



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, December 17, 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

REAL PROPERTY NEGOTIATIONS

Pursuant to: Government Code Section 54956.8

Property: APN – 81706002

Negotiating Parties: City Manager and Public Services Director

Under Negotiation: Price and Terms

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Initiation of litigation pursuant to § 54956.9(c)

(Unknown number of cases)

PUBLIC EMPLOYMENT (§ 54957)

Title: City Attorney

OPPORTUNITY FOR PUBLIC COMMENT ON CLOSED SESSION

ADJOURN TO CLOSED SESSION

REGULAR MEETING

6:00 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITION

Summer Brown

PRESENTATION

YAC Presentation - Developmental Asset #1: Family life provides high levels of love and support.

Friends of the Senior Center Donation

CITY COUNCIL REPORT

Mayor Turner

OTHER REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

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. **ACCEPT \$40,000 DONATION FROM THE FRIENDS OF THE MORGAN HILL SENIOR CENTER**

Recommendation:

1. Accept \$40,000 donation from the Friends of the Morgan Hill Senior Center to support services at the Centennial Recreation Senior Center; and
2. Authorize the City Manager to execute any agreements necessary for donation acceptance.

2. **ACCEPTANCE OF COUNCIL CHAMBER BUILDING ROOF REPLACEMENT PROJECT**

Recommendation:

1. Accept as complete the Council Chamber Building Roof Replacement Project;
2. Authorize the Public Services Director to sign the Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

3. **APPROVE SECOND AMENDMENT TO DESIGN CONSULTANT AGREEMENT WITH VERDE DESIGN FOR \$16,000 FOR ADDITIONAL UNANTICIPATED SERVICES ASSOCIATED WITH THE BUTTERFIELD PARK CONSTRUCTION**

Recommendation:

Authorize the City Manager to execute and administer an amendment to the design consultant agreement with Verde Design for the design of the Butterfield Park Site for an additional \$16,000.

4. **APPROVE IMPROVEMENT AGREEMENT AND SUBSEQUENT DEVELOPMENT REIMBURSEMENT AGREEMENT FOR THE TENNANT - TEN SOUTH ACQUISITIONS PROJECT LOCATED AT 740 TENNANT AVENUE WITH ASSESSOR'S PARCEL NUMBER (APN) 817-08-032**

Recommendation:

1. Approve an Improvement Agreement with 740 Tennant LP;
2. Approve a Subsequent Development Reimbursement Agreement with 740 Tennant LP; and
3. Authorize the City Manager to execute the Improvement Agreement and Subsequent Development Reimbursement Agreement.

5. APPROVE THE DECEMBER 3, 2025 CITY COUNCIL MEETING MINUTES

Recommendation:

Approve the December 3, 2025 City Council Meeting Minutes.

6. APPROVE A SERVICE AGREEMENT WITH CATHOLIC CHARITIES OF SANTA CLARA COUNTY FOR SOUTH COUNTY YOUTH TASK FORCE YOUTH SUPPORT SERVICES FOR A TOTAL AMOUNT OF \$135,531

Recommendation:

1. Authorize the City Manager to execute, administer, and further negotiate an agreement with Catholic Charities of Santa Clara County in the amount of \$135,531 for the provision of youth support services in association with the South County Youth Task Force;
2. Authorize the City Manager to extend this agreement for two additional one year terms should funding be available and appropriated within future fiscal year budgets;
3. Authorize the City Manager to execute, negotiate, and administer any required agreements with the Morgan Hill Unified School District to receive funding for services associated with the South County Youth Task Force; and
4. Adopt a resolution amending the FY 2025/26 Operating Budget to increase revenue and expenses by \$40,000 in the General Fund.

7. APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AND ADMINISTER A SECOND AMENDMENT TO THE AGREEMENT WITH SOLUTIONZ, INC., EXTENDING THE TERM OF THE AGREEMENT TO JUNE 30, 2026

Recommendation:

Approve and authorize the City Manager to execute and administer a second amendment to the Agreement with Solutionz, Inc., extending the term of the agreement to June 30, 2026.

8. APPROVE MEMORANDUM OF UNDERSTANDING (MOU) WITH MORGAN HILL POLICE OFFICERS' ASSOCIATION (POA) AND CORRESPONDING SALARY SCHEDULES, AND APPROVE MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES RESOLUTION AND CORRESPONDING

SALARY SCHEDULES, AND PART-TIME TEMPORARY AND SEASONAL EMPLOYEES SALARY SCHEDULE

Recommendation:

1. Approve a Memorandum of Understanding (MOU) with POA effective December 21, 2025 - December 31, 2028 and corresponding salary schedules;
2. Approve the Management, Professional, and Confidential Employees Resolution effective December 21, 2025 and corresponding salary schedules; and
3. Approve the Part-Time Temporary and Seasonal Employees salary schedule effective December 21, 2025.

9. AWARD LANDSCAPE MAINTENANCE SERVICE AGREEMENT TO MEDALLION LANDSCAPE MANAGEMENT, LLC FOR CITY PARKS MOWING, STREET MEDIANS, AND DOWNTOWN

Recommendation:

1. Award a Maintenance Service Agreement to Medallion Landscape Management, LLC in the amount of \$379,392 for an initial two-year term (\$189,696 annually) to service Group 1: Park Mowing at City Parks; Group 3: Street Medians, Streetscapes, and Parking Lots; and Group 6: Downtown Area; and extra services;
2. Authorize the City Manager to extend the service agreement up to an additional three years subject to future annual budget appropriations by the City Council for a total term of five years; and
3. Authorize the City Manager to execute and administer said Agreement.

10. RECEIVE MONTHLY BUDGET UPDATE AND OCTOBER 2025 FINANCIAL AND INVESTMENT REPORTS

Recommendation:

Receive and file reports.

OTHER BUSINESS

11. REVIEW AND APPROVE DESIGN OF A PROPOSED DOWNTOWN GATEWAY ARCH BY THE DOWNTOWN MORGAN HILL IMPROVEMENT DISTRICT (DMHID)

Recommendation:

Review and approve the design of a Downtown Gateway Arch as proposed by the Downtown Morgan Hill Improvement District.

12. RECEIVE REPORT REGARDING MORGAN HILL POLICE DEPARTMENT'S CALIFORNIA COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING MANAGEMENT STUDY

Recommendation:

Accept the report of Morgan Hill Police Department's California Commission on Peace Officer Standards and Training Management Study.

13. ADOPT PUBLIC ART MASTER PLAN

Recommendation:

Adopt the 2025 Public Art Master Plan.

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: December 17, 2025

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

ACCEPT \$40,000 DONATION FROM THE FRIENDS OF THE MORGAN HILL SENIOR CENTER

RECOMMENDATION(S)

1. Accept \$40,000 donation from the Friends of the Morgan Hill Senior Center to support services at the Centennial Recreation Senior Center; and
2. Authorize the City Manager to execute any agreements necessary for donation acceptance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

2024-2025 Strategic Priorities

Fiscal Sustainability

Transportation

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

REPORT NARRATIVE:

For several years, the Friends of the Morgan Hill Senior Center has supported operations at the Centennial Recreation Senior Center (Center) through annual financial donations to the City. Those donations are used to offset costs for the Center. The donation typically includes support for staffing and program costs at the Center and allows a higher level of service than what would be provided by City funds alone. Additionally, past donations have supported specific programs.

The current donation will help to support regular operations and, additionally, it will support the ongoing support for transportation services for older adults such as the City's volunteer driver program. The Center provides a welcoming space for seniors to stay healthy, active, engaged, and connected. Additionally, the Center facilitates on-site social services to support seniors and coordinates transportation for older adults in our community. Reliable transportation remains a top priority, supporting mobility and

independence. These operational funds help cover essential supplies and staff support to keep these programs thriving.

The Friends of the Morgan Hill Senior Center was established in 2011 with the primary purpose of raising funds to support Senior Center operations. "Friends", a group of more than 40 community volunteers, host the ongoing Tuesday night Bingo at the Community and Cultural Center as its primary fundraising activity. When the City took on the management of the Senior Center in 2015, the Friends estimated that funding of \$20,000 per year would be available to support the City's operation of the Center and have funded at that level or higher every year except FY 2020-21. Financial sustainability continues to be a focus area for the Senior Center in partnership with the Friends.

COMMUNITY ENGAGEMENT:

None.

The Friends reached out directly to City staff to coordinate this donation. The City continues to recognize the Friends' contributions at the Senior Center and publicly when receiving donations.

ALTERNATIVE ACTIONS:

The City Council could choose not to accept the donation.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council has accepted donations annually from the Friends with the exception of during FY 2020-21.

FISCAL AND RESOURCE IMPACT:

The \$40,000 will be accepted into the General Fund and go to directly offset costs associated with operating the Senior Center.

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.

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

ACCEPTANCE OF COUNCIL CHAMBER BUILDING ROOF REPLACEMENT PROJECT

RECOMMENDATION(S)

1. Accept as complete the Council Chamber Building Roof Replacement Project;
2. Authorize the Public Services Director to sign the Notice of Completion; and
3. Direct the City Clerk to file said Notice of Completion with the County Recorder's Office.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

REPORT NARRATIVE:

On June 18, 2025, the Council Chamber Building Roof Replacement Project was awarded to Diablo Roofing, Inc. in the amount of \$392,200 with a construction contingency of \$78,440. The project's scope of work included the rehabilitation of all roof areas, including the roof tiles along the steep-sloped roof, the central flat roof and skylights, the central low-sloped roofing area, and the two equipment wells on the north and south sides of the building.

Construction on the project commenced in August 2025 and was completed with the final inspection occurring on November 12, 2025. One change order was approved to improve existing damaged roof drains for \$2,766. Staff recommends accepting this project as it is completed in accordance with specifications. Staff further requests and directs the City Clerk to file the Notice of Completion (Attachment 1).

COMMUNITY ENGAGEMENT:

Inform

Before and during construction, City staff and the contractor coordinated all construction activities and provided regular updates to City staff and those utilizing the building.

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:

The City Council awarded this project to Diablo Roofing, Inc. on June 18, 2025.

FISCAL AND RESOURCE IMPACT:

The authorized amount for this contract is \$392,200, and a 20% contingency of \$78,440 for a total authorization of \$470,640. Only \$2,766 of the contingency was utilized. The remaining \$75,674 in contingency funds will be returned to Fund 741 - Building Replacement.

CEQA (California Environmental Quality Act):

Categorical Exemption

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15301 (c) of 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.

Recording Requested By:
City of Morgan Hill

When Recorded Mail To:
Cynthia Iwanaga
City of Morgan Hill
17575 Peak Ave
Morgan Hill, CA 95037

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. City's address is 17575 Peak Ave., Morgan Hill, CA 95037.
4. The nature of City's interest in the Project is:
X Fee Ownership ___ Lessee ___ Other: _____
5. Construction work on the Project performed on City's behalf is generally described as follows: Removal and replacement of council chamber building roof.
6. The name of the original Contractor for the Project is: Diablo Roofing, Inc. located at 10227 International Blvd., Oakland, CA 94603.
7. The Project was accepted as completed on: December 17, 2025.
8. The Project is located at: the City Council Chamber Building at 17555 Peak Avenue, Morgan Hill, CA 95037.

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

Morgan Hill, CA
Date and Place

Signature
Chris Ghione – Asst. City Manager

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

CIP Contract Acceptance Funding Closeout Statement

Project:	2025 Council Chamber Roof Replacement Project			
Project No:	N/A			
Date of Project Award:	18-Jun-25	Project Award Amount:		\$392,200
Funding Source:	741	Contingency Authorized:		\$78,440
Date of Project Acceptance:	17-Dec-25	Total Authorized:		\$470,640
		Actual Base Contract Spent:		\$392,200

Change Orders				
	Description	Date	Council Approval Req'd? (Y/N)	
C.O. #1:	Replace 3 damaged drains	17-Sep-25	N	\$2,765.78
Total C.O.:				\$2,765.78

Additional Appropriations		
Source	Amount	Date
None		

Construction Fund Balance:	\$75,674.22	Total Construction Amount (Base Contract plus CO's):	\$394,965.78
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CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

APPROVE SECOND AMENDMENT TO DESIGN CONSULTANT AGREEMENT WITH VERDE DESIGN FOR \$16,000 FOR ADDITIONAL UNANTICIPATED SERVICES ASSOCIATED WITH THE BUTTERFIELD PARK CONSTRUCTION

RECOMMENDATION(S)

Authorize the City Manager to execute and administer an amendment to the design consultant agreement with Verde Design for the design of the Butterfield Park Site for an additional \$16,000.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

2024-2025 Strategic Priorities

Healthy Community

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

Economic Blueprint

REPORT NARRATIVE:

The City is currently constructing the new Butterfield Park site. This site will be the home of a new City Park as well as be developed adjacent to a non-profit constructed BMX track. On March 15, 2025, the City Council retained Verde Design to design the park site and support construction management. Recently, PG&E required additional on-site changes, creating an additional design need at the Park site. These changes relate to PG&E requirements to relocate onsite electrical equipment. This amendment will fund this additional design work, including civic and electrical engineering. It will also help to ensure construction support through the remainder of construction, which includes responses to requests for information, submittals, site visits, and punch list report development.

The current project is scheduled to be completed in April 2026.

COMMUNITY ENGAGEMENT:

Involve/Collaborate

Through the prior grant process, significant outreach to the community was performed on the design of the site. No outreach has been performed in relation to this contract amendment.

ALTERNATIVE ACTIONS:

The City Council could choose to not fund this redesign work. However, this would leave the City unable to fund the work necessary to complete the project.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Developing new park and recreation facilities is a central tenet of the Bikeways, Trails, Parks and Recreation Master Plan that the Council adopted in July 2017. The City Council authorized a grant application for development of this park site in July 2019 and again in October 2020. The City Council received an update on the partnership opportunities on August 3, 2022. The Parks and Recreation Commission reviewed this item and recommended moving forward with partnership agreement negotiation on November 15, 2022. On December 7, 2022, the City Council approved moving forward with negotiation of potential partners for the design of the facility. On March 15, 2023 the City Council approved a partnership agreement with the Foundation for a Better Ride/USA BMX to build a BMX track adjacent to the proposed park facility. On March 15, 2023, the Council also approved an agreement with Verde Design to take the conceptual designs to construction documents for bidding. On September 23, 2024, the City Council awarded a construction contract to S&H Construction, Inc. for the construction of Butterfield Park.

FISCAL AND RESOURCE IMPACT:

The current contract with Verde Design totals \$296,454. This amendment would increase the contract by \$16,000 to a total of \$312,454. There is available funding within the project budget (PR1009) to cover this cost, which is funded from the Park Impact Fund (301) and Quimby Fund (375).

CEQA (California Environmental Quality Act):

Project

An environmental assessment, including an Initial Study and Mitigated Negative Declaration (MND), was prepared for the project by David J. Powers & Associates, Inc. in conformance with CEQA for the initial site plan and uses in 2019. In 2023 an Addendum to the Initial Study and MND was prepared for modifications to the site plan and uses.

SECOND AMENDMENT TO AGREEMENT VERDE DESIGN, INC.

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 VERDE DESIGN, INC., a California Corporation ("CONSULTANT"), hereinafter referred to collectively as the "Parties".

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 _____, _____, 20____.
2. The CITY and CONSULTANT entered into that "CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS" made as of March 28, 2023, for consultant services for a maximum compensation of Two Hundred Ninety-Six Thousand Four Hundred Fifty-Four Dollars (\$296,454.00) ("CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS"). The CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS was entered pursuant to the action of the Morgan Hill City Council taken on March 15, 2023.
3. The CITY and CONSULTANT entered into a "First Amendment to Agreement" made as of May 23, 2025, under which the CONSULTANT'S billing rates were revised and the term was extended until June 30, 2026. The CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS, 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 DESIGN PROFESSIONALS, 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 3 is hereby amended to include the additional services to be performed by CONSULTANT as set forth in **Exhibit A-1**, "Additional Scope of Services," hereby incorporated by this reference.
 - B. Paragraph 4.1 shall be amended to reflect the increased total compensation that shall not exceed Three Hundred Twelve Thousand Four Hundred Fifty-Four Dollars (\$312,454.00).
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.

4. **Conflicts.** In the event of a conflict between the terms and provisions of this SECOND AMENDMENT to Agreement and the terms and provisions of the CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS or any earlier amendment, the terms of this SECOND AMENDMENT to Agreement shall govern and control.

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:

CITY OF MORGAN HILL

Michelle Bigelow, City Clerk

Christina Turner, City Manager

Date: _____

Date: _____

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

VERDE DESIGN, INC.

Date: _____

By:
Title: _____
Print Name and Title of Signer.
If Corporate: Chairman, President,
or Vice President

Date: _____

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

Date: _____

EXHIBIT A-1
ADDITIONAL SCOPE OF SERVICES

- Design work and coordination with City for the PG&E electrical equipment access new requirements.
- Additional coordination and revision work by Consultant of the electrical design for the location of the PG&E transformer.
- Continued CA support by the Consultant which includes responses to RFIs, submittals, up to (2) site visits, and (1) punch list walk and report, up to the expected construction completion of April 2026.

EXHIBIT 1

FIRST AMENDMENT TO AGREEMENT VERDE DESIGN, INC.

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 5/23/2025 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and VERDE DESIGN, INC., a California Corporation ("CONSULTANT"), hereinafter referred to collectively as the "Parties".

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 Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. The CITY and CONSULTANT entered into that "CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS" made as of March 28, 2023, for consultant services for a maximum compensation of Two Hundred Ninety-Six Thousand Four Hundred Fifty-Four Dollars (\$296,454.00) ("CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS"). The CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS 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 DESIGN PROFESSIONALS, as attached Exhibit "1," shall remain in full force and effect; except that the following amendments shall be made as set forth below:
 - A. Paragraph 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from March 28, 2023, until June 30, 2026. The City Manager is authorized to extend the term of this Agreement, provided the compensation does not exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code. Any such extension shall be in writing and signed by both parties to this Agreement."
 - B. Paragraph 4.1 and Paragraph 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(a)"** effective July 1, 2025, and **Exhibit "B-1(b)"** effective January 1, 2026, that is incorporated herein by this reference.
 - C. In Exhibit C, the deliverables associated with the Bid Submittals and Bidding/Construction shall be revised at the discretion of CITY staff.
 - D. Paragraph 12 shall be amended and replaced in its entirety by the following:

"12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement 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.). 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)."

2. **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.

3. **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.

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

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[Signatures on the Next Page]

5. **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 DESIGN PROFESSIONALS, the terms of this FIRST AMENDMENT to Agreement shall govern and control.

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, City Clerk

Date: 5/23/2025

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

DocuSigned by:

BFE66AF9672C451...
Date: 5/22/2025

CITY OF MORGAN HILL

DocuSigned by:

Christina Turner, City Manager

Date: 5/23/2025

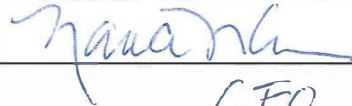
VERDE DESIGN, INC.

Derek C McKee

Digitally signed by Derek C McKee
DN: C=US,
E=derek@verdedesigninc.com,
O="Verde Design, Inc.", CN=Derek C
McKee
Reason: I have reviewed this document
Date: 2025.05.21 08:37:10-07'00'

By: Derek C McKee, Principal
Title: Print Name and Title of Signer.
If Corporate: Chairman, President,
or Vice President

Date: 5.21.25


By: Hannah
Title: CFO

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

Date: 5/21/2025

Verde Design, Inc.
EXHIBIT B-1(a)
Charge Rate Schedule
Effective July 1, 2025 until December 31, 2025

The following chart outlines the current charge rate for professional and office costs. Reimbursable rates and expenses are shown at the bottom.

Project Rates

Principal	\$275.00 per hour
Project Manager/Construction Manager	
Level Four	\$260.00 per hour
Level Three	\$240.00 per hour
Level Two	\$195.00 per hour
Level One	\$180.00 per hour
Project Engineer	
Level II	\$200.00 per hour
Level I	\$185.00 per hour
IT Manager	\$195.00 per hour
CAD Manager	\$190.00 per hour
Project Designer	\$175.00 per hour
Job Captain/Staff Engineer/Construction Administrator	\$165.00 per hour
Draftsperson Level II	\$160.00 per hour
Draftsperson Level I	\$155.00 per hour
Project Administrator	\$100.00 per hour
Intern	\$85.00 per hour

Reimbursable Rates

Blueprints, Printing and Reproductions	Cost plus 10%
Sub Consultant Services	Cost plus 10%

Reimbursable Expenses

Blueprints and Reproductions	Travel Expenses
Photography	Parking and Toll Expenses
Models and Renderings	Permit Fees
Postage/Overnight Mail Service	Courier Delivery Service

March 15, 2024

Charge Rate Schedule is subject to revisions.

Verde Design, Inc.

EXHIBIT B-1(b)

Charge Rate Schedule

Effective January 1, 2026 until June 30, 2026

The following chart outlines the current charge rate for professional and office costs. Reimbursable rates and expenses are shown at the bottom.

Project Rates

Principal	\$285.00 per hour
Project Manager/Construction Manager	
Level Four	\$270.00 per hour
Level Three	\$250.00 per hour
Level Two	\$200.00 per hour
Level One	\$185.00 per hour
Project Engineer	
Level II	\$205.00 per hour
Level I	\$190.00 per hour
IT Manager	\$200.00 per hour
CAD Manager	\$195.00 per hour
Project Designer	\$180.00 per hour
Job Captain/Staff Engineer/Construction Administrator	\$170.00 per hour
Draftsperson Level II	\$165.00 per hour
Draftsperson Level I	\$160.00 per hour
Project Administrator	\$105.00 per hour
Intern	\$90.00 per hour

Reimbursable Rates

Blueprints, Printing and Reproductions	Cost plus 10%
Sub Consultant Services	Cost plus 10%

Reimbursable Expenses

Blueprints and Reproductions	Travel Expenses
Photography	Parking and Toll Expenses
Models and Renderings	Permit Fees
Postage/Overnight Mail Service	Courier Delivery Service

March 15, 2024

Charge Rate Schedule is subject to revisions.

EXHIBIT 1**CONSULTANT AGREEMENT FOR DESIGN PROFESSIONALS
VERDE DESIGN**

THIS AGREEMENT is entered into and becomes effective on 3/28/2023 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Verde Design a California corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on March, 15, 2023.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until June 30, 2025 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by CONSULTANT shall be design of the Butterfield Park Site as further described in **Exhibit A**.
4. **Compensation.** CONSULTANT shall be compensated as follows:
 - 4.1. **Amount.** \$296,454.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed Two Hundred Ninety Six Thousand Four Hundred Fifty Four dollars and shall be billed based on the rate and basis set forth in **Exhibit B**. If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement, and provided further that in no event shall such maximum compensation allowed for the term exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code, unless otherwise authorized by City Council.
 - 4.2. **Billing.** CONSULTANT shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 13 Notices. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which

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

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

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

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

7.1. **Insurance Types and Amounts.**

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

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

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

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

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

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

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

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

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

7.2.2. Workers Compensation.

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

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

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

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

Certificate Holder address:

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

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

9. **Compliance with Law.**

- 9.1. CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon 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 a subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or CONSULTANT learns of such a judgment, decision, or order that was not previously disclosed, CONSULTANT shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision, or order. CONSULTANT and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision, or order within five (5) days of satisfying the final judgment, decision, or order. The City reserves the right to require CONSULTANT to enter into an agreement with the City regarding the manner in which any such final judgment, decision, or order will be satisfied.

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

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

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

10. **Independent Contractor.** CONSULTANT is an independent contractor and not an agent or employee of CITY.

11. **Confidentiality.** All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.

12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

13. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

Verde Design
2455 The Alameda, Suite 200
Santa Clara, CA 95050

Address of CITY is as follows:

Chris Ghione
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

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

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

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

16. **Maintenance of Records.**

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

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

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

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

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

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

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

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

21. **Defense and Indemnification.**

21.1. **Defense and Indemnification for Design Professional Services.** Consistent with California Civil Code Section 2782.8, for design professional services to be performed under this agreement by a design professional, as that term is defined under said Section 2782.8, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors in performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement ("CLAIM") to the extent of CONSULTANT'S proportionate percentage of fault.

21.2. **Defense and Indemnification for Non-Design Professional Services.** For all services performed under this agreement not covered by Section 21.1 above, CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

21.3. **Exceptions.** CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence, active negligence, or willful misconduct of the CITY.

21.4. **Not limited by insurance.** The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by CONSULTANT.

21.5. **Right to Offset.** CITY shall have the right to offset against any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT'S failure to pay CITY promptly any indemnification arising under this Section (21) and any amount due CITY from CONSULTANT arising from CONSULTANT'S failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

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

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

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

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

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

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

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

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

[Signatures on Next Page]

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

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

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

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

ATTEST:

DocuSigned by:

Michelle Bigelow

City Clerk/Deputy City Clerk

Michelle Bigelow

Print Name

Date: 3/29/2023

APPROVED AS TO FORM:

DocuSigned by:

Donald Larkin

City Attorney

Donald A. Larkin

Print Name

Date: 3/28/2023

CITY OF MORGAN HILL

DocuSigned by:

Christina Turner

City Manager

Christina J. Turner

Print Name

Date: 2-13-23 3/28/2023

Verde Design

Derek McKee

Digitally signed by Derek McKee
DN: C=US, E=derek@verdedesigninc.com,
O=Verde Design, Inc., CN=Derek McKee
Date: 2023.02.13 10:21:44 -0800

By:

Derek McKee, President

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date:

By:

Nance H. Cronin, CFO

Nance H. Cronin CFO

Print Name and Title of Signer.

If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date:

2/13/2023

EXHIBIT A SCOPE OF SERVICES

Consultant shall provide design services for the Phase 1 Development of Butterfield Park. The following elements will be part of Phase 1 development as shown in the Preliminary Design Concept (included in this proposal):

- **Asphaltic Parking Lot with Entry Driveway**
- **Playground**
- **Picnic Area**
- **Dog Park**
- **Security Fencing & Gate**
- **Park Landscaping**
- **Park Furnishings: Benches, Drinking Fountain, Parking Lighting, Bike Racks, Trash & Recycle Receptacles**
- **Pre-fabricated restroom building (Optional Service)**

Verde Design shall undergo a design process to include start-up and 30% schematic design, 60% design development submittal, 95% submittal, 100% construction documents, bid and construction support services. Plans will be developed as one increment and a single bid package.

Starting with a review of the preliminary design concept that Verde Design developed, consultant will review the proposed programs with staff for alignment with any standards and equipment selection. A site walk and meeting with the City staff will occur to review input and program needs. Consultant will review conditions and proposed needs for the paving/circulation, parking, lighting, utility and other upgrades.

Consultant will review the site survey provided during the schematic design phase and can utilize any as-built plans the City has for the base information. A base plan will be setup per the proposed programs. Geotechnical report will be prepared.

After the start-up phase, consultant will develop the schematic design package. Consultant shall meet with staff halfway through this process to review the progress and verify questions on the design and engineering. Consultant will setup a systems design for the grading, drainage, material and electrical for the proposed programs and site work for discussion and review at the meeting.

Consultant shall include review and approval of schematic design by the Parks and Recreation Commission and City Council.

Following the approval of the design development package, consultant will move forward with 60% and 95% construction documents. Consultant will review the package with staff and coordinate comments. The next submittal will be the final bid submittal for a final review and design coordination. City specifications, bidding documents and standards will be incorporated. A bid set of plans will be prepared for bidding.

Included are services for storm water treatment alignment for the impervious surfacing being added. We may need to add or modify the drainage system for the proposed programs and storm water requirements. Storm water calculations and coordination with the City engineers

will occur to align the plans with the City's stormwater requirements. An erosion control plan and SWPP will be provided. Inspection services or QSP services will be not included within this scope. Consultant team includes ACEE to provide electrical design services for parking lot and pedestrian path lighting, electric vehicle (EV) chargers, power outlets, a new PG&E service application, and meter and switchboard design to accommodate this phase and future developments. AKH Structural Engineers will provide the structural design. Geo-Engineering Solutions is included for geotechnical coordination. A Public Restroom Company is included to provide engineering plan for a new restroom building to be reviewed by the City's Building Department. Included are several meetings with the City staff during the design process and construction documents phases.

The scope shall include the following phasing:

I. Start-Up Phase

- A. Establish files and in-house documentation.**
- B. Receive all available data, maps, reports, etc.**
- C. Obtain City documents relating to the site and other requirements, standards and regulations for development of the facilities.**
- D. Coordinate any as-builts and site maps available with the City.**
- E. Provide a draft milestone schedule.**
- F. Review the site survey from the schematic design phase.**
- G. Provide geotech reports for the project site for paving and subgrade construction recommendations. Percolation tests are also included for storm water treatment planning.**
- H. Visit the project site to complete a visual inventory of the existing conditions and review pedestrian circulation, paving conditions, and proposed park elements with City staff.**
 - 1. Kick-Off Meeting 1. Staff meeting to review schedule, deliverables, budget, and project process.**
 - 2. Review any relevant City Standards and any other related projects or future work anticipated in the park.**
 - 3. Review the park's preliminary design concept for direction related to this project scope.**
 - 4. Review project schedule.**

II. Schematic Design Phase - The following outlines the work to be completed to prepare plans and specifications for construction.

A. 30% Submittal Package

- 1. The submittal includes plans that will be developed to a preliminary level for discussion. We plan to make an approach to the design and engineering of the plans/systems and review our progress with City and then complete the design based on input. The plans show overall site design including:**
 - a. Cover Sheet**
 - b. Existing Conditions Plan**
 - c. Grading Plan**
 - d. Drainage and Utility Plan**
 - e. Stormwater Treatment Plan**
 - f. Layout Plan**
 - g. Material and Detail Reference Plan**
 - h. Conceptual Planting Plan & Palette**
 - i. Construction Details**
 - j. Electrical Plans**

- 2. Provide representative technical specifications for the project with a table of contents listing. Specifications will be provided in six-digit CSI format.**
 - 3. The submittal book supplements the plans and specifications showing:**
 - a. Progress Report**
 - b. Statement of Probable Construction Costs**
 - c. Material cut sheets**
 - 4. Redline and review, Internal Quality Control (QC).**
 - 5. Submittal Preparation and coordination of plans and specifications will be provided for review.**
- B. One review meeting with City staff to review plans and receive comments.**
- C. Presentation to the City Council and Parks and Recreation Commission to review plans and receive comments.**

II. Design Development Phase - The following outlines the work to be completed to prepare plans and specifications for construction.

