.

Marty Cheek was the co-founder and publisher of Morgan Hill Life, the local free newspaper delivered to residents throughout Morgan Hill. Morgan Hill life was focused and known for publishing news of the positive things that were occurring in our community and typically avoided negative news. Marty previously served as a Parks and Recreation Commissioner and supported numerous efforts to support the community in his role with Morgan Hill Life. Community member John McKay has requested the City Council rename the Nob Hill Trail Park to Marty Park, in recognition of Marty's work in the community. The letter outlining the request is included as Attachment 1.

Renaming of City facilities can occur with approval by the City Council. Council Policy CP-04-02 (Attachment 2) provides guidance to the Council on requests for renaming, including:

Procedures for Naming Existing Facilities

The City does not normally rename existing parks, buildings, and other facilities. In the event that extraordinary circumstances result in the need to rename an existing facility, consideration shall primarily be given to:

1. An individual (living or deceased) who has made a significant land and/or monetary contribution to the City's public facilities and who has stipulated the name as a condition

of the donation;

2. An individual (living or deceased) who has contributed outstanding civic service to the City and who has not served in elected City office for a period of at least one year.

City staff met with John McKay and discussed options for park renaming, which included the renaming of the entire park or the dedication/recognition at a specific amenity such as a bench, tree or other item within the park. At that meeting Mr. McKay expressed his desire for the renaming of the entire park. Staff would like the Council to consider several factors before any renaming occurs based on past practice and equity in renaming City facilities.

1. Full facility renaming has occurred at two facilities in the last two decades. The renaming occurred for former mayors at the Morgan Hill "Dennis Kennedy" Aquatics Center and the Morgan Hill "Steve Tate" Library. In both cases, the Mayors were strong leaders in developing the plans to construct the facilities.
2. More recently, a specific area at the Community and Cultural Center (the Downtown Amphitheater) was approved for renaming as "Morgan Hill Rich Firato Downtown Amphitheater". Rich Firato was not instrumental in the construction of the Amphitheater but was a leader in the Chamber of Commerce that developed the Friday Night Music Series into the highly successful event it now is. While Rich was recognized for his community-wide philanthropy, he had a distinct connection in the advancement of the facility for which the renaming was approved.
3. Numerous long-standing community members and organizations have been approved for recognition at various locations throughout the City, but have not had parks or facilities named after them. For example, Ron and Shirley Locicero, are recognized at the Morgan Hill Magical Bridge Playground for their significant contributions to its construction and the Rotary Club of Morgan Hill have a slide and bridge named after the club in the Downtown Parks for its financial contributions and work towards those parks.
4. Funding for the physical changes associated with renaming of the facilities has come from funding raised by those requesting the renaming and not from the City.

There is no doubt that Marty Cheek made a significant contribution to our community and deserves recognition for that work. However, based on past practice and the direct link of the resident's contribution to the specific development of the community facility for which the naming is requested, the Nob Hill Trail Park renaming may or may not be the most appropriate way to recognize Marty Cheek. An alternative could be to approve recognition of a specific amenity within the park space. If this option was selected by the City Council, a very specific monument could be dedicated which includes the specific efforts Marty Cheek made in support of bringing positive news and journalism to our community.

COMMUNITY ENGAGEMENT:

Collaborate

This item has been brought forward by a community member as a proposal to the Council.

ALTERNATIVE ACTIONS:

The Council has several alternatives, including:

1. Approve the renaming of the Nob Hill Trail Park to Marty Park, requiring all costs associated with renaming to be taken on by the requestor.
2. Approve alternate recognition of an amenity within the park area and delegate authority to City staff to work with the requestor to finalize exact recognition.
3. Delegate the item to the Parks and Recreation Commission to approve alternate recognition within the park area.
4. Do not approve the renaming request and take no other action.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There are no prior Council actions related to the renaming of the Nob Hill Trail Park.

FISCAL AND RESOURCE IMPACT:

There are no fiscal or resource impacts associated with this action, so long as the requestor is responsible for costs associated with renaming or recognition.

CEQA (California Environmental Quality Act):

Not a Project.

Administrative activities of governments that do not result in direct physical changes in the environment do not qualify as a project for purposes of CEQA.

February 21, 2025

Mark Turner
Mayor, City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

RE: Facility naming request, Third Street Creek Park

Dear Mayor Turner,

I would like to present at this time a proposal from a community member, me, to rename a City of Morgan Hill park. The park in mention is the Third Street Creek Park which has a very utilitarian name but I feel could better reflect the community of Morgan Hill.

I understand that the “renaming” of an existing park is something not normally done except under extraordinary circumstances. I think the passing of one of Morgan Hill’s most beloved community members, Martin Gerhard Raymond Cheek, who was a journalists and newspaper publisher should rank as an extraordinary circumstance.

Marty was the co-founder and publisher of Morgan Hill Life which focused on the good being done in our community and broke the pattern of negative news covering the front page. He and the newspaper brought forth the real Morgan Hill for all to see, the Morgan Hill we all lived and breathed every day at our most fundamental level. Morgan Hill is not perfect and some warts were reported but the vast majority of life in Morgan Hill is good, really good, and Morgan Hill Life reflected that fact.

Marty used to walk to the top of the Third Street Creek Park on a regular basis early in the morning before most of the rest of us were still asleep warm in our beds. He used to love to look over the city from the perch by the Big Slide. Marty was also involved in working to save Henry Coe State Park during a difficult time in California State Parks history. Marty loved the outdoors and Morgan Hill was the perfect place for him to enjoy that passion with the parks and open space which are so abundant nearby.

I request the Third Street Creek Park be renamed the Martin Cheek Third Street Creek Park or an appropriate variation of that. I can just imagine hearing kids on bikes yelling to each other let’s go to the “Marty Park”, can’t you?

Thank you for your time and consideration of this matter.

Sincerely,

John K. McKay

John K. McKay
Resident, Morgan Hill

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-04-02

SUBJECT: Naming of City Facilities

DATE: April 7, 2004, Reviewed June 27, 2007,
Revised September 2, 2015

ORIGINATING DEPT: City Manager

BACKGROUND

The City of Morgan Hill has a number of planned new facilities and the City does not currently have a system in place to guide the naming of facilities.

PURPOSE

The primary purpose of this policy is to provide guidance on the naming of facilities.

POLICY

I. Process

The City Council shall be the decision-making body for the naming of parks, buildings, and public facilities.

II. Procedures for Naming New Facilities

In the naming of new parks, buildings, and other facilities, consideration shall primarily be given to:

1. Neighborhood, geographic, or common usage identification;
2. A natural or geological feature;
3. Significant historical events or cultural attributes;
4. A historical figure;
5. An individual (living or deceased) who has made a significant land and/or monetary contribution to the City's public facilities and who has stipulated the name as a condition of the donation;
6. An individual (living or deceased) who has contributed outstanding civic service to the City and who has not served in elected City office for a period of at least one year.

II. Procedures for Naming Existing Facilities

The City does not normally rename existing parks, buildings, and other facilities. In the event that extraordinary circumstances result in the need to rename an existing facility, consideration shall primarily be given to:

1. An individual (living or deceased) who has made a significant land and/or monetary contribution to the City's public facilities and who has stipulated the name as a condition of the donation;
2. An individual (living or deceased) who has contributed outstanding civic service to the City and who has not served in elected City office for a period of at least one year.

This Policy shall remain in effect until modified by the City Council.

APPROVED:



STEVE TATE, Mayor

May 21, 2025

City of Morgan Hill City Council

City of Morgan Hill

17575 Peak Avenue

Morgan Hill, CA 95037

RE: May 21, 2025 City Council meeting Agenda Item 25, Approve Request to Rename Nob Hill Trail Park After Community Member Marty Cheek or Provide Alternative Direction

Dear Mr. Mayor and Council Members,

Hello, I am again writing in support of the change in name of the Morgan Hill City Nob Hill Trail Park to the Marty Park, Marty Cheek Park, or some variation on the theme of respectfully renaming the park after community member Martin Raymond Gerhardt Cheek.

I wrote the original request for the name change for a community member who made Morgan Hill a better place through his efforts to show the good things happening in our community and region. But there were more facets to the Marty that gave to this community:

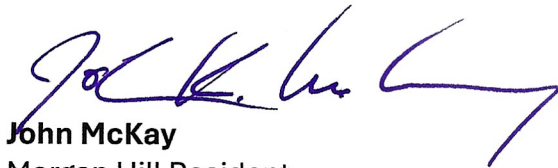
- He and Robert Airoidi started a newspaper dedicated to trying to make sure we all knew about all the good taking place in our community.
- He was a proud and committed alumnus of Leadership Morgan Hill who continued to use the tools provided by the organization to give back to the community.
- He freely gave his time to our educational system and would go into the classrooms to teach our youth about the importance of journalism and knowing how to tell stories through the written word.
- He supported the sciences and worked tirelessly in support of the Science Fair.
- He attended virtually every fundraiser to show support and report on what our volunteer community really does.
- Marty taught me that in the volunteer world you will set up tables and chairs and then take them back down and do it all over again at the next event. Marty did just that.
- He was the Morgan Hill Chamber of Commerce 2011 Man of the Year for his selfless contributions to our community. It was there that Marty told the story of sitting on a hilltop above Morgan Hill and realized he had no relatives here but he had a community, a community he declared was his family. Could it have been on Nob Hill this epiphany came to him?

Marty truly cared about our community and the world beyond. With all the hostility, signs of aggression and all out war he became deeply alarmed and decided he wanted to do something about it. His "Vision" series were a result of that concern for community and the world. The Nob Hill Trail Park played a roll in all of that. It was a place he often hiked to early in the morning when all was quiet and the fears of what was happening on the world stage would not allow him to rest. It was a place where his thoughts could settle a bit. He would often look over the city with the rising dawn and see that it was okay here, it could be okay everywhere. just maybe not today. It was a place of introspection, reflection and hope for Marty. I hope we can honor all he gave to this community and name that place after him.

Nob Hill Trail Park was a special place for Martin Cheek and I would like our community to feel the significance of this place that overlooks our beautiful city and community. A place where it all comes together, where a city is not just a collection of buildings and streets and stuff but a place where a beautiful community lives its lives and thrives.

Thank you for considering the renaming of the Nob Hill Trail Park in honor of Martin Raymond Gerhardt Cheek, also known as "our" Marty.

Sincerely,

A handwritten signature in blue ink, appearing to read "John McKay", with a long, sweeping horizontal stroke extending to the right.

John McKay
Morgan Hill Resident



CITY COUNCIL STAFF REPORT

MEETING DATE: November 5, 2025

PREPARED BY:

Matt Mahood, Economic Development Director

APPROVED BY: City Manager

INTRODUCE ORDINANCE AMENDING CHAPTER 5.28 (AMUSEMENT AND ENTERTAINMENT PREMISES) OF THE MUNICIPAL CODE

RECOMMENDATION(S)

1. Waive the first and second reading of the Ordinance amendment; and
2. Introduce the Ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

2024-2025 Strategic Priorities

Fiscal Sustainability

Economic Development and Tourism

Guiding Documents

Economic Blueprint

Morgan Hill 2035 General Plan

Public Safety Master Plan

REPORT NARRATIVE:

Policy Consideration

Should the City Council allow businesses to have Live Entertainment, by right, until 10:00 p.m., so long as they comply with the existing Noise Ordinance and all other City Municipal Codes?

Staff Recommendation

By updating its entertainment permit requirements, Morgan Hill can encourage a thriving, diverse, and safe entertainment scene while protecting the public's health and quality of life. Staff proposes that the City Council adopt an ordinance amending Chapter 5.28 of the Morgan Hill Municipal Code to modernize the City's approach to amusement and entertainment premises, clarify definitions, and streamline the entertainment permit process in coordination with the Morgan Hill Police Department.

Background

In 2017, the City Council adopted the Economic Blueprint to guide Morgan Hill's efforts in growing a strong, diverse economy and enhancing the Community's quality of life. Action Item #31 of the Economic Blueprint calls to "Continue to Create A Lively Downtown with Entertainment Offerings." Entertainment is managed by Chapter 5.28 of the City's Municipal Code: "Amusement and Entertainment Premises." It requires that establishments offering live entertainment operate in a manner that protects public safety and community welfare. The ordinance was adopted in 1998 and should be updated to align with the City's contemporary business environment, nightlife activity, and best practices in public safety management.

Economic Development efforts in Morgan Hill aim to cultivate a balanced, high-quality community, positioning the area as a regional tourist destination. The Downtown Specific Plan (2009) encourages an active Downtown environment with a mix of residential, retail, restaurant, and entertainment uses in an urban setting. The current permitting requirements limit a business's ability to provide entertainment options such as live music. As the City's Economic Blueprint comes to fruition with the attraction of major investments like the Downtown boutique hotel, a fine art gallery, as well as many restaurants, tasting rooms, mixed-use projects, and businesses of all sizes, the entertainment permit process should be updated to ensure it meets the goals of the City and can be responsive to today's business needs.

The proposed amendments to the City's entertainment ordinance provide a path for the business community to provide entertainment options while improving safety standards. Staff have collaborated with the Morgan Hill Police Department (MHPD), the Morgan Hill Chamber of Commerce, the Morgan Hill Downtown Improvement District, the Morgan Hill Downtown Association, and local business operators to develop the proposed updates to Chapter 5.28. These updates aim to strike a balance between community vitality and safety, while aligning Morgan Hill's regulations with those of comparable cities.

Purpose of the Update

The updated ordinance maintains the City's ability to regulate entertainment activities that could impact public safety but provides more flexibility for low-risk activities. Specifically, entertainment between 10:00 p.m. and 8:00 a.m. would continue to require a permit from the Chief of Police or designee. Entertainment or dancing conducted between 8:00 a.m. and 10:00 p.m. would be allowed by right. This approach supports economic vitality by enabling restaurants and small venues to host live entertainment during normal business hours without unnecessary permitting delays.

Definitions and Clarifications

- The revised ordinance updates and expands key definitions for "entertainment" and "establishment" to clarify applicability.
- "Entertainment" includes live music, DJ performances, karaoke, comedy, dance acts, and similar live activities.
- "Establishment" means any location within the limits of the city of Morgan Hill to

which the public may be invited where food and/or alcoholic beverages are served.

- Exemptions include establishments offering only jukeboxes, recorded music, televisions, or video games.

These definitions ensure consistent enforcement and eliminate ambiguity for businesses.