A. 60% Submittal Package

- 1. The submittal includes plans and draft technical specifications. The plans show overall site design including:**
 - a. Cover Sheet**
 - b. Existing Conditions Plan**
 - c. Demolition Plan**
 - d. Grading Plan**
 - e. Drainage and Utility Plan**
 - f. Stormwater Treatment Plan**
 - g. Layout Plan**
 - h. Material and Detail Reference Plan**
 - i. Irrigation Plan**
 - j. Planting Plan**
 - k. Construction Details**
 - l. Electrical Plans**
 - m. Structural Plans**
 - 2. Setup technical specifications for the project. Specifications will be provided in six-digit CSI format. Setup City front end documents and overall table of contents.**
 - 3. The submittal book supplements the plans and specifications showing:**
 - a. Progress Report**
 - b. Statement of Probable Construction Costs**
 - c. Material cut sheets**
 - 4. Redline and review, Internal Quality Control (QC).**
 - 5. Submittal Preparation and coordination of plans and specifications will be provided for review.**
- B. One review meeting with City staff to review plans and receive comments.**

III. Construction Document Phase - The following outlines the work to be completed to prepare plans and specifications for construction.

A. 95% Submittal Package

- 1. The submittal includes plans and draft technical specifications. The plans show overall site design including:**
 - a. Cover Sheet**
 - b. Access Plan**
 - c. Existing Conditions Plan**
 - d. Demolition Plan**

- e. Grading Plan
- f. Drainage and Utility Plan
- g. Storm Water Plan
- h. Layout Plan
- i. Material and Detail Reference Plan
- j. Irrigation Plan
- k. Planting Plan
- l. Construction Details
- m. Electrical Plans
- n. Structural Plans

2. The technical specifications show representative specifications for the project. Specifications will be provided in six-digit CSI format. City front end specification updates.

3. The submittal book supplements the plans and specifications showing:

- a. Progress Report
- b. Statement of Probable Construction Costs

4. Redline and review, Internal Quality Control (QC).

5. Submittal Preparation and coordination of plans and specifications will be provided for review.

B. Edit technical specifications, City standard specifications and front-end documents.

C. City building department review and coordinate comments.

D. 100%/Bid Submittal – Coordinate, update and provide final bid package.

E. One review meeting with City staff to review plans and receive comments.

F. Play equipment inspection during plan development.

IV. Bidding and Construction Support Phase

A. Bidding Services

- 1. Answer questions during bidding
- 2. Prepare addenda
- 3. Evaluate the bids received and provide a recommendation on award.
- 4. Prepare a conform set of plans for construction purposes.

B. Construction Services

- 1. Attend the pre-construction meeting.
- 2. Review and approve shop drawings in a timely manner.
- 3. Assist staff with RFI responses.
- 4. Provide field directives for updates to the plan.
- 5. Assist the City in evaluating any necessary contract change orders.
- 6. Provide up to 20 site visits/construction meetings to review construction progress.
- 7. Provide a final punch walk and report.
- 8. As-builts and closeout documents review.
- 9. Project administration.

Verde Design will provide the following products as outlined in the above Scope of Services:

- 1. 30% submittal – one electronic and two hardcopy sets of plans, costs and specifications
- 2. 60% submittal – one electronic and two hardcopy sets of plans, costs and specifications
- 3. 95% submittal – one electronic and two hardcopy sets of plans, costs and specifications
- 4. Bid submittal – one set of stamped plans / costs and specifications.
- 5. Bidding/Construction support – responses to bidder and contractor RFIs, addenda, conform set plan.

Exclusions:

Without attempting to be all-inclusive and for purposes of clarity, the following items are specifically not included in the Scope of Services:

- 1. Meetings other than those listed**
- 2. Renderings and presentations to public bodies other than those listed**
- 3. SWPPP services for design (QSP) inspection during construction. Services to be provided by contractor for inspection.**
- 4. Testing during construction**
- 5. Underground utility surveys**
- 6. Utility runs off-site**
- 7. Survey property lines or easement locations**
- 8. Permit fees associated with the project**
- 9. Access plans – ADA site plan and evaluation of existing conditions**
- 10. Pump or lift station design**
- 11. 3D graphics**
- 12. Arborist report**
- 13. CEQA process**

EXHIBIT B SCHEDULE OF COMPENSATION RATES

Phase A: 30% Submittal \$92,029
 Phase B: 60% Submittal \$51,905
 Phase C: 95% & Bid Submittal \$57,510
 Phase D: Bid & Construction Support \$48,400
 Pre-Fab Building - Engineering Plans \$12,015
 Pre-Fab Building – Electrical Service \$4,595
 Design Contingency (Additional Work Outside Scope) - \$30,000

Total - \$296,454

Project Rates

Principal	\$255.00 per hour
Project Manager/Construction Manager	
Level Four	\$240.00 per hour
Level Three	\$220.00 per hour
Level Two	\$180.00 per hour
Level One	\$165.00 per hour
Project Engineer	
Level II	\$180.00 per hour
Level I	\$165.00 per hour
IT Manager	\$180.00 per hour
CAD Manager	\$175.00 per hour
Project Designer	\$160.00 per hour
Job Captain/Staff Engineer/Construction Administrator	\$150.00 per hour
Draftsperson Level II	\$145.00 per hour
Draftsperson Level I	\$140.00 per hour
Project Administrator	\$85.00 per hour
Intern	\$75.00 per hour

Reimbursable Rates

Blueprints, Printing and Reproductions	Cost plus 10%
Sub Consultant Services	Cost plus 10%

Reimbursable Expenses

Blueprints and Reproductions Travel Expenses
 Photography Parking and Toll Expenses
 Models and Renderings Permit Fees
 Postage/Overnight Mail Service Courier Delivery Service

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

30% Submittal: 4 Weeks

60% Submittal: 4 Weeks

95% Submittal: 4 Weeks

Bid Submittal: 4 Weeks

Bidding/Construction 28 Weeks or as extended by the City

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Nolen Ugalde, Assistant Engineer

APPROVED BY: City Manager

APPROVE IMPROVEMENT AGREEMENT AND SUBSEQUENT DEVELOPMENT REIMBURSEMENT AGREEMENT FOR THE TENNANT - TEN SOUTH ACQUISITIONS PROJECT LOCATED AT 740 TENNANT AVENUE WITH ASSESSOR'S PARCEL NUMBER (APN) 817-08-032

RECOMMENDATION(S)

1. Approve an Improvement Agreement with 740 Tennant LP;
2. Approve a Subsequent Development Reimbursement Agreement with 740 Tennant LP; and
3. Authorize the City Manager to execute the Improvement Agreement and Subsequent Development Reimbursement Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

2024-2025 Strategic Priorities

Affordable Housing and Homelessness

Economic Development and Tourism

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

The Tennant - Ten South Acquisitions Project is a 259-unit multi-family residential development on an 11.25-acre site. The project is located on the southeast corner of the intersection of Butterfield Boulevard and Tennant Avenue at 740 Tennant Avenue as shown on the attached Site Map (Attachment 1).

As part of the project, the development will be constructing various public improvements along Tennant Avenue and extending Juan Hernandez Drive. The proposed improvements will include the installation of curb and gutter, sidewalk, streetlights, street trees, public utilities, undergrounding of overhead utilities, etc. A portion of the

proposed improvements extend beyond the boundaries of the project frontage. As such, the Developer is requesting credit for all costs associated with this out-of-tract work as well as a portion of the overall utility costs that exceed reasonable proportionality for the undergrounding along their frontage. The work in question includes the undergrounding of existing overhead utility lines on Tennant Avenue and the modification of the raised center median on Tennant Avenue between Butterfield Boulevard and Juan Hernandez Drive. A reimbursement provision has been added to the Improvement Agreement with funding being provided via project Community Benefit Obligation credits and Traffic Impact Fee credits, respectively. The Community Benefit Obligation is an additional \$2 million in commitment made by the developer in its settlement agreement that may be used by the City towards other improvements adjacent to the project that are not the responsibility of the City. The City will not be reimbursing funds associated with this work as there are more than sufficient funds within the project Community Benefit Obligation (\$2 Million) and Traffic Impact Fees (\$520,261), which exceeds the estimated costs of the undergrounding work (\$700,000) and the median work (\$130,000).

The Developer has furnished the City with the necessary documents to execute the Improvement Agreement. Therefore, Staff recommends that City Council authorize the City Manager to sign the Improvement Agreement.

Subsequent Development Reimbursement Agreement

Staff is recommending that the City enter into a Subsequent Development Reimbursement Agreement with the Developer for subsequent reimbursement by the property to the east of the development, abutting the new Juan Hernandez Drive extension, with Assessor's Parcel Number (APN) 817-08-030. This adjacent property will benefit from the public improvements to be installed by the Developer at the extension of Juan Hernandez Drive. The attached Subsequent Development Reimbursement Agreement (Attachment 3) contains the estimated total cost of the public improvements for the project including design costs and permit fees in the amount of \$600,390.

Staff recommends that City Council also authorize the City Manager to sign the Subsequent Development Reimbursement Agreement.

COMMUNITY ENGAGEMENT:

The project's Design Permit was publicly noticed in September 2024 including a mailing to property owners within 300 feet of the project, and a display ad in the newspaper for the minimum 10-day period.

ALTERNATIVE ACTIONS:

There are no feasible alternative actions with the approval of the Improvement Agreement as the Developer has met the requirements of the Design Permit conditions approved by the Planning Commission and has furnished the necessary documents to complete the processing of the Improvement Agreement.

There are also no feasible alternative actions with the approval of the subsequent

reimbursement agreement as the improvements being constructed will provide benefit to the adjacent property.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On September 24, 2024, the Planning Commission considered and approved the Design Permit (SR2024-0003) for the project.

FISCAL AND RESOURCE IMPACT:

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

As part of the project's Improvement Agreement, the Developer's will receive credit against the Traffic Impact Fees and Community Benefit Obligation of the project and have no direct impact on City funds.

The Subsequent Reimbursement agreement will require future development of the adjacent property to reimburse the developer and therefore will have no direct impact on City funds.

CEQA (California Environmental Quality Act):

Not a Project: There is no associated subdivision (or other discretionary approval) for this project, therefore, the project is ministerial and not subject to CEQA per Public Resources Code, § 21080(b).



CITY OF MORGAN HILL
Public Services Department
Land Development Engineering

Site Map Tennant Ave - Ten South

0 70 140 280 420 560
Feet



RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

CITY OF MORGAN HILL
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

IMPROVEMENT AGREEMENT

740 Tennant LP
740 Tennant Avenue
APN: 817-08-032
740 Tennant Avenue Project

THIS IMPROVEMENT AGREEMENT (Agreement") is made on this ____ day of _____, 2025, by the CITY OF MORGAN HILL, a municipal corporation ("CITY"), and **740 Tennant LP**, a California limited partnership ("PROPERTY OWNER") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

RECITALS

The following Recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Morgan Hill Municipal Code Chapter 12.02.
2. PROPERTY OWNER has filed a Development Application and supporting documents on the property with the address of **740 Tennant Avenue**, and the **Assessor's Parcel Number (APN) 817-08-032** having the development name of **740 Tennant Avenue** ("Development").
3. CITY requires as a condition of approval of the Development Permit, as described on said permit, that certain improvements ("Improvements") be installed by PROPERTY OWNER as shown on the fully executed Development Improvement Plans entitled "**IMPROVEMENT PLANS FOR 740 TENNANT AVENUE - OFFSITE**" ("Improvement Plans"), on file with CITY and incorporated herein by this reference.
4. PROPERTY OWNER has been unable to complete, prior to the issuance of the Development Permit, all of the Improvements required by CITY to the satisfaction of the City Engineer.
5. PROPERTY OWNER is required by the terms of the Morgan Hill 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.

6. To assure CITY that PROPERTY OWNER will complete all the work and Improvements required for the Development, the parties have entered into this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement.** The term of this Agreement shall be eighteen (18) months from the date of issuance of the Development Permit ("Term"). The City Manager is authorized to extend the term of this Agreement for a maximum of two additional six-month extensions. Any such extension shall be in writing and signed by both Parties to this Agreement.
2. **Improvements.** PROPERTY OWNER agrees to construct the Improvements in a good and workmanlike manner in accordance with the plans and documents filed with and approved by CITY in conjunction with the Development, all of which are incorporated herein by reference. These items of the Improvements shall be completed, constructed and installed at PROPERTY OWNER'S sole expense unless agreed to otherwise by CITY.
3. **Rights-of-Way.** Except as otherwise provided by this Agreement, CITY can hold without acceptance or recordation all lands, rights-of-way, and easements offered for dedication. All such offers shall, however, remain open, and shall constitute irrevocable offers of dedication in accordance with the Government Code. All such offers may be accepted and recorded by CITY in its sole discretion at any later date without further notice to PROPERTY OWNER 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.
4. **Improvements: Time Limits.** PROPERTY OWNER agrees to cause all Improvements to be made and constructed to comply with all requirements of Morgan Hill Municipal Code Chapter 12.02, according to the Improvement Plans for the Development approved by the City Engineer and including any changes or alteration in the Improvements required by the City Engineer.
 - 4.1 The Improvements shall be completed utilizing CITY standards and specifications.
 - 4.2 PROPERTY OWNER agrees to complete the Improvements prior to the expiration of this Agreement, or the issuance of the certificate of occupancy, whichever is earlier; 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. City Manager may extend the deadline for completion beyond six (6) months if PROPERTY OWNER demonstrates and informs CITY of the significant extenuating circumstances that necessitate additional extensions.
 - 4.3 No extension of this deadline for completion shall be made except upon the basis of a written application made by PROPERTY OWNER stating to the CITY fully the ground for the application and the facts relied upon for an extension.

- 4.4 It is further agreed by and between PROPERTY OWNER 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.
- 4.5 PROPERTY OWNER further agrees to maintain the securities described in Section 6 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.
- 4.6 In the event that PROPERTY OWNER shall fail to complete the Improvements within the time provided by this Agreement or according to the approved Improvement plans, CITY may in its sole discretion and in addition to any other remedy provided in this Agreement or by law, issue a stop work order, enter upon the Development and complete the Improvements and recover the full cost and expense of construction from PROPERTY OWNER, PROPERTY OWNER'S successors and assignees, PROPERTY OWNER'S Performance/Labor & Material Bonds associated with this Development, or from the then owner of the Development, and/or place a lien upon the Development property for the cost and expense. Any and all CITY costs shall include but not be limited to administrative and attorney costs.

5. **Acquisition and Dedication of Easements or Rights-of-Way.** If any of the Improvements is to be constructed or installed on land not within the Development or already existing public right-of-way, no construction or installation shall be commenced before the irrevocable offer of dedication or conveyance to CITY of appropriate rights-of-way, easements or other interest in real property, and appropriate authorization from PROPERTY OWNER to allow construction or installation of the Improvements or work has been obtained and paid for by PROPERTY OWNER.

6. **Bond Requirements.** To secure the performance of each Improvement required under this Agreement and to ensure full payment to all persons furnishing or supplying labor or materials for each Improvement required, PROPERTY OWNER shall provide to CITY concurrently with the execution of this Agreement, payment and performance bonds each in the amount of 100% of the total estimated cost of the Improvements as determined by the City Engineer.

- 6.1 A performance bond to secure faithful performance of this Agreement as required by Section 12.02.160 of the Morgan Hill Municipal Code for performance shall be provided in substantially the form set forth in **Exhibit B**.
- 6.2 A payment bond to secure full payment to all persons furnishing or supplying labor or materials as required by Section 12.02.160 of the Morgan Hill Municipal Code for labor and materials shall be provided in substantially the form set forth in **Exhibit C**.
- 6.3 PROPERTY OWNER shall provide an additional guarantee and warranty security (in substantially the form set forth in **Exhibit D**) of fifty (50%) percent of the cost of construction of the Improvements to guarantee and warranty the Improvements for a period of one year following its completion and acceptance against any defective work or labor done, or defective materials furnished, as required by Section 12.02.170 of the Morgan Hill Municipal Code.
- 6.4 Improvements and the City Engineer's Estimated Costs of Improvements as of November 26, 2025 are attached hereto as **Exhibit "A"**.
- 6.5 Any bonds submitted under this Agreement shall be on CITY forms executed by a surety company authorized to write the same in the State of California, and shall be approved by

- the City Attorney and the City Engineer.
- 6.6 All required securities under this Agreement shall be in a form approved by the City Attorney.
 - 6.7 Submittal of the Performance/Labor & Material Bonds is a requirement prior to CITY'S issuance of an encroachment permit to do work in CITY'S right-of-way.
 - 6.8 Submittal of the Warranty Bond is a requirement prior to the City Engineer's consideration of acceptance of the public improvements.
 - 6.9 The release of any securities shall be governed by the provisions of Section 12.02.170 of the Morgan Hill Municipal Code.

Note: If Cash Deposit Agreement Guaranteeing Improvements is utilized for security purposes, the Cash Deposit Agreement amount shall be two hundred (200%) percent of the aforementioned City Engineer's Estimated Costs of Improvements. In lieu of the above, CITY will accept a certificate of deposit in CITY'S name with escrow instructions acceptable to the City Engineer, subject to the approval of the City Attorney

7. **Irrevocability of Security.** The securities provided under this Agreement shall be irrevocable, shall not be limited as to time, and may be released only upon the written approval of the City Engineer and City Council.

8. **Duty to Warn.** PROPERTY OWNER shall give adequate warning to the public of each and every dangerous condition which may exist in the Improvements, and will take all reasonable actions to protect the public from any dangerous condition.

9. **Warranty.** PROPERTY OWNER guarantees and warrants the Improvements required by this Agreement and agrees to remedy any defects in the Improvements arising from faulty or defective materials or construction occurring within twelve (12) months after acceptance by CITY of said Improvements. Following notice, PROPERTY OWNER shall, without delay or cost to CITY, repair, replace, or reconstruct any defective or unsatisfactory portion of Improvements. CITY may, at its sole option, perform the repair or replacement itself if PROPERTY OWNER has failed to commence repair within twenty (20) days after CITY has mailed written notice to PROPERTY OWNER. In such event, PROPERTY OWNER agrees to pay the cost of repair and replacement, plus fifteen percent (15%), by CITY; and CITY may recover such costs as a lien against the Development. CITY may proceed immediately to make repairs should an emergency arise without waiving its rights of recovery against PROPERTY OWNER.

10. **Failure of Performance.** In addition to the other remedies provided by this Agreement, CITY shall have recourse to the security given. In the event that CITY seeks recourse against any security, CITY shall have recourse against PROPERTY OWNER for any and all amounts necessary to complete the obligation. All administrative costs, including attorneys' fees shall be a proper charge against the security and PROPERTY OWNER pursuant to Government Code. 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 PROPERTY OWNER's default shall be measured by the cost of completing the required Improvements.

11. **Certificate of Occupancy.** PROPERTY OWNER understands that CITY will expect completion,

to the satisfaction of CITY, of specific public improvements as well as private utility improvements prior to CITY Approval of a Certificate of Occupancy for any building on the Development property. The specific improvements shall include activation of all public utilities (water, sewer, storm drain); activation of all private utilities (electric, gas, phone) except for cable; street lights turn-on request filed with P G & E; and full street improvements (curb-gutter and paving with/without final lift) from existing public street to building under consideration for Certificate of Occupancy. PROPERTY OWNER, furthermore, agrees to so inform successor in lot interest should lot be transferred to another party prior to CITY acceptance of public improvements.

12. **Final Toxic Report.** Where applicable, PROPERTY OWNER hereby agrees to furnish the City Attorney with a copy of the Final Toxic Report issued by the appropriate licensed consultant on the proposed Development. This report must be received prior to final acceptance of on-site improvements and issuance of certificate of occupancy.

13. **Public Improvements Fee Schedule.** PROPERTY OWNER shall pay the following sums in cash to CITY pursuant to the provisions of Resolution 1383 and any amendments thereto. These sums shall be paid to CITY at the time of issuance of the Development Permit, and shall be in accordance with the Department of Public Works Fee Schedule attached hereto demonstrating a current Total Fee Obligation of **\$ 10,000,000.** All Fees are estimated and may be increased by CITY subject to current resolutions and ordinances. These fees are subject to a minimum annual revision. PROPERTY OWNER consents to increases in these fees. This Agreement shall not be construed to fix or freeze fees as of any point prior to issuance of Development Permits.

All development fees shall be those in effect at the time of the issuance of the Development Permit for this Development. This Agreement does not entitle the developer to any permit including a grading permit. A separate application for a grading permit should be made to the Building Department.

14. **Other Agreements Associated with This Improvement Agreement:** The following "checked off" Agreements are understood to be associated with this Agreement and have been fully executed prior to or concurrent with this Agreement:

☐ CITY "Streets" Reimbursement Agreement (CITY Ordinance 982)

PROPERTY OWNER acknowledges and agrees that the property is subject to a Reimbursement Agreement whereby PROPERTY OWNER must reimburse CITY for all costs associated with off-site improvements completed by the CITY and/or others or to be completed by CITY and/or others. PROPERTY OWNER agrees to pay CITY for all sums already incurred under the reimbursement agreement prior to issuance of any building permits. If the improvement has not been completed by CITY and/or others, then PROPERTY OWNER or successor-in-interest agrees to fully reimburse CITY for all costs incurred by CITY and/or others in constructing the improvements.

☒ CITY Public/Private Utility Reimbursement Agreement

☐ Landscape & Lighting Maintenance Assessment District Annexation

☐ Improvements Deferral Agreement

15. **Insurance Requirements.**

Commencement of Improvements. Before beginning construction of the improvements,

PROPERTY OWNER 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 PROPERTY OWNER 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 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. Coverages may be provided by PROPERTY OWNER'S General Contractor if PROPERTY OWNER is not directly insuring such exposures under an “Owners and Contractors Protective Liability Policy (OCP)” on which CITY would be an additional insured. If PROPERTY OWNER will utilize the services of a General Contractor to perform all of the work associated with the Improvements, then PROPERTY OWNER may opt to have all coverages provided by PROPERTY OWNER'S General Contractor, provided that a written contract is executed between PROPERTY OWNER 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 PROPERTY OWNER fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement, CITY may, at its sole discretion, purchase such coverage at PROPERTY OWNER'S expense and deduct the cost from payments due to PROPERTY OWNER, assess payment against Development, or terminate the Agreement for default. Any deductibles or self-insured retentions must be declared to and approved by City. PROPERTY OWNER further understands that CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to PROPERTY OWNER, at any time as deemed necessary to protect the interests of CITY.

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

(1) Commercial General Liability Insurance (“CGL”): PROPERTY OWNER shall maintain CGL and shall include coverage for liability arising from PROPERTY OWNER'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 PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

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: PROPERTY OWNER 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 PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or “umbrella” policies), whichever is greater. If PROPERTY OWNER is self-insured, PROPERTY OWNER must provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

(3) Automobile Liability: PROPERTY OWNER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if PROPERTY OWNER does not own automobiles, then PROPERTY OWNER 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 PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

(4) Pollution (Environmental) Liability: The performance of PROPERTY OWNER'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. PROPERTY OWNER shall procure and maintain Pollution Liability covering PROPERTY OWNER'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 PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

(b) Required Endorsements. PROPERTY OWNER shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

(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 CITY and 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. PROPERTY OWNER must ensure that each subcontractor is required to maintain the same insurance coverage required under this Section 15, 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 "VII" or better.

(e) Certificates. PROPERTY OWNER 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, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the PROPERTY OWNER's agreement with 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 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

16. Fee Credit

(a) PROPERTY OWNER acknowledges and agrees that the CITY will give the PROPERTY OWNER a credit for the actual costs associated with the following public improvements that will be completed by the PROPERTY OWNER, as approved by the City Engineer, which exceed the need directly attributable to and reasonably related to the Development ("Out-of-Tract Improvements"):

(1) Out-of-tract undergrounding of existing overhead utility lines along the south side of Tennant Avenue: approximately 140 feet from the eastern property line of the Development to the terminus of the existing overhead utilities at the existing utility pole fronting the adjacent property to the east with address 800 Tennant Avenue and Assessor's Parcel Number (APN) 817-08-030; and approximately 130 feet from the centerline of Butterfield

Boulevard, to the nearest existing utility pole fronting the property to the west with address 600 Tennant Avenue and Assessor's Parcel Number (APN) 817-08-038. The total approximate length of undergrounding is 985 feet and the total PROPERTY OWNER responsibility shall not exceed **\$349,711**.

(2) Raised landscape median improvements at Tennant Avenue, across the project frontage. The total landscape median credit amount shall not exceed **\$130,096**.

(b) The PROPERTY OWNER shall be credited the actual consultant fees, review fees, permit fees, construction costs, and any other associated costs of constructing the Out-of-Tract Improvements as approved by the City Engineer, that it expended beyond the \$349,711 PROPERTY OWNER'S responsibility, as follows: for the raised landscape median improvements, in the amount not to exceed the combined amount of the total Traffic Impact Fees due from each individual unit in the Development estimated to be **\$130,096** and for the undergrounding improvements, in the amount not to exceed the total amount of the Development's Community Benefit Obligation pursuant to the Settlement Agreement executed by the PROPERTY OWNER and the CITY on June 5, 2024.

(c) The CITY shall provide the Fee Credit to the PROPERTY OWNER subject to the following terms and conditions:

(1) Traffic Impact Fee Credit:

a. The CITY shall provide the Fee Credit to the PROPERTY OWNER in the form of credits against the Traffic Impact Fees due from each residential unit. After completion of the Out-of-Tract Improvements, the credits will be applied to the building permit for each residential unit until the full credit amount has been used. Any Traffic Impact Fees collected thereafter shall be retained by the CITY.

b. Traffic Impact Fees credited shall not in any circumstance exceed the cost of the total Traffic Impact Fees due from the Development.

(2) Community Benefit Obligation Credit: The CITY shall also provide Fee Credit to the PROPERTY OWNER per residential unit in the form of credits against the Community Benefit Obligation. The CITY's Engineering Department shall record the credit adjustments.

(3) The PROPERTY OWNER shall keep records with complete and correct entries of all construction costs related to the Out-Of-Tract Improvements. These records shall be made available to the CITY for review prior to any credits.

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

18. **Non-Discrimination.** PROPERTY OWNER covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, or ancestry, in any activity pursuant to this Agreement.

CITY and shall not proceed, except at PROPERTY OWNER'S risk, until written instructions are received from CITY.

27. **Time of Essence.** Time is of the essence in the performance of this Agreement.
28. **Limitations Upon Subcontracting and Assignment.** Neither this Agreement nor any portion shall be assigned by PROPERTY OWNER without prior written consent of CITY.
29. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.
30. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall together constitute one and the same instrument.
31. **Indemnification.** PROPERTY OWNER 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 PROPERTY OWNER, PROPERTY OWNER'S agents, officers, employees, subcontractors, or independent contractors hired by PROPERTY OWNER. The only exception to PROPERTY OWNER'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 PROPERTY OWNER.
32. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified on provisions waived only by subsequent mutual written agreement executed by CITY and PROPERTY OWNER.
33. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Santa Clara County Superior Court.
34. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties.
35. **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.
36. **Agreement Runs With the Land.** 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 issuance of the Development Permit and shall constitute a covenant running with the land and an equitable servitude upon the Development real property.
37. **Recording.** It shall be the responsibility of CITY to cause the executed Agreement to be recorded.

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	Christina J. Turner, City Manager
Date:	Date:
APPROVED AS TO FORM:	“PROPERTY OWNER”
	740 Tennant LP
Donald A. Larkin, City Attorney	
Date:	By:
	Title:
	Date:
	By:
	Title:
	Date:

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)

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**

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WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT A

IMPROVEMENTS AND

ESTIMATED COSTS OF IMPROVEMENTS

AS OF NOVEMBER 26, 2025

City of Morgan Hill

Morton & Pitalo, Inc.