Permit Application and Conditions

The new permit and appeal process mirrors the recently updated Massage Establishment Ordinance, ensuring consistency across City regulations. Permits may include conditions such as:

- Security and surveillance standards based on the Entertainment Venue and Bar Security Policy
- Responsible alcohol service and trained personnel
- Incident reporting and cooperation with the Morgan Hill Police Department
- Environmental design measures to reduce crime risks
- Crowd management and safety protocols

This framework allows the Morgan Hill Police Department, specifically the Chief of Police or their designee, to tailor safety requirements to the size and nature of each establishment.

Entertainment Venue & Bar Security Policy

The accompanying Entertainment Venue & Bar Security Policy, which may be updated as needed by the Chief of Police or designee, provides operational guidance for permitted establishments, including:

- Surveillance and monitoring expectations
- Entry and identification controls (e.g., ID scanning or manual verification)
- Screening for large events (100+ attendees)
- Security staffing ratios (1 per 50 at bars; 1 per 75 at restaurants)
- Immediate incident reporting and cooperation with law enforcement

This ensures public safety while reducing administrative burden.

COMMUNITY ENGAGEMENT:

Inform

The City's Economic Development team had one-on-one conversations with several restaurant operators to share the draft amendment and gather their feedback.

The City's Economic Development team conducted outreach by attending meetings and

sharing a draft of the ordinance amendment with the following organizations.

- Morgan Hill Chamber of Commerce
- Downtown Morgan Hill Improvement District
- Morgan Hill Downtown Association

On October 13, 2025, the City's Economic Development team, along with the Chief of Police, conducted a virtual Zoom meeting with business operators and property owners to share the draft amendment and gather their feedback.

Feedback from business owners and operators has been supportive, emphasizing flexibility for daytime entertainment and clarity in permitting requirements.

ALTERNATIVE ACTIONS:

Alternatively, the City Council could take no action, keeping the existing ordinance language in place, or could alter the proposed amendments.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There are no recent City Council actions related to updating Section 5.28 Amusement and Entertainment Premises.

FISCAL AND RESOURCE IMPACT:

The ordinance modernization is not anticipated to have a significant fiscal impact. Staff time for application review and enforcement will be offset by permit fees.

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.

ORDINANCE NO. _____, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING CHAPTER 5.28 (“AMUSEMENT AND ENTERTAINMENT PREMISES”) TO TITLE 5 (“BUSINESS LICENSES GENERALLY”) OF THE MORGAN HILL MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA DOES ORDAIN AND ENACT AS FOLLOWS:

SECTION 1: Chapter 5.28 (“Amusement and Entertainment Premises”) of Title 5 (“Business Licenses Generally”) is hereby amended to read as follows (additions in underline deletions in ~~strikethrough~~):

“5.28 Amusement and Entertainment Premises

5.28.010 Purpose.

The purpose of this chapter is the protection of the public safety and welfare by allowing establishments to provide entertainment which does not create a public nuisance or require excessive public safety resources to maintain order.

5.28.020 Definitions.

The following definitions shall be for the purpose of this chapter only, unless specifically adopted by another section of the Morgan Hill Municipal Code.

"Dancing" means the movement of the human body, accompanied by music or rhythm, except however, dancing as used in this chapter means dancing by patrons only.

"Entertainment" means a single event or series of events, or an ongoing activity or business, occurring as a principle use or business or part of another business, to which the public may be invited to watch, listen, or participate, or is conducted for the purposes of holding the attention of, gaining the attention of or diverting or amusing guests or patrons, including but not limited to:

1. Any amusement or event such as live music or other performance which is knowingly permitted by an establishment subject to this chapter, including presentations by performer(s) such as musicians, disc jockies(DJs), operators of karaoke, hypnotists, pantomimes, poets, comedians, song or dance acts, dancing by the patrons, or other such demonstrations of talent or such activity which may be attended by members of the public whether or not the participants in said activities are compensated by the establishment.
2. Establishments are exempt from this chapter which only provide juke boxes, televisions, video games, video programs, or recorded music and no other entertainment as herein defined.

"Establishment" means any location within the limits of the City of Morgan Hill to which the public may be invited where food and/or alcoholic beverages are served.

"Lewd conduct" is the touching of genitals, buttocks or breasts in public view for the purposes of sexual, arousal, gratification or affront, or any violation of Sections 288, 288(a), 311.6, 314, 647(a) or 647(b) of the California Penal Code.

"Obscene" is defined by any applicable current standard set by California or federal case law.

5.28.030 Entertainment permit required.

- A. Entertainment or dancing conducted between the hours of 8:00 a.m. and 10:00 p.m. shall be allowed by right, provided the establishment complies with all other applicable laws and ordinances.
- B. No person shall provide or permit any type of entertainment or dancing in a restaurant, nightclub, bar or establishment where food and/or alcoholic beverages are served and which is open to the public between the hours of 10:00 P.M. and 8:00 A.M unless such person shall first obtain a permit to do so from the eChief of pPolice or their designee -as hereinafter provided.
- ~~B. No entertainment or dancing will be allowed in any establishment where food and/or alcoholic beverage is served, unless a permit therefor is granted in compliance with this chapter, and unless said establishment is in complete compliance with every other applicable law or ordinance which may otherwise apply to the operation of the establishment.~~

5.28.040 Exemptions.

Entertainment events which are conducted by or sponsored by nonprofit charitable organizations, community service organizations or are provided for members and their guests at a private club where admission is not open to the public, or at a private residence where the public is not invited, or conducted in connection with regularly established community recreation programs, carnivals, or recreation parks are exempt from the provisions of this chapter.

5.28.050 Entertainment restrictions.

Entertainment provided by or allowed by the permittee shall be restricted to that type of entertainment which is specified in the entertainment permit. In addition, the permittee is responsible to preserve the peace and maintain order within and immediately adjacent to the premises upon which the entertainment permit has been granted and to comply with all conditions specified in the permit.

5.28.060 Entertainment permit—Application.

- A. If a conditional use permit, or any other entitlement or license, except a certificate of occupancy, is required for the use of any establishment which proposes to provide, or which

does provide, entertainment or dancing, the provisions of those permits shall be satisfied before application is made to the eCity for a permit under the provisions of this chapter.

- B. An application for an entertainment permit or the renewal of such permit shall be filed with the police department at least thirty days in advance of the term, date or dates for which the application is made on forms provided by the eCity and shall be accompanied by the appropriate fee.

5.28.070 Permit—Application contents.

Each application for an entertainment permit shall contain:

- A. A complete identification of the applicant;
- B. The name, address, and telephone number of the owner of the real property upon, in, or from which the establishment is to be operated. In the event the applicant is not the legal owner of the property, the application shall be accompanied by a copy of any written lease between the applicant and the property owner authorizing the establishment to offer live entertainment on its premises, or, alternatively, if there is no written lease, then a written, notarized acknowledgment from the property owner that the property owner has been advised that live entertainment will be offered by the applicant upon, in, or from the property owner's property. The names, residential addresses, business addresses, and telephone numbers of any copartners, including limited partners or limited liability partners, or if the applicant is a corporation, the name of the corporation shall be set forth exactly as shown in its articles of incorporation, together with the date and place of incorporation, and the names and addresses of each of its officers, directors, and each stockholder owning more than ten percent of the stock of the corporation or if the applicant is a limited liability company, the name of the company shall be set forth exactly as shown in its articles of organization, together with the date and place of the organization and the names and addresses of each of its members;
- C. The names, residential addresses, business addresses and phone numbers of the managers or persons in charge;
- D. The names, residential addresses, business addresses and phone numbers and written consent of the owner of the premises who shall give consent to entertainment being conducted upon the premises by signing the application in the space provided;
- E. A floor plan and site plan showing the building interior rooms and grounds, including parking spaces, the square footage, seating capacity of the area thereof to be used for dancing or entertainment and emergency exits;
- F. The exact nature of the proposed business which the permit is being requested and the exact nature in detail of the dancing or entertainment which is being proposed;
- G. Whether or not any person referred to in subsections A through D of this section has had a permit for the same or similar business suspended or revoked anywhere and, if so, the circumstances of such suspension or revocation. The suspension of an

Alcoholic Beverage Control license shall be considered as being included within the purposes of the subsection;

- I. The hours of operation; and
- J. Such other related information as the Chief of Police may require to preserve the public peace, safety, health and welfare of the city or its inhabitants.

5.28.075 Permit—Denial.

- A. The Chief of Police or their designee may deny an application for a live entertainment permit on any of the following grounds:
 - 1. The live entertainment, as proposed by the applicant, would not comply with the requirements of this chapter.
 - 2. The live entertainment, as proposed by the applicant, would not comply with any applicable law, including, but not limited to, the City's building, fire, zoning, and health regulations.
 - 3. The applicant has knowingly made any false, misleading or fraudulent statement of material fact in the application for a live entertainment permit. Any omission or falsified information within the application will result in an automatic denial.
 - 4. Any owner of the establishment offering live entertainment, within five years immediately preceding the date of filing of the application, has been convicted in a court of competent jurisdiction of any offense that relates directly to the offering of live entertainment or has at any time been convicted in a court of competent jurisdiction of any felony the commission of which occurred on the premises of the establishment.
 - 5. Any owner of the establishment offering live entertainment in the City of Morgan Hill that is not in good standing due to the existence of uncorrected violations or unpaid fines or fees.
 - 6. Within the last five years, the applicant has failed to comply with a final court order or administrative action of an investigatory agency finding a violation of applicable federal, state and local wage and hour laws, including, but not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and any local minimum wage ordinance or prevailing wage requirements. For purposes of this subsection, a final court order or administrative action is one as to which there is no pending appeal and the time for filing an appeal has passed.
 - 7. The establishment offered live entertainment within the City without first obtaining a live entertainment permit from the Police Department of the City of Morgan Hill.
- B. The City shall not accept an application for the same or substantially similar live entertainment permit for the same site for a period of twelve months following the denial of a permit, or the date the denial was upheld, whichever is later.

C. The notices provided to the establishment offering live entertainment pursuant to this section may also be sent to the owner of the premises where the establishment is located. However, failure to provide notice to the property owner shall not invalidate any actions taken by the City.

D. The applicant or employee has been issued a citation for an ABC violation within 1 year of application.

5.28.080 Permit—Granting.

Upon receipt of an application, and after an investigation, the eChief of pPolice or their designee shall approve the application for the entertainment permit or the renewal of such permit upon finding that:

- A. A completed written application form therefore has been filed and the required fee has been paid to the eCity; and
- B. As a result of such investigation all applicable provisions of this chapter with regard to permit application have been met and that the operation by the applicant will be carried on in a building, structure, and location which complies with and meets all of the health, zoning, fire, building and safety requirements and standards of the law of the sState and the eCity applicable to business operation; and
- C. The applicant, employees, agents or any person connected with or associated with the applicant as a partner, director, officer or manager has not been convicted in a court of competent jurisdiction by final judgement within the last ten years of:
 1. An offense involving the presentation, exhibition, or performance of an obscene production or play, or
 2. An offense involving lewd conduct, or
 3. A felony offense involving the use of force and violence upon the person of another; and
- D. That the applicant, employees, agents, or any person connected with or associated with the applicant as a partner, director, officer or manager has not knowingly made any false, misleading or fraudulent statement of a material fact in the application for the permit or in any report or record required to be filed with any eCity agency; and
- E. That the applicant has not had a similar type of permit previously revoked for good cause within the past year, unless the applicant has shown a material change in the circumstances since the date of revocation.

5.28.090 Permit—Conditions.

- A. Upon the approval of the application for an entertainment permit or the renewal of such permit, the eChief of pPolice or their designee shall issue such permit to the applicant upon such terms and conditions and restrictions not in conflict with any paramount law and as may be necessary to protect the public peace, health, safety and general welfare of the city or its inhabitants.

Such conditions ~~shall appear on the face of the permit~~ may include, for restaurants, bars, and nightclubs, the implementation and maintenance of a security plan consistent with a nationally recognized standard for nightlife safety, surveillance and monitoring system, entry and identification controls, responsible alcohol service, including trained and licensed security personnel, incident reporting and police cooperation, environmental and preventive crime design, compliance and enforcement, and appropriate crowd management measures.

- B. Every person holding a permit issued pursuant to this chapter shall keep the permit posted in a conspicuous place in clear view upon the premises to which it applies.

~~The permit shall be physically displayed similar to a food safety card and must include details of the permit and contact information for the Code Enforcement Division for the purpose of receiving complaints.~~

- C. ~~The permittee shall provide neighbor notification as part of the permitting process. Notification procedures shall include timely written notice to property owners and tenants within a reasonable radius of the proposed establishment, with instructions on how to submit concerns or objections to the City.~~

- D. ~~The operator shall not shut, turn off, or reduce the intensity of lighting in the area used for dancing to such an extent as to provide less lighting or illumination than is customary for rooms or areas of like dimensions, or to a degree that makes it difficult or impossible to clearly see or identify individuals dancing on the floor provided for dancing.~~

- E. ~~All entertainers and employees shall be clothed in such a way as to not expose specified anatomical areas, as defined in Section 18.92.020, at any time while working or performing at the establishment.~~

- F. ~~The floor space provided for dancing shall be free of any furniture, obstructions, or partitions and maintained in a safe condition at all times.~~

5.28.100 ~~Notice of decisions~~ Permit Issuance.

Notice of the decision of the chief of police ~~or their designee~~ with reference to a permit application pursuant to this chapter shall be given to the applicant or any other such person requesting such notice within ~~twentythree~~ days after the receipt of an application for a permit or the renewal of such permit.

5.28.110 Permit—Terms.

The term date or dates for the permitted entertainment shall be for the dates of the specific occasion requested, or if the request is for a continuous permit, the permit shall be issued for a period of not longer than one year from the original date of issue, renewable at the time the establishment's annual business license is renewed.