Date: Updated 11-26-2025
by: EY

PRELIMINARY OPINION OF PROBABLE COST MORGAN HILL - TENANT AVE. OFF-SITE IMPROVEMENTS

		Site (ac)	No. MF Bldgs	No. TH Bldgs	No. of Units
		11.26	3	14	259
No.	Description	Quantity	Unit	Unit Price	Total
SCOPE OF WORK (PUBLIC IMPROVEMENTS ONLY)					
A. GRADING					
1	CLEAR AND GRUB	1.50	AC	\$ 3,100.00	\$4,650.00
2	STABILIZED CONSTRUCTION ENTRANCE	1	EA	\$ 3,500.00	\$3,500.00
SUBTOTAL					\$8,150.00
B. SITE CONCRETE/PAVING					
3	5" AC/18"AB PAVEMENT (JUAN HERNANDEZ)	31,290	SF	\$ 12.50	\$391,125.00
4	AC BERM / CONCRETE CURB	470	LF	\$ 20.00	\$9,400.00
5	5" SIDEWALK 4" CONC/4"AB	2,890	SF	\$ 10.00	\$28,900.00
6	DRIVEWAY	1	LS	\$ 23,000.00	\$23,000.00
7	CURB & GUTTER	718	LF	\$ 27.50	\$19,745.00
8	SIGNING AND STRIPING	1	LS	\$ 39,809.90	\$39,809.90
9	HANDICAP CURB RAMP	4	EA	\$ 2,500.00	\$10,000.00
SUBTOTAL					\$521,979.90
C. STORM DRAIN					
10	48" SD MANHOLE	1	EA	\$ 8,000.00	\$8,000.00
11	CURB INLET	6	EA	\$ 5,500.00	\$33,000.00
12	12" PIPE	50	LF	\$ 150.00	\$7,500.00
13	15" PIPE	156	LF	\$ 190.00	\$29,640.00
14	18" PIPE	612	LF	\$ 210.00	\$128,520.00
15	WATER QUALITY BASIN	5,580	SF	\$ 25.00	\$139,500.00
16	CONCRETE FLARED END SECTION	3	EA	\$ 2,500.00	\$7,500.00
17	TEST & FLUSH STORM SYSTEM	1	LS	\$ 10,000.00	\$10,000.00
18	CONNECT TO EXISTING SYSTEM	1	EA	\$ 5,000.00	\$5,000.00
SUBTOTAL					\$368,660.00
D. WATER					
19	12" DIP WATER LINE	779	LF	\$ 180.00	\$140,220.00
20	8" DIP WATERLINE	48	LF	\$ 175.00	\$8,400.00
21	6" DIP DOMESTIC WATER LINE	51	LF	\$ 165.00	\$8,415.00
22	6" GATE VALVE	1	EA	\$ 1,500.00	\$1,500.00
23	8" GATE VALVE	2	EA	\$ 2,000.00	\$4,000.00
24	12" GATE VALVE	4	EA	\$ 2,500.00	\$10,000.00
25	FIRE HYDRANT ASSEMBLY WITH LATERAL	4	EA	\$ 16,000.00	\$64,000.00
26	TEST & FLUSH FIRE & WATER	1	LS	\$ 20,000.00	\$20,000.00
27	8" DDCV	2	EA	\$ 15,000.00	\$30,000.00
28	6" METER & 6" B.F. (DW)	2	EA	\$ 12,500.00	\$25,000.00
29	2" METER & 2" B.F. (IRR)	1	EA	\$ 12,000.00	\$12,000.00
30	CONNECT TO EXISTING SYSTEM	1	EA	\$ 30,000.00	\$30,000.00
SUBTOTAL					\$353,535.00
E. SEWER					
31	SS MANHOLE	2	EA	\$ 11,000.00	\$22,000.00
32	REMOVAL/ABANDON OF EXISTING SS LAT	1	LS	\$ 10,000.00	\$10,000.00
33	8" PVC SDR-35 SEWER PIPE	276	LF	\$ 190.39	\$52,547.64
34	TEST, FLUSH & TV SEWER	1	LS	\$ 10,000.00	\$10,000.00
35	CONNECT TO EXISTING SYSTEM	1	EA	\$ 4,200.00	\$4,200.00
SUBTOTAL					\$98,747.64
F. MISCELLANEOUS					
36	PARKSTRIP LANDSCAPING (TENNANT AVE)	2700	SF	\$ 10.50	\$28,350.00
37	STREET LIGHTING	1	LS	\$ 202,000.00	\$202,000.00
38	TRAFFIC SIGNAL MODIFICATION	1	LS	\$ 554,196.00	\$554,196.00
39	UNDERGROUNDING OF EXISTING OH POLES (TENNANT AVE)	715	LF	\$ 1,000.00	\$715,000.00
40	MEDIAN IMPROVEMENTS (TENNANT / JUAN HERNANDEZ)	1	LS	\$ 127,976.75	\$127,976.75
41	EROSION CONTROL	2	AC	\$ 5,000.00	\$7,500.00
SUBTOTAL					\$1,635,022.75
OFF-SITE SUMMARY					
A	A. GRADING				\$8,150.00
B	B. SITE CONCRETE/PAVING				\$521,979.90
C	C. STORM DRAIN				\$368,660.00
D	D. WATER				\$353,535.00
E	E. SEWER				\$98,747.64
F	F. MISCELLANEOUS				\$1,635,022.75
OFF-SITE TOTAL					\$2,986,095.29
15% CONTINGENCY					\$447,914.29
GRAND TOTAL					\$3,434,009.58

EXHIBIT "B"
FORM OF PERFORMANCE BOND
(100% of Engineer's Estimate)

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and 740 Tennant LP (hereinafter designated as "principal") have entered into an Improvement Agreement:

740 Tennant LP
740 Tennant Avenue
APN: 817-08-032
740 Tennant Avenue Project

whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 20____, and identified as project **740 Tennant Avenue**, 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 [ENTER SURETY NAME], as surety, are held and firmly bound unto the City of Morgan Hill, hereinafter called ("City"), in the penal sum of Three Million Four Hundred Thirty Four Thousand and Ten dollars (\$3,434,010) 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 _____,
Telephone No. _____; 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.: _____

Address: _____

Telephone No.: _____.

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

Name of non-resident agent: _____

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

Performance Bond

Page 1 of 3

Version: December 2017

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 _____ day of _____ 20____ .
[Form Document – Do Not Execute]

[Form Document – Do Not Execute]

Principal

Principal

By: [Form Document – Do Not Execute]

Surety

By: [Form Document – Do Not Execute]

Attorney-in Fact

By: [Form Document – Do Not Execute]

California Resident Agent

By: [Form Document – Do Not Execute]

Non-resident Agent - Attorney-in-Fact

APPROVED:

[Form Document – Do Not Execute]

Scott Creer, City Engineer

Date: [Form Document – Do Not Execute]

APPROVED AS TO FORM:

By: [Form Document – Do Not Execute]

Donald A. Larkin, City Attorney

Date: [Form Document – Do Not Execute]

(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 _____ 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)

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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)

Performance Bond
Page 3 of 3
Version: December 2017

EXHIBIT "C"
FORM OF LABOR AND MATERIAL BOND
(100% of Engineer's Estimate)

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **740 Tennant LP** (hereinafter designated as "the principal") have entered into an Improvement Agreement:

740 Tennant LP
740 Tennant Avenue
APN: 817-08-032
740 Tennant Avenue Project

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated _____, 20_____, and identified as project **740 Tennant Avenue**, 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 City and all contractors, subcontractors, laborers, materialmen, 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 Three Million Four Hundred Thirty Four Thousand and Ten dollars (\$3,434,010), 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 City 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 _____,

Labor and Material Bond

Page 1 of 3

Version: December 2017

Telephone No. _____; 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:

License No.: _____
Address: _____
Telephone No.: _____.

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

Name of non-resident agent: _____,
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 _____ day of _____ 20 _____.
[Form Document – Do Not Execute]

Principal

Principal

By: [Form Document – Do Not Execute]
Surety

By: [Form Document – Do Not Execute]
Attorney-in Fact

By: [Form Document – Do Not Execute]
California Resident Agent

By: [Form Document – Do Not Execute]
Non-resident Agent - Attorney-in-Fact

APPROVED:

[Form Document – Do Not Execute]
Scott Creer, City Engineer

Date: [Form Document – Do Not Execute]

APPROVED AS TO FORM:

By: [Form Document – Do Not Execute]
Donald A. Larkin, City Attorney

Date: [Form Document – Do Not Execute]

Labor and Material Bond

Page 2 of 3

Version: December 2017

(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 _____ 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)

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 4 of 3

Version: December 2017

**EXHIBIT “D”
FORM OF WARRANTY BOND
(50% of Cost of Construction)**

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California (hereinafter designated as “City”), and **740 Tennant LP** (hereinafter designated as “Principal”) have entered into an Improvement Agreement (hereinafter “Agreement”):

**740 Tennant LP
740 Tennant Avenue
APN: 817-08-032
740 Tennant Avenue Project**

whereby the Principal agrees to install and complete certain designated public improvements (hereinafter “Improvements”), which said Agreement, dated _____, 20_____, and identified as project **740 Tennant Avenue**, is hereby referred to and made a part hereof; and

Whereas, under the terms of said Agreement, the Principal is required to furnish a bond to guarantee and warrant the work required by said Agreement for a period of one year following the completion and acceptance by the City of the Improvements, against any defective work or labor performed, or defective materials furnished by Principal.

Now, therefore, we, the Principal and _____ as Surety, are held and firmly bound unto the City of Morgan Hill in the penal sum of One Million Seven Hundred Seventeen Thousand and Five dollars (\$1,717,005) 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.

If Principal faithfully carries out and performs its guarantee and warranty under the Agreement, and, on due notice from City, repairs and make good at its sole expense any and all defects in materials and workmanship in the Project which are discovered during the Warranty Period, or if Principal promptly reimburses City for all loss and damage that City sustains because of Principal’s failure to makes such repairs in accordance with the Agreement requirements, then Surety’s obligations under this Bond will be null and void. Otherwise, Surety’s obligations will remain in full force and effect.

Surety waives the provisions of Civil Code Sections 2819 and 2845. Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement

Warranty Bond
Page 1 of 3
Version: April 2019

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.

Any notice to Surety may be given in the manner specified in the Agreement and delivered or transmitted to Surety as follows:

Attn: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

This Bond will be governed by California law, and the venue for any dispute pursuant to this Bond will be in the Superior Court of Santa Clara County, and no other place. Surety will be responsible for City's attorneys' fees and costs in any action to enforce the provisions of this Bond.

In witness whereof, this instrument has been duly executed by the principal and surety above named.

SURETY:

Principal:

Date: *[Form Document – Do Not Execute]*

Date: *[Form Document – Do Not Execute]*

s/ _____

s/ _____

Name: *[Form Document – Do Not Execute]*

Name: *[Form Document – Do Not Execute]*

Title: _____

Title: _____

(Attach Acknowledgment with Notary
Seal and Power of Attorney)

APPROVED AS TO FORM:

By: *[Form Document – Do Not Execute]*

Date: *[Form Document – Do Not Execute]*

Donald A. Larkin, City Attorney

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)

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)

Warranty Bond
Page 3 of 3
Version: April 2019

SUBSEQUENT DEVELOPMENT REIMBURSEMENT AGREEMENT

740 TENNANT LP

THIS AGREEMENT (this "Agreement") is made this _____ day of _____, 2025 by the CITY OF MORGAN HILL, a municipal corporation ("CITY"), and 740 Tennant LP, a California limited partnership ("DEVELOPER") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

RECITALS

The following recitals are a substantive part of this Agreement:

- A. This Agreement is entered into pursuant to City Council approval on _____, 2025.
- B. DEVELOPER is required to design, construct, and install certain public improvements along the new Juan Hernandez Drive extension (the "IMPROVEMENTS") as part of the development of the 740 Tennant Avenue Project ("DEVELOPMENT"). The IMPROVEMENTS and associated costs are identified on the attached Exhibit "A" (Juan Hernandez Drive Improvements by Developer) which is incorporated into this Agreement by this reference. DEVELOPER represents that it will spend a total of **\$2,007,530** to construct the IMPROVEMENTS.
- C. CITY acknowledges that a portion of the IMPROVEMENTS will benefit the property to the east of the DEVELOPMENT abutting the new Juan Hernandez Drive extension with Assessor's Parcel Number (APN) 817-08-030 and that is currently developed with an existing single-family residence, as identified in Exhibit "B" (Map of Benefiting Property), which is incorporated into this Agreement by this reference.
- D. Consistent with Morgan Hill Municipal Code Section 12.02.120, DEVELOPER has requested that the subsequent developer of the benefiting property reimburse it for a portion of the costs incurred for the IMPROVEMENTS. The total maximum amount subject to possible future reimbursement is **\$600,390**.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- 1. **Term of Agreement.** This Agreement shall terminate fifteen (15) years after the date of the execution of this agreement or upon full payment of the reimbursement amount set forth in Section 3.2 below, whichever occurs first.
- 2. **Improvements.** The IMPROVEMENTS to be provided by the DEVELOPER are described in Exhibit "A".
- 3. **Improvement Cost.** DEVELOPER will expend the following amount in construction of the IMPROVEMENTS:
 - 3.1 **Amount.** Two Million Seven Thousand Five Hundred and Thirty Dollars (**\$2,007,530**).

- 3.2 **Portion Which May Be Reimbursed.** The amount that may be reimbursed to DEVELOPER as set forth in this Agreement is Six Hundred Thousand Three Hundred and Ninety Dollars (**\$600,390**) and shall be referred to as the “Total Maximum Reimbursable Amount.”
- 3.3 **Payment.** CITY shall reimburse DEVELOPER in an amount not to exceed the Total Maximum Reimbursable Amount only if and when payment has been made to CITY by subsequent developer of the Benefiting Property in the amount of **\$600,390**. The developer of the Benefiting Property shall be required to pay fees in accordance with Morgan Hill Municipal Code Section 12.02.120. CITY shall forward all reimbursement payments pursuant to this Agreement to DEVELOPER within thirty (30) days of receipt by the CITY.
- 3.4 **Records of Expenses.** DEVELOPER is required to keep records with complete and correct entries of all construction costs, design and permit fee costs related to IMPROVEMENTS. These records will be made immediately available to CITY and subject to inspection upon request by the CITY.
4. **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.
5. **Non-Discrimination.** DEVELOPER covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, or ancestry, in any activity pursuant to this Agreement.
6. **Independent Contractor.** It is agreed upon that DEVELOPER shall act and be an independent contractor and not an agent or employee of CITY.
7. **Compliance with Law.** DEVELOPER shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.
8. **Conflict of Interest and Reporting.** DEVELOPER shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
9. **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 DEVELOPER is as follows:
740 Tennant LP
445 Central Avenue, Suite 200
Highland Park, IL 60035

Address of CITY is as follows:

Public Services Director
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

With a copy to:
City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

10. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.
11. **Indemnification.** DEVELOPER shall indemnify the CITY as outlined in the Subdivision Improvements Agreement between CITY and DEVELOPER for the DEVELOPMENT, executed concurrently with this Subsequent Development Reimbursement Agreement.
12. **Modification.** 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 DEVELOPER.
13. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action or dispute commenced about this Agreement shall be filed in the central branch of the Santa Clara County Superior Court.
14. **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.
15. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision affected only the provision interpreted, and all remaining provisions shall remain enforceable.
16. **Binding Agreement.** This Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of DEVELOPER in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.
17. **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.

CITY OF MORGAN HILL

"DEVELOPER"
740 Tennant LP

By:

By:

Christina J. Turner, City Manager

Print Name and Title

Date: _____

Date: _____

ATTEST:

Michelle Bigelow, City Clerk

Date: _____

APPROVED AS TO FORM:

Donald A. Larkin, City Attorney

Date: _____

EXHIBIT "A"

JUAN HERNANDEZ DRIVE IMPROVEMENTS BY DEVELOPER

City of Morgan Hill

Morton & Pitalo, Inc.

Date: Updated 10-28-2025
by: MP

PRELIMINARY ENGINEER'S ESTIMATE MORGAN HILL - TENANT AVE. OFF-SITE IMPROVEMENTS

						Benefit to Adjacent Property	
						Adjacent Property	
No.	Description	Quantity	Unit	Unit Price	Total	Quantity	Total
SCOPE OF WORK (PUBLIC IMPROVEMENTS ONLY)							
<u>JUAN HERNANDEZ DRIVE EXTENSION</u>							
1. GRADING & ROADWORK							
1	CLEAR & GRUB	1,500	AC	\$ 3,100.00	\$4,650.00		\$ -
2	GRADING (CUT TO FILL)	712	CY	\$ 13.25	\$9,434.00	\$ 142.40	\$ 1,886.80
3	8"AC / 18" AB PAVING	31,290	SF	\$ 12.50	\$391,125.00		\$ -
4	CURB & GUTTER	718	LF	\$ 27.50	\$19,745.00		\$ -
5	VERTICAL CURB	-	LF	\$ 31.00	\$0.00		\$ -
6	SIDEWALK	2,890	SF	\$ 10.00	\$28,900.00		\$ -
7	DRIVEWAY	1	EA	\$ 23,000.00	\$23,000.00		\$ -
SUBTOTAL					\$476,854.00		\$ 1,886.80
2. STORM DRAIN							
1	CURB INLET	6	EA	\$ 5,500.00	\$33,000.00	2	\$ 11,000.00
2	12" PIPE	-	LF	\$ 60.00	\$0.00	0	\$ -
3	15" PIPE	156	LF	\$ 190.39	\$29,700.84	78	\$ 14,850.42
4	CONCRETE FLARED END SECTION	3	EA	\$ 2,500.00	\$7,500.00	1.5	\$ 3,750.00
5	18" PIPE	612	LF	\$ 210.00	\$128,520.00	306	\$ 64,260.00
6	WATER QUALITY BASIN	5,580	SF	\$ 25.00	\$139,500.00	40%	\$ 55,800.00
7	TEST & FLUSH STORM SYSTEM	1	LS	\$ 10,000.00	\$10,000.00	0.5	\$ 5,000.00
8	CONNECT TO EXISTING SYSTEM	1	EA	\$ 5,000.00	\$5,000.00	0.5	\$ 2,500.00
SUBTOTAL					\$353,220.84		\$ 157,160.42
3. WATER							
9	2" IRRIGATION	50	LF	\$ 165.00	\$8,250.00		\$ -
10	12" DIP WATER LINE	779	LF	\$ 180.00	\$140,220.00	389.5	\$ 70,110.00
11	8" DIP WATERLINE	48	LF	\$ 175.00	\$8,400.00	24	\$ 4,200.00
12	6" DIP DOMESTIC WATER LINE	51	LF	\$ 165.00	\$8,415.00		\$ -
13	6" GATE VALVE	-	EA	\$ 1,500.00	\$0.00		\$ -
14	8" GATE VALVE	1	EA	\$ 2,000.00	\$2,000.00		\$ -
15	12" GATE VALVE	3	EA	\$ 2,500.00	\$7,500.00	1.5	\$ 3,750.00
16	FIRE HYDRANT ASSEMBLY WITH LATERAL	3	EA	\$ 16,000.00	\$48,000.00	1.5	\$ 24,000.00
17	TEST & FLUSH FIRE & WATER	1	LS	\$ 20,000.00	\$20,000.00	0.5	\$ 10,000.00
18	8" DDCV	1	EA	\$ 25,000.00	\$25,000.00		\$ -
19	6" METER & 6" B.F. (DW)	1	EA	\$ 25,000.00	\$25,000.00		\$ -
20	2" METER & 4" B.F. (IRR)	1	EA	\$ 12,000.00	\$12,000.00		\$ -
21	CONNECT TO EXISTING SYSTEM	1	EA	\$ 30,000.00	\$30,000.00	0.5	\$ 15,000.00
SUBTOTAL					\$334,785.00		\$ 127,060.00
4. SANITARY SEWER							
22	SS MANHOLE	2	EA	\$ 11,000.00	\$22,000.00	2	\$ 22,000.00
23	REMOVAL/ABANDON OF EXISTING SS LAT	1	LS	\$ 10,000.00	\$10,000.00		\$ -
24	8" PVC SDR-35 SEWER PIPE	276	LF	\$ 190.39	\$52,547.64	276	\$ 52,547.64
25	TEST, FLUSH & TV SEWER	1	LS	\$ 10,000.00	\$10,000.00	1	\$ 10,000.00
26	CONNECT TO EXISTING SYSTEM	1	EA	\$ 4,200.00	\$4,200.00	1	\$ 4,200.00
SUBTOTAL					\$98,747.64		\$ 88,747.64
5. MISC. IMPROVEMENTS							
27	TRAFFIC SIGNAL MODIFICATIONS	1	EA	\$ 75,000.00	\$75,000.00	0.5	\$ 37,500.00
28	STREET LIGHTS	6	EA	\$ 15,000.00	\$90,000.00		\$ -
29	PARKSTRIP LANDSCAPING	2,700	SF	\$ 10.50	\$28,350.00		\$ -
							\$ -
							\$ -
SUBTOTAL					\$193,350.00		\$ 37,500.00
OFF-SITE TOTAL CONSTRUCTION					\$1,456,957.48		\$ 412,354.86
10% CONTINGENCY					\$145,695.75		\$ 41,235.49
ESTIMATED TOTAL CONSTRUCTION					\$1,602,653.23		\$ 453,590.35
				Plan Check & Inspections:	5.00%	\$ 80,132.66	\$ 22,679.52
				Geotechnical:	1.50%	\$ 24,039.80	\$ 6,803.86
				Engineering:	5.00%	\$ 80,132.66	\$ 22,679.52
				Construction Surveys:	1.50%	\$ 24,039.80	\$ 6,803.86
				Construction Management:	3.00%	\$ 48,079.60	\$ 13,607.71
SOFT COST SUB-TOTAL					\$ 256,424.52		\$ 72,574.46
ESTIMATED PROJECT TOTAL					\$ 1,859,077.74		\$ 526,164.80

**PRELIMINARY ENGINEER'S ESTIMATE
MORGAN HILL - TENANT AVE.
OFF-SITE IMPROVEMENTS**

No.	Description	Quantity	Unit	Unit Price	Total
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**SCOPE OF WORK (PUBLIC IMPROVEMENTS ONLY)
LEFT TURN INTO JUAN HERNANDEZ DRIVE**

1. LEFT TURN POCKET EXTENSION IMPROVEMENTS:

1	REMOVE MOW STRIP AND CONCRETE CURB	160	LF	\$ 15.00	\$2,400.00
2	REMOVE CONCRETE CURB AND ROCK MEDIAN	85	LF	\$ 15.00	\$1,275.00
3	SAWCUT AND REMOVE AC PAVEMENT	2239	SF	\$ 2.50	\$5,597.50
4	ROADWAY EXCAVATION AND EXPORT MATERIAL	250	CY	\$ 41.30	\$10,325
5	FINISH SUBGRADE FOR NEW TURN POCKET	2450	SF	\$ 3.35	\$8,208
6	5" AC/18"AB PAVEMENT (TENNANT AVE)	2,290	SF	\$ 17.50	\$40,075.00
7	VERTICAL CURB FOR MEDIAN ON TENNANT	335	LF	\$ 31.00	\$10,385.00
8	SET & POUR 12" MOW STRIP	90	SF	\$ 15.00	\$1,350.00
9	SET & POUR DECORATIVE CONCRETE	480	SF	\$ 31.00	\$14,880.00
10	STRIPING	140	LF	\$ 8.00	\$1,120.00
11	TRAFFIC CONTROL	6	DAYS	\$ 5,000.00	\$30,000.00

CONSTRUCTION SUB-TOTAL **\$116,342.50**

10% CONTINGENCY **\$11,634.25**

ESTIMATED CONSTRUCTION TOTAL **\$127,976.75**

Plan Check & Inspections:	5.00%	\$ 6,398.84
Geotechnical:	1.50%	\$ 1,919.65
Engineering:	5.00%	\$ 6,398.84
Construction Surveys:	1.50%	\$ 1,919.65
Construction Management:	3.00%	\$ 3,839.30

SOFT COST SUB-TOTAL \$ 20,476.28

ESTIMATED PROJECT TOTAL **\$148,453.03**

TOTAL COST OF JUAN HERNANDEZ DRIVE IMPROVEMENTS

(with Design & Permit Fees): **\$1,859,077**

MAXIMUM REIMBURSABLE AMOUNT *(Benefit to Adjacent Property):* **\$526,164**

TOTAL COST OF LEFT TURN INTO JUAN HERNANDEZ DRIVE IMPROVEMENTS

(with Design & Permit Fees): **\$148,453**

MAXIMUM REIMBURSABLE AMOUNT *(50% of Total Cost of Improvements):* **\$74,226**

TOTAL MAXIMUM REIMBURSABLE AMOUNT: \$600,390

EXHIBIT "B"

MAP OF BENEFITING PROPERTY





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, December 3, 2025

6:00 p.m.

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

CALL TO ORDER

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

ROLL CALL ATTENDANCE

City Clerk Bigelow called the roll.

PRESENT	Mark Turner, Marilyn Librers, Soraida Iwanaga, Miriam Vega, Yvonne Martinez Beltran
ABSENT	None

Council Member Martinez Beltran joined the meeting at 6:44 p.m. and participated under AB 2449, just cause. She left the meeting at 9:34 p.m.

DECLARATION OF POSTING AGENDA

City Clerk Bigelow declared the posting of the agenda.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Council Member Iwanaga wished everyone a happy Thanksgiving. She reported that she attended the U.S.–Japan International Cities Cohort in San Francisco, where she learned about the innovative ways cities across the country are engaging with their sister-city partners. She noted that several U.S. companies are encouraging young adults to pursue work opportunities in Japan.

She also met with the international committee focused on strengthening U.S.–Japan relations and supporting sister cities in collaborating for greater global impact.

OTHER REPORTS

None.

CITY MANAGER'S REPORT

City Manager Turner reported that the Buy Local Morgan Hill Holiday Shopping Passport launched on November 3 and will run through December 31. Shoppers can collect stickers for purchases at participating businesses and enter to win prizes. She noted that several local organizations have partnered to present Merry Morgan Hill, a month-long series of holiday events designed to activate Downtown with family-friendly activities and support local commerce.

She announced that the Magical Holiday event will take place on Saturday, December 13, from 2:00–5:00 p.m. at the Magical Bridge Playground, featuring photos with Santa, face painting, crafts, balloon art, resource tables, and performances.

City Manager Turner also shared that Parks and Recreation has launched the Holiday Lights Morgan Hill home décor contest, with an entry deadline of December 9, 2025.

To support local restaurants during the typically slow month of January, she explained that the Economic Development Department, Visit Morgan Hill, and the Downtown Morgan Hill Improvement District will introduce Morgan Hill Foodie Month, running January 5–31, 2026.

She shared that the Budget Team will host a community budget meeting on Wednesday, December 10, at 6:00 p.m. at the Community and Cultural Center to introduce the budget development process and demonstrate the Balancing Act online budget simulation tool.

Lastly, she announced preparations for the City's 120th anniversary in November 2026, including a public design contest for an official anniversary logo. Submissions are due December 21, 2025, with the winning design to be unveiled the week of January 12, 2026.

CITY ATTORNEY'S REPORT

None.

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Public comment opened at 6:08 p.m.

Ben Palm was called to speak.

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 Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	Council Member Martinez Beltran

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 through 5 and 7.

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

1. **ACCEPT THE ANNUAL SENATE BILL (SB) 165 REPORT FOR COMMUNITY FACILITIES DISTRICT NO. 2014-1 (FISHER CREEK)**

Recommendation:

Accept and file report.

2. **ACCEPT THE CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Recommendation:

Accept the City's Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

3. **ADOPT RESOLUTION APPROVING AND MAKING FINDINGS RELATED TO**

THE ASSEMBLY BILL (AB) 1600 DEVELOPMENT IMPACT FEE ANNUAL REPORT FOR FISCAL YEAR 2024-25

Recommendation:

1. Adopt resolution making findings for unexpended development impact fees; and
2. Accept the annual development impact fee report.

4. APPROVE FIRST AMENDMENT TO AGREEMENT WITH CSG CONSULTANTS, INC. FOR BUILDING PLAN AND FIRE PLAN REVIEW SERVICES

Recommendation:

Approve and authorize the City Manager to execute and administer the first amendment to the professional services agreement with CSG Consultants, Inc., for Building Division plan review services, increasing by \$75,000 for a total of \$395,000.

5. APPROVE THE NOVEMBER 19, 2025 CITY COUNCIL MEETING MINUTES

Recommendation:

Approve the November 19, 2025 City Council Meeting Minutes.

7. AWARD SERVICE AGREEMENT FOR MATS, LINENS, AND TOWELS SERVICE TO PRUDENTIAL OVERALL SUPPLY IN THE AMOUNT OF \$86,000 FOR THE INITIAL TWO-YEAR TERM

Recommendation:

1. Award a service agreement to Prudential Overall Supply in the amount of \$86,000 for a two-year term; and
2. Authorize the City Manager to extend the service agreement up to an additional three years for a total term of five years; and
3. Authorize the City Manager to execute and administer the agreement and amendments.

ITEM PULLED FOR DISCUSSION

6. AWARD JANITORIAL SERVICE AGREEMENT TO US METRO GROUP, INC. IN THE AMOUNT OF \$814,257 FOR THE INITIAL TWO-YEAR TERM

Recommendation:

1. Award a janitorial service agreement to US Metro Group, Inc. in the amount of \$814,257 for a two-year term;

2. Authorize the City Manager to extend the service agreement up to an additional three years for a total term of five years; and
3. Authorize the City Manager to execute and administer the agreement and amendments.

Public Services Director Ghione and Recreation Manager Tucker provided a presentation and report.

Public comment opened at 6:41 p.m. The following people were called to speak:

Nick Firato

Brian Sullivan

Lori Allen

David Dindak

Nick Gaich (Zoom) on behalf of the Morgan Hill Chamber of Commerce

With no further requests to speak, public comment closed.

MOTION:

Approving the recommended actions.

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

The meeting recessed at 7:23 p.m. and reconvened at 7:31 p.m.

OTHER BUSINESS

8. RECEIVE REPORT REGARDING REGULATION OF STREET AND MOBILE VENDORS

Recommendation:

Receive City staff report and provide policy direction.

Economic Development Director Mahood provided a presentation and report.

Public comment opened at 8:13 p.m. The following people were called to speak:

David Dindak on behalf of the Downtown Association

Armando Benavides (Zoom)

Nick Gaich (Zoom) on behalf of the Chamber of Commerce

With no further requests to speak, public comment closed.

MOTION:

Directing staff to come back with a policy regarding food trucks and food carts, similar to Mountain View or Los Gatos

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

PUBLIC HEARINGS

9. ADOPT A RESOLUTION TO ADD A HEALTHY NEIGHBORHOODS FOR ALL ELEMENT (GENERAL PLAN AMENDMENT GPA2024-0002) TO THE TEXT OF THE MORGAN HILL 2035 GENERAL PLAN IN COMPLIANCE WITH CALIFORNIA SENATE BILL 1000

Recommendation:

1. Open/Close the Public Hearing; and
2. Adopt a Resolution approving an amendment to the Morgan Hill 2035 General Plan to add a Healthy Neighborhoods for All Element.

Principal Planner Paszkowski provided a presentation and report.

The public hearing opened at 9:18 p.m. The following people were called to speak:

Teddy Daligga on behalf of the Santa Clara County Health Department

Jesus Beccera

Jocelynn Leon (Zoom)

Sendy Ramirez

With no further requests to speak, the public hearing was closed.

MOTION:

Approving the recommended actions.

RESULT:	Passed
MOVER:	Council Member Vega
SECONDER:	Council Member Martinez Beltran

AYES:	Mayor Turner, Mayor Pro Tem Librers, Council Member Iwanaga, Council Member Martinez Beltran, Council Member Vega
NAYS:	None
ABSTAIN:	None
ABSENT:	None

Council Member Martinez Beltran left the meeting at 9:34 p.m.

10. ADOPT A RESOLUTION TO AMEND THE TEXT OF THE NATURAL RESOURCES AND ENVIRONMENT ELEMENT (GENERAL PLAN AMENDMENT GPA2024-0004) OF THE MORGAN HILL 2035 GENERAL PLAN IN COMPLIANCE WITH CALIFORNIA SENATE BILL 1425

Recommendation:

1. Open/Close the Public Hearing; and
2. Adopt a Resolution approving an amendment to the Natural Resources and Environment Element of the Morgan Hill 2035 General Plan.

Principal Planner Paszkowski provided a presentation and report.

The public hearing opened at 9:43 p.m. With no requests to speak, the public hearing closed.

MOTION:

Approving the recommended actions.

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

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, Mayor Turner adjourned the meeting at 9:43 p.m.

Minutes Prepared by:
Michelle Bigelow, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

APPROVE A SERVICE AGREEMENT WITH CATHOLIC CHARITIES OF SANTA CLARA COUNTY FOR SOUTH COUNTY YOUTH TASK FORCE YOUTH SUPPORT SERVICES FOR A TOTAL AMOUNT OF \$135,531

RECOMMENDATION(S)

1. Authorize the City Manager to execute, administer, and further negotiate an agreement with Catholic Charities of Santa Clara County in the amount of \$135,531 for the provision of youth support services in association with the South County Youth Task Force;
2. Authorize the City Manager to extend this agreement for two additional one year terms should funding be available and appropriated within future fiscal year budgets;
3. Authorize the City Manager to execute, negotiate, and administer any required agreements with the Morgan Hill Unified School District to receive funding for services associated with the South County Youth Task Force; and
4. Adopt a resolution amending the FY 2025/26 Operating Budget to increase revenue and expenses by \$40,000 in the General Fund.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Supporting our Youth, Seniors, and Entire Community

Advocating for Local, Regional, and State Legislative Initiatives

2024-2025 Strategic Priorities

Healthy Community

REPORT NARRATIVE:

The South County Youth Task Force (SCYTF) is a regional, cross-sector collaborative established in 2012 to address youth violence, gang involvement, and disconnection in South Santa Clara County. Founded as a partnership between the Cities of Gilroy and Morgan Hill, local school districts, and Santa Clara County, the collaborative exists to coordinate resources and efforts in implementing its work plan. The District Attorney's

Office serves as the lead department for Santa Clara County. The primary purpose of the task force is to empower youth to thrive by fostering a safe community through evidence-based prevention and intervention strategies.

The District Attorney's Office and Morgan Hill Unified School District have committed to provide funding to the City of Morgan Hill to fund support services in schools and within the community that advance the efforts of the task force. To implement this effort, the City issued a Request for Proposals (RFP) with the intent to contract with one or more community organizations in the following primary service areas:

- Prosocial Programming (Open Gym/Late Night Gym)
- School-Based Prosocial Activities
- Youth Groups
- Case Management

More details on each of these areas as well as ancillary services requested can be found in the RFP document (Attachment 2).

Following issuance of the RFP in late October 2025, the City received 5 proposals from the following organizations: Positive Alternative Recreation Teambuilding Impact (PARTI), Pacific Clinics, Catholic Charities of Santa Clara County, Carla Alonzo, and New Hope for Youth. Two organizations proposed providing all the primary service areas, two organizations proposed providing two of the primary service areas, and one organization proposed providing one of the primary service areas. A committee of staff representing the City, the Morgan Hill Unified School District, and District Attorney's Office reviewed and scored the proposals. The proposal scoring is outlined in Attachment 1. Catholic Charities was the highest scoring organization in all the primary service areas and City staff is recommending an agreement with Catholic Charities to provide these services. This agreement is included as Attachment 3.

COMMUNITY ENGAGEMENT:

Consult

No direct outreach was made to the community in relation to the RFP solicitation. However, significant outreach was done in the development of the SCYTF Strategic Plan for 2023-2026, called Project II THRIVE. The RFP was directly designed to implement the Strategic Plan, which was developed through a comprehensive engagement process with South County community and local stakeholders, using restorative listening circles. In solicitation of respondents the RFP was posted on the City website and the City, MHUSD and District Attorney's Office used numerous lists of organizations to communicate the RFP posting.

ALTERNATIVE ACTIONS:

The City Council could choose not to authorize the agreement and/or provide alternate direction to City staff.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

In June 2025, during the mid-cycle budget review process, the City Council amended the FY 2025/26 Operating budget to include \$100,000 in expense and revenue for this program. Additionally, the City Council authorized the City Manager to further negotiate, execute, and administer a service agreement with the Santa Clara County District Attorney's Office to receive and administer grant funding in support of the South County Youth Task Force.

FISCAL AND RESOURCE IMPACT:

The City currently has \$100,000 budgeted in the Recreation Division (010.2180.42231) for this expense. This funding is provided via the District Attorney's Office. Additionally, the Morgan Hill Unified School District will be providing approximately \$40,000 in additional funding. This additional funding was not included in the budget and therefore a budget amendment for an additional \$40,000 in expense and revenue is necessary.

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.

Attachment 1 - Proposal Scoring

Scoring Criteria	Weight	PARTI Average Scores	Catholic Charities Average Scores	Pacific Clinics Average Scores	Carla Alonzo Average Scores	New Hope for Youth Average Scores
General Criteria for All Areas						
Qualifications - Demonstrated professional quality on similar projects and past experience.	20	12.7	14.7	16.0	12.0	12.7
Experience of personnel/staff.	10	5.7	7.7	7.3	5.7	5.3
Quality of proposal.	5	3.2	4.3	3.7	3.7	3.2
Ability to provide Ancillary Services in conjunction with Primary Services Proposed	15	7.4	11.5	9.5	7.9	9.4
Budget and Cost Proposal	20	8.7	14.3	10.0	12.0	6.7
Individual Service Areas						
Ability to Provide Primary Service 1 - Prosocial Programming/Late Night Gym	30	NA	23.3	NA	NA	NA
Ability to Provide Primary Service 2 - School Based Prosocial Activities	30	NA	22.7	NA	NA	NA
Ability to Provide Primary Service 3 - Youth Groups	30	15.0	23.0	19.0	20.3	18.0
Ability to Provide Primary Service 4 -Case Management	30	15.7	19.0	21.7	NA	18.0
Total Score by Area of Service (Total of General Criteria added to the individual score for each primary service area)						
Total Score for Consultant to Provide Primary Service 1	100	50.2	75.8	NA	NA	NA
Total Score for Consultant to Provide Primary Service 2	100	55.8	75.2	NA	NA	NA
Total Score for Consultant to Provide Primary Service 3	100	52.5	75.5	65.5	61.5	55.2
Total Score for Consultant to Provide Primary Service 4	100	53.2	71.5	68.2	NA	55.2

**CITY OF MORGAN HILL REQUEST PROPOSALS (RFP)
SOUTH COUNTY YOUTH TASK FORCE YOUTH SERVICES
SEPTEMBER 2025**

The City of Morgan Hill is seeking proposals from qualified organizations to provide professional services and programming in the areas of youth support services, youth violence prevention, and/or youth recreation/activities programming. The City is conducting the RFP and will facilitate this programming in support of and in partnership with the South County Youth Task Force (SCYTF) and with significant involvement/support from the Morgan Hill Unified School District (MHUSD).

About the South County Youth Task Force

The SCYTF is a regional partnership dedicated to serving, supporting, and uplifting our youth in South Santa Clara County (Morgan Hill, Gilroy, and the unincorporated area of San Martin). This collaboration includes local governments, school districts, community and faith-based organizations, and law enforcement agencies. SCYTF's work is guided by its Mission, "To promote a safe and nurturing community that creates and ensures sustainable access to opportunities, resources, and services for South County youth and their families, while empowering their voice and supporting their growth and success", and Vision, "A community that is safe and free of youth violence where young people are strong, thriving and connected to their families, schools, and neighborhoods." For more information about SCYTF please visit www.SCYouthTHRIVE.org.

Project Description and Target Populations

The City and SCYTF intend for programs and services provided through contracted organizations to be targeted for vulnerable elementary/middle/high school students and young adults between the ages of 9 and 24 of any agender or non-binary identity that reside within the City of Morgan Hill, the unincorporated area San Martin, or attend school within the MHUSD. Additionally, program and services will target youth who may be impacted by the following:

- Facing high disparities such as poverty, food insecurity, gang exposure, violence, and/or drug exposure
- Are on probation or impacted by gang involvement
- Fall within the spectrum of At-Promise (At-Risk) to High-Promise (High-Risk) Youth

Scope of Services

The City of Morgan Hill, in collaboration with MHUSD and the South County Youth Task Force (SCYTF), seeks qualified organizations to provide youth-focused, prosocial programming, case management, and related services to reduce youth violence and promote positive youth development.

Section 1. Primary Service Areas

1. Prosocial Programming (Open Gym/Late Night Gym)

Provide a weekly outside of school hours recreation program focused on the target youth in middle school and high school. The program should be designed using the late night gym model to provide structured outlets for youth to use their energy while providing wrap around services beyond sports and physical fitness.

Target Participant Levels – Average 30 youth attending weekly

Desired Hours – 3 hour sessions, Fridays or Saturdays Outside of School Hours

Location – Centennial Recreation Center or alternative location

Required Data: Attendance (unduplicated & duplicated individuals), demographics, pre/post/retrospective surveys

Note: City shall provide use of the Centennial Recreation Center Teen Center, Gymnasium, and/or other facilities during program hours based on availability and mutually agreed upon.

2. School-Based Prosocial Activities

Provide outside of school hours recreation program focused on targeted youth in middle and high school that is NOT open gym or late night gym programming.

Events must be regularly scheduled on days **Wednesday, Thursday, Friday, and/or Saturday** after school hours, 3-4 times per month.

Examples of no-cost prosocial activities acceptable for this requirement: soccer/futsal night, music classes, art classes, other structured sports/physical activities.

Target Participant Levels – Average 30 youth attending per session

Desired Hours – 3 hour sessions, Wed-Sun after school hours

Location – Rotating location at MHUSD facilities, will be calendarized near start of program to ensure equitable rotation

Required Data: Attendance (unduplicated & duplicated individuals), demographics, pre/post/retrospective surveys

3. Youth Groups

Provide evidence-based, culturally responsive youth groups at identified secondary sites to support the development of life skills for target youth. These groups will be ad hoc, expected up to two 6-8 week groups during this contract

Target Participant Levels – 10-12 youth per groups

Location – MHUSD secondary school sites

Required Data: Attendance (unduplicated & duplicated individuals), demographics, pre/post/retrospective surveys

Group Meetings – Weekly per school site to be scheduled regularly over the school year

Curriculum – Must be pre-approved by SCYTF and MHUSD

4. Case Management

Providing case management, life coaching, and intervention support for middle and high-school-age youth will be the primary purpose in this service area. Youth shall be identified and referred to the program by the MHUSD on an as-needed basis.

Target Participant Levels – Up to 6 youth for 6 months, as-needed

Location – MHUSD middle and high schools

Required Data: Unduplicated & duplicated individuals, demographics, pre/post/retrospective surveys
Service area-specific reporting requirements:

- Maintain written individual client files documenting progress, assessments, and service plans.
- Issue and document retrospective surveys to assess service effectiveness.

Section 2. Ancillary Service Requirements

1. Peer-to-Peer Support

Plan and implement school-based peer-to-peer programs to foster empathy and community building, and promote healthier social interactions among middle school and high school students.

2. Student Leadership Development

Partner with MHUSD and SCYTF to provide MHUSD students with learning opportunities to empower their lives as they grow within the program and take leadership opportunities within their schools and communities.

3. Outreach, Linkage, and Referral

Provide on-site staff at identified school sites to support outreach linkage at identified schools to support participation in and referral to the Primary Service Areas. Provide connections to relevant community services and resources as appropriate.

4. Secondary Crisis Response

Support identified schools in maintaining a positive, restorative, and safe culture, particularly for youth referred to the case management program.

Provide crisis response and intervention before, during, or after school, and/or in the community as requested by MHUSD, SCYTF, and/or the City of Morgan Hill. Activities may include outreach, restorative circles, one-on-one support, and participation in Multi-Disciplinary Team meetings (MDTs) or youth advocacy sessions. Crisis Response and Intervention Support can happen before, during, or after school, and/or in the community.

Section 3. Collaboration Expectations

1. Collaboration and Participation

- a. Participate in Monthly SCYTF Technical Team, Multi-Disciplinary Team (MDT) meetings and participate in Violence Disruption meetings as needed.
- b. Lead or co-chair at least one (1) Tech Team subcommittee.
- c. Collaborate with the MHUSD, City of Gilroy, GUSD, SCYTF South County Technical Team, and other local partners that have an SCYTF MOU, to advance shared goals of violence prevention, neighborhood safety, and restorative practices.

Section 4. Program Evaluation and Reporting

1. Program Evaluation and Reporting

- a. Serve at minimum the targeted youth in identified Primary Service Areas across all services using the City-provided Units of Service Workbook.
- b. Conduct entrance and exit surveys to measure changes in behavior, attitudes, and overall well-being.
- c. Submit the following documentation regularly:
 - i. Monthly calendars of programs/activities
 - ii. Sign-in sheets
 - iii. Survey results (pre/post and/or retrospective)
 - iv. Narrative and data-driven reports
 - v. Monthly updates to SCYTF Administration and Schools
 - vi. Any other requested measurable deliverables

Section 5. Outreach and Branding Support

1. Outreach and Branding Support

- a. Coordinate with the SCYTF Administration Team, City or Morgan Hill, and Monthly MDTs, for outreach, collaboration, and co-branded activities and materials.
- b. Post all workshops and event flyers pertaining to this work on the SCYTF website.
- c. Work to further the goals and efforts of building a restorative community and preventing and de-escalating youth violence and anti-social behaviors in South County.

Funding

Through the partnership with the SCYTF and MHUSD, the City has approximately \$140,000 available for all areas of the Scope of Service. The City intends to fund all three Primary Service Areas using this available funding. Proposed budgets should reflect this available funding.

Funding is provided through the SCYTF's multi-agency membership framework. Consultants must either have or agree to enter into a Memorandum of Understanding (MOU) with SCYTF to become an active participant of the Technical Team.

CITY and PARTNER Responsibilities

City shall furnish such information as is reasonably required for supporting programs and services when requested in writing by the consultant. City shall make best effort to obtain information from SCYTF and MHUSD to support timely response to information requests.

City shall provide facilities for Late Night Gym programming. MHUSD shall provide onsite meeting space for onsite school programming and services.

City shall provide prompt notice to the consultant if City becomes aware of any fault or defect in the Project, including any errors, omissions, or inconsistencies in the Consultant's work.

Additional Questions on Scope

Any additional questions regarding this RFP may be sent to:

Jennie.Tucker@morganhill.ca.gov

Questions must be submitted by 5:00 p.m. on November 7, 2025. Question submitted after this deadline will not be responded to.

Qualifications

The organization must have demonstrated expertise in successfully managing and completing like projects for agencies similar to Morgan Hill.

Insurance and Indemnification

The organization selected for the Project must provide the City with evidence of insurance coverage acceptable to the City's Risk Manager. Insurance and indemnification requirements are outlined in the City's Agreement (Attachment 2). **Special attention shall be given to the Indemnification Requirement Section included in the Agreement as these provisions are a requirement.**

Required Licenses

The successful consultant will be required to obtain a City of Morgan Hill Business License.

Draft Project Schedule

October 27, 2025	RFP Release Date
November 7, 2025	Last Day to submit questions
November 12, 2025	Responses to questions posted on City website
November 21, 2025	Proposals Due (5:00pm)
December 1-15, 2025	Contract(s) Awarded
January 1, 2025	Begin Project
Complete Project	June 30, 2026

Proposal Format

Please follow the format requested below, and present the information in the order listed. All requested information must be provided in the proposal document. Do not provide links to documents on websites or shared folders.

The proposal shall be a maximum of 24 pages (12 double sided pages), not including resumes and required attachments, with a minimum font size of 12, and will include the following information:

A. Cover/Transmittal Letter

This letter should provide a brief introduction to your organization and proposal AND acknowledgement of any addenda issued as part of the RFP.

B. Please provide the following information relating to your organization:

- ☐ Organization name, telephone number, e-mail, and mailing address.
- ☐ Name of person in your organization whom we should contact about your proposal.
- ☐ Number of years the organization has been in business.
- ☐ Type of organization: non-profit, individual, sole proprietorship, partnership, corporation, other (please specify).
- ☐ Year organization was established.
- ☐ List of officers of the organization.
- ☐ List any lawsuits or arbitration proceedings that have been initiated by or against your organization in the past five years. Briefly state the nature of the action and the outcome.

C. Qualifications Statement

- ☐ Provide a brief statement on the qualifications your organization possesses that demonstrate the organization's ability to complete the scope of work for each of the Primary Areas of Service your agency is applying to provide.
- ☐ Provide a list of similar programs or services your organization is currently working on or have previously provided.
- ☐ Tell us anything else about your organization that might assist us in making this selection. Why do you feel your organization is especially qualified to be engaged by the City in providing these programs and services?

D. Project Understanding and Desired Areas of Service

- ☐ Clearly identify which Primary Areas of Service your organization intends to provide.
- ☐ Provide a statement indicating your overall understanding of the scope of work and possible constraints, and a brief explanation of your program management and service design approach.

E. Scope of Work

- ☐ Describe your proposed approach to be used in completing the Scope of Work. Include details on all Primary Areas of Service that your organization is proposing to provide as well as Ancillary Service Requirements.
- ☐ Provide a preliminary calendar/schedule for the work to be completed, including all deliverables.

F. Responsible Personnel

List the key staff involved in overseeing and providing services and program management. Provide organizational chart. Provide resumes of responsible personnel (not included in page count).

G. Project Budget and Fee

- ☐ Provide total project cost to offer each of the Primary Areas of Service individually and any discounted costs if offering multiple Areas of Service.
- ☐ Provide a total project budget along with a descriptive budget narrative for all the project costs associated with the scope of work. The prices shall include direct costs associated with personnel cost and overhead such as, but not limited to, project management, transportation, communications, and any subcontracted items of work. Program supplies and program incentives for youth participants should be part of this price.

H. Exceptions

Organization must submit all exceptions to this RFP with its proposal, clearly identifying the exception, including the page number and section number, as appropriate. Consultant should note that the submittal of an exception does not obligate the City to revise the terms of this RFP or any resulting agreement. The City will not consider any exceptions that are not identified in the proposal. Significant exceptions to the RFP and/or City template agreement may result in the proposal being disqualified.

I. Wage Theft Certification

Consultant is required to complete the Wage Theft Certification and include it in the proposal package. (This certification will not count towards the page limit.)

Proposal Submission

All proposals should be submitted electronically by 5:00pm on Friday, November 21, 2025 to: Jennie Tucker, Recreation Manager, at jennie.tucker@morganhill.ca.gov.

This Request for Proposal is not a contract or a commitment of any kind by the City of Morgan Hill and does not obligate the City to award a contract or pay costs incurred for the preparation and submission of a proposal. All proposals will become the property of the City of Morgan Hill.

Public Records Act

All responses to this RFP will become public records after notice of intent to award under the California Public Records Act (Cal. Government Code section 7920.000 et seq.). All documents that you send to the City will be subject to disclosure if requested by a member of the public. Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City of Morgan Hill may not be in a position to establish that the information that a consultant submits is a trade secret. If you believe that there are portion(s) of your proposal which are exempt from disclosure under the Public Records Act, you must mark it as such and state the specific provision in the Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. Do not mark your entire proposal as “confidential.” If a request is made for information marked “Confidential”, “Trade Secret” or “Proprietary”, the City will provide consultants who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction. The City will not be responsible for any legal or other costs incurred by consultant seeking to shield a portion of their proposal from public disclosure.

Selection Criteria

The following criteria are among those, but not limited to, which will be used to evaluate the proposals and subsequent interviews:

- Demonstrated ability to provide the Scope of Services
- Experience of personnel assigned to and overseeing programs and services
- Past experience providing similar programs and service successfully
- Review of references
- Quality of the proposal
- Fee proposals are complete and within available budget

General Terms and Conditions

1. Proposals will be evaluated by City, SCYTF, and MHUSD Staff.

2. The City may or may not conduct interviews with consultants as part of the proposal evaluation process.
3. The City reserves the right, acting in its sole discretion, to waive proposal irregularities and to reject any and all proposals.
4. The City reserves the right to modify the scope of the Project at any time based on the best interests of the City, SCYTF, and/or MHUSD.
5. All documents, drawings, and findings (regardless of format) that are associated with this project shall be the property of the City of Morgan Hill.
6. Proposals shall remain effective for ninety (90) days beyond the submittal date.
7. Consultant Agreement will be the City's Agreement (Attachment 2). All consultants are expected to have read and understand the attached Agreement, and the consultant selected through the RFP process will be expected to execute a formal Agreement with the City of Morgan Hill for the provision of the requested service as set forth in the sample agreement attached to this RFP. Submission of a signed proposal will be interpreted to mean consultant has agreed to all the terms and conditions set forth in the pages of this RFP and the standard provisions included in the attached Agreement.
8. Any addenda issued prior to Due Date and Time shall constitute part of the Contract documents. The City reserves the right to issue addenda prior to Due Date and Time. All addenda must be acknowledged in the proposal.

Attachments/Links:

1. Wage Theft Certification Form
2. Template Consultant Agreement – Link at:
<https://www.morganhill.ca.gov/DocumentCenter/View/55663/SCYTF-Thrive-Funds---Agreement-Template-with-Exhibits>

Attachment 1 – Wage Theft Certification

Wage Theft Prevention Bid Certification

(To be executed by proposer and submitted with proposal)

All Proposers are expected to have read and understand the “Wage Theft Prevention Policy” adopted on July 26, 2017. which can be found at <http://www.morgan-hill.ca.gov/1061/Council-Policy-by-Number>

The undersigned Proposer hereby certifies that Proposer and its principals have ☐, have not ☐, been found by a final court judgement or final administrative action of an investigatory agency to have violated federal, State, or local wage and hour laws within the past five years from the date of the submitted bid or proposal. For each disclosed violation, the Proposer shall provide a copy of (i) the court order and judgment and/or final administrative decision; and (ii) documents demonstrating either that the order/judgment has been satisfied, or if the order/judgment has not been fully satisfied, a written and signed description of Proposer’s efforts to date to satisfy the order/judgment. The completed Certification shall be submitted by the Proposer to the City as a part of its proposal. The City, at its sole discretion, may disqualify a Proposer based on one or more disclosed judgments consistent with the criteria set forth in the Policy.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this certification is executed on

_____ [date], at _____
[city],
_____ [state].

Signature

Print Name and Title

Company

THIS FORM MUST BE USED WHEN SUBMITTING PROPOSAL

**SERVICE AGREEMENT BETWEEN
THE CITY OF MORGAN HILL AND CATHOLIC CHARITIES OF SANTA CLARA COUNTY
FOR SOUTH COUNTY YOUTH TASK FORCE YOUTH SUPPORT SERVICES**

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date) by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY") and Catholic Charities of Santa Clara County, a California non-profit corporation ("PROVIDER"), hereinafter referred to collectively as "Parties." In consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

RECITALS

The following recitals are a substantive part of the Agreement:

1. WHEREAS Supporting our youth is an ongoing City Council Priority; and
2. WHEREAS CITY entered into an agreement with the County of Santa Clara Office of the District Attorney providing funding to support the work and programming of the South County Youth Task Force (the "SCYTF"), Project II THRIVE! Strategic Plan in South Santa Clara County (Project II THRIVE), and South County Health Equity Access for all LeaderShip Initiative! (SC HEALS!); and
3. WHEREAS Project II THRIVE and SC HEALS! Initiatives are aimed at preventing youth violence, addressing health equity and neighborhood disparity issues, reducing juvenile delinquent behaviors and the recruitment of youth into gangs, and supporting parents' leadership and capacity building within South Santa Clara County; and
4. WHEREAS PROVIDER delivers services to improve the quality of life for youth and families in South County; and,
5. WHEREAS PROVIDER submitted a timely application that was reviewed by CITY, that described how the proposed services furthered the SCYTF, Project II THRIVE, and SC HEALS! Initiatives in South Santa Clara County;

NOW, THEREFORE, for mutual consideration the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, the Parties hereby agree as follows:

AGREEMENT

1. **City Authority.** This Agreement is entered into pursuant to the authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code to provide funding to PROVIDER to support the services further outlined in **Exhibit A** ("Scope of Services").
2. **Term of Agreement.** The term of the Agreement shall be from the date executed through June 30, 2026. The term of this Agreement may be extended by mutual consent of the Parties. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Services.** The services to be provided by PROVIDER shall be providing youth support services as further described in Exhibit A ("Scope of Services").
4. **Compensation.** PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$135,531. Total compensation to PROVIDER under this Agreement during the term

set forth above shall not exceed One Hundred Thirty Five Thousand Five Hundred Thirty one dollars and shall be billed based on the basis set forth in **Exhibit B** ("Schedule of Payment").

- 4.2. **Billing.** PROVIDER shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by PROVIDER on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the project manager or their designee as identified below in Section 14 Notices. Payment will be made to PROVIDER within thirty (30) days of receipt of invoice by CITY. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

5. **Reporting.** PROVIDER shall submit a report to CITY monthly and quarterly within 10 days. This report shall include pertinent information related to the funded services including where and when services were provided, records of how the funds were used, and demographics and metrics on the participants as detailed in Exhibit A ("Scope of Services").

6. **Facility Use & Scheduling:** CITY shall support PROVIDER in delivering services by coordinating use of CITY facilities.

- 6.1. **Facilities.** The Parties hereto acknowledge that CITY is the owner of multiple facilities, including the Centennial Recreation Center located at 171 West Edmundson Avenue, Morgan Hill, CA 95037; and the Community and Cultural Center located at 17000 Monterey Road, Morgan Hill, CA 95037 ("Facilities"). CITY desires to provide program space at the Facilities to organizations that provide free or low-cost services to youth and teens.
- 6.2. **Permitted Use.** CITY agrees to permit PROVIDER to use the specific areas of the Facilities for its services, further outlined in Exhibit A, for the purposes, in the locations and manner, and subject to the terms and conditions described in this Agreement in fulfillment of the services.
- 6.3. **Cancellation of Scheduled Use.** CITY reserves the right to adjust, reschedule, and cancel scheduled facility use of PROVIDER at any time. CITY shall make its best effort to provide advance notice to PROVIDER but shall not be required to provide advance notice. PROVIDER shall not be permitted to use the Facilities for any other purpose. The areas of the Facilities permitted for use by PROVIDER shall be included in the approved schedule and use shall be allowed at the sole discretion of CITY.
- 6.4. **Scheduling of Programs.** PROVIDER shall develop a schedule for programs to occur in coordination with CITY staff. Schedules shall be approved by an authorized representative of CITY. CITY appoints Recreation Coordinator, Recreation Manager, and Public Services Director as authorized representatives.
- 6.5. **"As Is" Condition.** PROVIDER accepts the Facilities permitted for its use under the Agreement in its present condition, "as is" and subject to (1) all easements, covenants, conditions, restrictions, reservations, rights of way, liens, encumbrances, and other matters of record, (2) all matters discoverable by physical inspection of the Facilities or that would be discovered by an accurate survey of the Facilities, and (3) all matters known to PROVIDER or of which PROVIDER has notice, constructive or otherwise. The taking of possession of the Facilities shall, in itself, constitute acknowledgment by PROVIDER that the Facilities is in a

condition satisfactory for its use and that CITY has not agreed to undertake any modifications, alterations, or improvements to the Facilities except as specifically provided in this Agreement. PROVIDER specifically acknowledges that, except as otherwise may be expressly provided herein, CITY has made no representations concerning the condition of the Facilities, the fitness of the Facilities for PROVIDER's intended use, or the compliance of the Facilities with any federal, state, or local building codes or ordinances or with any laws, regulations, or guidelines regarding disabled or handicapped person, including, without limitation, the Americans with Disabilities Act of 1990.

- 6.6. **PROVIDER's Property.** Any and all property belonging to or brought onto the Facilities by PROVIDER or any of its officers, employees, agents, invitees, or licensees, shall be at the sole risk of PROVIDER. Property shall be removed daily unless otherwise authorized in writing by one of the CITY's authorized representatives.
- 6.7. **Waste.** PROVIDER shall not commit, nor permit to be committed, any waste upon the Facilities or carry on any nuisances or illegal activities at the Facilities. Damage to the Facilities caused by PROVIDER or their participants shall be repaired at PROVIDER's expense.
- 6.8. **Rules and Regulations.** PROVIDER covenants and agrees to observe and comply with all rules and regulations of CITY, including all safety, security, and operations directives of CITY's authorized representatives, which now exist or may hereafter be promulgated from time-to-time governing conduct on and operations at the Facilities.
- 6.9. **Waiver of Damage.** PROVIDER hereby expressly waives and releases any cause of action or right of recovery for compensation for any and all loss or damage sustained by reason of any fire, defect, deficiency, or impairments of any of the services in or to the Facilities or CITY, including, but not limited to, 1) electrical power, gas, telephone service, steam, heating, air conditioning, water supply, drainage, or sewage systems, 2) from wires leading to or inside of any space or structure, or 3) by reason of any loss resulting from the failure of any such system or facility, unless such loss or damage is due to the sole negligence or willful misconduct of CITY or its officers, agents, or employees.

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

- 7.1. **Non-Appropriations.** Notwithstanding anything contained in this Agreement to the contrary, if insufficient funds are appropriated, or funds are otherwise unavailable in the budget for CITY for any reason whatsoever in any fiscal year, for payments due under this Agreement, CITY will immediately notify PROVIDER 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.

8. **Document Review and Audit.** PROVIDER shall maintain records related to the services provided and expenditure of funds for a period of at least three years after receipt of final payment under this Agreement. CITY shall have the right to examine, monitor and audit (hereinafter "review") all records, documents,

conditions, and activities of PROVIDER related to services under this Agreement. CITY shall provide at least 15 days' notice of its intent to review the records, and the review shall take place at PROVIDER offices. CITY agrees to review the records only, unless said review is performed as part of audit as described herein. Pursuant to Government Code Section 8546.7, because 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. **Insurance Requirements.** PROVIDER shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of PROVIDER, including its subcontractors, employees and agents, relating to or arising from the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. **The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by CITY. PROVIDER further understands that CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to PROVIDER, at any time as deemed necessary to protect the interests of CITY.**

9.1. **Insurance Types and Amounts.**

- 9.1.1. Commercial General Liability (CGL). SERVICE PROVIDER shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 9.1.2. Automobile Liability. SERVICE PROVIDER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if SERVICE PROVIDER does not own automobiles, then SERVICE PROVIDER shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 9.1.3. Workers' Compensation Insurance and Employer's Liability. SERVICE PROVIDER shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If SERVICE PROVIDER is self-insured, SERVICE PROVIDER shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.
- 9.1.4. Sexual Abuse/Molestation Liability (SML): If the performance of SERVICE PROVIDER'S work or service under this Agreement involves contact with minors, SERVICE PROVIDER shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars (\$200,000.00)

each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

- 9.2. **Endorsements**. SERVICE PROVIDER shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

9.2.1. **General Liability**.

9.2.1.1. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds on a form at least as broad as ISO Form CG 20 10 for ongoing operations.

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

9.2.1.3. "Primary and Non-Contributing" - Insurance shall be endorsed to be primary and non-contributory and will not seek contribution from the CITY'S insurance or self-insurance and shall be at least as broad as ISO Form CG 20 01.

9.2.2. **Workers Compensation**.

If the performance of SERVICE PROVIDER'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, SERVICE PROVIDER'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

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

- 9.4 **Certificates**. SERVICE PROVIDER 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, SERVICE PROVIDER shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to SERVICE PROVIDER'S agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 8. 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

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

11. **Hold Harmless.** PROVIDER shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the CITY, and its respective elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("Indemnitees") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage, or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to access, participation, or attendance in PROVIDER services implemented under this Agreement.