5.28.120 Revocation of permit—Hearing.

- ~~A. The chief of police may, by written notice, revoke or suspend the permit of any person holding same in the city, upon receiving satisfactory evidence that the permittee has failed to comply with the provisions of this chapter, specifically those listed in Section 5.28.080,~~

- ~~has failed to comply with the conditions specified on the permit or any other conditional use permit, entitlement or license which regulates the establishment, or the permittee, or employees of the permittee, are engaged in conduct or behavior at the premises which creates unreasonable noise or constitutes a nuisance. Complaints registered with the police department, fire department, community development department, the state Alcoholic Beverage Control Board, or the county health department, or other government agency that regulates the establishment may be considered in the determination of whether or not a nuisance has been created.~~
- ~~B. Upon receipt of a written notice of suspension or revocation of an entertainment permit, the permittee may seek a hearing with the chief of police within five working days to show cause why the permit should not be suspended or revoked. After the hearing, the chief of police shall serve notice of his or her written decision to the permittee within five working days.~~
- ~~C. Any permittee aggrieved by the decision of the chief of police to suspend or revoke such permit, may appeal to the city manager or his designee. The written appeal must be filed with the city manager within five working days of service of the chief of police's decision. The city manager or his designee may uphold the suspension or revocation of the permit granted under this chapter if, after a hearing it is determined that the entertainment is detrimental to the public safety or welfare or that the permittee has failed to comply with the provisions of this chapter, has failed to comply with the conditions specified on the permit or any other conditional use permit, entitlement or license which regulates the establishment, or the permittee, or employees of the permittee, are engaged in conduct or behavior at the premises which creates unreasonable noise or constitutes a nuisance. Complaints registered with the police department, fire department, community development department, the state alcoholic beverage control board, or the county health department, or other government agency that regulates the establishment may be considered in the determination of whether or not a nuisance has been created.~~
- A. The Chief of Police or their designee shall give written notice of the proposed revocation or suspension of any permit granted pursuant to this chapter to the permittee. The notice shall set forth the date that the revocation or suspension is effective, the time and place of the informal meeting with the police chief or their designee, the ground or grounds upon which the revocation or suspension is based, the pertinent code sections, and a brief statement of the factual issues in support thereof. The notice shall be mailed to the permittee at the business address at least ten business days prior to the effective date of the suspension or revocation, unless immediate revocation is necessary to protect the public health and safety, such as criminal activity resulting in the arrest of one or more individuals at the establishment or building code violations that render the establishment unsafe to occupy.
- B. No appeal may be taken to any such administrative decision made by the Chief of Police or their designee pursuant to the provisions of this chapter unless such decision to appeal has been first taken up with the Chief of Police. This shall be an informal meeting to allow the permittee to provide evidence that the permit should not be suspended or revoked.
- C. Failure to attend an informal meeting with the Chief of Police or their designee shall be deemed a forfeiture of any right to appeal the decision to suspend or revoke a permit.

- D. Within ten business days of the informal meeting, the Chief of Police or their designee shall render his or her decision in writing, stating his or her findings and the action taken, if any. The decision letter shall be mailed to the permittee at the business address. The decision letter shall include the information of the right to appeal.
- E. The permittee may appeal the decision to suspend or revoke a live entertainment permit by filing a written notice of appeal with the City Manager, within ten days from the deposit of the decision letter in the mail or its receipt by the permittee, whichever occurs first, specifying in detail the ground or grounds for the appeal.
- F. The City Manager or their designee shall set a time and place for the hearing on the appeal not less than fifteen days and not more than sixty days from the date the appeal was received by the City Manager or their designee and shall give at least five days' written notice by mail to the permittee of the date, time, and place for the hearing. The hearing shall be conducted in accordance with Section 5.28.121.
- G. After the hearing on the appeal, the hearing officer may refer the matter back to the Chief of Police for a new investigation and decision, may affirm the decision of the Chief of Police or their designee, may dismiss the disciplinary action, or may revoke or suspend the permit. The permittee will be notified by the City Manager or their designee. The decision of the hearing officer upon such appeal shall be final and shall be subject to judicial review according to the provisions and time limits set forth in Code of Civil Procedure Section 1094.6.
- H. The notices provided to the live entertainment permit holder pursuant to this section may also be sent to the owner of the premises where the live entertainment is offered. However, failure to provide notice to the property owner shall not invalidate any actions taken by the city.

5.28.125 Hearing Rules.

The following rules shall apply to any hearing required by this chapter.

- A. The City Manager or their designee may hear the appeal or designate a City employee or third party to act as the hearing officer.
- B. All parties involved shall have the right to offer testimonial, documentary, and tangible evidence bearing on the issues, to be represented by counsel, and to confront and cross-examine witnesses.
- C. Any relevant evidence may be admitted if it is the sort of evidence upon which reasonable persons are accustomed to rely in the conduct of serious affairs.
- D. The hearing officer may conduct the hearing informally, both as to rules of procedure and admission of evidence, in any manner which will provide a fair hearing.
- E. A continuance may be granted for good cause if the party seeking the continuance has made a good faith effort to prevent the recurrence of the incident that led to the notice of intent to revoke or suspend.
- F. If the Chief of Police or their designee submits an additional written report concerning the revocation or suspension to the hearing officer for consideration at the hearing, then a copy

of this report also shall be mailed to the person requesting the hearing at least five days prior to the date of the hearing. Any administrative citation, revocation or suspension letter, and any additional report submitted by the Chief of Police shall constitute prima facie evidence of the respective facts contained in those documents.

G. The standard of proof shall be by a preponderance of the evidence.

H. Failure to attend an appeal hearing is grounds for dismissal of the appeal and constitutes a failure to exhaust the administrative remedies.

5.28.130 Revocation of permit—Reapplication.

Whenever a permit is revoked under the terms of this chapter, no other application for a permit under this chapter shall be considered from the same applicant for the same type of use for a period of one year from the date of such revocation.

5.28.140 Violations.

Any establishment offering live entertainment operated, conducted, or maintained contrary to the provisions of this chapter is unlawful and a public nuisance.

~~A.— It is unlawful for any person to violate any of the provisions of this chapter.~~

~~B.— Any establishment or business providing entertainment or dancing maintained contrary to the provisions of this chapter or without a valid permit shall be declared unlawful and a public nuisance.~~

SECTION 2. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 3. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its passage and adoption. The City Clerk is hereby directed to publish in full or summary this ordinance pursuant to §36933 of the Government Code in a newspaper of general circulation in the City of Morgan Hill.

The foregoing ordinance was introduced and the title thereof read at a regular meeting of the City Council of the City of Morgan Hill held on the ___ day of ___ 2025, and was finally adopted at a regular meeting of said Council on the ___ day of ___ 2025, and said ordinance was duly passed and adopted in accordance with law.

PASSED AND ADOPTED by the City Council of Morgan Hill at the regular meeting held on the ___th day of _____, 2025 by the following vote:

| | |
|-----------------|-------------------------|
| AYES: | COUNCIL MEMBERS: |
| NOES: | COUNCIL MEMBERS: |
| ABSTAIN: | COUNCIL MEMBERS: |
| ABSENT: | COUNCIL MEMBERS: |

APPROVED:

MARK TURNER, MAYOR

ATTEST:

DATE:

MICHELLE BIGELOW, City Clerk

City of Morgan Hill

Entertainment Venue & Bar Security Policy

(Issued Pursuant to MMC § 5.28.090 – Permit Conditions)

Effective Date: [Insert Date]

Issued By: Office of the Chief of Police

Applies To: Restaurants, bars, nightclubs, and similar establishments holding a City of Morgan Hill Entertainment Permit.

1. Purpose & Authority

This policy establishes the minimum-security standards for entertainment venues within the City of Morgan Hill.

It is issued pursuant to Morgan Hill Municipal Code Chapter 5.28, which authorizes the Chief of Police or their designee to impose permit conditions necessary to protect public peace, health, safety, and welfare.

2. Definitions

Entertainment Venue: Any restaurant, bar, nightclub, or similar establishment where entertainment is provided and an entertainment permit is required.

Security Personnel: Individuals whose primary duty is to monitor patron conduct, enforce venue rules, and ensure public safety. (BSIS requirements/Guard Card)

Nationally Recognized Standard: A security practice consistent with guidelines from the International Association of Venue Managers (IAVM), U.S. Department of Justice, or National Fire Protection Association (NFPA).

3. Security Plan Requirements

All venues must prepare and maintain a Security & Safety Plan approved by the Morgan Hill Police Department as part of the entertainment permit process. Plans must be reviewed annually and updated as needed.

A. Surveillance & Monitoring

- Install commercial grade digital video surveillance covering entrances, exits, bar areas, dance floors, entertainment spaces, and exterior surroundings.
- Cameras must provide sufficient resolution to identify persons and events.

- Video must be retained for at least 30 days and made available to law enforcement upon request.
- Maintain adequate lighting both inside and outside to deter crime.

B. Entry & Identification Controls

- All patrons entering after 10:00 p.m. or entering age-restricted areas must present valid ID.
- Use ID scanning devices or manual verification tools.
- ID scanners may only store date, time, and age verification result unless otherwise permitted by law.
- Post signage regarding age restrictions and zero tolerance for fake IDs.
- Maintain a trespass/do-not-admit list for patrons banned due to violence, threats, or illegal behavior.

C. Screening Procedures

- Venues with occupancy of 100+ (or as directed by the Chief of Police) must conduct bag checks and/or handheld metal detection screenings.

D. Responsible Alcohol Service

- All bartenders and servers must be certified in Responsible Beverage Service (TIPS, LEAD, or equivalent).
- Use Point of Sale (POS) monitoring to prevent overserving: flag excessive purchases within short timeframes.
- Enforce “last call” consistently.
- Prohibit promotions that encourage rapid consumption.

E. Staffing & Security

- Minimum staffing: 1 licensed security staff per 50 patrons for bars/nightclubs; 1 per 75 patrons for restaurants with entertainment. Actual number of security officers to be determined by Chief of Police or their designee.
- Security staff must be 21+ and trained in de-escalation, ID verification, emergency evacuation, and crowd control.
- Licensed security guards on duty; security guards must wear identifiable uniforms.
- Licensed security guards must be on duty prior 15 minutes prior to 10:00 p.m. and remain on sight until 30 minutes after closing.
- Maintain accurate occupancy counts; do not exceed Fire Marshal/Building Code limits.
- Designate a Security Supervisor nightly to coordinate with police.

F. Crowd Management & Life Safety

- Ensure compliance with occupancy limits.
- Maintain clear, unobstructed exits at all times.
- Assign at least one security staff member to monitor patron flow and prevent overcrowding.

G. Incident Reporting & Police Cooperation

- Maintain a written incident log for fights, assaults, emergencies, refusals of entry, ejections, disturbances, and police responses.
- Logs must be retained for at least one year and available to police.
- Incidents involving weapons, altercations, or serious disturbances shall be reported without delay.
- Provide police immediate access to surveillance video.
- Establish a primary contact (manager/owner) to be available at all times.
- Participate in quarterly safety meetings with police/hospitality coalitions.

H. Crime Prevention through Environmental Design

- Maintain clear visibility into establishments (no blocked windows).
- California Code of Regulations, Title 4, and Business & Professions Code §§ 24200–24200.5 give ABC the authority to suspend, revoke, or condition licenses to prevent premises from becoming a crime problem. Many of these conditions directly align with CPTED principles. Use controlled entry lines to manage crowds.
- Provide safe transportation options (rideshare/taxi zones, DUI prevention partnerships).
- Post no loitering signage and remove loiterers promptly from exterior spaces.

4. Compliance & Enforcement

- The permittee shall provide neighbor notification as part of the permitting process. Notification procedures shall include timely written notice to property owners and tenants within a reasonable radius of the proposed establishment, with instructions on how to submit concerns or objections to the city.
- Security & Safety Plans must be submitted annually to the Morgan Hill Police Department for review.
- Failure to comply may result in permit suspension, modification, or revocation.
- The Chief of Police or their designee may impose site-specific conditions where unique risks exist.
- Scheduled Police/ABC/hospitality safety meetings attendance is mandatory

5. Bar Security & Safety Checklist

- Cameras installed at entrances/exits, bar areas, and exterior spaces
- Video retained a minimum of 30 days and available to police
- Adequate interior/exterior lighting
- ID scanner in use after 10 p.m. (age verification logged)
- Fake ID/underage policy posted
- Do-not-admit list maintained and shared with police via email monthly.
- All staff RBS certified (TIPS/LEAD)
- POS system flags excessive purchases
- "Last call" enforced consistently
- No rapid-consumption promotions
- Licensed security guards on duty during 10pm to 30 minutes after closing.
- Guards in uniforms/identifiers
- Occupancy count maintained (not exceeding Fire Marshal limits)
- Security Supervisor designated nightly
- Incident log maintained (1 year retention)
- Surveillance video provided to police upon request
- Primary contact available to law enforcement
- Scheduled Police/ABC/hospitality safety meetings attendance is mandatory
- Visibility maintained into venue (no blocked windows)
- Controlled entry lines in place
- Rideshare/taxi/DUI prevention measures
- Exterior loiterers removed

Reviewed by (Police/Inspector): _____

Reviewed with (Restaurant/Bar Manager): _____

Date: _____

CITY COUNCIL STAFF REPORT

MEETING DATE: November 5, 2025

PREPARED BY:

Brittney Sherman, Economic Development Coordinator

APPROVED BY: City Manager

INTRODUCE ORDINANCES APPROVING THE FOLLOWING CITY-INITIATED ZONING AMENDMENTS:

CONDIT - AUTO PARK: PLANNED DEVELOPMENT (PD) ZONING AMENDMENT TO THE DEVELOPMENT PLAN FOR THE AUTO PARK PLANNED UNIT DEVELOPMENT (PUD) LOCATED ON THE SOUTHWEST CORNER OF CONDIT ROAD AND DIANA AVENUE (ZA2025-0001)

CONDIT - CONDIT ROAD: PLANNED DEVELOPMENT (PD) ZONING AMENDMENT TO THE DEVELOPMENT PLAN FOR THE CONDIT ROAD PLANNED UNIT DEVELOPMENT (PUD) LOCATED ON THE WEST SIDE OF CONDIT ROAD BETWEEN E. DUNNE AVENUE AND TENNANT AVENUE (ZA2025-0002)

LAUREL - HONDA: PLANNED DEVELOPMENT (PD) ZONING AMENDMENT TO THE ALLOWED USES OF THE HIGHWAY COMMERCIAL - CH (PD) OVERLAY ZONE ON THE EASTERLY TERMINUS OF LAUREL ROAD (ZA2025-0005)

RECOMMENDATION(S)

1. Open/close public hearing;
2. Waive first and second reading of the Zoning Amendment ZA2025-0001: Condit – Auto Park PUD;
3. Introduce Ordinance approving Zoning Amendment ZA2025-0001;
4. Waive first and second reading of the Zoning Amendment ZA2025-0002: Condit – Condit Road PUD;
5. Introduce Ordinance approving Zoning Amendment ZA2025-0002;
6. Waive first and second reading of the Ordinance approving Zoning Amendment ZA2025-0005: Laurel Road – Honda PUD; and
7. Introduce Ordinance approving Zoning Amendment ZA2025-0005.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