12. **Compliance with Law.**

12.1. PROVIDER 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. PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon any basis prohibited by state or federal law, including but not limited to, race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

12.2. Compliance with Wage and Hour Laws: PROVIDER, 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 PROVIDER and/or its subcontractors: BY SIGNING THIS AGREEMENT, PROVIDER 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 PROVIDER OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. PROVIDER 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 PROVIDER or any subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or PROVIDER learns of such a judgment, decision, or order that was not previously disclosed, PROVIDER 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. PROVIDER 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. CITY reserves the right to require PROVIDER to enter into an agreement with CITY regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where PROVIDER 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, CITY reserves the right to withhold payment to PROVIDER 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.

13. **Independent Contractor**. PROVIDER is an independent contractor and not an agent or employee of CITY.

14. **Confidentiality**. PROVIDER shall ensure that all data, documents, or other information receive or prepared in connection with the Agreement is kept confidential as required by State and Federal law and shall not be disclosed to any third party without prior written consent by CITY.

15. **Conflict of Interest and Reporting**. SERVICE PROVIDER 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.). SERVICE PROVIDER 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).

16. **Notices**. Any notice or instrument required or permitted to be given hereunder, shall be deemed received upon personal delivery, or five (5) days after deposit in any United States mail depository, first class postage prepaid and addressed to the party for whom intended.

For CITY:	Public Services Director City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037	with a copy to: City Clerk 17575 Peak Avenue Morgan Hill, CA 95037
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For PROVIDER:	Shea Heller-Antrim, Director, Public Grants Catholic Charities of Santa Clara County (CCSCC) 2625 Zanker Road San José, CA 95134
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17. **Licenses, Permits and Fees**. PROVIDER shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.

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

19. **Maintenance of Records.**

19.1. **Maintenance.** PROVIDER 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. PROVIDER 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 PROVIDER shall retain said records until such action is resolved.

19.2. **Access to and Audit of Records.** CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of PROVIDER 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 CITY or as part of any audit of 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.

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

20. **Familiarity with Work.** By executing this Agreement, PROVIDER represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should PROVIDER 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 PROVIDER'S risk, until written instructions are received from CITY.

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

22. **No Assignment.** Neither this Agreement nor any portion shall be assigned by PROVIDER 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.

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

24. **Defense and Indemnification.**

24.1. **Defense and Indemnification.** PROVIDER shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by PROVIDER, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

- 24.2. Exceptions. PROVIDER is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of CITY.
- 24.3. Not limited by insurance. The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMs alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by PROVIDER.
- 24.4. Right to Offset. CITY shall have the right to offset against any compensation due PROVIDER under this Agreement any amount due CITY from PROVIDER as a result of PROVIDER'S failure to pay CITY promptly any indemnification arising under this Section (22) and any amount due CITY from PROVIDER arising from PROVIDER'S failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 24.5. Interpretation. This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of PROVIDER 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.

25. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified, or provisions waived only by a subsequent mutual written agreement executed by CITY and PROVIDER. 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.

26. **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.

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

28. **Binding Agreement.** Notwithstanding the provisions of Section 20 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of PROVIDER in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

29. **Notice of Security Incident and/or Privacy Incident:** If PROVIDER discovers, obtains evidence, or are notified of a data security incident or potential breach of security and/or privacy relating to City PII, PHI and/or PCI, PROVIDER shall immediately, but in no event later than forty-eight (48) hours from discovery or notification of the incident or potential breach, notify City of such incident or potential breach. PROVIDER 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, PROVIDER 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 to the affected or impacted individuals and/or organizations, in addition to any notification to applicable state and federal agencies. PROVIDER agrees that it shall reimburse City for all expenses, costs, attorneys' fees, and resulting

finances, penalties, and damages associated with such incident, breach, investigation and/or notification.

30. **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.

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

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

ATTEST:

CITY OF MORGAN HILL

City Clerk/Deputy City Clerk

City Manager

Michelle Bigelow
Print Name

Christina J. Turner
Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:
Donald A. Larkin

Interim City Attorney

By:

Print Name

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

Date: _____

Date: _____

By:

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

Date: _____

EXHIBIT A SCOPE OF SERVICES

This program is part of the South County Project II THRIVE (Transformation and Hope, Resiliency, Integrity, Voice & Engagement) project, an effort to prevent and reduce juvenile delinquent behaviors, prevent/reduce recruitment of youth into gangs and prevent/reduce youth violence in South Santa Clara County.

PROVIDER shall complete the following services:

1. Coordinate, facilitate, and manage Prosocial Programming (Open Gym/Late Night Gym) by providing a weekly outside of school hours recreation program focused on the target youth in middle school and high school. The program will be designed using the late night gym model to provide structured outlets for youth to use their energy while providing wrap around services beyond sports and physical fitness.
 - a. Serve an average of 30 unduplicated youth weekly as reported in the Units of Service Workbook.
 - b. Sessions shall occur for a minimum of three hours on Fridays or Saturday evenings.
 - c. Provide services that are evidence-based/evidence-promising and culturally relevant to youth and families served.
 - d. Align services with the SCYTF's Project II THRIVE! Strategic Plan https://www.scyouththrive.org/files/ugd/991348_a80baa797276487fb3f0ec97f88af49f.pdf.
 - e. Commit to "Greetings at the Door" principles with THRIVE participants to establish an individual connection, set a welcoming tone, provide a sense of belonging, and establish expectations.
 - f. Deliver services using professional practices and in a manner consistent with care, competence, and skill.
2. Coordinate, facilitate, and manage School-Based Prosocial Activities by providing outside of school hours recreation program focused on targeted youth in middle and high school that is NOT open gym or late-night gym programming.
 - a. Serve an average of 30 unduplicated per session as reported in the Units of Service Workbook.
 - b. Events must be regularly scheduled on days Wednesday, Thursday, Friday, and/or Saturday after school hours, 3-4 times per month.
 - c. Location shall be held at rotating locations at MHUSD facilities, and must be scheduled with MHUSD representatives near start of program to ensure equitable rotation.
 - d. Sessions shall occur for a minimum of three hours on Fridays or Saturday evenings.
 - e. Provide services that are evidence-based/evidence-promising and culturally relevant to youth and families served.
 - f. Align services with the SCYTF's Project II THRIVE! Strategic Plan https://www.scyouththrive.org/files/ugd/991348_a80baa797276487fb3f0ec97f88af49f.pdf.
 - g. Commit to "Greetings at the Door" principles with THRIVE participants to establish an individual connection, set a welcoming tone, provide a sense of belonging, and establish expectations.
 - h. Deliver services using professional practices and in a manner consistent with care, competence, and skill.
3. Coordinate, facilitate, and manage Youth Groups that provide evidence-based, culturally responsive youth groups at identified secondary sites to support the development of life skills for target youth.
 - a. CCSCC will implement culturally responsive, evidence-based group cycles over the contract period. Groups will run for two cycles of 6–8 weeks at each at MHUSD

- secondary school site.
 - b. Serve an average of 10-12 unduplicated youth per session per site as reported in the Units of Service Workbook.
 - c. Groups shall be scheduled coordinated with MHUSD staff.
 - d. Provide services that are evidence-based/evidence-promising and culturally relevant to youth and families served. Curriculum must be pre-approved by SCYTF and MHUSD.
 - e. Align services with the SCYTF's Project II THRIVE! Strategic Plan
https://www.scyouththrive.org/files/ugd/991348_a80baa797276487fb3f0ec97f88af49f.pdf.
 - f. Commit to "Greetings at the Door" principles with THRIVE participants to establish an individual connection, set a welcoming tone, provide a sense of belonging, and establish expectations.
 - g. Deliver services using professional practices and in a manner consistent with care, competence, and skill.
4. Coordinate, facilitate, and manage Case Management providing case management, life coaching, and intervention support for middle and high-school-age youth.
- a. Youth shall be identified and referred to the program by the MHUSD on an as-needed basis.
 - b. Serve up to 15 unduplicated youth as reported in the Units of Service Workbook.
 - c. Case Manager(s) shall maintain written individual client files documenting progress, assessments, and service plans and issue and document retrospective surveys to assess service effectiveness.
 - d. Groups shall be scheduled coordinated with MHUSD staff.
 - e. Align services with the SCYTF's Project II THRIVE! Strategic Plan
https://www.scyouththrive.org/files/ugd/991348_a80baa797276487fb3f0ec97f88af49f.pdf.
 - f. Commit to "Greetings at the Door" principles with THRIVE participants to establish an individual connection, set a welcoming tone, provide a sense of belonging, and establish expectations.
 - g. Deliver services using professional practices and in a manner consistent with care, competence, and skill.
5. Provide additional services in coordination with services outlined in areas 1-4 of the scope of services, including but limited to:
- a. Peer-to-Peer Support. Plan and implement school-based peer-to-peer programs to foster empathy and community building, and promote healthier social interactions among middle school and high school students.
 - b. Student Leadership Development. Partner with MHUSD and SCYTF to provide MHUSD students with learning opportunities to empower their lives as they grow within the program and take leadership opportunities within their schools and communities.
 - c. Outreach, Linkage, and Referral. Provide on-site staff at identified school sites to support outreach linkage at identified schools to support participation in and referral to the Primary Service Areas. Provide connections to relevant community services and resources as appropriate.
 - d. Secondary Crisis Response. Support identified schools in maintaining a positive, restorative, and safe culture, particularly for youth referred to the case management program. Provide crisis response and intervention before, during, or after school, and/or in the community as requested by MHUSD, SCYTF, and/or the City of Morgan Hill. Activities may include outreach, restorative circles, one-on-one support, and participation in Multi-Disciplinary Team meetings (MDTs) or youth advocacy sessions. Crisis Response and Intervention Support can happen before, during, or after school, and/or in the community.

6. Maximize and leverage collaborative efforts: Partner with the City of Morgan Hill, the South County Technical Team, and local community partners to further the goal and efforts of building a restorative community and preventing and de-escalating youth violence and anti-social behaviors in South County.
 - a. Coordinate with schools, libraries, city, law enforcement, and service providers to recruit youth participants.
 - b. Provide Linkage and Referral to services and resources. Assess participants' needs, share linkages, and make warm hand-off referrals within/outside of PROVIDER organization for services (i.e., immigration legal services; housing support; behavioral health, domestic violence, and substance abuse treatment; support for young parents; eligibility screening and enrollment support for public benefits).
 - c. Participate in monthly SCYTF Technical Team, committee meetings, Multi-Disciplinary Team (MDT) meetings, and impromptu climate and crisis meetings. Have the ability to work weekends or evenings (when needed) to implement successful delivery of services.
 - d. Work with SCYTF administration team for outreach, collaboration, co-branding, and support.
7. Maintain program documentation and records relevant to the services provided and prepare and submit monthly and quarterly progress and financial reports using Program Activity Report, Units of Service Workbook, and invoicing format per CITY Agreement with the County of Santa Clara Office of the District Attorney and associated reporting templates, included as Exhibits C and D.
 - a. Maintain sign-in sheets to track participation and collect youth pre-/post-surveys to measure that youth are exhibiting positive or improving beliefs or behaviors.
 - b. Submit a monthly calendar documenting which services are being provided at which times and locations for each day of the week/month.
 - c. Maintain a written and electronic individualized file on each client for case management services as well as an Individual Service Plan (ISP) (if applicable).
 - d. Maintain a file on all group, training, or program attendees to support the demographics and number of clients and community members being served.
 - e. Provide Morgan Hill Unified School District administration with names, schools, grades, and current program status of youth participating in SCYTF THRIVE programming on a monthly basis.
 - f. Monthly, prepare and submit by the 10th working day of the new month a Units of Service Workbook report, a sample of which is included as Exhibit D.
 - g. Quarterly, prepare a "Program Activity Report" (PAR) and a "Program Narrative Report" and submit by the 10th working day of the new month following the end of the quarter, templates of which are included as Exhibit D,
 - h. Provide sign-in sheets, survey results, reports/narratives, and other metrics upon request to prove deliverables are met.
 - i. Provide a client list (First Initial and Last Initial) that includes the following:
 - i. Initials of participant served;
 - ii. Assigned Probation File Number for Youth (if applicable);
 - iii. Date of birth;
 - iv. Date of referral made to program (if applicable)
 - v. Date and length of time of youth's Circle (if applicable)
 - vi. Start date when participant started receiving services;
 - vii. End date of when participant stopped receiving services;
 - viii. Zip code of participant served (if available)
 - ix. Ethnicity of participant (if available); and
 - x. Hours of Service per participant by activity type (if applicable).

8. Serve target population:
 - a. Services shall be targeted to children and young adults (youth between the ages of 10-24) who reside or attend school in Morgan Hill or San Martin (zip code areas 95037 and 95046) or attend schools in the Morgan Hill Unified School District and can fall in one or more of the following categories:
 - i. At Promise (At Risk) Youth: Defined as youth who live in or attend schools in low socioeconomic areas, referred to as “hot spots” within the first Strategic Plan that exhibit Stability Needs; Potential Harm to Self or Others; Offending Behavior; Trauma History/Lack of Healthy Coping Abilities and Re-Victimization Risk.
 - ii. High Promise (High Risk) Youth: Defined as youth exhibiting high risk behaviors related to gang lifestyles, re-offending and/or participating in gang intimidation or behaviors associated with violence. This category distinguishes from “at risk” population in that it generates additional characteristics demonstrating social risk factors and level of intensity.
 - iii. Youth who demonstrate to be severely impacted/gang intentional. Social circle is integrated into intergenerational gang membership environment and/or affected by intergenerational drug use. Youth self-identified, and/or are arrested for gang-related incidents or acts of violence through the justice system.
 - b. Parents of youth and community members who reside in Morgan Hill and San Martin, as defined by the Strategic Plan.
 - c. School Providers who identify themselves as needing support, services, and wish to integrate relevant SCYTF supports and trainings into the school, build staff’s competency with working with youth who are displaying trauma and known at-risk and high-risk behaviors.
9. Follow County procedures as detailed in Exhibit C, Attachment C to ensure the safety of program participants and PROVIDER staff, including but not limited to:
 - a. Clearance of Staff: Prior to beginning services, all personnel working directly with clients must obtain at PROVIDER’s own expense a Department of Justice background clearance (LiveScan) through the County. If PROVIDER’s personnel have already obtained LiveScan background clearance, PROVIDER shall provide supporting documentation as outlined by Quarter 2.
 - b. Privacy: PROVIDER must comply with all State and federal laws regarding the privacy of medical information.
 - c. Transport of Youth: Transportation can only occur after all necessary insurance and clearances have been approved. One to one driving is not allowed. PROVIDER staff and youth must be of the same gender, or there may be another staff member in the vehicle of the opposite gender. A guardian/parent permission slip must be signed each time a youth enters PROVIDER’s vehicle. If transportation occurs under life coaching/case management, all intake paperwork must be up to date and two-to-one ratio must be enforced. Locations of services will occur at the identified City facilities, schools, community hubs, hot-spot parks, libraries, and other community locations, as deemed appropriate per client need. On-site and Off-site contact of client and transportation must follow County, City, and School procedures.

EXHIBIT B SCHEDULE OF PAYMENT

The maximum amount of compensation to be paid to PROVIDER under the AGREEMENT shall not exceed \$135,531.

Compensation to PROVIDER shall be contingent upon successful completion of the services outlined in EXHIBIT A ("Scope of Services"). A statement of all services outlined under this AGREEMENT shall be prepared by PROVIDER and submitted to CITY on or before the 10th day of the month following each monthly service period. If the services have been completed to the satisfaction of CITY, CITY shall make payment to the PROVIDER within thirty (30) days after receipt of the statement and approval thereof.

Monthly invoices are due to CITY by the 10th day of the month following the service period. If the due date falls on a weekend or holiday, the invoice is due the following day of business, no later than 12:00pm.

Service Dates	Invoice Deadline
January 1-31	February 10
February 1-28	March 10
March 1-31	April 10
April 1-30	May 10
May 1-31	June 10
June 1-30	July 10

Monthly invoice shall include PROVIDER's name and address, invoice number, date, service description and dates, total invoice amount, year-to-date expenditures, and remaining contract balance. The invoice shall detail the reimbursement request for costs to provide services including direct expenses such as staff costs, training, mileage reimbursement, cell phone, and program materials as well as indirect expenses such as allowable overhead and supervision.

Monthly invoice is to be submitted with all backup documentation including monthly calendars and required reporting (school district participant information, PAR monthly report, OUS workbook, and narrative report, as applicable).

EXHIBIT C
SERVICE AGREEMENT BETWEEN CITY OF MORGAN HILL
AND COUNTY OF SANTA CLARA OFFICE OF THE DISTRICT ATTORNEY



**COUNTY OF SANTA CLARA
SERVICE AGREEMENT**

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SECTION I: GENERAL INFORMATION

Contractor Name: (As Displayed in SAP)	City of Morgan Hill		
Purchase Order Number:	4400009066		
Agency/Department Name:	Office of the District Attorney	Department Number:	0202
Brief Description of Services	To support the work of the South County Youth Task Force aimed at preventing youth violence, addressing health equity and neighborhood disparity issues, reducing juvenile delinquent behaviors and the recruitment of youth into gangs, and supporting parent's leadership and capacity-building within South Santa Clara County.		

Maximum Financial Obligation

The maximum amount payable to this Contractor under this agreement shall not exceed:	\$ 100,000.00
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Term of Agreement

Start Date: 07/01/2025	End Date: 06/30/2026
Note: When left blank, start date will be the date executed by Authorized County Representative.	

For County Use Only

	Account Assignment	Plant Number	General Ledger (Expense Code)	Cost Center (Dept. Code)	Amount	WBS (Capital Project Code)	Internal Order ("PCA" code – optional)
Line 1	Select	202	5255500	3836	\$ 100,000.00	fund 001	
Line 2	Select						
Line 3	Select						
Line 4	Select						
Line 5	Select						



**COUNTY OF SANTA CLARA
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SECTION II: PARTIES TO AGREEMENT

Legal notices and invoices pertaining to this Agreement shall be sent to the appropriate contact person listed below, except as otherwise specifically provided for herein. Notices shall be in writing and served either by personal delivery or sent by certified or registered mail, postage prepaid, addressed as follows. Notice shall be deemed effective on the date that the notice is personally delivered or, if mailed, three (3) days after deposit in the mail. Either party may designate a different person and/or address for the receipt of notices by sending written notice to the other party, which shall not require an amendment to this Agreement.

CONTRACTOR

Contractor Name: (As Displayed in SAP)	1002328				
Contact Person:	Jennie Tucker				
Street Address*:	17575 PEAK AVE				
City*:	Morgan Hill	State:	CA	Zip:	95037
Telephone Number*:					
Email Address*:	Jennie.Tucker@morganhill.ca.gov				
SCC Vendor Number: (As Assigned in SAP)	1002328				

*To be completed for Independent Contractors Only – DO NOT COMPLETE FOR DEPENDENT CONTRACTORS

COUNTY OF SANTA CLARA

Agency/Department:	Office of the District Attorney				
Program Manager/Contract Monitor Name:	Bernice Aguilera-Toney, Program Manager II				
Street Address:	7365 Monterey Street				
City:	Gilroy	State:	CA	Zip:	95020
Telephone Number:	(408) 243-8898				
Fiscal Contact: (Accounts Payable Contact)	Mei-Ching Hsiao				
Contract Preparer:	Alex Villanueva				



COUNTY OF SANTA CLARA SERVICE AGREEMENT

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SECTION III: CONTRACT AUTHORIZATION

It is agreed between County and Contractor that Contractor will, for the compensation described in this Agreement, perform the work described in Section V in accordance with all terms and conditions of this Agreement including all exhibits and attachments. In addition, County and Contractor assert that the tax withholding status and benefit documentation (Section IV) accurately reflect the anticipated working relationship between County and Contractor. Further, Independent Contractors shall comply with the County's insurance and indemnification requirements. Contractor certifies that any applicable insurance waiver information (Section VII, B) is true and correct. This Agreement may be executed in one or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument.

SIGNATURES

Contract is not valid until signed by Contractor, County Counsel and County's Authorized Representative.

County Agency/Department Manager:	DocuSigned by: <i>Jeffrey F. Rosen</i> F707F5FC08004AB...	Date:	7/10/2025
County Agency/Department Fiscal Officer:	DocuSigned by: <i>Mei-Ching Hsiao</i> 04B390D139AC423...	Date:	7/7/2025
County Counsel Approval as to Form and Legality	DocuSigned by: <i>[Signature]</i> DFCED122000040A...	Date:	6/30/2025
(Signature required on <u>all</u> contracts before execution by Contractor and County Authorized Representative)			
Contractor: Christina J. Turner City of Morgan Hill, City Manager	DocuSigned by: <i>Christina J. Turner</i> 0BAC00AF540044F...	Date:	7/7/2025
County Authorized Representative:	DocuSigned by: <i>Irene Shen</i> DFFE2FD5E1C7425... For: Matthew Hada, Director of Procurement	Date:	7/16/2025
(Procurement Department; President, Board of Supervisors; or Delegated Authority)			
Attest: Signed by: <i>Michelle Bigelow</i> 66B887319D15AF2 Michelle Bigelow City Clerk	APPROVED AS TO FORM: DocuSigned by: <i>Donald A. Larkin</i> 45E650273FA2464 Donald A. Larkin City Attorney	Date:	7/7/2025
Date: 7/7/2025	Date: 6/30/2025		



COUNTY OF SANTA CLARA

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SECTION IV: DETERMINATION OF RELATIONSHIP STATUS

Dependent/Independent status is an important relationship distinction. It determines the contractor's eligibility for Medicare and Social Security, Public Employees' Retirement System benefits, and other benefits and affects how the contractor files tax returns and the contractor's responsibility for various federal and state taxes.

Questionnaire to be Completed by Contracting Department to Determine Relationship Status of Contractor

Supervision: Will the County have the right to tell the contractor how to do the work, when to arrive or leave work, or when to take breaks? Do you have other employees performing similar work with a similar degree of supervision? **If the answer to any of these questions is YES, select YES from the dropdown.**

No

Training: Will the County instruct the contractor on how to do the job or pay for external training?

No

Incomplete Work: Will the Contractor be able to resign or terminate the contract without being held either financially or legally liable for unfinished work?

Yes

Place of Work/Tools: Will the County provide the Contractor with a place to work at a County location and tools to do the job, i.e. computers, telephones, etc.?

No

Length of Relationship: When the Contractor is hired to complete ongoing departmental duties or functions— **answer YES.** When the contractor is hired to complete a specific project that was not the regular tasks performed by County employees before— **answer NO.**

No

Other Customers: Does the County prevent the Contractor from performing similar services for other customers, either due to the amount of work (full-time), or by contractual provision?

No

Designation as Business Entity: If the Contractor has a business license or business certificate, or is a corporation, nonprofit organization, or school district, select "No" from the dropdown. (This does not pertain to professional licenses or certificates such as a license for a physician or architect.) **Enter below the business license number and the city/entity where issued.**

No

Bus. License #: **Issued by:**

Payment Schedule: Will payments be made either as an hourly wage or as weekly/monthly salary? If payment is by commission or based on project milestones or deliverables, answer "NO" to this question. Be sure this answer matches the contract payment schedule in Section V.

No

Support Services: Will County employees or other independent contractors provide assistance to this Contractor? Assistance is defined as clerical, technical or professional support.

No

If at least 5 of the above questions were answered "NO", Contractor is an **Independent Contractor**.



If 5 or more of the above questions were answered "YES", Contractor would be a **Dependent Contractor**, where the relationship resembles that of employer/employee. Effective July 1, 2015, Departments and Agencies are prohibited from entering into agreements with dependent contractors. You must contact your ESA representative and County Counsel for further instruction



Contractor understands and agrees that the tax withholding and benefit status checked above is correct. Any changes to the contractor's tax withholding and benefit status require a new contract. Contractor is responsible for any penalties and liabilities assessed by any taxing authority, based on a change of tax withholding and benefit status.

Contractor's Initials:

DS
CJT

Dept. Fiscal Officer's Signature:

DS
MHA



COUNTY OF SANTA CLARA
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SECTION V: CONTRACT SPECIFICS

A. SERVICE DESCRIPTION AND EXPECTED OUTCOME (SCOPE OF SERVICE)

Or	☒	See Attachment:	A	incorporated by this reference.
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B. DELIVERABLES, MILESTONES & TIMELINE FOR PERFORMANCE

Or	☒	See Attachment:	B	Incorporated by this reference.
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C. PERFORMANCE STANDARDS				
Or	☒	See Attachment:	C	Incorporated by this reference.
D. PAYMENT SCHEDULE			Is contractor a Community Based Organization (CBO)?	
Note: Dependent contractors are not permitted to work in excess of 40 hours per week			Yes ☐	
			No ☒	
Or	☒	See Attachment:	D	Incorporated by this reference.



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STANDARD PROVISIONS

Changes to the terms and conditions in this section require approval of County Counsel

A. ENTIRE AGREEMENT

This Agreement and its Appendices (if any) constitutes the final, complete and exclusive statement of the terms of the agreement between the parties. It incorporates and supersedes all the agreements, covenants and understandings between the parties concerning the subject matter hereof, and all such agreements, covenants and understandings have been merged into this Agreement. No prior or contemporaneous agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

B. AMENDMENTS

This agreement may only be amended by a written instrument signed by the Parties.

C. CONFLICTS OF INTEREST; POLITICAL REFORM ACT

Contractor shall comply, and require its employees, agents, and subcontractors to comply, with all (1) applicable requirements governing avoidance of impermissible client conflicts; and (2) federal, state and local conflict of interest and disclosure laws and regulations including, without limitation, 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.). Failure to do so constitutes a material breach of this Agreement and is grounds for immediate termination of this Agreement by County.

In accepting this Agreement, Contractor covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of this Agreement. Contractor further covenants that, in the performance of this Agreement, it will not use any contractor or employ any person having such an interest. Contractor, including but not limited to Contractor's employees, agents, and subcontractors, may be subject to the disclosure and disqualification provisions of the California Political Reform Act of 1974 (the "Act"), that (1) requires such persons to disclose economic interests that may foreseeably be materially affected by the work performed under this Agreement, and (2) prohibits such persons from making or participating in making decisions that will foreseeably financially affect such interests.

If the disclosure provisions of the Act are applicable to any individual providing service under the Agreement, Contractor shall, upon execution of this Agreement, provide County with the names, description of individual duties to be performed, and email addresses of all individuals, including but not limited to Contractor's employees, agents and subcontractors, that could be substantively involved in "mak[ing] a governmental decision" or "serv[ing] in a staff capacity" and in that capacity participating in making governmental decisions or performing duties that would be performed by an individual in a designated position, (2 CCR 18700.3), as part of Contractor's service to County under this Agreement. Contractor shall immediately notify County of the names and email addresses of any additional individuals later assigned to provide such service to County under this Agreement in such a capacity. Contractor shall immediately notify County of the names of individuals working in such a capacity who, during the course of the Agreement, end their service to County. Contractor shall ensure that all such individuals identified pursuant to this paragraph understand that they are subject to the Act and shall conform to all requirements of the Act and other applicable conflict of interest and disclosure laws and regulations, and shall file Statements of Economic Interests within 30 days of commencing service pursuant to this Agreement, annually by April 1, and within 30 days of their termination of service pursuant to this Agreement.

D. LEVINE ACT COMPLIANCE

Contractor will comply, and will ensure that its agents (as that term is defined under California Government Code section 84308(h)) and its subcontractors identified in Contractor's proposal responding to a County solicitation and/or identified in this Agreement ("Subcontractors") comply, with 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), which (1) require a party to a proceeding involving certain contracts to disclose on the record of the proceeding any contribution, as defined by Government Code section 84308(a)(6), of more than \$500 that the party or their agent has made within the prior 12 months to a member of the County's Board



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of Supervisors or any Other Elected County Officer (“Elected County Officer”), and (2) prohibit a party to a proceeding involving a covered contract from making a contribution, as defined by Government Code section 84308(a)(6), of more than \$500 to any Elected County Officer during the proceeding and for 12 months following the final decision in the proceeding, as well as prohibit an agent of the party from making a contribution in any amount to any Elected County Officer during the same time periods. Contractor agrees to submit any disclosures required to be made under the Levine Act at the Office of the Clerk of the Board of Supervisors website at <https://www.sccgov.org/levineact>, and Contractor shall require Subcontractors to do the same. If this Agreement is of the type subject to the Levine Act and is to be considered or voted upon by the County’s Board of Supervisors, Contractor shall complete the Levine Act Contractor Form: Identification of Subcontractors and Agents, and if applicable, shall ensure that any Subcontractor completes the Levine Act Subcontractor Form: Identification of Agents, and Contractor must submit all such forms to the County as a prerequisite to execution of the Agreement.

E. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be construed and interpreted according to the laws of the State of California, excluding its conflict of law principles. Proper venue for legal actions shall be exclusively vested in state court in Santa Clara County. The parties agree that subject matter and personal jurisdiction are proper in state court in Santa Clara County and waive all venue objections.

F. ASSIGNMENT

No assignment of this Agreement or of the rights and obligations hereunder shall be valid without the prior written consent of the other party.

G. ASSIGNMENT OF CLAYTON ACT, CARTWRIGHT ACT CLAIMS

Contractor assigns to the County all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the Contractor for sale to the County pursuant to this Agreement.

H. WAIVER

No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party shall be in writing and shall apply to the specific instance expressly stated.

I. TERMINATION



Standard Termination Language

The County may, by written notice to Contractor, terminate all or part of this Agreement at any time for the convenience of the County. The notice shall specify the effective date and the scope of the termination. In the event of termination, Contractor shall deliver to County all documents prepared pursuant to the Agreement, whether complete or incomplete. Contractor may retain a copy for its records. Upon receipt of the documents, Contractor shall be compensated based on the completion of services provided, as solely and reasonably determined by County.