2024-2025 Strategic Priorities

Fiscal Sustainability

Economic Development and Tourism

Healthy Community

Guiding Documents

Economic Blueprint

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

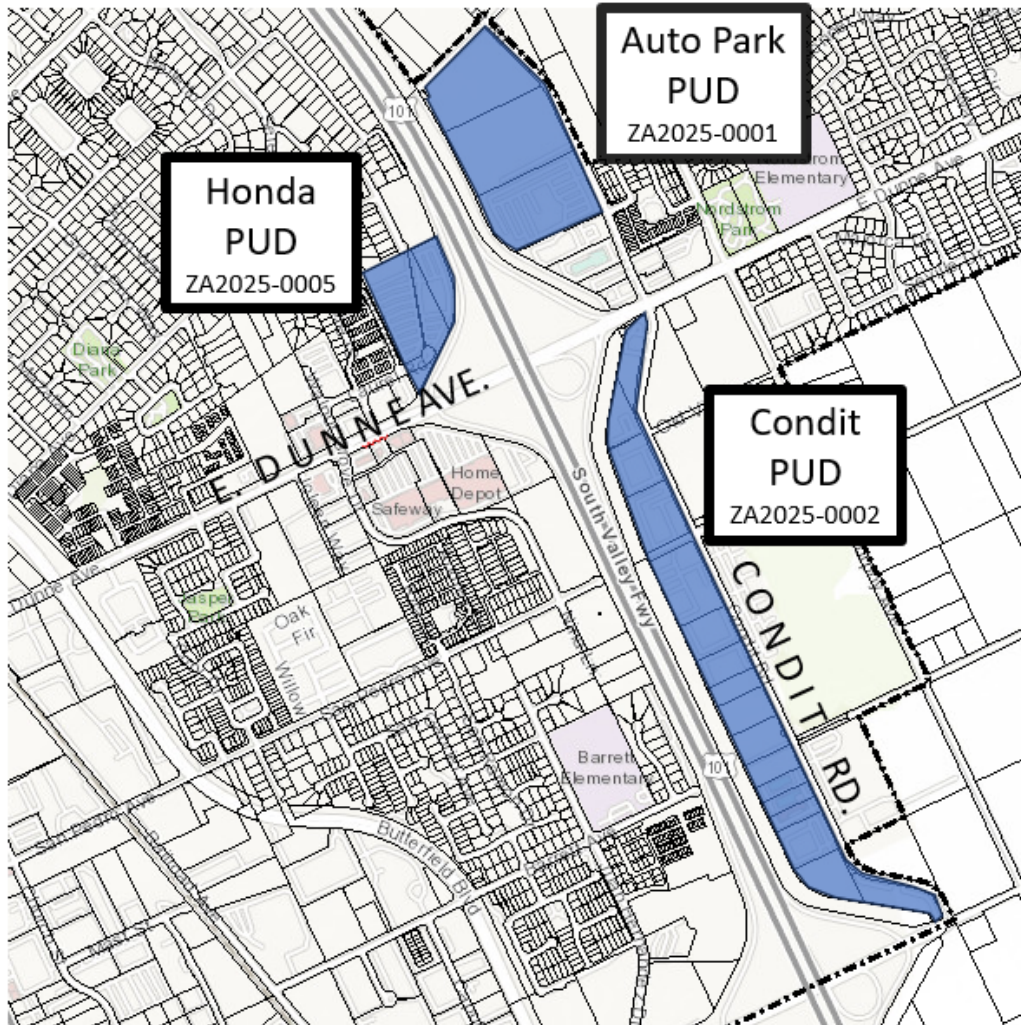
POLICY CONSIDERATIONS:

In alignment with the strategies and action items outlined in the City's Economic Blueprint, staff is recommending targeted zoning amendments designed to stimulate new investment and development in three key freeway-adjacent commercial areas. The proposed amendments would remove unnecessarily restrictive zoning provisions and allow for a broader range of revenue-generating land uses, including auto dealerships, hotels, and restaurants. In addition, the amendments would support the expansion of recreational and complementary commercial opportunities adjacent to the City's Outdoor Sports Center and Aquatics Center.

To advance the City's economic development goals, staff is proposing updates to the Planned Developments (PD) known as the Condit Planned Unit Development (PUD) and Auto Park PUD, which regulate zoning on the west side of Condit Road between Diana Avenue and Tennant Avenue, as well as an amendment to the PD governing the existing Honda Dealership site (Laurel Road PD). The proposed zoning amendments are intended to remove barriers that currently limit development opportunities for retail, recreation, auto sales, and hotel uses. These changes are expected to encourage private investment in key commercial areas and increase the City's sales tax and transient occupancy tax (TOT) revenues.

The Planning Commission recommended approval of these zoning amendments.

Please note, PD and PUD are used interchangeably. The original ordinances, plans and guidelines referenced PUD, however, the City now uses PD exclusively.



ZA2025-0001: CONDIT – AUTO PARK PUD

Project Description

An amendment is proposed to remove the existing cap of four motor vehicle sales dealerships within the PD, thereby allowing for the establishment of additional dealerships.

Location: 25.3-acre site is located on the southwest corner of Condit Road and Diana Avenue

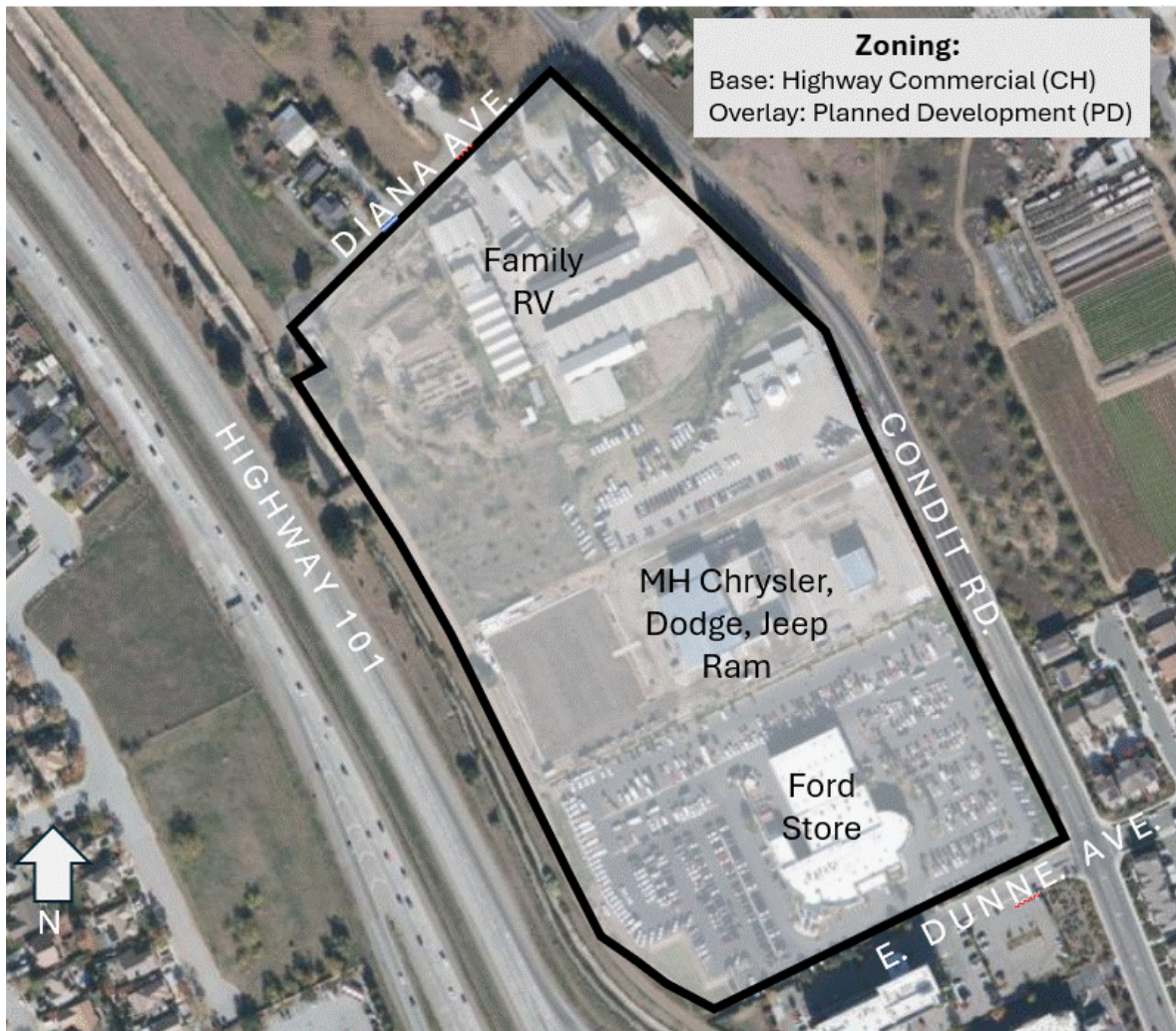
APNs: 728-17-031, -035, and -036

Zoning: PUD (CH)

General Plan: Commercial

The 25.3-acre site is composed of 3 different parcels ranging in size from 7.5 to 8.5 acres with two permanent dealerships (Ford, Chrysler/Dodge/Jeep/Ram) and a third temporary dealership (Family RV) operating with a Temporary Use Permit. The site is bounded by Highway 101 to the west, agricultural use to the north, residential and

agricultural land to the east, and a hotel to the south.



ZA2025-0002: CONDIT – CONDIT ROAD PUD

Project Description

A Zoning amendment is proposed to support nearby amenities such as the Outdoor Sports and Aquatics Centers, enhance the area's economic vitality, and increase revenue through sales tax and transient occupancy tax (TOT) generation.

The proposed amendments are summarized below:

- **Hotel Development Flexibility**
Remove the existing cap of five hotels within the PUD to accommodate additional hotel development in response to market demand and evolving hospitality needs.
- **Temporary Uses**
Introduce provisions to allow temporary uses, enabling interim activities such as

live entertainment, recreational events, and community gatherings.

- **Commercial Indoor Recreation**
Permit indoor recreation uses up to 30,000 square feet by right, eliminating the requirement for a Conditional Use Permit and supporting expanded recreational opportunities.
- **Athletic Training Facilities with Onsite Accommodations**
Allow specialized athletic training facilities that include onsite lodging to meet the operational needs of professional sports teams.
- **Retail Development**
Expand permitted retail uses by allowing grocery stores by right and permitting convenience stores with a Conditional Use Permit, enhancing access to essential goods and services.
- **Restaurants with Drive-through**
Remove the existing limitation of one restaurant with a drive-through, allowing for greater flexibility in food service options within the PD.
- **Motor Vehicle Sales**
Remove the restriction of two motor vehicle sales with outdoor display, thereby allowing additional dealerships with outdoor display areas within the PD.
- **Tasting Rooms**
Revise the permitted uses to identify “Tasting Rooms” as an allowed use, replacing the outdated reference to “Wine Tasting.” The term “Tasting Room,” as defined in the Zoning Code, encompasses the on-site tasting and retail sale of wine, beer, and/or other alcoholic beverages, with both on-site and off-site sales directly to the public.

Location: 35-acre site on the west side of Condit Road between East Dunne Ave and Tennant Avenue

APNs: 817-12-001, -003, -004, -018, -019; 817-13-019, -020, -021, -022, -024, -026, -027, -029, -030, -031, -032, -033, -034, and -035

Zoning: PUD (CG)

General Plan: Commercial

The approximately 35-acre site is composed of 19 different parcels ranging in size from 1 to 4.5 acres. Four parcels comprising 6.68 acres are currently vacant. The site is bounded by Highway 101 to the west, commercial use to the north, residential and the Morgan Hill Outdoor Sports Center to the east, and open space to the south.



ZA2025-0005: LAUREL – HONDA PUD:

Project Description

A Zoning amendment is proposed to remove the existing cap of one motor vehicle sales dealership within the boundaries of the PD. The current zoning restriction, which limits the site to a single dealership use, has created a barrier to meeting this growing demand for auto dealership sites.

Location: 9.27-acre site on the easterly terminus of Laurel Road, approximately 600 feet east of Walnut Grove Drive
APN: 726-01-001, -006, and -007
Zoning: PUD (CH)
General Plan: Commercial

The 9.27-acre property is currently developed with an existing Honda dealership. The dealership was initially constructed in 1997 on the eastern 2.21-acre parcel and was subsequently expanded in 2015 to include additional vehicle storage on the adjacent 4.64-acre parcel. The site is bordered by Highway 101 to the east, residential uses to the north and west, and commercial development to the south.



Pursuant to Section 18.114.060 (Findings for Approval), the City Council may approve a zoning code amendment only if all of the following findings are made:

1. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.
2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

The proposed amendments are consistent with the above findings as discussed in the Planning Commission staff reports (linked in the community engagement section of this report) and draft ordinance.

COMMUNITY ENGAGEMENT:

A 10-day public hearing notice was published in the Friday, October 24, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project sites.

A 20-day public hearing notice was published in the Friday, August 29, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project sites.

On September 23, 2025, the Planning Commission held a duly noticed public hearing where they considered public testimony along with a [Staff Report](#), exhibits, and other materials. The Planning Commission agenda packet including the Public comments received at the hearing is linked [here](#).

Prior to the June 24, 2025, Planning Commission workshop and the September 23, 2025, Planning Commission meeting, City staff conducted individual outreach to the Auto Dealers within the Auto Park PUD.

On July 10, 2025, City staff provided an update to the Morgan Hill Chamber of Commerce Economic Development Committee on the proposed Zoning Amendments.

On June 24, 2025, staff conducted a Planning Commission workshop for the commission to review and provide feedback on the proposed zoning amendments, except for ZA2025-0005: Laurel - Honda PD Amendment, which was added to the City-initiated PUD amendments after the workshop. In advance of the June 24, 2025, Planning Commission Workshop, business and property owners located within the Auto Park and Condit Road PUDs were contacted via email and standard mail. The Planning Commission agenda packet including the Public comments received at the hearing is linked [here](#).

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On September 23, 2025, the Planning Commission held a duly noticed public hearing where they considered public testimony along with a [Staff Report](#), exhibits, and other materials. Main topics of discussion included convenience markets, sports instruction, and future development as influenced by market feasibility. The Planning Commission recommended approval of the Zoning Amendment of the City Council with no changes. A link to the meeting video recording is [here](#).

FISCAL AND RESOURCE IMPACT:

The proposed City initiated zoning amendments are aimed at stimulating Economic Development, thus increasing the amount of sales tax and transient occupancy tax (TOT) collected by the City.

CEQA (California Environmental Quality Act):

These ordinances are categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

(DRAFT) ORDINANCE NO. _____, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED DEVELOPMENT (PD) OVERLAY ZONE ON A 25.3-ACRE SITE ON THE SOUTHWEST CORNER OF CONDIT ROAD AND DIANA AVENUE (ZA2025-0001 CONDIT – AUTO PARK PD) APN'S: 728-17-031, -035, and -036

WHEREAS. On March 25, 2009, the City Council adopted ordinance No. 1926 approving a zoning amendment to establish a Development Plan and Guidelines for a Planned Development area including the allowance for four motor vehicle sales dealerships at the southwest corner of Condit Road and Diana Avenue.

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

SECTION 1. The proposed zoning amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

The proposed zoning amendments are consistent with the City's General Plan, as they support commercial development in alignment with the site's existing Commercial land use designation. The Commercial designation is primarily applied to properties located along arterial roadways west of Highway 101 and along the eastern freeway frontage. This designation is intended to accommodate a broad range of retail and service-oriented uses, including automobile dealerships.

SECTION 2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The proposed amendment will not introduce hazardous activities or increase risks to public health or safety. Any new development or business will still be subject to building codes, fire codes, and environmental regulations.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

The site is presently developed with a vehicle sales use and the allowance for additional dealerships within the same area will not be detrimental to the health,

safety, and welfare of the property, surrounding properties, and the community at large.

SECTION 4. This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 5 The proposed amendment shall apply to those parcels identified by assessor parcel number attached hereto, as Exhibit “A”

SECTION 6. The City Council hereby amends the Auto Park PD Guidelines as shown in Exhibit B.

SECTION 7. The request was considered by the Planning Commission at its regular meeting of _____, 2025, at which time the Planning Commission recommended approval of Zoning Amendment application, ZA2025-0001: Condit – Auto Park PD. The City Council accepts the recommendation of the Planning Commission.

SECTION 8. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 9. Effective Date; Publication. 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 ___ DAY OF ___, 2025, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE ___ DAY OF ___, 2025, 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. xxx, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on ____ day of _____, 2025.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

'EXHIBIT B'

AUTO PARK PD GUIDELINES REVISED ~~02/24/2009~~ October 2025

Allowed Uses

AU-1. Vehicle Sales and Leasing per (MHMC 18.124.40).

~~Uses allowed within this planned development (PD) shall include four (4), motor vehicle sales dealerships for the sale of automobiles, boats, and/or recreational vehicles. The four dealerships shall include the existing Ford Store. Minor and major motor vehicle repair shall also be allowed in the PD provided the repair use is ancillary to the principally permitted motor vehicle sales use and the repair service is provided by the dealership. No independent or freestanding vehicle repair use shall be allowed in the PD.~~

AU-2. Any other use proposed in the PD shall require an amendment to the PD Guidelines and zoning.

Design (Site, Building and Landscape)

D-1. Future development within the PD shall comply with the adopted PD Guidelines as contained herein. ~~The Auto Park PD Development Plan prepared by Fred Goree A.I.A. Architects, dated February 14, 2008, on file at the Community Development Department, identifies an overall master plan for development of the PD; the design and location of all physical and landscape improvements shall be substantially consistent with the Auto Park PD Development Plan.~~ However, the exact plan as presented is not approved as part of the PD zoning. Modifications to the Auto Park PD Development Plan will be necessary to comply with the adopted PD Guidelines.

- D-2. Future development of the PD shall require a Design Permit and shall be subject to compliance with the site development standards of the HC, Highway Commercial Zoning District and the City of Morgan Hill Architectural Review Handbook. The following design measures shall be implemented in the PD:
- a. A minimum 30-ft wide landscape buffer (excluding any landscaping in the public right-of-way) shall be provided along the Condit Road frontage. The 30-ft wide Condit Road landscape buffer shall include rolling berms and minimum 24-inch box size trees.
 - b. A minimum 15-ft wide landscape buffer (excluding any landscaping in the public right-of-way) shall be provided along the Diana Avenue frontage.

- c. A minimum 30-ft wide landscape buffer shall be provided along the Madrone Channel frontage.
 - d. Areas of required parking shall be landscaped in strict adherence to the Morgan Hill Architectural Review Handbook, including but not limited to the provision of landscape planters and minimum five feet of landscaping between the interior side property lines and parking stalls and/or drive aisles.
 - e. A path of travel from the sidewalk to each building shall be provided via a four-ft wide sidewalk set within a minimum 14-ft wide landscape area on at least one side of both internal drive aisles labeled Utility Drive and Sales Avenue on the Auto Park PD Development Plan.
 - f. The buildings for the ~~three~~ new dealerships shall be compatible in design and scale with the existing Ford Store dealership.
 - g. To the greatest extent possible, service bay roll-up doors should not face Condit Road or Diana Avenue. If service bay roll-up doors do face Condit Road and/or Diana Avenue, landscape screening shall be provided to minimize visibility from the public right-of-way.
 - h. Any flag poles installed on-site shall not exceed 30 feet in height, except as may be permitted by approval of a conditional use permit for a telecommunications facility.
- D-3. On-site stormwater detention/retention will be required with development of the site, subject to the review and approval of the Morgan Hill Public Works Department. Detention/retention pond(s) shall not be located within the required Condit Road or Diana Avenue landscape buffers, and there shall be no new storm drainage outfalls directly into Madrone Channel from the project site.

Circulation

- C-1. Cross access circulation shall be maintained between the adjoining dealerships and throughout the PD as shown on the Auto Park PD Development Plan. As part of any future subdivision of the project site, the applicant shall record cross access easements along common drive aisles and reciprocal ingress/egress easements at all driveway entrances.
- C-2. To the greatest extent possible, dead end drive aisles should be avoided. Dead end drive aisles shall only be allowed in areas designated for vehicle display, storage, or

temporary parking of service vehicles. Dead end drive aisles shall not be allowed in any public or customer parking areas.

- C-3. The internal drive aisles labeled Utility Drive and Sales Avenue on the Auto Park PD Development Plan shall be a minimum 30 ft in width.
- C-4. Test driving of vehicles shall be limited to Condit Road, Highway 101 and segments of Dunne Avenue, Cochrane Road and/or Tennant Avenue required for access to and from the freeway. Test driving of vehicles is prohibited along Murphy Avenue, on Condit Road north of Main Avenue and south of Dunne Avenue and on East Dunne Avenue, east of Condit Road. A map of the approved, designated test driving route as described above shall be included in all Sales Employee Handbooks for all dealerships located within the Auto Park PD.

Parking

- P-1. The parking and/or display of vehicles in any landscape area are expressly prohibited within the PD.
- P-2. All employee and customer parking shall be clearly marked and shall be provided entirely on-site.
- P-3. Parking required for an ancillary motor vehicle service use shall be calculated separately and in addition to parking required for the principally permitted motor vehicle sale use.

Deliveries/Loading & Unloading

- D/L&U-1. Motor vehicle deliveries to the dealerships shall be restricted to the hours of 9 a.m. to 4 p.m. Monday through Saturday to minimize traffic/circulation conflicts.
- D/L&U-1. All loading and unloading of motor vehicles shall be conducted entirely on-site.

Lighting

- L-1. As part of the Design Permit review process for any future dealership, the applicant shall provide for City review and approval a photometric plan identifying lighting levels resulting from all exterior lighting. Lighting levels at the new dealerships shall be equal to or less intensive than the lighting levels at the existing Ford Store dealership. Also, lighting standards for the PD shall include the following:
 - a. Parking lot lights located between the building and Condit Road and/or Diana Avenue shall not be more than 18 ft in overall height, except that lights located within 85 feet of Condit Road and/or Diana Avenue shall not be more than 15 ft in

overall height (e.g., 2'-6" base with 12'-6" pole or 3'-0" base with 12'-0" pole). All other parking lot lights shall not exceed an overall height of 20 ft.

- b. The existing lights at the Ford Store dealership shall remain at their current height as approved under Building Permit No. BLD2003-01108.
 - c. Flood lights aimed at the sky or used to spot light display areas are expressly prohibited. Accent uplighting of buildings and/or landscaping may be permitted subject to review and approval of the required Design Permit.
- L-2. All lighting shall be shielded and directed in such a manner so as not to produce harmful effects upon neighboring property. Adjustments to the lighting intensity may be required after commencement of the use. I

Signage

- S-1. One (1) shared use freeway sign advertising the names of the ~~four~~ dealerships shall be allowed for the Auto Park PD. The freeway sign shall be designed in accordance with the provisions of the City Sign Code, and shall not be installed until after a second dealership is established within the Auto Park PD.
- S-2. All signs shall comply with Chapter 18.76, Sign Code, of the Morgan Hill Municipal Code and require sign permits prior to installation.
- S-3. Individually mounted channel letters shall be utilized for building attached signs-
- S-4. The use of flags, banners, tassels, balloons or other inflatable objects is prohibited in the PD except as expressly permitted in Chapter 18.88, Sign Code, of the Morgan Hill Municipal Code.

Noise

- N-1. The use of any exterior public address system or other noise intrusive communication system is expressly prohibited in the PD.

General Provisions

- GP-1. Any modification to these PD Guidelines shall be subject to review and approval of a PD Amendment.

(DRAFT) ORDINANCE NO. _____, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE DEVELOPMENT PLAN FOR A PLANNED UNIT DEVELOPMENT (PUD) ON A 35 ACRE SITE ON THE WEST SIDE OF CONDIT ROAD BETWEEN DUNNE AND TENNANT AVENUES (ZA2025-0002 CONDIT – CONDIT ROAD PUD) APN’S 817-12-001,-003, -004, -018, -019; 817-13-019-022, -024, -026,027, 029-032, and 034-035

WHEREAS. On March 25, 2009, the City Council adopted ordinance No. 1926 approving a zoning amendment to establish a Development Plan and Guidelines for a Planned Development area including the allowance for four motor vehicle sales dealerships at the southwest corner of Condit Road and Diana Avenue.

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

SECTION 1. The proposed zoning amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

The proposed zoning amendments are consistent with the City’s General Plan, as they support commercial development in alignment with the site’s existing Commercial land use designation. The Commercial designation is primarily applied to properties located along arterial roadways west of Highway 101 and along the eastern freeway frontage. This designation is intended to accommodate a broad range of retail and service-oriented uses, including automobile dealerships.

SECTION 2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The proposed amendment will not introduce hazardous activities or increase risks to public health or safety. Any new development or business will still be subject to building codes, fire codes, and environmental regulations.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

The property on the west side of Condit Road, between East Dunne Avenue and

Tennat Avenue, is predominantly developed with retail and hotel uses. The proposed amendment will facilitate additional development that will contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

SECTION 4. This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 5 The proposed amendment shall apply to those parcels identified by assessor parcel number attached hereto, as Exhibit “A”

SECTION 6. The City Council hereby amends the permitted and conditional uses as contained in the certain series of documents date stamped December 17, 2001 on file in the Community Development Department, entitled “Condit PUD planned development and phasing plan” prepared by DpC, Development Process Consultants.

Uses allowed within the PUD shall be amended as follows:

Permitted Uses

- Restaurants, Sit down.
- ~~Wine tasting~~ **Tasting Rooms**
- General** Retail uses including grocery and excluding liquor stores.
- Motels and hotels ~~a maximum of 5 will be allowed in the PUD~~
- ~~Arts and crafts galleries~~
- Conference centers, banquet, and meeting rooms
- Commercial indoor and outdoor recreation **30,000 square feet or less.** ~~3,000 square feet or less~~
- ~~Financial services and professional offices limited to second floor and above location~~
- School, business ~~trade,~~ or tutoring

Conditional Uses

- Commercial indoor recreation greater than **30,000 square feet.** ~~3,000 square feet~~
- Motor vehicle sales and service uses ~~provided that no more than two such uses involve outdoor sales display.~~ Service uses shall only be allowed when ancillary to motor vehicle sales.
- ~~Fast food~~ Restaurants **with drivethrough,** ~~no more than one drive-thru establishment.~~
- Other commercial uses with an outdoor sales display area.
- Any other use, which the Planning Commission determines to be similar to permitted or conditional uses
- Convenience Markets (per MHMC 18.92.030)**

Athletic Training Facility with ancillary accommodations

Any other use, which the Planning Commission determines to be similar to permitted and conditional uses.

Temporary Uses

Limited to 1-year with (2) 1-year extensions

In addition to those temporary uses identified in section 18.92.150 c.

- **Live Entertainment**
- **Recreation**
- **Social Gatherings**

Any other temporary uses which the Development Services Director deems to be similar to other temporary uses

SECTION 7. The request was considered by the Planning Commission at its regular meeting of September 23, 2025, at which time the Planning Commission recommended approval of Zoning Amendment application, ZA 2025-0002 Condit – Condit Road PD. The City Council accepts the recommendation of the Planning Commission.

SECTION 8. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 9. Effective Date; Publication. 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 ___ DAY OF ___, 2025, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE ___ DAY OF ___, 2025, 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. xxx, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on ____day of _____, 2025.