-OR-



Alternate Termination Language Attached as Exhibit ____, incorporated by this reference. (Requires County Counsel Approval)

J. COMPLIANCE WITH ALL LAWS, INCLUDING NONDISCRIMINATION, EQUAL OPPORTUNITY, AND WAGE THEFT PREVENTION

- (1) Compliance with All Laws. Contractor shall comply with all applicable Federal, State, and local laws, regulations, rules, and policies (collectively, “Laws”), including but not limited to the non-discrimination, equal opportunity, and wage and hour Laws referenced in the paragraphs below.
- (2) Compliance with Non-Discrimination and Equal Opportunity Laws: Contractor shall comply with all applicable Laws concerning nondiscrimination and equal opportunity in employment and contracting, including but not



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limited to the following: Santa Clara County's policies for contractors on nondiscrimination and equal opportunity; Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; the Age Discrimination in Employment Act of 1967; the Rehabilitation Act of 1973 (Sections 503 and 504); the Equal Pay Act of 1963; California Fair Employment and Housing Act (Gov. Code § 12900 et seq.); California Labor Code sections 1101, 1102, and 1197.5; and the Genetic Information Nondiscrimination Act of 2008. In addition to the foregoing, Contractor shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political belief, organizational affiliation, or marital status in the recruitment, selection for training (including but not limited to apprenticeship), hiring, employment, assignment, promotion, layoff, rates of pay or other forms of compensation. Nor shall Contractor discriminate in the provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex, gender identity, gender expression, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

- (3) **Compliance with Wage and Hour Laws:** Contractor shall comply with all applicable wage and hour Laws, which may include but are not limited to, the Federal Fair Labor Standards Act, the California Labor Code, and, if applicable, any local minimum wage, prevailing wage, or living wage Laws.
- (4) **Definitions:** For purposes of this Subsection J, the following definitions shall apply. A "Final Judgment" shall mean a judgment, decision, determination, or order (a) which is issued by a court of law, an investigatory government agency authorized by law to enforce an applicable Law, an arbiter, or arbitration panel and (b) for which all appeals have been exhausted or the time period to appeal has expired. For pay equity Laws, relevant investigatory government agencies include the federal Equal Employment Opportunity Commission, the California Division of Labor Standards Enforcement, and the California Department of Fair Employment and Housing. Violation of a pay equity Law shall mean unlawful discrimination in compensation on the basis of an individual's sex, gender, gender identity, gender expression, sexual orientation, race, color, ethnicity, or national origin under Title VII of the Civil Rights Act of 1964 as amended, the Equal Pay Act of 1963, California Fair Employment and Housing Act, or California Labor Code section 1197.5, as applicable. For wage and hour Laws, relevant investigatory government agencies include the federal Department of Labor, the California Division of Labor Standards Enforcement, and the City of San Jose's Office of Equality Assurance.
- (5) **Prior Judgments, Decisions or Orders against Contractor:** By signing this Agreement, Contractor affirms that it has disclosed any final judgments that (A) were issued in the five years prior to executing this Agreement by a court, an investigatory government agency, arbiter, or arbitration panel and (B) found that Contractor violated an applicable wage and hour law or pay equity law. Contractor further affirms that it has satisfied and complied with – or has reached Agreement with the County regarding the manner in which it will satisfy – any such final judgments.
- (6) **Violations of Wage and Hour Laws or Pay Equity Laws During Term of Contract:** If at any time during the term of this Agreement, Contractor receives a Final Judgment rendered against it for violation of an applicable wage and hour Law or pay equity Law, then Contractor shall promptly satisfy and comply with any such Final Judgment. Contractor shall inform the Office of the County Executive-Office of Countywide Contracting Management (OCCM) of any relevant Final Judgment against it within 30 days of the Final Judgment becoming final or of learning of the Final Judgment, whichever is later. Contractor shall also provide any documentary evidence of compliance with the Final Judgment within 5 days of satisfying the Final Judgment. Any notice required by this paragraph shall be addressed to the Office of the County Executive-OCCM at 70 W. Hedding Street, East Wing, 11th Floor, San José, CA 95110. Notice provisions in this paragraph are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the Office of the County Executive-OCCM satisfies the notice requirements in this paragraph.
- (7) **Access to Records Concerning Compliance with Pay Equity Laws:** In addition to and notwithstanding any other provision of this Agreement concerning access to Contractor's records, Contractor shall permit the County and/or its authorized representatives to audit and review records related to compliance with applicable pay equity Laws. Upon the County's request, Contractor shall provide the County with access to any and all facilities and records, including but not limited to financial and employee records, that are related to the purpose of this Subsection J, except where prohibited by federal or state laws, regulations or rules. County's access to such records and facilities shall be permitted at any time during Contractor's normal business hours upon no less than 10 business days' advance notice.



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- (8) Pay Equity Notification: Contractor shall (1) at least once in the first year of this Agreement and annually thereafter, provide each of its employees working in California and each person applying to Contractor for a job in California (collectively, "Employees and Job Applicants") with an electronic or paper copy of all applicable pay equity Laws or (2) throughout the term of this Agreement, continuously post an electronic copy of all applicable pay equity Laws in conspicuous places accessible to all of Contractor's Employees and Job Applicants.
- (9) Material Breach: Failure to comply with any part of this Subsection J shall constitute a material breach of this Agreement. In the event of such a breach, the County may, in its discretion, exercise any or all remedies available under this Agreement and at law. County may, among other things, take any or all of the following actions:
- (i) Suspend or terminate any or all parts of this Agreement.
 - (ii) Withhold payment to Contractor until full satisfaction of a Final Judgment concerning violation of an applicable wage and hour Law or pay equity Law.
 - (iii) Offer Contractor an opportunity to cure the breach.
- (10) Subcontractors: Contractor shall impose all of the requirements set forth in this Subsection J on any subcontractors permitted to perform work under this Agreement. This includes ensuring that any subcontractor receiving a Final Judgment for violation of an applicable Law promptly satisfies and complies with such Final Judgment.

K. BUDGET CONTINGENCY

This Agreement is contingent upon the appropriation of sufficient funding by the County for the services covered by this Agreement. If funding is reduced or deleted by the County for the services covered by this Agreement, the County has the option to either terminate this Agreement with no liability occurring to the County or to offer an amendment to this Agreement indicating the reduced amount.

L. COUNTY NO-SMOKING POLICY

Contractor and its employees, agents and subcontractors, shall comply with the County's No-Smoking Policy, as set forth in the Board of Supervisors Policy Manual section 3.47 (as amended from time to time), which prohibits smoking: (1) at the Santa Clara Valley Medical Center Campus and all County-owned and operated health facilities, (2) within 30 feet surrounding County-owned buildings and leased buildings where the County is the sole occupant, and (3) in all County vehicles.

M. FOOD AND BEVERAGES STANDARDS

Except in the event of an emergency or medical necessity, the following nutritional standards shall apply to any foods and/or beverages purchased by Contractor with County funds for County-sponsored meetings or events.

If food is to be provided, healthier food options shall be offered. "Healthier food options" include (1) fruits, vegetables, whole grains, and low fat and low calorie foods; (2) minimally processed foods without added sugar and with low sodium; (3) foods prepared using healthy cooking techniques; and (4) foods with less than 0.5 grams of trans fat per serving. Whenever possible, Contractor shall (1) offer seasonal and local produce; (2) serve fruit instead of sugary, high calorie desserts; (3) attempt to accommodate special, dietary and cultural needs; and (4) post nutritional information and/or a list of ingredients for items served. If meals are to be provided, a vegetarian option shall be provided, and the Contractor should consider providing a vegan option.

If pre-packaged snack foods are provided, the items shall contain: (1) no more than 35% of calories from fat, unless the snack food items consist solely of nuts or seeds; (2) no more than 10% of calories from saturated fat; (3) zero trans-fat; (4) no more than 35% of total weight from sugar and caloric sweeteners, except for fruits and vegetables with no added sweeteners or fats; and (5) no more than 360 mg of sodium per serving.

If beverages are to be provided, beverages that meet the County's nutritional criteria are (1) water with no caloric sweeteners; (2) unsweetened coffee or tea, provided that sugar and sugar substitutes may be provided as condiments; (3) unsweetened, unflavored, reduced fat (either nonfat or 1% low fat) dairy milk; (4) plant-derived milk (e.g., soy milk, rice milk, and almond milk) with no more than 130 calories per 8 ounce serving; (5) 100% fruit or vegetable juice (limited to a maximum of 8 ounces per container); and (6) other low-calorie beverages (including tea and/or diet soda) that do not exceed 40 calories per 8 ounce serving. Sugar-sweetened beverages shall not be provided.



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N. CONTRACTING PRINCIPLES

All entities that contract with the County to provide services where the contract value is \$100,000 or more per budget unit per fiscal year and/or as otherwise directed by the Board, shall be fiscally responsible entities and shall treat their employees fairly. To ensure compliance with these contracting principles, all contractors shall: (1) comply with all applicable federal, state and local rules, regulations and laws; (2) maintain financial records, and make those records available upon request; (3) provide to the County copies of any financial audits that have been completed during the term of the contract; (4) upon the County's request, provide the County reasonable access, through representatives of the Contractor, to facilities, financial and employee records that are related to the purpose of the contract, except where prohibited by federal or state laws, regulations or rules.

O. CALIFORNIA PUBLIC RECORDS ACT

The County is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If Contractor's proprietary information is contained in documents or information submitted to County, and Contractor claims that such information falls within one or more CPRA exemptions, Contractor must clearly mark such information "CONFIDENTIAL AND PROPRIETARY," and identify the specific lines containing the information. In the event of a request for such information, the County will make reasonable efforts to provide notice to Contractor prior to such disclosure. If Contractor contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Santa Clara County before the County is required to respond to the CPRA request. If Contractor fails to obtain such remedy within the time the County is required to respond to the CPRA request, County may disclose the requested information.

Contractor further agrees that it shall defend, indemnify and hold County harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees, and attorneys' fees) that may result from denial by County of a CPRA request for information arising from any representation, or any action (or inaction), by the Contractor.

P. THIRD PARTY BENEFICIARIES

This agreement does not, and is not intended to, confer any rights or remedies upon any person or entity other than the parties.

Q. INTELLECTUAL PROPERTY RIGHTS

Ownership: County shall own all right, title and interest in and to the Deliverables. For purposes of this Agreement, the term "Deliverables" shall mean any documentation and deliverables created by Contractor during the performance of services that are identified in this Agreement. Contractor hereby assigns to the County all rights, title and interest in and to any and all intellectual property whether or not patentable or registrable under patent, copyright, trademark or similar statutes, made or conceived or reduced to practice or learned by Contractor, either alone or jointly with others, during the period of Contractor's agreement with the County or result from the use of premises leased, owned or contracted for by the County.

Contractor acknowledges that all original works of authorship which are made by Contractor (either solely or jointly with others) within the scope of this Agreement and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. Section 101), and shall belong solely to County. Contractor agrees that the County will be the copyright owner in all copyrightable works of every kind and description created or delivered by Contractor, either solely or jointly with others, in connection with any agreement with the County.

R. INTELLECTUAL PROPERTY INDEMNITY

Contractor represents and warrants for the benefit of the County and its users that, to its knowledge, as of the effective date of this Agreement, Contractor is the exclusive owner of all rights, title and interest in the Deliverables and/or services provided pursuant to this Agreement. Contractor shall defend, indemnify and hold the County harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees, and reasonable attorney's fees) by a third party alleging the Deliverables and/or services provided pursuant to this Agreement infringe upon any intellectual property rights of third parties. This indemnity and duty to defend is in addition to and does not supersede the requirements stated in VII of this agreement.



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S. OWNERSHIP RIGHTS TO MATERIALS/RESTRICTIONS ON USE

All materials obtained, developed or prepared by Contractor in the course of performing services hereunder, including but not limited to videotapes, audio recordings, still photographs, ads or brochures, and the derivative works, patent, copyright, trademark, trade secret or other proprietary rights associated therewith (collectively "Deliverables"), shall be the sole and exclusive property of the County. To the extent Contractor owns or claims ownership rights to said Deliverables, Contractor hereby expressly assigns all said rights, title, and interest in and to the Deliverables to the County pursuant to the terms and conditions of this Agreement and at no additional cost. The County has the exclusive royalty-free irrevocable right to duplicate, publish or otherwise use for any purpose, all materials prepared under this Agreement. If Contractor wishes to use the materials prepared hereunder for any purpose including but not limited to promotional, educational or commercial purposes, the Contractor shall obtain prior written authorization from the County, which consent may be withheld by the County in its sole discretion.

Contractor acknowledges that all original works of authorship which are made by Contractor (solely or jointly with others) within the scope of this Agreement and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act (17 U.S.C., Section 101), and shall belong solely to County.

Contractor agrees that the County will be the copyright owner in all copyrightable works of every kind and description created or developed by Contractor, solely or jointly with others, in connection with any agreement with the County. If requested to, and at no further expense to the County, Contractor will execute in writing any acknowledgments or assignments of copyright ownership of such copyrightable works as may be appropriate for preservation of the worldwide ownership in the County and its nominees of such copyrights. This section shall apply to the extent not otherwise provided under this agreement.

T. COUNTY DATA

(1) Definitions: "County Data" shall mean data and information received by Contractor from County. County Data includes any information or data that is transported across a County network, or that resides in a County-owned information system, or on a network or system under the control and management of a contractor for use by County. "County Confidential Information" shall include all material, non-public information (including material, non-public County Data) appearing in any form (including, without limitation, written, oral or displayed), that is disclosed, directly or indirectly, through any means of communication by County, its agents or employees, to Contractor, its agents or employees, or any of its affiliates or representatives.

(2) Contractor shall not acquire any ownership interest in County Data (including County Confidential Information). As between Contractor and County, all County Confidential Information and/or County Data shall remain the property of the County. Contractor shall not, without County's written permission, use or disclose County Data (including County Confidential Information) other than in the performance of its obligations under this Agreement.

(3) Contractor shall be responsible for establishing and maintaining an information security program that is designed to ensure the security and confidentiality of County Data, protect against any anticipated threats or hazards to the security or integrity of County Data, and protect against unauthorized access to or use of County Data that could result in substantial harm or inconvenience to County or any end users. Upon termination or expiration of this Agreement, Contractor shall seek and follow County's direction regarding the proper disposition of County Data.

(4) Contractor shall take appropriate action to address any incident of unauthorized access to County Data, including addressing and/or remedying the issue that resulted in such unauthorized access, and notifying County by phone or in writing within 24 hours of any incident of unauthorized access to County Data, or any other breach in Contractor's security that materially affects County or end users. If the initial notification is by phone, Contractor shall provide a written notice within 5 days of the incident. Contractor shall be responsible for ensuring compliance by its officers, employees, agents, and subcontractors with the confidentiality, privacy, and information security requirements of this Agreement. Should County Confidential Information and/or legally protected County Data be divulged to unauthorized third parties, Contractor shall comply with all applicable federal and state laws and regulations, including but not limited to California Civil Code sections 1798.29 and 1798.82 at Contractor's sole expense. Contractor shall not charge County for any expenses associated with Contractor's compliance with these obligations.

(5) Contractor shall defend, indemnify and hold County harmless against any claim, liability, loss, injury or damage arising out of, or in connection with, the unauthorized use, access, and/or disclosure of information by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by the County.



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U. PAYMENT TERM

[NOT APPLICABLE TO COMMUNITY BASED ORGANIZATIONS – Describe payment terms for CBO's in Section V. (D) PAYMENT SCHEDULE]

The County's standard payment term shall be Net Thirty (30), unless otherwise agreed to by the parties. Payment shall be due Net Thirty (30) days from the date of receipt and approval of correct and proper invoices. Payment is deemed to have been made on the date the County mails the warrant or initiates the electronic funds transfer.

V. CONTRACT EXECUTION

Unless otherwise prohibited by law or County 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 County.

W. LIVING WAGE (IF APPLICABLE)

Unless otherwise exempted or prohibited by law or County policy, where applicable, Contractors that contract with the County to provide Direct Services developed pursuant to a formal Request for Proposals process, as defined in County of Santa Clara Ordinance Code Division B36 ("Division B36") and Board Policy section 5.5.5.5 ("Living Wage Policy"), and their subcontractors, where the contract value is \$100,000 or more ("Direct Services Contract"), must comply with Division B36 and the Living Wage Policy and compensate their employees in accordance with Division B36 and the Living Wage Policy. Compliance and compensation for purposes of this provision includes, but is not limited to, components relating to fair compensation, earned sick leave, paid jury duty, fair workweek, worker retention, fair chance hiring, targeted hiring, local hiring, protection from retaliation, and labor peace. If Contractor and/or a subcontractor violates this provision, the Board of Supervisors or its designee may, at its sole discretion, take responsive actions including, but not limited to, the following:

- (a) Suspend, modify, or terminate the Direct Services Contract.
- (b) Require the Contractor and/or Subcontractor to comply with an appropriate remediation plan developed by the County.
- (c) Waive all or part of Division B36 or the Living Wage Policy.

This provision shall not be construed to limit an employee's rights to bring any legal action for violation of the employee's rights under Division B36 or any other applicable law. Further, this provision does not confer any rights upon any person or entity other than the Board of Supervisors or its designee to bring any action seeking the cancellation or suspension of a County contract. By entering into this contract, Contractor certifies that it is currently complying with Division B36 and the Living Wage Policy with respect to applicable contracts and warrants that it will continue to comply with Division B36 and the Living Wage Policy with respect to applicable contracts.

X. COVID-19 REQUIREMENTS (IF APPLICABLE)

Contractor shall comply with all County requirements in effect relating to COVID-19 for persons who routinely perform services for County onsite and share airspace with or proximity to other people at a County facility as part of their services for County as set forth in a County Health Order (or similar directives) available at <https://covid19.sccgov.org/home>, and incorporated herein by this reference. Contractor shall comply with all reasonable requests by County for documentation demonstrating Contractor's compliance with this Section.

Y. SURVIVAL

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to survive this Agreement, shall survive the termination or expiration of this Agreement, including but not limited to all terms (1) providing for indemnification of County; (2) relating to the California Public Records Act; (3) relating to County Data; and (4) relating to Contractor's obligations upon termination or expiration of this Agreement.



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SECTION VII: INSURANCE/INDEMNIFICATION

Independent Contractors shall comply with the County's insurance and indemnification requirements as indicated below. These requirements do not apply to Dependent Contractors.

A. TYPE OF INSURANCE LANGUAGE



The following standard insurance and indemnification language is attached and incorporated into this agreement:

Insurance Exhibit Name: B-2A



Modification or Waiver Attached (if appropriate)

B. DETERMINATION OF INSURANCE REQUIREMENTS AND WAIVER DECLARATION

Workers Compensation:

Does the contractor have employees?

If "YES", then, WORKER'S COMPENSATION/EMPLOYER'S LIABILITY INSURANCE IS REQUIRED.

Yes



Owned Auto Insurance:

Will the contractor use any owned autos in the provision of direct services, such as transporting clients in autos or operating autos in performance of the work itself?

If "YES", then INSURANCE FOR OWNED AUTOS IS REQUIRED.

Yes



Hired Auto Insurance:

Will the contractor use any hired autos in the provision of direct services, such as transporting clients in autos or operating autos in performance of the work itself?

If "YES", then INSURANCE FOR HIRED AUTOS IS REQUIRED.

No



Non-owned Auto Insurance

Will the contractor be using any non-owned autos in the provision of direct services, such as transporting clients in non-owned autos or operating non-owned autos in performance of the work itself?

If "YES" then, INSURANCE FOR NON-OWNED AUTOS IS REQUIRED.

No



When "NO" is selected, this declaration will serve as a waiver for the specified type of insurance.

SECTION VIII: FEDERAL/STATE REQUIRED PROVISIONS

(Examples include Drug-free Workplace Activity, Health Insurance Portability and Accountability Act (HIPAA), Business Associate Language, etc.)



A. Federal Required Language Attached

Only add special language if services included in the contract require language different from or in addition to that in Section VI.

Exhibit Name:



B. State Required Language Attached

Only add special language if services included in the contract require language different from or in addition to that in Section VI.

Exhibit Name:

The Exhibits named above are attached and incorporated by this reference.



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SECTION IX: ADDITIONAL ATTACHED EXHIBIT(S)

Attachments and exhibits that conflict with County standard provisions or require risk assessment must be approved by County Counsel. Examples of attachments that require County Counsel approval are:

- 1) Contractor’s terms and conditions that are different than, or add to the standard provisions’ language,
- 2) Any changes to the language in Section VI—Standard Provisions.

Exceptions to County Counsel review include attachments that further explain the Contract Specifics as outlined in Section V, and insurance exhibits.

☒	Exhibit Name (s)	D-2 Budget
The Exhibits named above are attached and incorporated by this reference.		

Attachment A
Service Description and Expected Outcome (Scope of Service)

A. Service Description and Expected Outcome (Scope of Services)

This Agreement is between the County of Santa Clara (“County” or “District Attorney’s Office (DAO)”) and the City of Morgan Hill (“Contractor”), relating to providing funding to support the work and programming of the South County Youth Task Force (the “SCYTF”), Project II THRIVE! Strategic Plan in South Santa Clara County. These programs under the Project II THRIVE! Umbrella and South County Health Equity Access for all LeaderShip Initiative! (SC HEALS!) provide a strong safety net and coordinated continuum of care approach under the Project II THRIVE! Strategic Plan 2023-2026. The SCYTF is a collaborative of many city, county, educational, community-based and faith-based organizations that seek to promote a safe and nurturing community that creates and ensures sustainable access to opportunities, resources, and services for South County youth and their families, while empowering their voice and supporting their growth and success. SCYTF’s vision is community that is safe and free of youth violence where young people are strong, thriving and connected to their families, schools, and neighborhoods.

Strategies under the South County HEALS! and Project II THRIVE! Initiatives are aimed at preventing youth violence, addressing health equity and neighborhood disparity issues, reducing juvenile delinquent behaviors and the recruitment of youth into gangs, and supporting parent’s leadership and capacity-building within South Santa Clara County. Programs include the Youth Thrive Diversion Program which specifically seeks to appropriately hold first time or lower-level juvenile criminal offenders accountable by ensuring that youth remain a part of and thrive in their neighborhoods alongside other community members and prevent immersing the youth in the Juvenile Justice System. The DAO office will assume the role as the lead agency, helping with setting policy direction and seeking funding for the SCYTF and the City of Morgan Hill will assume the responsibilities for staffing, coordination and serve as the fiscal agency of the SCYTF, in agreement with the SCYTF Policy Team.

1. Contractor’s Responsibilities:

- a. Coordinate and provide services to support the SCYTF for THRIVE! and SC HEALS! initiatives.
 - a. .2 FTE positions (Coordinator, Supervisor and/or Analyst) with duties that include, but not limited to: overseeing CBO agreements, meeting with SCYTF representatives, troubleshooting community and school incidents with SCYTF team guidance, and responding to crisis response needs as needed by SCYTF administration.
- b. Provide shared office space at City of Morgan Hill facility for 1-2 SCYTF – SC HEALS! staff members (eg. Centennial Rec Center or Morgan Hill Police

Department) assigned to support the SCYTF: the SCYTF Program Manager, the Management Analyst and the Community Outreach Specialist assigned to South County, assigned to Community Prosecution Unit.

1

- c. Through the passthrough of funds, contractor shall retain the services of Community Based Organizations (CBOs), community-led cooperatives, consultants and other non-governmental agencies to provide services that support the SCYTF. This includes recruiting and retaining collaboration and partnership of these agencies and groups to provide services to provide program supports and expenses for: Restorative Justice (RJ) programming and trainings, El Joven Noble and Xinachtli Rites of Passage Character development groups, life skills, case management, prosocial activities, community field trips and excursions, community leadership development, community events, team support, and incentivized supports for program participants in need of assistance to complete their Individual Service Plan, strategic plan related requests as requested of SCYTF THRIVE! and SC HEALS! partners.
- d. Minimally, 90% of the funds from SCC must be allocated to CBOs, consultants, other non-governmental agencies and evaluation firms. The other 10% may be used for other administrative/indirect costs/supplies. Any remaining funds shall go towards CBOs, consultants, non-governmental agencies, and/or evaluation firms.
- e. Contractor shall enter into separate agreements with CBOs that outline the services and deliverables in accordance with the SCYTF's Project II THRIVE! Strategic Plan, following the Contractor's procurement process. These agreements will have the Project II THRIVE! Strategic plan goals and language around transformational equity and racial equity.
- f. Working and maximizing collaborative efforts with community-based organizations (CBOs). SCYTF will offer relevant trainings to potential SCYTF agencies, stakeholders, volunteers, parents and volunteers for program and community restorative circles, such as: Cultural Humility, Developmental Assets, Protective Factors, Restorative Practices and Restorative Circles, Sexual Orientation and Identity, Trauma Informed Care, The Connection Practice, Transformational Equity, Racial Equity and other evidence-based, culturally-responsive and informed curriculums/ practices.
- g. Reporting data, quarterly progress and financial reporting to the County in a timely matter as outlined in Attachment B and updating a database that documents each youth's process within all funded SCYTF programs utilizing DAO funds, their completion and follow through of their Individual Service Plan or lack of, until program completion.

- h. Provide Morgan Hill Unified School District administration with names, schools, grades, and current program status of youth participating in SCYTF THRIVE programming on a monthly basis.
 - i. Ensure CBOs and THRIVE participants commit to “Greetings at the Door” principles: greeting youth with affirmative and positive interactions when they enter any space the THRIVE participants are in.
2. All CBOs participating in the SCYTF will have the necessary credentials, certifications, insurance, background checks, experienced staff, training and field expertise for the planned array of services and track records for to provide services. The duties and responsibilities of the experienced staff will include:
 - a. Conducting outreach support;
 - b. Linking and referring youth to SCYTF’s services and other community programs based on their needs;
 - c. Partnering with the County, the SCYTF and other local community assets to further the goal of creating safer communities through gang and violence prevention, intervention, violence disruption, transformational health and neighborhood equity within “Opportunity Neighborhoods” to foster safer communities in South County;
 - d. Attending necessary meetings, including, but not limited to, impromptu crisis response protocol and climate meetings, monthly SCYTF Technical Team and bi-monthly Policy Team meetings, committee meetings, weekend events and work evenings (when needed) to implement successful coordination of SCYTF project services;
 - e. Assisting in identifying funding matches for food expenses while adhering to County nutritional guidelines for programming; and
 - f. Submitting monthly or quarterly calendars documenting which services are being rendered at which times, for each day of the week/month at each location.
 - g. Outreach and Engagement Activities:
These activities aim to build rapport with youth and families to introduce services, opportunities for self-referral, and invitation to participate in our services/activities.
3. Contacts and Visits

Contractor will oversee and monitor all CBOs/ contractual agencies to ensure they are properly adhering to, and providing services under, the SCYTF model. Contractor will oversee site visits to be completed by SCYTF's program staff with appropriate clearance. Onsite and off-site contact must be according to County, City and school procedures. Social media connection is not allowed through personal sites.

4. Population to be Served: SCYTF

- a. Children and young adults (Youth) served will be between the ages of 10-24 (any gender or non-binary), who reside or attend school in South County (zip code areas 95020, 95021, 95037, 95038 and 95046) and can fall in one, or more, of the following categories:
 1. At-promise (risk) youth: Defined as youth who live in or attend schools in low socio-economic areas, referred to as "Hot Spots" that have some gang/violence-risk characteristics, such as, but not limited to youth exhibiting Stability Needs; Potential Harm to Self or Others; Offending Behavior; Trauma History/Lack of Healthy Coping Abilities; and Re- Victimization Risk.
 2. Moderate to High-promise (risk) behaviors and potential-to-committed gang-impact: Defined as youth exhibiting high-risk behavior(s) related to gang lifestyles, re-offending and/or participating in gang intimidation or behaviors associated with violence. This category distinguishes from "at-risk" population in that it generates additional characteristics demonstrating social-risk factors and level of intensity.
 3. Youth who demonstrate behaviors identified to be harmful to others, engaging in actions of violence at school, home or the community or gang intentional: social circle is integrated into intergenerational gang environment; youth self-identify, are identified and/or are arrested for gang-related incidents or acts of gang violence through the justice system.
- b. Parents of youth and community members who reside in Morgan Hill and San Martin, as defined by the Strategic Plan.
- c. School Providers who identify themselves as needing support, services and wish to integrate relevant SCYTF supports and trainings into the school, build staff's competency with working with youth who are displaying trauma and known at-risk and high-risk behaviors.
- d. Population to be Served: Diversion Program
Children (Youth) served will be between the ages of 10-17 (any gender or non-binary), who reside or attend school in South County (zip code areas 95037, 95046 and 95020), who have committed a first-time, low-level offense, or have committed a low-level offense first of its nature.

5. Location and Days of Operation:

- a. Services will be provided in areas within South Santa Clara County opportunity neighborhoods, identified as having a higher need for services, as evidenced by trends, hotter climate, escalated youth issues, higher poverty levels and/or community and school demand within accessible community-based locations, such as community centers, libraries, churches, schools or virtual platforms best identified by the Project Coordinator, collaborative partners and youth who are going through SCYTF programs.
- b. Services will be provided throughout the week and some evenings and weekends.

County's Responsibilities:

1. County will provide leadership and assistance to the SCYTF Policy Team. This includes providing support to the SCYTF Policy Team in:
 - a. Participating in an engaging culture of active communication, coordination, and interagency collaboration.
 - b. Contributing and sharing resources which support and advance the goals of the SCYTF in accordance with a budget (See Attachment D-2, "Budget" attached and incorporated by this reference) and work plan approved by the Policy Team.
 - c. Actively participating in the Policy Team role that:
 - i. Evaluates emerging trends and sets policy direction;
 - ii. Monitors the progress of the Technical Team;
 - iii. Facilitates interagency collaboration and troubleshooting;
 - iv. Reviews efforts, measures success and makes changes as needed; and
 - v. Completes service delivery, if and as specified, within approved funding applications.
 - d. Seeking out and bringing forward for consideration, "best practices" and "evidence-based practices" that can be tailored to the South County's unique needs.
2. County will provide leadership and assistance to the SCYTF Technical Team and the various subcommittees. This includes providing support to the SCYTF Technical Team in:
 - a. Co-chairing the Technical Team or several working committees.
 - b. Providing direct services to youth and their families.
 - c. Supporting the intent of serving as a youth safety net,
 - d. Serving as the Backbone Agency of SC HEALS!
 - e. Bringing needs to Policy Team and implementing Policy Team direction.