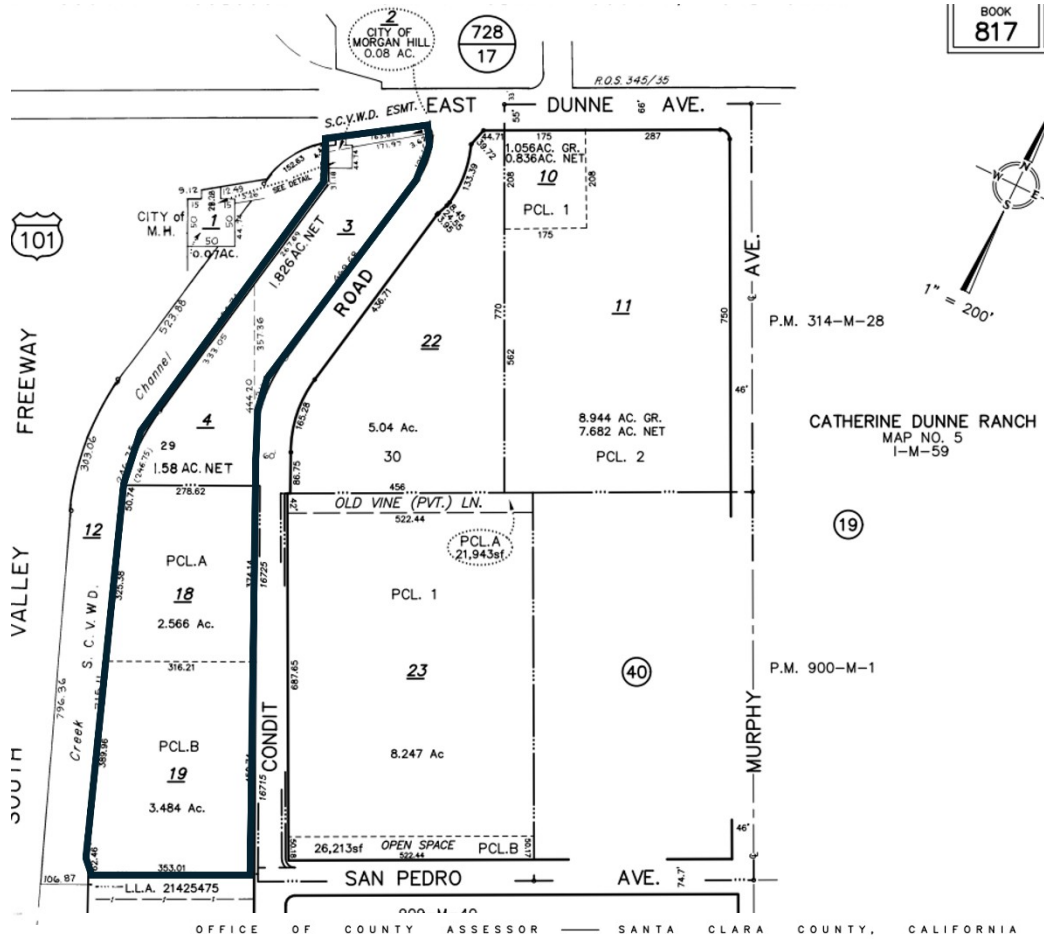
WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT A

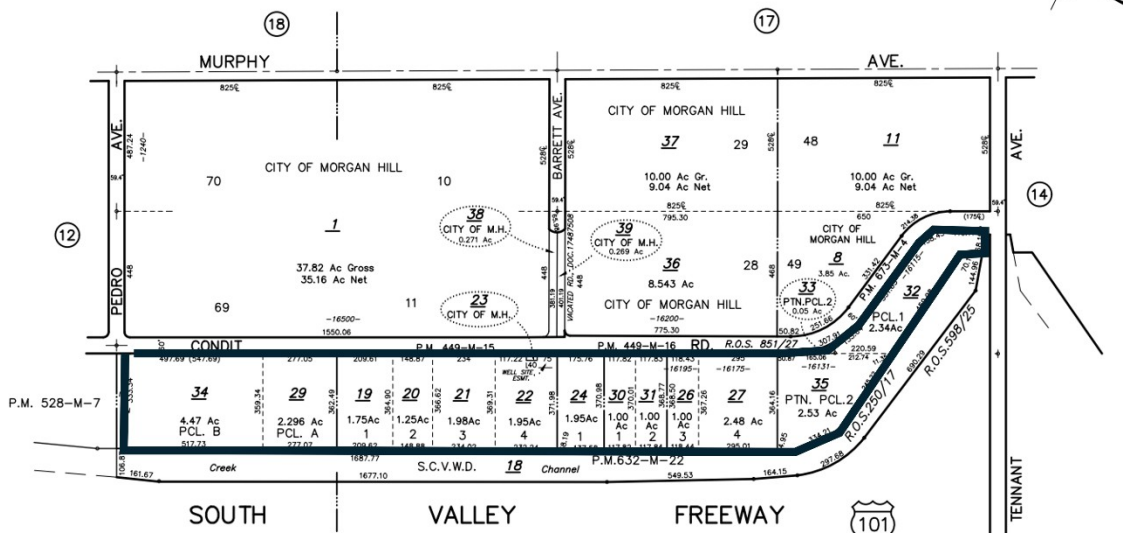
BOOK 817 PAGE 12



BOOK 817 PAGE 1

CATHERINE DUNNE RANCH MAP NO. 5
I-M-59

CATHERINE DUNNE RANCH MAP NO. 7
L-M-26



(DRAFT) ORDINANCE NO. _____, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED DEVELOPMENT (PD) OVERLAY ZONE ON A 9.27 ACRE SITE ON THE NORTH SIDE OF THE EASTERN TERMINUS OF LAUREL ROAD (ZA2025-0005 LAUREL – HONDA) APN'S: 726-01-001, 726-01-006, AND 726-01-007

WHEREAS. On April 17, 1996, the City Council adopted Ordinance No. 1273, N.S., establishing a Highway Commercial (CH) and Planned Unit Development (PUD) overlay zone to allow one motor vehicle dealership use on parcel 726-01-001 and unspecified highway commercial uses within the remainder of the zoning area on the north side of the eastern terminus of Laurel Road.

WHEREAS. On December 3, 2014, the City Council adopted Ordinance No 2125, to revise the boundaries of the PUD to include parcels 726-01-001, -006, and -007 in their entirety as shown in EXHIBIT A.

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

SECTION 1. The proposed zoning amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

The proposed zoning amendments are consistent with the City's General Plan, as they support commercial development in alignment with the site's existing Commercial land use designation. The Commercial designation is primarily applied to properties located along arterial roadways west of Highway 101 and along the eastern freeway frontage. This designation is intended to accommodate a broad range of retail and service-oriented uses, including automobile dealerships.

SECTION 2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The proposed amendment will not introduce hazardous activities or increase risks to public health or safety. Any new development or business will still be subject to building codes, fire codes, and environmental regulations.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health,

safety, and welfare of the property, surrounding properties, and the community at large.

The site is presently developed with a vehicle sales use and the allowance for additional dealerships within the same area will not be detrimental to the health, safety, and welfare of the property, surrounding properties, and the community at large.

SECTION 4. This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 5 The proposed amendment shall apply to those parcels identified by assessor parcel number numbers attached hereto, as EXHIBIT “A”

SECTION 6. The City Council hereby amends the permitted uses of the subject Planned Unit Development (PUD) overlay zone as follows:

Allowable Uses:

Land Uses of the Highway Commercial (CH) Zoning District
~~One motor vehicle sales and service use, to be located on the most easterly parcel in the PUD.~~
Vehicle Sales and Leasing per (MHMC 18.124.40).

SECTION 7. The request was considered by the Planning Commission at its regular meeting of September 23, 2025, at which time the Planning Commission recommended approval of Zoning Amendment application, ZA2025-0005: Laurel– Honda PUD. The City Council accepts the recommendation of the Planning Commission.

SECTION 8. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 9. Effective Date; Publication. 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 ___ DAY OF ___, 2025, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE ___ DAY OF ___, 2025, 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. xxx, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on ____day of _____, 2025.

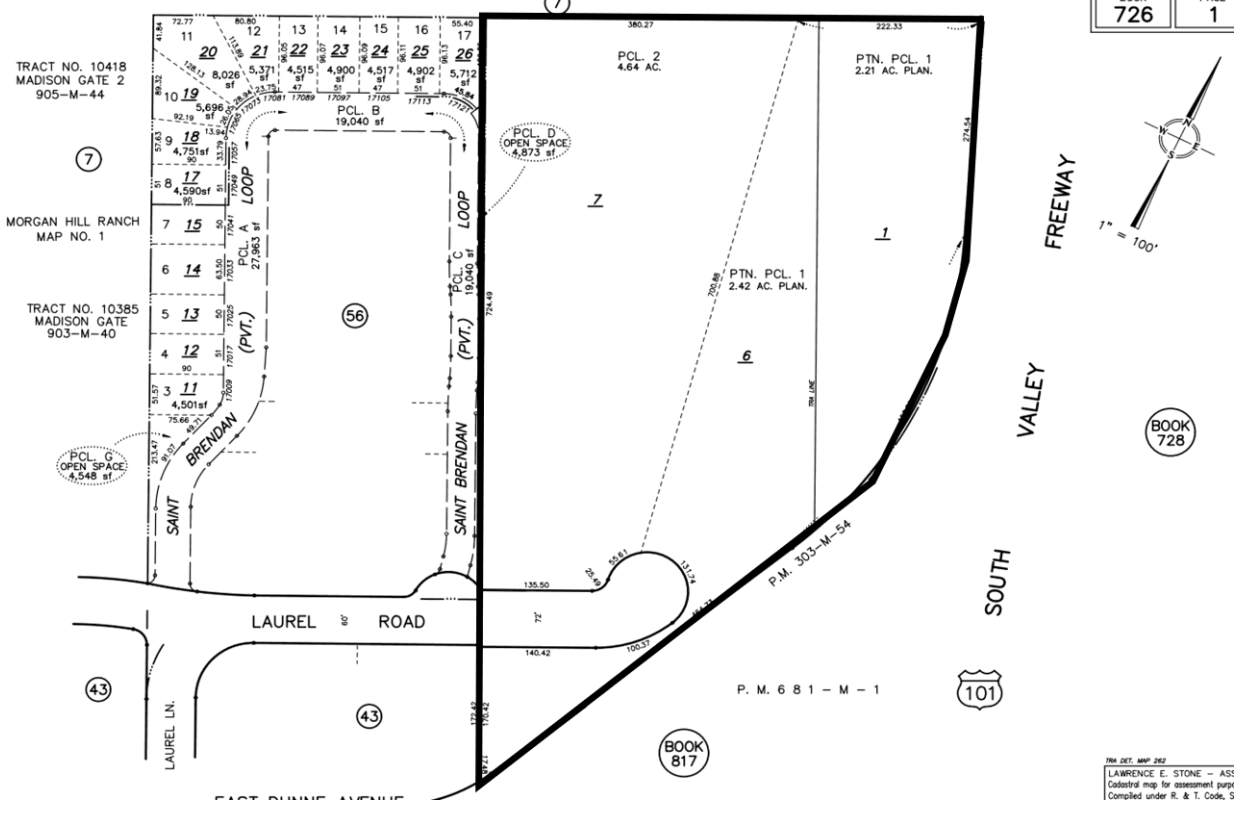
WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT A

OFFICE OF COUNTY ASSESSOR 7 SANTA CLARA COUNTY, CALIFORNIA



THE DET. MAP 252
LAWRENCE E. STONE - AS
Cadastral map for assessment purp
Compiled under R. & T. Code, S

RESOLUTION NO. 25-12

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF A ZONING AMENDMENT FOR AN ORDINANCE AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED UNIT DEVELOPMENT (PUD) OVERLAY ZONE ON A 25.3-ACRE SITE ON THE SOUTHWEST CORNER OF CONDIT ROAD AND DIANA AVENUE (ZA2025-0001 CONDIT-AUTOPARK) APN'S: 728-17-031, -035, and -036

WHEREAS: this proposed Ordinance (Zoning Amendment ZA2025-0001) was considered by the Planning Commission of the City of Morgan Hill at its regular meeting of September 23, 2025;

WHEREAS: the Planning Commission has reviewed recommendations contained in the September 23, 2025, staff report on this item;

WHEREAS, the amendments proposed by this Ordinance are necessary to implement the City's Economic Development Blueprint.

WHEREAS, this ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, testimony received at a duly noticed public hearing, along with exhibits and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

The proposed zoning amendments are consistent with the City's General Plan, as they support commercial development in alignment with the site's existing Commercial land use designation.

SECTION 2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The amendments support the purpose of the Zoning Code—to implement the General Plan and protect public health, safety, and welfare.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

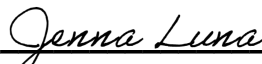
The site is presently developed with vehicle sales uses and the allowance for additional dealerships within the same area will not be detrimental to the health, safety, and welfare of the property, surrounding properties, and the community at large.

SECTION 4. The Planning Commission hereby recommends approval of Zoning Amendment application ZA2025-0001 to amend the CH (PUD) overlay zoning as shown in the attached ordinance.

PASSED AND ADOPTED THIS 23RD DAY OF SEPTEMBER 2025, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

| | | |
|-----------------|-----------------------|--|
| AYES: | COMMISSIONERS: | WILSON, HABIB, MUELLER, LAKE, TANDA, DOWNEY |
| NOES: | COMMISSIONERS: | NONE |
| ABSTAIN: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | LOVATO |

ATTEST:



JENNA LUNA, Deputy City Clerk

APPROVED:


James Wilson (Sep 24, 2025 13:53:02 PDT)

JAMES WILSON, Chair






Planning Commission Resolution No. 25-12 (Condit PUD - Auto Park)

Final Audit Report

2025-09-24

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|-----------------|--|
| Created: | 2025-09-24 |
| By: | Jenna Luna (jenna.luna@morganhill.ca.gov) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAA3__j8ZXIsZucqPJTOaxfftP2HpWqldkO |

"Planning Commission Resolution No. 25-12 (Condit PUD - Auto Park)" History

-  Document created by Jenna Luna (jenna.luna@morganhill.ca.gov)
2025-09-24 - 7:10:55 PM GMT
-  Document emailed to James Wilson (james.wilson@morganhill.ca.gov) for signature
2025-09-24 - 7:11:00 PM GMT
-  Email viewed by James Wilson (james.wilson@morganhill.ca.gov)
2025-09-24 - 8:52:34 PM GMT
-  Document e-signed by James Wilson (james.wilson@morganhill.ca.gov)
Signature Date: 2025-09-24 - 8:53:02 PM GMT - Time Source: server
-  Agreement completed.
2025-09-24 - 8:53:02 PM GMT

RESOLUTION NO. 25-13

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF A ZONING AMENDMENT FOR AN ORDINANCE AMENDING THE DEVELOPMENT PLAN FOR A PLANNED UNIT DEVELOPMENT (PUD) ON A 35-ACRE SITE ON THE WEST SIDE OF CONDIT ROAD BETWEEN EAST DUNNE AVENUE AND TENNANT AVENUE (ZA 2025-0002 CONDIT - CONDIT ROAD PD) APN'S: 817-12-001,-003, -004, -018, -019; 817-13-019, -020, -021, -022, -024, -026, -027, -029, -030, -031, -032, -033, -034, and -035

WHEREAS: this proposed Ordinance (Zoning Amendment ZA2025-0002) was considered by the Planning Commission of the City of Morgan Hill at its regular meeting of September 23, 2025;

WHEREAS: the Planning Commission has reviewed recommendations contained in the September 23, 2025, staff report on this item;

WHEREAS, the amendments proposed by this Ordinance are necessary to implement the City's Economic Development Blueprint.

WHEREAS, this ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, testimony received at a duly noticed public hearing, along with exhibits and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

The proposed zoning amendments are consistent with the City's General Plan, as they support commercial development in alignment with the site's existing Commercial land use designation.

SECTION 2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The proposed PD zoning amendments promote development in keeping with the Commercial General Plan site designations and Economic Development policies that promote economic development.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

The property on the west side of Condit Road, between East Dunne Avenue and Tennat Avenue, is predominantly developed with retail and hotel uses. The proposed amendment will facilitate additional development that will contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

SECTION 4. The Planning Commission hereby recommends approval of Zoning Amendment application ZA2025-0002 to amend the CH (PUD) overlay zoning as shown in the attached ordinance.

PASSED AND ADOPTED THIS 23RD DAY OF SEPTEMBER 2025, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

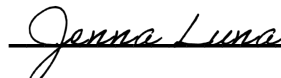
AYES: COMMISSIONERS: WILSON, HABIB, MUELLER, LAKE, DOWNEY

NOES: COMMISSIONERS: TANDA

ABSTAIN: COMMISSIONERS: NONE

ABSENT: COMMISSIONERS: LOVATO

ATTEST:



JENNA LUNA, Deputy City Clerk

APPROVED:



James Wilson (Sep 24, 2025 13:53:54 PDT)

JAMES WILSON, Chair






Planning Commission Resolution No. 25-13 (ZA2025-0002 Condit Rd - Condit Rd PD)

Final Audit Report

2025-09-24

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| Created: | 2025-09-24 |
| By: | Jenna Luna (jenna.luna@morganhill.ca.gov) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAth_RHw7KR0IEa8gcC2i-I5RphT6s5Moz |

"Planning Commission Resolution No. 25-13 (ZA2025-0002 Condit Rd - Condit Rd PD)" History

-  Document created by Jenna Luna (jenna.luna@morganhill.ca.gov)
2025-09-24 - 7:13:15 PM GMT
-  Document emailed to James Wilson (james.wilson@morganhill.ca.gov) for signature
2025-09-24 - 7:13:19 PM GMT
-  Email viewed by James Wilson (james.wilson@morganhill.ca.gov)
2025-09-24 - 8:53:26 PM GMT
-  Document e-signed by James Wilson (james.wilson@morganhill.ca.gov)
Signature Date: 2025-09-24 - 8:53:54 PM GMT - Time Source: server
-  Agreement completed.
2025-09-24 - 8:53:54 PM GMT

RESOLUTION NO. 25-11

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF A ZONING AMENDMENT FOR AN ORDINANCE AMENDING THE HIGHWAY COMMERCIAL (CH) PLANNED UNIT DEVELOPMENT (PUD) OVERLAY ZONE ON A 9.27 ACRE SITE ON THE NORTH SIDE OF THE EASTERN TERMINUS OF LAUREL ROAD (ZA2025-0005 LAUREL – HONDA) APN’S: 726-01-001, 726-01-006, AND 726-01-007

WHEREAS: this proposed Ordinance (Zoning Amendment ZA2025-0005) was considered by the Planning Commission of the City of Morgan Hill at its regular meeting of September 23, 2025;

WHEREAS: the Planning Commission has reviewed recommendations contained in the September 23, 2025, staff report on this item;

WHEREAS, the amendments proposed by this Ordinance are necessary to implement the City’s Economic Development Blueprint.

WHEREAS, this ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, testimony received at a duly noticed public hearing, along with exhibits and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

The proposed zoning amendments are consistent with the City's General Plan, as they support commercial development in alignment with the site's

existing Commercial land use designation.

SECTION 2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The amendments support the purpose of the Zoning Code—to implement the General Plan and protect public health, safety, and welfare.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large.

The site is presently developed with a vehicle sales use and the allowance for additional dealerships within the same area will not be detrimental to the health, safety, and welfare of the property, surrounding properties, and the community at large.

SECTION 4. The Planning Commission hereby recommends approval of Zoning Amendment application ZA2025-0005 to amend the CH (PUD) overlay zoning as shown in the attached ordinance.

PASSED AND ADOPTED THIS 23RD DAY OF SEPTEMBER 2025, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

| | | |
|-----------------|-----------------------|--|
| AYES: | COMMISSIONERS: | WILSON, HABIB, MUELLER, LAKE, TANDA, DOWNEY |
| NOES: | COMMISSIONERS: | NONE |
| ABSTAIN: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | LOVATO |

ATTEST:

Jenna Luna

JENNA LUNA, Deputy City Clerk

APPROVED:

James Wilson
James Wilson (Sep 24, 2025 13:51:50 PDT)

JAMES WILSON, Chair






Planning Commission Resolution No. 25-11 (ZA2025-0005 Laurel - Honda PD)

Final Audit Report

2025-09-24

| | |
|-----------------|--|
| Created: | 2025-09-24 |
| By: | Jenna Luna (jenna.luna@morganhill.ca.gov) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAjztgx5l40O49njHK6-ylw4zhOnzeWx4z |

"Planning Commission Resolution No. 25-11 (ZA2025-0005 Laurel - Honda PD)" History

-  Document created by Jenna Luna (jenna.luna@morganhill.ca.gov)
2025-09-24 - 7:08:29 PM GMT
-  Document emailed to James Wilson (james.wilson@morganhill.ca.gov) for signature
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-  Email viewed by James Wilson (james.wilson@morganhill.ca.gov)
2025-09-24 - 8:51:12 PM GMT
-  Document e-signed by James Wilson (james.wilson@morganhill.ca.gov)
Signature Date: 2025-09-24 - 8:51:50 PM GMT - Time Source: server
-  Agreement completed.
2025-09-24 - 8:51:50 PM GMT

CITY COUNCIL STAFF REPORT

MEETING DATE: November 5, 2025

PREPARED BY:

Jennifer Carman, Development Services Director

APPROVED BY: City Manager

INTRODUCE ORDINANCE TO AMEND THE TENNANT STATION PLANNED UNIT DEVELOPMENT (PUD) TO MODIFY THE MAXIMUM SQUARE FOOTAGES ALLOWED FOR THREE MAJOR USES AND ADD AN ADMINISTRATIVE FUNCTION TO MAKE MINOR CHANGES TO SQUARE FOOTAGES IN THE FUTURE

RECOMMENDATION(S)

1. Open/close public hearing;
2. Waive first and second reading of the Ordinance; and
3. Introduce Ordinance amending the Tennant Station Planned Unit Development.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

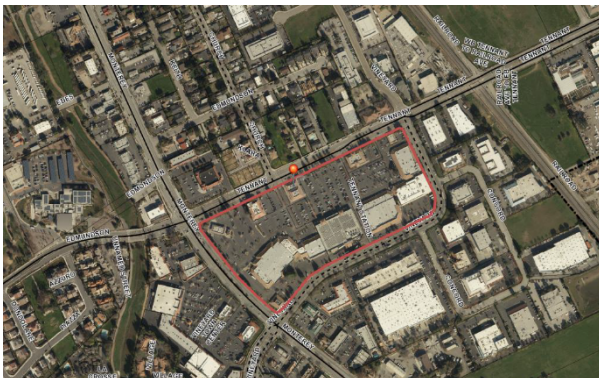
2024-2025 Strategic Priorities

Economic Development and Tourism

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:



1. Location: Southeast corner of Monterey Road and Tennant Avenue

- (APN: 817-06-041, -055, -056, -057, and -058)
2. Site Area: 21.88 acres
 3. General Plan: Commercial
 4. Zoning: General Commercial (CG) and Planned Development (PUD)

The applicant, G2 Design Build Inc., requested a 5,000 square foot expansion of the Fitness 19 use at Tennant Station. The expansion area would occupy a former office/retail space at the northwest corner of the building. The language in the existing Planned Unit Development (PUD)/site-specific zoning, included strict square footage limits for three of the larger uses in the shopping center — fitness center, movie theater, and bowling alley—and only allowed changes to these limits with a PUD amendment.

After reviewing the request, staff raised concerns regarding the restrictive nature of this language and the resulting lack of flexibility and costly time and expense to modify the PUD within Tennant Station with every change related to these uses. Staff proposed, and the Planning Commission recommended, the following edits to the original language:

II. ALLOWED USES/GENERAL PROVISIONS

2. The following existing uses shall be allowed in specific locations and sizes shown on Figure 1. Any enlargement or relocation of the following uses shall be reviewed by the Development Services Director for master plan consistency and potential impacts to the center. If an increase to the size of the uses results in impacts to the center, the appropriate permitting process will be required. ~~will require amendment to the PUD.~~

Bowling Alley 26,525 sq. ft.

Movie Theater 23,009 sq. ft.

Fitness Center 24,708 sq. ft.

The proposed amendment is consistent with the required findings as discussed in the [Planning Commission staff report](#) and draft ordinance.

COMMUNITY ENGAGEMENT:

A 10-day public hearing notice was published in the Friday, October 24, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project site.

A 20-day public hearing notice was published in the Friday, September 19, 2025, edition of the Morgan Hill Times pursuant to Government Code Section 65090-65096. A notice was also mailed to property owners within 300 feet of the project site.

ALTERNATIVE ACTIONS:

City Council could choose to make no changes, or to modify only the square footage for the Fitness Center and allow a 5,000 square foot increase (total 29,708 square feet),

while maintaining the original square footage limits for the other uses and not provide the administrative authority for future expansions.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council adopted Ordinance No. 336 N.S., on January 3, 1973, rezoning 75 acres of property located at the southeast corner of Tennant Avenue and Monterey Road to Planned Unit Development (PUD).

The City Council adopted Ordinance No. 1039 N.S. on August 7, 1991, incorporating a detailed development plan for 21-acres of the site.

The City Council adopted Ordinance No. 1546 N.S. on May 15, 2002, establishing design guidelines for the PUD and amending the precise development plan for the site.

The Planning Commission recommended approval of the proposed ordinance on October 14, 2025.

FISCAL AND RESOURCE IMPACT:

None

CEQA (California Environmental Quality Act):

This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

(DRAFT) ORDINANCE NO. _____, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE TENNANT STATION SHOPPING CENTER PLANNED UNIT DEVELOPMENT (PUD) ON A 21.88 ACRE SITE ON THE SOUTHEAST CORNER OF MONTEREY ROAD AND TENNANT AVENUE (AAE2025-0003 TENNANT-TENNANT STATION PD) APN'S: 817-06-041, 055, 056, 057, and 058.

WHEREAS. On August 7, 1991, the City Council adopted Ordinance No. 1039, N.S., incorporating a detailed development plan for Tennant Station.

WHEREAS. On May 15, 2002, the City Council adopted Ordinance No 1546 establishing design guidelines for the PUD and amending the precise development plan for the site as shown in EXHIBIT A.

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

SECTION 1. The proposed zoning amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

The proposed zoning amendment is consistent with the City's General Plan, as it supports commercial development in alignment with the site's existing Commercial land use designation.

SECTION 2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The amendment supports the purpose of the Zoning Code—to implement the General Plan and protect public health, safety, and welfare.

SECTION 3. The affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the zoning code and general plan and contribute to the health,

safety, and welfare of the property, surrounding properties, and the community at large.

The affected site is an existing shopping center and the proposed PUD amendment does not change the use, orientation or size of the center. Future development proposals will be subject to the appropriate level of design review to ensure compliance with the PUD and City guidelines.

SECTION 4. This ordinance is categorically exempt from environmental review under Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines. The proposed text amendments are covered by the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 5. The City Council hereby amends the Section II of the subject Planned Unit Development (PUD) overlay zone as follows:

II. ALLOWED USES/GENERAL PROVISIONS

2. The following existing uses shall be allowed in specific locations ~~and sizes~~ shown on Figure 1. Any enlargement or relocation of the following uses shall be reviewed by the Development Services Director for master plan consistency and potential impacts to the center. If an increase to the size of the uses results in impacts to the center, the appropriate permitting process will be required. ~~will require amendment to the PUD.~~

Bowling Alley 26,525 sq. ft.

Movie Theater 23,009 sq. ft.

Fitness Center 24,708 sq. ft.

SECTION 6. The request was considered by the Planning Commission at its regular meeting of October 14, 2025, at which time the Planning Commission recommended approval of Zoning Amendment application, AAE2025-0003: Tennant – Tennant Station PUD. The City Council accepts the recommendation of the Planning Commission.

SECTION 7. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. Effective Date; Publication. 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.

HELD ON THE ___ DAY OF ___, 2025, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE ___ DAY OF ___, 2025, 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. xxx, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on ____ day of _____, 2025.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT A

ORDINANCE NO. 1546, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A ZONING AMENDMENT TO AMEND THE PRECISE DEVELOPMENT PLAN FOR THE TENNANT STATION SHOPPING CENTER AND ESTABLISHING DESIGN GUIDELINES FOR THE PUD DISTRICT LOCATED ON THE SOUTH EAST CORNER OF THE INTERSECTION OF MONTEREY ROAD AND TENNANT AVENUE. (APN's 817-06-039, 040 & 41)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

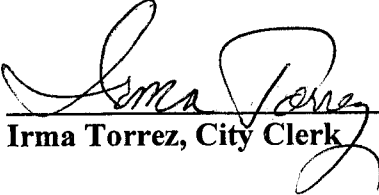
- SECTION 1.** The proposed zoning amendment hereby amends Ordinance No. 1036 New Series and is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** The PUD amendment is exempt pursuant to CEQA section 15332-Infill development
- SECTION 4.** The City Council hereby approves development guidelines as contained in Exhibit "A" dated May 1, 2002, entitled *Tennant Station Shopping Center* and hereby approves a precise development plan dated 4-01-02 prepared by Craig and Grant Architect, shown as Figure I within Exhibit A. The precise development plan (Figure I), amended by the Architectural and Site Review approval, illustrates the exact location and dimensions of all proposed buildings, vehicle and pedestrian circulation ways, parking areas, landscape areas and any other purposeful uses on the project and by this reference is incorporated herein. Changes to the PUD which differs substantially from the approved precise development plan shall require an amendment through the public hearing process.
- SECTION 5.** The Council finds that the changes incorporated in this exhibit are necessary to comply with the minimum zoning requirements as set forth in Chapter 18.30 of the Municipal Code (Zoning Code) and Division III, Chapter 18.76 of the Municipal Code (Sign Code).
- SECTION 6.** The precise development plan and the guidelines contained within Exhibit "A" supercede the precise development plan and guidelines adopted as part of Ordinance No. 1036 New Series.
- SECTION 7.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. Effective Date Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Morgan Hill held on the 1st day of May, 2002 and was finally adopted at a regular meeting of said Council on the 15th day of May, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

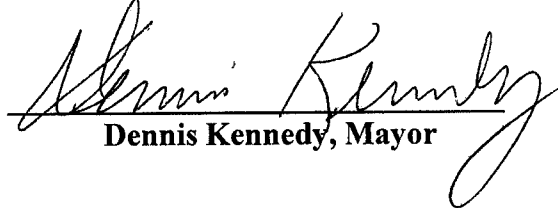
| | | |
|-----------------|-------------------------|--|
| AYES: | COUNCIL MEMBERS: | Larry Carr, Hedy L. Chang, Dennis Kennedy, Greg Sellers, Steve Tate |
| NOES: | COUNCIL MEMBERS: | None |
| ABSENT: | COUNCIL MEMBERS: | None |
| ABSTAIN: | COUNCIL MEMBERS: | None |

ATTEST:



Irma Torrez, City Clerk

APPROVED:




Dennis Kennedy, Mayor

🔊 CERTIFICATE OF THE CITY CLERK 🔊

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 Ordinance No. 1546, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 15th day of May, 2002.