Unless specifically stated otherwise, quarterly periods referenced in this entire agreement shall be defined as follows:

July 1, 2025 – September 31, 2025
October 1, 2025 – December 31, 2025
January 1, 2026 – March 30, 2026
April 1, 2026 – June 30, 2026

Attachment B
Deliverables, Milestones & Timelines for Performance

Deliverables, Milestones, and Timeline for Performance

1. Contractor will work towards achieving Strategic Plan and Implementation Plan programmatic and community indicators, metrics and milestones that defines the magnitude of the gang and community violence issues in the south Santa Clara County area and identifies actions needed to best address them.
2. Within three (3) months from the last signature date on this agreement, Contractor will provide the County with a plan for spending and timeline for deliverables showing that the full amount will be spent within the period of this agreement. Services must include case management, culturally-responsive school groups, Late Night Gym programs, and/or evidence-based prosocial activities. Any services beyond this scope must be approved by the DAO/SCYTF team. This plan should include the following:
 - a. What services the Contractor will offer,
 - b. How the Contractor will fund those services,
 - c. Explanation of the need for services,
 - d. Desired outcome of results
 - e. If changes occur to the plan, please update the plan
3. Project data to be collected: number and type of primary, secondary and tertiary services available as the result of this agreement to fund Project II THRIVE! Strategic Plan incentives and strategies and its Implementation Plan, client length of participation and completion rate(s), percentage of outcome goals achieved by individual participants, numbers of referrals, rate of successful enrollment for each service type and training offered.
4. A monthly Leadership Program meeting will be held with any and all agencies, committees and programs funded by this agreement to present interim process and outcome results, including key service delivery, participant progress, and participation data, issues arising, website development and committee development in an effort to discuss and act on real time issues and any needed program adjustments.
5. Transport of Clients: All necessary insurance and guidelines must be met and verified before transporting clients. One-to-one driving is not recommended. Staff and youth in transport must be of the same gender, or there may be another staff member in the car of opposite gender. A guardian/parental permission slip must be signed each time

a youth enters a Contractor's or Subcontractor's vehicle. For Life Coaching/Case Management/Small Group sessions, all intake paperwork must be up to date and the two-to-one ratio must be enforced for transporting clients. Locations of services will occur at the identified schools, community hubs, hot-spot parks and libraries. Contact of client and transportation must follow County and Contractor procedures.

6. Contractor will ensure that each subcontracting CBO/ agency maintains a written and electronic individualized file on each client for case management services as well as an Individual Service Plan (ISP). Contractor will ensure that each CBO/agency has a file on all group, training, or program attendees to support the demographics and number of clients and community members being served. CBOs/agencies will document each client's progress within assigned service/program and notify Contractor of client's progress and/or problems encountered within an assigned service/program.
7. Contractor must work with the County's evaluation staff and consultants to collect data as required by the County:
 - a. Contractor must assist in supporting and implementing the goals of the County, including the outcome measures, as determined by the County and agreed upon by the Contractor.
 - b. Contractor must assure that each CBO/ agency work in conjunction with County and County's outcomes team to create a client list. At a minimum, CBOs/agency must provide a client list that includes the following:
 - i. Initials of youth served;
 - ii. Include assigned Probation File Numbers for Youth (if applicable);
 - iii. Date of birth of youth served;
 - iv. Date of referral made to program (if applicable)
 - v. Date and length of time of youth's Circle (if applicable)
 - vi. Date of when youth started receiving services;
 - vii. End date of when youth stopped receiving services;
 - viii. ZIP Code of youth served (if available);
 - ix. Ethnicity of youth served (if available); and
 - x. Hours of service per youth by activity type (if applicable).
8. Contractor must request that CBOs/ agencies work in conjunction with County to finalize a "Program Activity Report (PAR)", which is incorporated here by reference. Once the PAR format is approved by the Contractor, the Contractor must submit it quarterly to the County by the fifteenth working day of the new month following the end of the quarter.
9. Contractor must request that CBOs/agencies work in conjunction with the Contractor and County to finalize a quarterly "Program Narrative Report", which is incorporated here by reference. Once the Program Narrative Report format is finalized and approved by the Contractor, the Contractor must submit it quarterly to the County,

by the fifteenth (15th) business day following the end of each quarter, for contents approval.

10. Contractor must complete and submit the quarterly reports and Invoice documentation with appropriate supporting documents, (service calendar(s) with times and locations of programs, subcontractor invoices, receipts and any in-kind matches), by the 15th business day after the end of the quarterly period.
11. The PARs and quarterly and biannual Program Narrative Reports must be submitted by email to the following addresses: baguilera@dao.sccgov.org and cwarner@dao.sccgov.org
12. Performance Targets, Metrics & Improvement Objectives:

Performance Standard	Data Contractor Provides
Annually serve 75-125 at-risk to high-risk and gang impacted youth, ages 10-24. Minimum of 60% of youth served will demonstrate behavioral changes and/or improvements within their schooling, home life and/or decision-making process. Minimum of 75% of youth will have 2+ new positive relationships with safe adults.	Number of youths served, including demographic information such as age, race/ethnicity, gender, and geographic region.
	Number of youths enrolled in programs to include prosocial, classes, group, trainings, and/or YTDP. Data should be provided by program type.
	This includes demographic information such as age, race/ethnicity, gender, and geographic region.
	Number of youths who complete programs and Individual Service Plans or Agreements. Data should be provided by program type.
	This includes demographic information such as age, race/ethnicity, gender, and geographic region.
	Documentation of behavioral of performance changes improvement for youth.
	Number of youth and adult volunteers who attended and supported each Circle Conducted.
Performance Standard	Data Contractor Provides
Annually serve 50-100 parents, community members and educators who reside and/or teach in identified at-risk to	Number of parents, community members, educators and local government staff served, including demographic information such as age, race/ethnicity, gender, and geographic region through a program, workshop, Circle or training to help build their capacity in restorative, culturally responsive and healing-informed / trauma-informed frameworks.

high-risk neighborhoods.

Minimum of 75% of adults served will indicate positive experiences that will contribute to bettering their personal or work lives/ levels of engagement.

Number of parents, community members, and educators enrolled in programs or a training within restorative, culturally-responsive, healing-informed / trauma-informed frameworks. Data should be provided by program or training type. This includes demographic information such as age, race/ethnicity, gender, and geographic region.
List of trainings offered per year.

Attachment C **Performance Standards**

C. Performance Standards

1. Prior to beginning services, all Contractor and subcontractor CBO personnel working directly with clients must obtain, at Contractor's or their own expense, a Department of Justice background clearance (Live Scan). If the results of the background check are unfavorable, the County will notify Contractor to arrange for replacement personnel. If replacement personnel cannot be found, County will terminate the Agreement. Contractor will need to complete the following steps to obtain a background clearance:
 - a. Contact the County Live Scan liaison at (408) 468-1633 to obtain a background clearance application.
 - b. Contact the County of Santa Clara Office of the Sheriff to make a Live Scan appointment. The office of the Sheriff can be contacted by phone: (800) 211-2220 or via their website <http://www.sccgov.org/portal/site/sheriff>.
 - c. County will contact Contractor once the results of the background clearance have been received.
 - d. Contractor is required to notify the DAO's liaison when the employment or licensing relationship of any individual whose name was submitted for Live Scan background clearance has concluded.
 - i. Contractor must provide the DAO with a list of employees who will be performing services for the Contractor and include the following information by the end of Quarter 2 of each new Fiscal Year:
 - ③ Employee's name;
 - ③ The employee's position/title and role within the program; and

If Contractor's personnel has already obtained a Live Scan background clearance, Contractor shall provide supporting documentation to DAO by email to the following address: cwarner@dao.sccgov.org by end of Quarter 2.

2. Privacy – Contractor must comply with all state and federal laws regarding the privacy of medical information, including but not limited to the following:
 - a. The Health Insurance Portability and Accountability Act, 45 C.F.R parts 160, 162 and 164 (“HIPAA”);
 - b. The Health Information Technology for Economic and Clinical Health Act (“HITECH” Act), Pub. L. 111-5, Div. A, Title XIII, § 130001 et seq., Div. B, Title IV, § 4001 et seq., Feb. 17, 2009, 123 Stat. 226, 467, 42 U.S.C.A. § 300ii, et seq., and 4U.S.C.A. § 17901, et seq.;
 - c. California Welfare and Institutions Code section 5328 et seq.; and
 - d. California Evidence Code section 1010 et seq.

3. Contractor will perform the agreed services in a competent and expedient manner and must immediately inform the County should problems arise that prohibit the Contractor from performing the services in such a manner.
4. Contractor shall maintain written documentation, project information, and records relevant to the services provided. Contractor must make this information available for review by County upon reasonable notice.
5. Cultural Diversity, Inclusion, and Cultural Diversity:
Services must be provided in a culturally responsible manner to the entire target population, demonstrating fair and equitable practices for participants of diverse identities including gender, age, religion, race ethnicity, sexual orientation, gender identity, and disability.

Contractor, and its selected CBOs/ agencies, shall maintain and promote programs that provides the highest quality of services to clients regardless of actual or perceived sexual orientation, gender identity, or gender expression.

6. Contractor, and its CBOs agencies, agrees to provide language/translation services for clients and/or their families who may have Limited English Proficiency (LEP) skills. Contractor further agrees to inform LEP individuals of their eligibility for benefits, programs, and services in a language they understand. Contractor, and its CBOs/ agencies, must not only translate outreach materials, but must also explain how LEP individuals may access available language assistance services. Methods Contractor, and its CBOs/ agencies, can use to inform LEP individuals about language assistance services may include translating outreach materials into other languages, updating non-English content in key languages on the main page of its program's website, and providing public service messages in non-English media describing its programs. Additional methods of providing notice include the use of forms, brochures, and/or language access posters placed in conspicuous locations describing in multiple languages the availability of language assistance services, the use of "I Speak" language identification cards, and by including instructions in non-English languages on telephone menus. Sample of the "I Speak" card is available at this website and Contractor may create their own version.
<https://www.dfeh.ca.gov/wp-content/uploads/sites/32/2017/06/DFEH-DIR108Attach1.pdf>
7. County will evaluate and document the Contractor's performance in accordance with County policy. Contractor evaluation may consist of, but not be limited to, the following evaluation forms:
 - a. Contractor Performance Evaluation report;
 - b. On-site review; and/or
 - c. Contractor self-evaluation.

8. Contractor will adhere to the Risk, Need, and Responsivity (RNR) model and an evidence-based practice (EBP), which must be mutually agreed upon by DAO and contractor. EBP must address SCYTF services. Contractor will ensure the integrity of the model is maintained throughout the process of providing services to clients.

Attachment D Payment Schedule

1. The maximum compensation paid to Contractor under this Agreement must not exceed one-hundred thousand dollars (\$100,000) for the length of this agreement, a 12- month cycle: July 1, 2025 to June 30, 2026.
2. Contractor will be compensated for services rendered and/or expenses incurred in accordance with Exhibit D-2, "Budget" hereto attached and incorporated by this reference.

DAO and Contractor may, as needed and upon mutual agreement in writing, modify budget line-item maximums and/or billable rates noted in Attachment D-2, "Budget" to reflect the service delivery needs of the SCYTF without exceeding the maximum financial obligation of this agreement.

3. Contractor will submit invoices at the end of each quarter, invoices will include the Contractor's name and address; invoice number; contract number; date and description of services; total invoice amount; year-to-date expenditures and remaining contract balance.

The invoice covering services rendered in the final period of service in each applicable fiscal year this agreement is in effect (fourth quarter or the month of July, as appropriate) shall be submitted no later than July 1st (or next business day when July 1 falls outside of normal County business hours).

4. If the invoice and supporting documents are in proper form, appropriately payable under this Agreement, and have been reviewed and approved by the appropriate DAO, County shall make payment to Contractor in accordance with Section VI: Standard Provisions, Item U "Payment Term," of this agreement. Payment is contingent upon Contractor providing the agreed upon services according to the scope of services, contract requirements, deliverables and performance standards detailed herein.
5. All records, books, reports, and documentation maintained by Contractor or the DAO, pursuant to this agreement, or related to Contractor activities and expenditures under this agreement shall be open for inspection and audit by Federal, State, and DAO officials or the officials of the DAO, or their agents, upon demand at reasonable times.

EXHIBIT B-2A (Revised)

INSURANCE REQUIREMENTS FOR
STANDARD SERVICE CONTRACTS
BETWEEN \$50,001 AND \$100,000

Indemnity

Notwithstanding any other provision of this Agreement, Contractor shall indemnify, release, hold harmless, and defend, with counsel approved by County of Santa Clara (hereinafter "County"), County and its officers, agents, and employees from any claim, demand, suit, judgment, liability, loss, injury, damage, or expense of any kind (including attorneys' fees and costs) arising out of, or in connection with, performance of this Agreement by Contractor and/or its officers, agents, employees, or sub-contractors, excepting only loss, injury, or damage caused by the sole negligence or willful misconduct of personnel employed by County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for County as allowed by law. Contractor shall reimburse County for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any litigation or process in which Contractor contests its obligation to indemnify, defend, and/or hold harmless County under this Agreement and does not prevail in that contest.

Insurance

Without limiting the Contractor's indemnification of the County, the Contractor shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of this Agreement, the Contractor shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a certified copy of the policy or policies shall be provided by the Contractor upon request.

This verification of coverage shall be sent to the requesting County department, unless otherwise directed. The Contractor shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by the County. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Insurance Manager.

EXHIBIT B-2A (Revised)

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified County insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the County of Santa Clara or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance - for bodily injury (including death) and property damage which provides limits as follows:
 - a. Each occurrence - \$1,000,000
 - b. General aggregate - \$1,000,000
 - c. Products/Completed Operations aggregate - \$1,000,000
 - d. Personal Injury - \$1,000,000
2. General liability coverage shall include:
 - a. Premises and Operations
 - b. Products/Completed
 - c. Personal Injury liability
 - d. Severability of interest
3. General liability coverage shall include the following endorsement, a copy of which shall be provided to the County:

Additional Insured Endorsement, which shall read:

“County of Santa Clara, and members of the Board of Supervisors of the County of Santa Clara, and the officers, agents, and employees of the County of Santa Clara, individually and collectively, as additional insureds.”

Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by the County of Santa Clara, its officers, agents, and employees shall be excess only and not contributing with insurance provided under this policy. Public Entities may also be added to the

EXHIBIT B-2A (Revised)

additional insured endorsement as applicable and the contractor shall be notified by the contracting department of these requirements.

4. Automobile Liability Insurance

For bodily injury (including death) and property damage which provides total limits of not less than one hundred thousand dollars (\$100,000) combined single limit per occurrence applicable to all owned, non-owned and hired vehicles.

4a. Aircraft/Watercraft Liability Insurance (Required if Contractor or any of its agents or subcontractors will operate aircraft or watercraft in the scope of the Agreement)

For bodily injury (including death) and property damage which provides total limits of not less than one hundred thousand dollars (\$100,000) combined single limit per occurrence applicable to all owned, non-owned and hired aircraft/watercraft.

5. Workers' Compensation and Employer's Liability Insurance

- a. Statutory California Workers' Compensation coverage including broad form all-states coverage.
- b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

E. Special Provisions

The following provisions shall apply to this Agreement:

- 1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the County or its insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
- 2. The County acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self-insurance shall be approved in writing by the County upon satisfactory evidence of financial capacity. Contractors obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.

EXHIBIT B-2A (Revised)

3. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.
4. The County reserves the right to withhold payments to the Contractor in the event of material noncompliance with the insurance requirements outlined above.

F. Fidelity Bonds (Required only if contractor will be receiving advanced funds or payments)

Before receiving compensation under this Agreement, Contractor will furnish County with evidence that all officials, employees, and agents handling or having access to funds received or disbursed under this Agreement, or authorized to sign or countersign checks, are covered by a BLANKET FIDELITY BOND in an amount of AT LEAST fifteen percent (15%) of the maximum financial obligation of the County cited herein. If such bond is canceled or reduced, Contractor will notify County immediately, and County may withhold further payment to Contractor until proper coverage has been obtained. Failure to give such notice may be cause for termination of this Agreement, at the option of County.

South County Youth Task Force
Financial Contributing Agencies

Page 1 of 1

JOINT REVENUE

Joint Revenue Proposed FY Budget	Total Contribution	
	FY 25-26	
<u>Participating Agency and Contribution</u>		
Morgan Hill Unified School District	\$45,000.00	\$45,000.00
Santa Clara County - District Attorney's Office (DAO)	\$100,000.00	\$100,000.00
Board of State and Community Corrections Title II	\$89,333.25	\$89,333.25
Total Joint Revenue	\$234,333	\$234,333

Matches: Positions and Programming**In-Kind Positions (Base Rates)**

City of Morgan Hill - SCYTF Coordinator Position (0.5 FTE)	\$62,500	\$62,500.00
Santa Clara County - DAO - SCYTF PM Position (.25 FTE)	\$42,103	\$42,103.37
Santa Clara County - Probation Education Officer (.25 FTE)	\$38,588	\$38,587.50
Santa Clara County - DAO - SCYTF Management Analyst (.25 FTE)	\$29,251	\$29,251.03
Santa Clara County - DAO - SCYTF Community Outreach Specialist (.25 FTE)	\$22,739	\$22,739.06
City of Morgan Hill (also EAH and Boys & Girls Club) After School Program	\$48,000	\$48,000.00
Total Hard Match	\$243,181	\$243,181

Total Joint Revenue and Hard Match	\$477,514	\$477,514
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EXPENDITURE

Expenditure Proposed Budget	Total Expenditure	
	FY 25-26	
Contractual Services: Positions, Programs and Activities		
Joven Noble, Xinachtli, Late Night Gyms, School-based Outreach (MH/SM)	\$125,000.00	\$125,000.00
Restorative Justice and New Diversion Program (MH, San Martin)	\$89,333.25	\$89,333.25
New Outreach and Educational Pilot Programs		\$0.00
Support for SC HEALS! Strategies		\$0.00
SCYTF Website		\$0.00
Subtotal Salary and Contractual Services	\$214,333	\$214,333
<u>Program Supplies</u>		
Smaller Contracts, Services and Supplies (for all groups, Strategic Planning, mass translating and mass printing, youth incentives, etc,	\$20,000	\$20,000.00
Subtotal Supplies	\$20,000	\$20,000
Total Expenditure Proposed Budget Match for Personnell Expenses	\$234,333	\$234,333

In-Kind Positions (Base Rates)

City of Morgan Hill - SCYTF Coordinator Position (0.5 FTE)	\$62,500.00	\$62,500.00
Santa Clara County - DAO - SCYTF PM Position (.25 FTE)	\$42,103.37	\$42,103.37
Santa Clara County - Probation Education Officer (.25 FTE)	\$38,587.50	\$38,587.50
Santa Clara County - DAO - Management Analyst	\$29,251.03	\$29,251.03
Santa Clara County - DAO - SCYTF Community Outreach Specialist (.25 FTE)	\$22,739.06	\$22,739.06
City of Morgan Hill (also EAH and Boys & Girls Club) After School Program	\$48,000.00	\$48,000.00
Total Partner Professional Expenses Match for Personnell Expenses	\$243,181	\$243,181

Total Joint Expenditure and Partner Professional	\$477,514	\$477,514
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\$0

\$0

EXHIBIT D
REPORTING TEMPLATES

**EXHIBIT D
REPORTING TEMPLATES**

**SCC DISTRICT ATTORNEY'S OFFICE/ CITY OF MORGAN HILL
SOUTH COUNTY THRIVES! AND DIVERSION PROGRAM
FUNDING CYCLE FY 25 JULY 2025- JUNE 2026
UNITS OF SERVICE WORKBOOK REPORT INSTRUCTIONS**

GENERAL INFORMATION

(Note: To print instructions, set margins in a Word document to .5" for all sides then copy and paste; 5 pgs.)

Cells with formulas have been locked (white-shaded) except for those that require data entry (yellow-shaded) to preserve the integrity of this workbook. All worksheets that produce a quarterly report for SCYTF funded services are housed in one workbook. Use the same workbook for all four quarters. Each quarter will build onto previous quarters and ultimately terminate with the Final/Q4 report. Worksheets are separate and identified by the tabs located at the bottom of the computer monitor; click on a desired tab to navigate from one worksheet to another.

List of worksheets in workbook - Instructions are aligned from left to right.

- 1) Instructions
- 2) Target Population Profiles
- 3) Quarter 1 Units of Service Worksheet
- 4) Quarter 2 Units of Service Worksheet
- 5) Quarter 3 Units of Service Worksheet
- 6) Quarter 4 Units of Service Worksheet
- 7) Demographics Report
- 8) Financial Report

A complete quarterly report will include submittal of the following worksheets:

- Narrative
- Quarterly Sheet corresponding to current and previous quarters
- Demographic Report

Reports must be submitted electronically to Sandra Cruz at sandra.cruz@cityofgilroy.org and cc Chase Warner at cwarner@dao.sccgov.org.

A Quarterly Report is considered complete when all of the aforementioned worksheets have been submitted and entries for each of the worksheets have fulfilled approval. Payment distributions will not be released until all reporting criteria has been met.

General Instructions

Cells that are dog-eared red in upper right corner have inserted information for assistance with input required for that column. To access place cursor on the red flag for comment(s) to appear. Leave cells blank when the data is "0" or there is nothing to report. DO NOT enter letters or text in formula cells (i.e. N/A) as this will prevent automatic calculations from taking place (A "REF!" or "#VALUE!" will appear in the cells that are programmed to self-calculate or link). Should you have difficulty entering data, contact the SCYTF Admin team.

Target Population Profiles

Reference only

Quarterly Reports (Q1-Q4 tabs)

Self-calculate (White-shaded/Protected; DO NOT enter data in these cells):

Average Number of Participants per Session - Participant average

Data entry by GRANTEE (Yellow-shaded cells):

.Duplicated.Participants - Enter unduplicated participants for the month.

.....Total.Number.of.Sessions - Enter actual production for each month here.

Demographic Report/Program Demographics

Provide demographic information for each unduplicated youth participant served, avoid duplicates. Do not list staff, mentors, parents, teachers, spectators or "additionally reached" participants.

Self-calculate (White-shaded/Protected; DO NOT enter data in these cells):

Participant I.D. Information/Participant ID Code

Data entry by GRANTEE (Yellow-shaded cells):

Participant I.D. Information

First Initial: Enter the first letter of participant's first name

Last Initial: Enter the first letter of participant's last name

Birth Month: Enter the participant's birth month numerically (1-2 digits; i.e. Jan = 1, Oct = 10 ...)

Birth Day: Enter the participant's day of the month s/he was born (1-2 digits; 1-31)

Birth Year: Enter birth year (4-digit; i.e. 1996)

Gender: Use codes 1-4 located at the top of the table

Ethnicity: Using the codes 1-10 located at the top of the table

Zip Code: Enter resident Zip Code for each participant

School Affiliation: Use E, M, or H, depending on the grade they are in

School Name: School name

Serving CBO: Use an abbreviation (like 'SCYTF') to represent your CBO name

Referral Source

Using the codes 1-8 located at the top of the table, enter the Referral Source of each participant.

Program Entry

Entry Date: Month (1-2 digits); Day (1-2 digits); Year (4-digits; i.e. 2012)

Programs Attended

(Use the letter codes above, multiple may be chosen)

Entry Survey/Exit Survey

(Was survey taken by youth and available for SCYTF review, Y/N)

Attendance Record

(1-4 code above, how often did student attend the programs listed)

Target Population

(Based on definitions in reference worksheet titled "Target Population Profiles" - One rating per participant, 1-4)

- At-Risk

- High-Risk

- Impacted

- Intentional

School Attendance

(1-4, based on school attendance)

School GPA/Job Status

(1-3, based on status)

Incidents during Program

(number of discipline-required incidents during program duration)

Suspensions during Program

(number of suspensions occurring during program)

ISP Plan Met - CM/Groups contracts ONLY

(1-4, based on ISP progress and completion)

Date of Exit or End of 4th Quarter

Exit Date (or end of contract period): Month (1-2 digits); Day (1-2 digits); Year (4-digits; i.e. 2013)

Financial Report

Report Personnel and Operating expenses for total program. Funding sources are broken into ONE and Matching expenditures. Projected budget will align directly to Exhibit C "Budget Summary" in your current executed ONE contract.

Completed by Bernice Aguilera (White-shaded/Protected; DO NOT make any entries in these cells):

SCYTF Funding

- Personnel Expenses - Itemized

 - FTE - Total Program

 - Contracted Budget

- Operating Expenses

 - Contracted Budget

Matching Funding

- Personnel Expenses - Combined

- Operating Expenses

Self-calculate (White-shaded/Protected; DO NOT enter data in these cells):

- Cumulative YTD/Grand Total

- %of Funds Set YTD

- Balance of Funds Available

Data entry by GRANTEE (Yellow-shaded cells):

SCYTF Funding

- Personnel Expenses - Enter expenditures for each staff member budgeted from BEST funds per quarter.

- Operating Expenses - Enter expenditures for each line item budgeted from BEST funds per quarter.

Match Funding

- Personnel Expenses - Enter a cumulative expenditure budgeted from Match funds per quarter.

- Operating Expenses - Enter expenditures' for each line item budgeted from Match funds per quarter.

Note: GRANTEE shall not adjust any line item expenditures in the Budget by more than 10% OR \$2,000, whichever is greater, without the prior approval of CITY. GRANTEE shall make such requests for line item adjustments in writing to CITY in writing on CITY approved format. Failure to do so, may, at CITY's option, result in disallowed costs.

SOUTH COUNTY THRIVES! PROGRAM Target Population Definitions and Profiles

Target Population Definitions for SCYTF THRIVE! and Diversion YTDP:

The SCYTFTHRIVE programs target population is:

- Youth exhibiting high-risk behaviors
- Youth committing intentional acts of violence
- Youth exhibiting high-risk behaviors related to gang lifestyles
- Youth identified as gang members and/or arrested for gang-related incidents or acts of gang violence, in addition to families (including parents and children) and friends of youth involved with the gang lifestyle or incarcerated for gang-related crimes
- Parents and adult community members who reside in South County hot-spots
- Identified schools and their staff members who are interested in trainings and participation in SCYTF initiatives and strategies

Target Population Profiles

At-Risk: This category may be distinguished from other at-risk youth in that they are residing in a high-risk community (**Hot Spot areas**, low socio-economic) and have some of the following gang risk characteristics. Defined as youth who live in or attend schools in low socio-economic areas, referred to as “Hot Spots” that have some gang/violence-risk characteristics, such as, but not limited to youth exhibiting Stability Needs; Potential Harm to Self or Others; Offending Behavior; Trauma History/Healthy Coping Abilities; and Re- Victimization Risk.

1. Has a high potential to exhibit high-risk gang behaviors.
2. Has not had any personal contact with juvenile justice system.
3. Exhibits early signs of school-related academic, attendance and/or behavior problems.
4. Has periodic family crises and/or is a child welfare case.
5. Is low-income and/or lives in overcrowded living conditions.
6. Knows some neighborhood gang members but does not associate with them.
7. Is beginning to experiment with drug/alcohol use.

High-Risk: Decided to take #3 out do to it being so close to #2 (high-risk and #4 intentional.

This category may be distinguished from the “at-risk” population based on the additional characteristics and **level of intensity** of the following:

1. Admires aspects of gang lifestyle characteristics.
2. Views gang member as "living an adventure."
3. Lives in gang “turf” area where the gang presence is visible.
4. Has experienced or participated in gang intimidation type of behaviors or has witnessed violent gang acts.
5. Feels unsafe being alone in neighborhood.

6. Has family members who have lived or are living a juvenile delinquent, criminal and/or gang lifestyle.
7. Has had several contacts with the juvenile justice system and law enforcement.
8. Does not see the future as providing for him/her; has a perspective of "you have to take what you can get."
9. Casually and occasionally associates with youth exhibiting gang characteristics.
10. Has a high rate of school absences, and experiences school failure and disciplinary problems.
11. Uses free time after school to "hang out" and does not participate in sports, hobbies or work.
12. Is suspicious and hostile toward others who are not in his/her close circle of friends.
13. Does not value other people's property.
14. Believes and follows his/her own code of conduct, not the rules of society.
15. Only follows advice of friends; does not trust anyone other than friends.
16. Uses alcohol and illegal drugs.
17. Has had numerous fights and sees violence as a primary way to settle disagreements and maintain respect.
18. May have been placed in an alternative home or living arrangement for a period
19. Does not have personal goals/desires that take precedence over gang impacted youth groups.

Impacted: Defined as youth exhibiting high-risk behavior(s) related to gang lifestyles, re-offending and/or participating in gang intimidation or behaviors associated with violence.

1. Has had several contacts with the juvenile justice system and law enforcement. Has likely spent time in juvenile hall. Has had a probation officer and/or may have participated in delinquency diversion program.
2. Has had numerous fights, and views violence as primary way to intimidate, settle disagreements and maintain respect.
3. May claim a turf or group identity with gang characteristics, but still values independence from gang membership.
4. Personally knows and hangs out with identified gang members.
5. Considers many gang-related activities socially acceptable.
6. Feels he/she has a lot in common with gang characteristics
7. Views gang involvement as an alternative source for power, money and prestige.
8. Wears gang style clothing and/or gang colors/symbols.
9. Promotes the use of gang cultural expressions and terminology.
10. Identifies with a gang-related affiliation and/or turf, but has not officially joined a gang. Is ready to join a gang.
11. Does not seek employment, and regards "underground economy" as a viable option.
12. Probably has gang-related tattoos.
13. Has drawing of gang insignia or symbols on notebook/book covers, other personal items.

Intentional: This category is distinguished from all other categories in that youth must be identified and/or arrested for gang related incidents or acts of gang violence through the justice system (Police, DA, Probation, etc.). Youth who demonstrate to be violence/gang intentional: social circle is integrated into intergenerational gang environment; youth self-identify, are identified and/or are arrested for gang-related incidents or acts of gang violence through the justice system.

1. May have been identified or certified as a gang member by law enforcement agencies.
2. Associates almost exclusively with gang members to the exclusion of family and former friends.
3. Views intimidation and physical violence as the way to increase personal power, prestige and rank in gang. He/she is active in "gang banging."
4. Regularly uses/abuses alcohol and other drugs.
5. Self identifies as a gang member.
6. Has spent time in juvenile hall, juvenile camp or California Youth Authority.
7. Regularly deals with gang rival and allied gang business.
8. Has gang-related tattoos.
9. Identifies specific individuals or groups as enemies.
10. Is engaged in the gang lifestyle.
11. Rejects anyone or any value system, other than that of the gang.
12. Believes that the gang, its members, and/or his/her family live for or will die for the gang.
13. Has fully submerged his/her personal goals and identity in the collective identity and goals of the gang.
14. Has adopted and/or earned gang status within the gang system.

Parents and Community Members:

Parents of youth and community members who reside in Morgan Hill, San Martin and Gilroy Hot Spots, as defined by the Strategic Plan.

School Partners:

School Providers who identify themselves as needing support, services and wish to integrate relevant SCYTF supports and trainings into the school, build staff's competency with working with youth who are displaying trauma and known at-risk and high-risk behaviors. Schools located in designated SCYTF hotspots or who are feeders of youth who predominately live in hot spots get first right to services and trainings.

After reviewing the Strategic Plan and Work Plan, I added School Providers as a population to be served.

DIVERSION PROGRAM SPECIFICS:

YTDP is open to Children (Youth) served will be between the ages of 10-17 (any gender or non-binary), who reside or attend school in South County (zip code areas 95037, 95046 and 95020), who have committed a first-time, low-level offense, or have committed a low-level offense first of its nature.