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

DATE: June 6, 2002



IRMA TORREZ, City Clerk

Exhibit A

Tennant Station Shopping Center

PLANNED UNIT DEVELOPMENT (PUD) GUIDELINES

I. PUD SITE PLAN

- A. The project site for this PUD is illustrated in Figure 1. All new or remodeled development within this delineated area shall be required to meet the standards described herein.
- B. Proposed building foot prints illustrated in Figure 1. may be modified, so long as those modifications meet standard site development requirements.

II. ALLOWED USES/GENERAL PROVISIONS

- A. Permitted uses listed in the General Commercial (CG) Zoning District (Chapter 18.22) shall be allowed in the PUD. Conditional uses listed in the CG zoning district will still be considered conditional uses and would require conditional use permit approval prior to issuance of a business licence.
- B. The following existing uses shall be allowed on specific locations and sizes shown on Figure 1. Any enlargement or relocation of the following uses will require amendment to the PUD.

| | |
|----------------|----------------|
| Bowling Alley | 26,525 sq. ft. |
| Movie Theater | 23,009 sq. ft. |
| Fitness Center | 24,708 sq. ft. |

- C. In the event that an existing use changes, either through a business license application or through a conditional use permit, the Community Development Department may require a parking utilization study prior to issuance of a permit or license to determine if the site provides adequate parking for the new use.
- D. All plans shall be subject to architectural and site review approval by the City of Morgan Hill Architectural Review Board (ARB).
- E. All public improvements necessary to support the shopping center or a use within the shopping center shall be completed prior to occupancy of the supermarket.
- F. A public restroom(s) shall be provided at the fuel center.
- G. An "Exit Clause" be recorded prior to the issuance of a building permit for the construction of a fuel center. The language for the "Exit Clause" shall be to the review and approval of the City Attorney. The "Exit Clause" shall include some form of surety to guarantee the removal of the fuel center use if abandoned by Safeway and a new

operator is not found within a one year period. The Planning Commission may approve up to two, one-year extensions upon receipt of documentation of a pending agreement with a new operator or other indication of potential sale or reuse.

- H. One year after the opening of the grocery store, a review shall be completed by the Police Department to assess the safety of the Vineyard Boulevard drive aisle. If additional safety improvements are deemed necessary, by the the Planning Commission, after conducting a public hearing, may require the owner to install safety improvements to mitigate the identified safety hazards. Examples of such improvements are speed control devices such as speed bumps or stop signs. Safety improvements would not require any change to the size of the buildings.

III. DESIGN

A. THEME

1. General aesthetic character of the building exteriors shall be architecturally compatible. Exterior materials and colors shall be consistent throughout the center.

B. SITE DEVELOPMENT

1. General Information

- a. Site development shall adhere to the following Municipal Code Sections, unless specific deviation is addressed elsewhere in this document
 1. Section 18.22.040, with respect to setbacks, minimum lot size, building coverage, and height restrictions. (Site Development Standards for the CG Zoning District)
 2. PUD, Planned Unit Development District, Chapter 18.30
 3. Flood Damage Prevention, Chapter 18.42
 4. Commercial and Industrial Performance Standards, Chapter 18.48
 5. Off-Street Parking and Paving Standards, Chapter 18.50
 6. Exceptions and Modifications, Chapter 18.56
 7. Design Review, Chapter 18.74
 8. Signs, Chapter 18.76

2. Site Planning

a. *Trash Enclosures*

1. Trash enclosures shall be constructed in accordance with design guidelines developed in the Architectural Review Handbook.
2. Trash enclosures shall be located in areas which would minimize visual impact from the public right of way.
3. Shrubs and vine planting shall be provided to screen utilities and trash enclosures.
4. In the event that excessive trash begins to accumulate, the City may require the owner to arrange for additional refuse pick-up.

5. All refuse bins shall be kept within trash enclosures.
6. The trash enclosure at the gas station site shall be moved back behind the kiosk. All trash enclosures shall be located out of public view to the greatest extent possible.
7. A trash enclosure shall be placed on Pad 5 and shall be constructed with a shade trellis.

b. Fences and Walls

1. Walls shall be designed to be compatible with the surrounding landscape and architectural concept.
2. Compressors shall be screened by a wall and shall be located below the fascia and/or roof line of the building. Further, they shall be located on the rear or hidden side of the building and shall be painted to match the surface to which attached, if that surface is visible.

c. Parking and Loading/Circulation

1. All parking shall be screened from public view through the use of berming, hedge row planting, shrubs, trees, fences or walls, or any combination thereof. At the time of installation plantings shall be a minimum of 15 gallon trees and 5 gallon shrubs
2. Vertical and horizontal sight lines should be sufficient to ensure safe vehicular, as well as pedestrian movement.
3. Parking shall be screened from roadways.
4. No angled parking or one way drive aisles shall be utilized in new or revised parking lots.
5. Access to the property and circulation thereon should be safe and convenient for pedestrians, cyclists and vehicles.
6. Cross access easements shall be provided throughout the PUD.
7. Dead end drive aisles shall be eliminated and avoided wherever possible.
8. All main drive aisles within the PUD shall be a minimum of 30 ft. in width at the project's entrances/exits
9. Adequate auto stack-up areas of at least 40 ft. shall be designed to permit a minimum of two cars to enter the parking lot area without obstructing either street through traffic or vehicle backup areas within the parking lot.
10. The drive aisles along the Tennant Avenue and Monterey Road frontage (from the first driveway to the corner) shall be reduced to 25 ft. and the excess area added to the perimeter landscaping in order allow for berming within the landscape area. The objective is to add approximately 8ft. to the Monterey Road side and approximately 5 ft. to the Tennant Avenue side.

d. Walkways

1. Parking areas shall be designed to include provision for pedestrian walkways to provide access to building entrances.
2. Walkways that cross traffic lanes shall have special design features such as raised and/or textured pavement, narrowed roadway, or combination thereof.

3. Walkways shall be provided through landscaped areas to protect landscaping from foot traffic damage.
4. The overall design of the project shall allow for safe and a free unrestricted flow of vehicular flow and pedestrian traffic from one lot to another.
5. Access to property and circulation shall be safe and convenient for pedestrians and vehicles.
6. Vertical and horizontal sight lines shall be sufficient to ensure safe vehicular and pedestrian movements.
7. In order to facilitate vehicle and pedestrian safety, walkways shall extend a minimum of 5 ft. past a building or architectural feature.

e. Merchandise Loading and Deliveries

1. Two (2) off-street loading spaces (each space measuring at least twelve feet wide, forty feet long and fourteen feet high exclusive of necessary area for maneuvering, ingress and egress) shall be provided for the supermarket or any other use that requires frequent or large deliveries.
2. Loading areas shall be screened from view by a solid wall. The wall shall be architecturally treated and screened with landscaping.
3. Loading areas shall not be located adjacent to or visible from a public right of way.

C. ARCHITECTURE

1. General Provisions

1. No building within the PUD shall exceed 30 feet in height. Exception to the maximum height limitation may be granted through the minor exception process.
2. Materials, textures, colors and details shall be compatible with those used though out the shopping center.
3. All commercial buildings shall be one-story in appearance and shall contain a full roof element.
4. Any outdoor storage of goods, material or equipment shall be limited to 8 ft. in height and screened from view of any roadway or adjacent property. The screening shall be designed as on integral part of the building design and site layout.
5. No franchise architecture shall be permitted.
6. Building design shall be compatible with the immediate environment and provide harmonious transition between various uses.

2. Roof and Eve Elements

- a. Roof materials shall be consistent throughout the shopping center.
- b. No visual flat roof lines shall be allowed.
- c. Mechanical and utility equipment shall be located below the roof line or parapet wall and out of public view. Location within the building or at ground level is preferred to roof-mounting. When such equipment cannot be so located, all roof-mounted mechanical equipment or duct work which project vertically above the roof or roof parapet shall be screened by an enclosure which is detailed consistently with the building design.

- d. Compressors shall be screened by a wall or fence and be located below the fascia and/or roof line of the building. Further, they shall be located on the rear or hidden side of the building and shall be painted to match the surface to which attached, if that surface is visible.
- e. No mechanical equipment is to be exposed on the wall surface of a building.

3. Elevations and details

- a. Colors of windows and window frames shall be consistent throughout the center.
- b. All exterior wall elevations visible from and/or facing roadways shall have architectural treatment. No building surface fronting on a street shall have a flat, void surface without architectural treatment.
- c. Structures shall incorporate breaks in horizontal planes by stepping or staggering setbacks and recessing windows and entrances, to provide substance and scale.
- d. Doors and windows shall be enhanced by use of various sizes and shapes, and highlighted by the use of accent trim (e.g., molding, or wood trim).
- e. The design shall be complementary to the existing architectural style of the shopping center.
- f. Gutters and down spouts shall be designed interior to the walls when adjacent to a street or drive aisle frontage. All other gutters and down spouts that are located exterior to the wall shall be treated to blend into the facade to which it is attached.
- g. Facade architectural treatment shall be applied to all building elevations with the same degree of detail as the building entrance.
- h. The Architecture and Site Review Board shall study the possibility of including some kind of public art or mural on the east elevation of the Safeway building.

D. LANDSCAPING

1. General Provisions

- a. Design criteria for landscaping shall be consistent throughout the PUD.
- b. All existing mature landscaping shall be maintained to the greatest extent possible.
- c. Street trees, measuring a minimum of 24-inch box having a minimum height of ten feet and crown diameter of four feet at the time of planting, shall be planted and maintained along the entire shopping center frontage.
- d. A canopy tree shall be planted in the parking lot planter islands to produce shade.
- e. Parking islands shall also include a variety of low ornamental grasses and flowering shrubs.
- f. Existing perimeter landscape setbacks shall not be decreased in size.
- g. Building perimeters shall be landscaped (including trees and planters) adjacent to and around each building, with emphasis placed along the primary building frontage.
- h. Street trees (minimum 24-inch box) shall be provided every 25 ft. on center, within the curb side planter around the entire shopping center.
- i. Landscaping at the entrance of a building shall include box size and/or accent trees to create a focal point to help direct people to the building entrance.
- j. All shrub planting shall be a minimum of 5 gallon size and all tree plantings shall be a minimum of 15 gallon.

- k. Native oaks and field stones shall be incorporated into the landscape plan.
- l. All trees planted within the landscape setback along all street frontages shall be a minimum of 24 inch box shall have a minimum height of ten feet and crown diameter of four feet at the time of planting.
- m. The entrances to the shopping center shall be well landscaped and serve as a focal point.
- n. A large significantly sized specimen tree shall be located and maintained in the landscape area at the corner of Tennant Avenue and Monterey Road.
- o. Landscaping shall be compatible with, and complement the site planning, as well as the architecture of the building. Plantings in parking lots shall help soften and visually tie the buildings to landscaping.
- p. Shrubs and vine planting shall be provided to screen utilities and trash enclosures.
- q. Landscaping shall be added to the existing buildings located along the east side of the Vineyard Boulevard entrance. The landscaping shall be in the form of shrubs and/or container flowers.
- r. All backflow devices, fire risers and check valves shall be screened with landscaping.

2. Lighting

- a. The design of the exterior building lighting and parking lot lighting fixtures shall be compatible with the architecture and the existing fixtures within the shopping center.
- b. The maximum height of all new lighting installed within the shopping center shall be 20 ft. The site lighting shall be high pressure sodium.
- c. All lighting shall be shielded and directed in such a manner so as not to produce harmful effects upon neighboring property.
- d. The lighting for all of the uses within the PUD shall be to the review and approval of the Community Development Director and Police Chief.
- e. Adjustment to the lighting intensity may be requested after the commencement of the use.
- f. Roof top lighting is prohibited.
- g. Landscape up-lighting is acceptable.
- h. Lighting for pedestrian pathways shall be reduced in height and scale, to create a more human-scale feeling and atmosphere.
- i. The lighting throughout the shopping center shall be supplemented with additional fixtures and maintained to meet the Police Department specifications.
- j. Additional lighting shall be added to the existing building on the east side of the Vineyard Boulevard entrance.

E. MISCELLANEOUS

1. Signs-General Requirements

- a. All building attached and freestanding signs shall be consistent with the uniform sign program adopted for the shopping center and shall not exceed the sign height and area limited as set forth in Section 18.76.250 of the Morgan Hill Municipal Code.

- b. Each tenant shall submit 1 set of drawings to the representative of the shopping center for approval of proposed sign before applying for a sign permit with the Community Development Department. Said plans shall accompany a formal sign permit application.
- c. A sign permit must be approved by the City of Morgan Hill's Community Development Department before installation of proposed signs.
- d. Address numbers shall contrast with their background and shall be a minimum of six inches in height. Address numbers shall also occur on the monument sign.
- e. The monument sign located at the corner of Tennant Avenue and Monterey Road shall have a curvilinear design.
- f. The Architectural and Site Review Board shall study the possibility of reducing the number and size of the signs.

2. Appurtenant Uses/Devices

a. *Shopping Carts*

1. Commercial uses providing shopping carts shall provide indoor storage of the carts and shall provide for collection areas consistent with detail "A" attached, throughout the parking lot.
 2. If shopping carts are provided the shopping center shall post, in a prominent and conspicuous location near major entrances to the retail establishment, a sign with the following information: "REMOVAL OF SHOPPING CARTS (OR LAUNDRY CARTS) FROM THESE PREMISES IS PROHIBITED BY LAW (CMC SECTION 8.46.0400) AND WILL SUBJECT THE VIOLATOR TO A MINIMUM FINE OF \$100.00."
 3. Shopping carts shall be identified with a sign stating the following information in a typeface which is easily readable and in at least fourteen point type: identification of the owner of the cart or the retailer, or both; notification of the procedure to be utilized for authorized removal of the cart from the premises; notification that the unauthorized removal of the cart from the premises or parking area of the retail establishment, or the unauthorized possession of the cart, is a violation of state law and the Municipal Code of the City of Morgan Hill; and listing of a valid telephone number or address for returning the cart removed from the premises or parking area to the owner or retailer.
- b. Vending machines, rides, newspaper racks or any coin operated devices shall not be placed on the exterior of any building.
 - c. No exterior retail displays shall be allowed.

3. Utilities

- a. All backflow devices, fire risers and check valves shall be screened with landscaping.
- b. All future development shall be subject to review by the appropriate utility and public service providers for the City of Morgan Hill.

- c. No utility equipment shall be located within the front setback area unless placed within an underground vault.
- d. All transformers shall be located interior to the site, outside of the front setback area, and shall be screened with landscape material.