The South County THRIVES! Project target population is:

- Youth exhibiting high-risk behaviors

- Youth committing intentional acts of violence
- Youth exhibiting high-risk behaviors related to gang lifestyles
- Youth identified as gang members and/or arrested for gang-related incidents or acts of gang violence, in addition to families (including parents and children) and friends of youth involved with the gang lifestyle or incarcerated for gang-related crimes
- Parents and adult community members who reside in South County hot-spots
- Identified schools and their staff members who are interested in trainings and participation in SCYTF initiatives and strategies

Volunteer Commitment Level:

Program Advisory, Outreach and Circle Keeper Volunteers are asked to give a commitment to participate in the following trainings between July 2021 - June 2022:

- 1) Attend Program Orientation
- 2) Complete City of Gilroy Volunteer Application and DOJ Background
- 3) Attend and complete minimally four (4) trainings offered by the SCYTF. Mandatory Trainings (If volunteer has taken any of these trainings within the last two(2) years, they can select from Additional Trainings) are:
 - Restorative Justice Circles
 - Trauma Informed Care
 - Developmental Assets and Protective Factors
 - The Life Course Framework

Additional Trainings to Choose From if the first four stated trainings have been completed:

- Restorative Practices
 - Cultural Humility and Sensitivity
 - Sexual Orientation and Identity
 - Dismantling School-to-Prison Pipeline
- 4) Commitment to attend and support four (4) Diversion Circles with July 2021 to June 2022.
 - 5) Attend two (2) outreach activities and volunteer circles.

School Partners:

School Providers who identify themselves as needing support, services and wish to integrate relevant SCYTF supports and trainings into the school, build staff's competency with working with youth who are displaying trauma and known at-risk and high-risk behaviors. Schools located in designated SCYTF hotspots or who are feeders of youth who predominately live in hot spots get first right to services and trainings. After reviewing the Strategic Plan and Work Plan, I added School Providers as a population to be served.

Units of Service Workbook Template

Name of GRANTEE	City of Morgan Hill
Project Title:	SCYTF Project

ACTUALS

Jul-25				
	Monthly Activity	Total Participants	Number of Activity Sessions	Average Participants per Session
1	Client 1:1 Appointment			0
2	Client T/C Contact			0
3	Client Drop In			0
4	Client Home Visit			0
5	Client Family Contact			0
6	MST/SST/IEP School Youth Advocacy Meetings			0
7	Parent/ Guardian only Contacts			0
8	Referral In			0
9	Program Intake- Acceptance			0
10	Program Denial			0
11	Referral Linkage: Health			0
12	Referral Linkage: Mental Health			0
13	Referral Linkage: Education			0
14	Referral Linkage: Gang Interention			0
15	Collatoral/ Collaboration Work			0
16	Staff Development/ Training			0
17	Pro-Social/ Service Learning/ Volunteer Hours Completed			0
18	Case Conferencing			0
19	General Meetings/ Community Meetings			0
20	Cultural Group Programs (Morgan Hill)			0
21	Cultural Group Programs (Gilroy)			0
22	Restorative Justice Circles (Morgan Hill)			0
23	Restorative Justice Circles (Gilroy)			0
24	Case Management (Morgan Hill)			0
25	Case Management (Gilroy)			0
26	Crisis Response			0
27	Intervention			0
28	Youth Pro-Social Engagement Activities			0
29	Outreach Activities			0
30	Assessments Completed			0
31	Late Night Gym (Morgan Hill)			0
32	Late Night Gym (Gilroy)			0

Program Activity Report Template

SCYTF - On Going Customers

SCYTF GRANTEE:													
GENDER CODES: 1 - Male 2 - Female 3 - Gender Non-Binary 4 - Other		ETHNICITY CODES: 1 - Asian 2 - Black 3 - Cambodian 4 - White 5 - Filipino		6 - Latino/a 7 - Native American 8 - Pacific Islander 9 - Vietnamese 10 - Other/ N/A		Gender M: Male F: Female X: Non-Binary O: Other/ N/A		School Affiliation: E: Elementary M: Middle School H: High School					
Participant I.D. Information							Complete all cells that are in yellow.						
Line Number	First Initial	Last Initial	Birth Month	Birth Day	Birth Year	Age at Entry	Participant ID Code	Gender	Ethnicity	Zip Code	School Affiliation	School Name	Serving CBO (Abbreviation)
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													

[illegible]

County of Santa Clara Office of the District Attorney
South County Youth Task Force
FY 25-26 Qx Narrative Report

Name:		Agency:	
Program:	South County Youth Task Force (SCYTF) Project II THRIVE (Transformation and Hope, Resiliency, Integrity, Voice & Engagement)		
Phone:		E-Mail:	
Send Narrative form to:			

QUARTER 1 (<i>Due on: 10/10/2025</i>)	☐ 7/1/2025-9/30/2025
QUARTER 2 (<i>Due on: 01/10/2026</i>)	☐ 10/1/2025-12/31/2025
QUARTER 3 (<i>Due on: 04/10/2026</i>)	☐ 1/1/2026-3/31/2026
QUARTER 4 (<i>Due on: 06/20/2026</i>)	☐ 4/1/2026-6/30/2026

Narratives are due the 10th business day of the following quarterly

1. Challenges, Discrepancies and Corrective Actions: Explain any challenges, discrepancies between anticipated and actual services delivered for the month. State what happened, why it happened, what you are doing to correct the situation and how the program and community has been impacted.

Activity	Discrepancies and Corrective Actions
1. Client 1:1 Appointment	
2. Client T/C Contract	
3. Client Drop In	
4. Client Home Visit	
5. Client Family Contact	
6. MST/SST/IEP Meeting	
7. Parent only Contacts	
8. Referral In	
9. Referral Linkage	
10. Youth Advocacy	
11. Collateral/ Collaboration Work	
12. Staff Development/ Training	
13. Case Conferencing	
14. Meetings/ Community Meetings	
15. Cultural Groups Programs	
16. Restorative Justice Circles	
17. Case Management	
18. Crisis Response	
19. Intervention	
20. Community Outreach, Youth Engagement Sessions	
21. Outreach and Engagement Activities	
22. Late night gym sessions in Gilroy	
23. Late Night Gym Sessions in Morgan Hill	
24. Surveys	

**County of Santa Clara Office of the District Attorney
South County Youth Task Force
FY 25-26 Qx Narrative Report**

2. Program Highlights and Accomplishments: Discuss activities that are going particularly well and why.

3. Updates: Provide any updates regarding changes in staffing, scheduling, space, etc.

4. Collaborative Activities (collaboratives only): Discuss activities and developments among partner agencies.

Calendarized SCYTF Activities, Events and Meetings:

5. In relation to the overall budget, are grant funds being expended as planned and on schedule?
☐ Yes ☐ No

If no, explain why and describe the plan to correct it.

6. Are all funded positions filled (includes the lead agency and any contracted agencies)?
☐ Yes ☐ No

If no, which grant-funded positions are unfilled, why, and what is the timeline to fill them?

7. What quality assurance methods are in place to ensure all programs/services are delivered as intended and with fidelity to the approaches described in your original proposal?

8. If applicable, describe any funded trainings that occurred during the reporting period. Include the date(s), number of attendees and list of participating agencies.

**9. SCYTF surveys are to be administered at the start and end of youth services.
Were required surveys administered this quarter? Please attach the surveys to this report.**

☐ Yes ☐ No

If no, please explain why not and your plan to administer surveys.

10. Quarterly Success Story or Testimonial –

Instructions: Please write a brief story or testimonial about a family that has been positively impacted by an SCYTF-funded program and/or service that occurred in each quarter. The story or testimonial for each quarter should be approximately 250-500 words and no more than 1/3 page. If possible, include the referral source of the highlighted family.

11. Additional comments:

12. Quarterly Program Pictures: provide 3-4 images that highlight SCYTF-funded programs and/or services.

County of Santa Clara Office of the District Attorney
South County Youth Task Force
FY 25-26 Qx Narrative Report

Instructions: Answer the following questions upon conclusion of 4th Quarter or Program Year. Each answer should be approximately 250-500 words and no more than 1/3 page.

A) Summarize the program services provided during the contract term, how they met or did not meet program object and why.

B) Summarize the program's strengths, challenges, and lessons learned.
--

RESOLUTION NO. 25-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL APPROVING AN AMENDMENT TO
THE CITY'S FISCAL YEAR 2025-2026 ANNUAL BUDGET
IN THE GENERAL FUND (FUND NO. 010) TO
APPROPRIATE \$40,000 THEREFORE**

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

WHEREAS, the reasons supporting this Resolution are set forth in detail in that certain City Council Staff Report entitled "APPROVE A SERVICE AGREEMENT WITH CATHOLIC CHARITIES OF SANTA CLARA COUNTY FOR SOUTH COUNTY YOUTH TASK FORCE YOUTH SUPPORT SERVICES FOR A TOTAL AMOUNT OF \$135,531" submitted for City Council consideration at its meeting of December 17, 2025, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Annual Budgets for Fiscal Years 2024-2025 and 2025-2026 as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

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

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

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

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

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

- a. That the City's previously adopted Fiscal Years 2024-2025 and 2025-2026 Budgets, as the same has been amended to date, are hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Years 2024-2025 and 2025-2026 Budgets of the City or Morgan Hill.

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

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 17th day of December 2025 by the following vote:

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

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 25-_____ adopted by the City Council at the meeting held on the 17th day of December 2025.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

EXHIBIT A

AGENDA BUDGET SCORECARD
FISCAL YEAR 2025-2026
ADJUSTMENT #

007

FUND:
DEPARTMENT:

010 General Fund
50 Public Services
40 Public Services
2180 Community Services
42231 CONTRACT SERVICES

OBJECT:

AGENDA DATE:
AGENDA ITEM TITLE:

12/17/25
Approve contract with Catholic Charities

	07/01/25 BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/26 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	27,063,982	58,630,517	65,621,068	20,073,431
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	355,638	355,638	-
RECOMMENDED ACTION		40,000	40,000	-
RESULT OF RECOMMENDED ACTION	<u>27,063,982</u>	<u>59,026,155</u>	<u>66,016,706</u>	<u>20,073,431</u>

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

APPROVE AND AUTHORIZE THE CITY MANAGER TO EXECUTE AND ADMINISTER A SECOND AMENDMENT TO THE AGREEMENT WITH SOLUTIONZ, INC., EXTENDING THE TERM OF THE AGREEMENT TO JUNE 30, 2026

RECOMMENDATION(S)

Approve and authorize the City Manager to execute and administer a second amendment to the Agreement with Solutionz, Inc., extending the term of the agreement to June 30, 2026.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

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

2024-2025 Strategic Priorities

Fiscal Sustainability
Community Engagement

REPORT NARRATIVE:

The City entered into an agreement with Solutionz, Inc. in April 2024 to replace and upgrade the Council Chamber audio and video systems. The agreement authorized the City Manager to extend the term for up to one additional year, which was exercised and is now set to expire on December 31, 2025.

The services provided under this agreement remain necessary to complete the project. Staff recommends extending the agreement term through June 30, 2026. There are no changes to the scope of work or the total cost. All other terms of the original agreement remain in full effect.

Because the original contract language allowed only a one-year administrative extension, City Council approval is required for any additional term extensions. Approving the amendment ensures uninterrupted services and maintains continuity for the work already underway.

COMMUNITY ENGAGEMENT:

This report serves to inform the community regarding the continuation of services previously authorized by the City Council.

ALTERNATIVE ACTIONS:

Not applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council approved the initial agreement with Solutionz, Inc. on April 24, 2024, for the Council Chamber A/V equipment replacement and upgrade.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with this amendment. Costs remain unchanged, and sufficient funds are available in the current budget.

CEQA (California Environmental Quality Act):

Not a project under CEQA. The action involves amending an existing agreement and does not result in a physical impact on the environment.

**SECOND AMENDMENT TO AGREEMENT
SOLUTIONZ VIDEOCONFERENCING, INC. DBA SOLUTIONZ, INC.**

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 SOLUTIONZ VIDEOCONFERENCING, INC. DBA SOLUTIONZ, INC., a California Corporation ("SERVICE PROVIDER"), hereinafter referred to collectively as the "Parties".

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 _____, _____, 20____.
2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of April 29, 2024, for services for a maximum compensation of Four Hundred Sixty-Five Thousand One Hundred Two Dollars and Fifty-Six Cents (\$465,102.56) ("SERVICE AGREEMENT"). The Service Agreement was entered into pursuant to the action of the Morgan Hill City Council on April 24, 2024.
3. The CITY and SERVICE PROVIDER entered into a "First Amendment to Agreement" made as of January 11, 2025, under which the term was extended until December 31, 2025. The SERVICE AGREEMENT 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 SERVICE AGREEMENT, 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 2 shall be amended and replaced in its entirety by the following:

"2. Term of Agreement. This Agreement shall be effective and cover services rendered from April 29, 2024, until June 30, 2026. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both parties to this Agreement."
 - B. Exhibit C, Schedule of Performance shall be updated to be under the direction of City Staff.
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. **Conflicts.** In the event of a conflict between the terms and provisions of this Second Amendment to Agreement and the terms and provisions of the SERVICE AGREEMENT or any earlier amendment, the terms of this Second Amendment to Agreement shall govern and control.

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

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:

CITY OF MORGAN HILL

Michelle Bigelow, City Clerk

Christina Turner, City Manager

Date: _____

Date: _____

APPROVED AS TO FORM:
Donald Larkin, City Attorney

**SOLUTIONZ VIDEOCONFERENCING, INC.
DBA SOLUTIONZ, INC.**

Date: _____

By:
Title:

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

Date: _____

By:
Title:

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

Date: _____

FIRST AMENDMENT TO AGREEMENT SOLUTIONZ, INC.

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 1/11/2025 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and SOLUTIONZ, INC., a California Corporation ("SERVICE PROVIDER"), hereinafter referred to collectively as the "Parties".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on April 24, 2024.
2. The CITY and SERVICE PROVIDER entered into that "Service Agreement" made as of April 29, 2024, for services for a maximum compensation of Four Hundred Sixty-Five Thousand One Hundred Two Dollars and Fifty-Six Cents (\$465,102.56) ("SERVICE AGREEMENT"). The SERVICE AGREEMENT is attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the SERVICE AGREEMENT, 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 2 shall be amended and replaced in its entirety by the following:

"2. **Term of Agreement.** This Agreement shall be effective and cover services rendered from April 29, 2024, until December 31, 2025."

B. Paragraph 13 shall be amended and replaced in its entirety by the following:

"13. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement 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.). 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)."

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. **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 SERVICE AGREEMENT, the terms of this First Amendment to Agreement shall govern and control.

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

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: 1/13/2025

APPROVED AS TO FORM:
Donald Larkin, City Attorney
DocuSigned by:
Donald Larkin
45E6F0273EA2464...
Date: 12/19/2024

CITY OF MORGAN HILL
DocuSigned by:
Christina Turner
Christina Turner, City Manager
Date: 1/11/2025

SOLUTIONZ, INC.
DocuSigned by:
Bryce Bolling
487705CE44114F3...
By: _____
Title: President
Print Name and Title of Signer.
If Corporate: Chairman, President or Vice President
Date: 12/18/2024

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

EXHIBIT 1

SERVICE AGREEMENT SOLUTIONZ, INC.

THIS AGREEMENT is entered into and becomes effective on 4/29/2024 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Solutionz, Inc. a California corporation ("SERVICE PROVIDER") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on April, 24, 2024.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2024, at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be council chamber audio visual replacement and upgrades as further described in **Exhibit A**.
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$465,102.56. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed four hundred sixty-five thousand one hundred two dollars and fifty-six cents and shall be billed based on the rate and basis set forth in **Exhibit B**. If the City Manager extends the term of this Agreement for up to one year pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for the extended term exceed 105% of the maximum compensation allowed to be paid to SERVICE PROVIDER for one year of service during the initial term of this Agreement.
 - 4.2. **Billing.** SERVICE PROVIDER shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 14 Notices. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed at an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so, provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

5. **Termination.** CITY or SERVICE PROVIDER 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, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require SERVICE PROVIDER to complete certain work product or documents and SERVICE PROVIDER shall deliver to CITY all documents in its possession without additional compensation to SERVICE PROVIDER. The City Manager is authorized to terminate this Agreement, in whole or in part, on behalf of CITY. In the event that City opts to exercise its right to terminate for convenience, Solutionz will use its best efforts to cancel all equipment orders and return materials received but not yet incorporated into the work to manufacturer; however, in the event that these materials are not subject to cancellation or return, City agrees to take delivery of and pay for same, and to pay all reasonable costs of demobilization, including return freight and manufacturer-imposed restocking fees, if any.

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

6. **Performance of Work.** SERVICE PROVIDER represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by SERVICE PROVIDER in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of SERVICE PROVIDER'S profession. By delivery of completed work, SERVICE PROVIDER certifies that the work conforms to the requirements of this Agreement and all applicable federal, state, and local laws. SERVICE PROVIDER is liable for any property damage caused by SERVICE PROVIDER or its Subcontractors during performance of the services and shall notify the CITY of damage within 24 hours of the occurrence. SERVICE PROVIDER must promptly repair or replace any real or personal property damage and must promptly restore the property to its original or intended condition. CITY may repair or replace the real or personal property damage if SERVICE PROVIDER fails to do so, and the cost of the repairs or replacement may be deducted or offset from any compensation due to SERVICE PROVIDER.

6.1. **Schedule.** SERVICE PROVIDER shall perform all work and services under this Agreement in conformance with the time schedule set forth on **Exhibit C**, "Schedule of Performance," attached hereto and incorporated herein by this reference. The City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance and Paragraph 19.1 Force Majeure within the term of this Agreement.

6.2. **Bond.** SERVICE PROVIDER shall provide a performance bond in the amount of the contract.

6.3. **Storage of Service Provider's Equipment.** If SERVICE PROVIDER desires to leave or store any of SERVICE PROVIDER'S equipment at a CITY site while SERVICE PROVIDER is performing work or service pursuant to this Agreement, SERVICE PROVIDER will first obtain the consent of the City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at SERVICE PROVIDER'S sole risk.

7. **Hazardous Materials.** Without limiting any other requirement or obligation of SERVICE PROVIDER under this Agreement, if SERVICE PROVIDER needs to use any material or chemical considered to be a hazardous material under any federal, state, or local law, regulation or policy, SERVICE PROVIDER agrees to fully and timely abide by and comply with all laws, regulations and policies pertaining to the use, transport, removal, handling, disposal, or other activity related to any and all such materials or chemicals. Prior to commencement of work or services under this Agreement, SERVICE PROVIDER shall provide CITY with a complete list of the hazardous materials SERVICE PROVIDER reasonably anticipates it may need to use to provide the services of SERVICE PROVIDER under this Agreement, together with the reasonably anticipated quantities thereof, if requested by CITY.

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

8.1. **Insurance Types and Amounts.**

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

8.1.2. **Automobile Liability.** SERVICE PROVIDER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if SERVICE PROVIDER does not own automobiles, then SERVICE PROVIDER shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.3. **Workers' Compensation Insurance and Employer's Liability.** SERVICE PROVIDER shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If SERVICE PROVIDER is self-insured, SERVICE PROVIDER shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

1. Introduction

The purpose of this document is to provide a comprehensive overview of the project's objectives, scope, and timeline. This document will serve as a reference for all stakeholders involved in the project, ensuring that everyone is aligned on the goals and expectations. The project aims to develop a new software application that will streamline the workflow and improve efficiency. The scope of the project includes the design, development, testing, and deployment of the application. The timeline for the project is estimated to be 12 weeks, starting from the beginning of the month and ending by the end of the month.

2. Project Objectives

The primary objective of the project is to create a user-friendly software application that meets the needs of the organization. The application should be able to handle all the required functions and provide a seamless user experience. The secondary objectives include ensuring the application is secure, scalable, and easy to maintain. The project team will work closely with the stakeholders to gather requirements and ensure that the application meets all the necessary criteria. The project will be completed within the specified timeline and budget.

3. Project Scope

The project scope defines the boundaries of the project and the deliverables that will be produced. The scope includes the design, development, testing, and deployment of the application. The project team will focus on the core functionality of the application and ensure that it meets the requirements. The project will not include the integration with existing systems or the training of users. The project team will ensure that the application is delivered on time and within budget.

4. Project Timeline

The project timeline outlines the key milestones and the duration of each phase. The project is estimated to be completed within 12 weeks. The timeline includes the following phases: Requirements Gathering (2 weeks), Design (3 weeks), Development (4 weeks), Testing (2 weeks), and Deployment (1 week). The project team will monitor the progress and ensure that the project is completed on time. The project will be reviewed regularly to ensure that it is on track and that any issues are addressed promptly.

- 8.2. **Endorsements.** SERVICE PROVIDER shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

8.2.1. **General Liability and pollution liability (when pollution liability applies).**

8.2.1.1. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds on a form at least as broad as ISO Form CG 20 10 for ongoing operations.

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

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

8.2.2. **Workers Compensation.**

Because the performance of SERVICE PROVIDER'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, SERVICE PROVIDER'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

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

- 8.4. **Certificates.** SERVICE PROVIDER 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, SERVICE PROVIDER shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to SERVICE PROVIDER'S agreement with CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 8. 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

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

10. **Compliance with Law.**

- 10.1. SERVICE PROVIDER 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. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon any basis prohibited by State or Federal law, including but not limited to, race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.
- 10.2. For installation labor, without limiting the provisions of Section 10.1 above, each worker performing work under this Agreement shall be paid at a rate not less than the prevailing wage as defined in Sections 1771 and 1774 of the Labor Code. The prevailing wage rates are available online at <http://www.dir.ca.gov/dlsr>. SERVICE PROVIDER shall post a copy of the applicable prevailing rates at the Worksite. Pursuant to Labor Code Section 1775, SERVICE PROVIDER and any Subcontractor shall forfeit to CITY as a penalty up to two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the applicable prevailing wage rate. SERVICE PROVIDER shall also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.
- 10.3. DIR Registration. CITY will not accept a Bid Proposal from or enter into a contract with a SERVICE PROVIDER, without first receiving proof to the satisfaction of CITY that SERVICE PROVIDER and its subcontractors are registered with the California Department of Industrial Relations to perform public work under Labor Code Section 1725.5, subject to limited legal exceptions. Under Labor Code section 1771.4, this Agreement is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.
- 10.4. Compliance with Wage and Hour Laws: SERVICE PROVIDER, 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 SERVICE PROVIDER and/or its Subcontractors: BY SIGNING THIS AGREEMENT, SERVICE PROVIDER 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 SERVICE PROVIDER OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. SERVICE PROVIDER 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 SERVICE PROVIDER or any subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or SERVICE PROVIDER learns of such a judgment, decision, or order that was not previously disclosed, SERVICE PROVIDER 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. SERVICE PROVIDER 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. CITY reserves the right to require SERVICE PROVIDER to enter into an agreement with CITY regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where SERVICE PROVIDER 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, CITY reserves the right to withhold payment to SERVICE PROVIDER 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.

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

Address of SERVICE PROVIDER is as follows:

Solutionz, Inc.
Stephen Spears
1029 N. Swarthmore Ave.
Pacific Palisades, California 90272

Address of CITY is as follows:

Michelle Bigelow	with a copy to:
City of Morgan Hill	City Clerk
17575 Peak Avenue	City of Morgan Hill
Morgan Hill, CA 95037	17575 Peak Avenue
	Morgan Hill, CA 95037

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

16. **Service Provider's Proposal.** If applicable, this Agreement shall include SERVICE PROVIDER'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

17. **Maintenance of Records.**

17.1. **Maintenance.** SERVICE PROVIDER 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. SERVICE PROVIDER 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 SERVICE PROVIDER shall retain said records until such action is resolved.

17.2. **Access to and Audit of Records.** CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of SERVICE PROVIDER 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 CITY or as part of any audit of 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.

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

18. **Familiarity with Work.** By executing this Agreement, SERVICE PROVIDER represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should SERVICE PROVIDER 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 SERVICE PROVIDER'S risk, until written instructions are received from CITY.

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

19.1. Force Majeure: Solutionz shall be excused from performance hereunder during the time and to the extent that it is prevented from performing by Acts of God, terrorism, war, pandemics, epidemics, medical emergencies, supply line interruptions, acts of government or administrative suspension, limitation or shut-down, and shall not be held liable for any impacts, delays, defaults or damages related to the work arising out of the foregoing, or from the direct or indirect consequences or aftermath of any of the foregoing; further, in case of such delay, Spinitar shall be entitled to equitable relief, including but not necessarily limited to extension of the Contract Time at least equal to the duration of the delay.

20. **No Assignment.** Neither this Agreement nor any portion shall be assigned by SERVICE PROVIDER, 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.

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

22. **Defense and Indemnification.**

22.1. **Defense and Indemnification for Design Professional Services.** Consistent with California Civil Code Section 2782.8, for design professional services to be performed under this agreement by a design professional, as that term is defined under said Section 2782.8, SERVICE PROVIDER shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of SERVICE PROVIDER, and/or its agents, officers, employees, subcontractors, or independent contractors in performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement ("CLAIM") to the extent of SERVICE PROVIDER'S proportionate percentage of fault.

22.2. **Defense and Indemnification for Non-Design Professional Services.** For all services performed under this agreement not covered by Section 22.1 above, SERVICE PROVIDER shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by SERVICE PROVIDER, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

- 22.3. Exceptions. SERVICE PROVIDER is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence, active negligence, or willful misconduct of the CITY.
- 22.4. Not limited by insurance. The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by SERVICE PROVIDER.
- 22.5. Right to Offset. CITY shall have the right to offset against any compensation due SERVICE PROVIDER under this Agreement any amount due CITY from SERVICE PROVIDER as a result of SERVICE PROVIDER'S failure to pay CITY promptly any indemnification arising under this Section (21) and any amount due CITY from SERVICE PROVIDER arising from SERVICE PROVIDER'S failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 22.6. Interpretation. This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the SERVICE PROVIDER 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.

23. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified, or provisions waived only by a subsequent mutual written agreement executed by CITY and SERVICE PROVIDER. 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.

24. **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.

25. **Notice of Security and/or Privacy Incident.** If SERVICE PROVIDER, 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, SERVICE PROVIDER 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. SERVICE PROVIDER 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, SERVICE PROVIDER 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. SERVICE PROVIDER 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.

26. **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.

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

28. **Binding Agreement.** Notwithstanding the provisions of Section 20 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of SERVICE PROVIDER in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

29. **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 Next Page]

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

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

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

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

ATTEST:

DocuSigned by:

Michelle Bigelow

City Clerk/Deputy City Clerk

Michelle Bigelow

Print Name

Date: 4/29/2024

APPROVED AS TO FORM:

DocuSigned by:

Donald Larkin

City Clerk/Deputy City Clerk

Donald A. Larkin

Print Name

Date: 4/29/2024

1056243

Contractor's License Number(s) (if applicable)

Expiration Date(s) 07/31/2025

Seal:

CITY OF MORGAN HILL

DocuSigned by:

Christina Turner

City Manager

Christina J. Turner

Print Name

Date: 4/29/2024

SOLUTIONZ, INC.

DocuSigned by:

Bryce Bolling

By: 487705CE44114F3

Bryce Bolling

Print Name and Title of Signer.

If Corporate: Chairman, President, or Vice President

Date: 4/24/2024

DocuSigned by:

David Knott

By: 6BD9B6F7247B4EE

David Knott

Print Name and Title of Signer.

If Corporate: Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer

Date: 4/24/2024

1000037382

Contractor's DIR Registration Number(s) (if applicable)

Expiration Date(s) 06/30/2024

EXHIBIT A**SCOPE OF WORK****Overview**

The City of Morgan Hill would like to upgrade their Council Chamber AV systems to achieve the following goals:

- **High Definition (HD) Production for Zoom & Broadcast**

The existing Production System only offers two standard definition cameras to be sent to Zoom, requires a lot of interaction to point cameras, recall presets, and put together a Broadcast-ready signal for recording and distribution. It is desired to use some level of automation to automatically select a camera preset based on microphone activation. The existing Leightronix Recorder/Billboard/Playout System utilizes Windows 7 and must be replaced.

- Production Outputs**

- Charter Cable Encoder
 - YouTube/Facebook Live
 - Camera feed to Zoom
 - Civic Plus Encoder
 - It's not known how Civic Plus encodes a stream or if you intend to use this feature. You will be able to feed streams to YouTube, Facebook Live, and Civic Plus using a Restream Account with 3 stream licenses. If Civic Plus includes an Encoder, we will feed it appropriate audio & video.

- **Audio Upgrade**

The existing Biamp Nexia series Audio Processor is well past end-of-life.

The microphones are old and long discontinued.

Any solution must include Remote Microphone Muting capability to allow the ability of the Clerk or Production Operator to mute or unmute a member microphone.

It will include a new 2 ch Assistive Listening System with the ability for people to use their own phones for listening.

New Power Amplifiers to feed Speakers.

- **PC Refresh**

We will install (4) new PCs for:

- Zoom PC to replace Laptop
 - Presentation
 - PC for Video Billboard/Playout administration
 - Clerk PC with two Video Heads
 - The PCXs will be provided by the City.

- **Control Upgrade**

The existing Control Processor and Touch Panels are long discontinued and no longer supported. New hardware and programming is required.

- **Additional Feature Requests**

- Discussion Microphone System with 16 Mics and Remote Mute capability

- Dais Touch Panels and Voting
- Streaming Encoder Refresh with Recording capability
- Projector refresh

HD Production System

○ Cameras (6)

- Council - We will replace the (4) existing Standard Definition Cameras with Vaddio RoboShot 30E HD Cameras with SDI Output.
 - We will pull new cable and reuse the mounting location for all cameras
 - We will add a 5th camera to provide a dedicated wide shot of the Dais to use when a camera must move between shots.
 - We will include a 6th camera on the North Wall of Dais Platform for an additional angle on Table Discussions.
 - All Cameras will be Black unless you request white. There is no price difference.



○ Production Room

• Production Switcher

You need an HD Video Switcher with a minimum of (5) SDI Inputs for cameras and (2) HDMI Inputs for Presentation and VTC PCs. We have included a FOR-A HVS-100 which can be remotely controlled by the Control System (for automation options) and includes a physical controller for manual operation.

The Aux Bus will be used to select an outgoing signal for the VTC System. We do not want to send the incoming Zoom signal back to them. So when the Far End is talking, the system will automatically send an image the Dais Wide shot back to the person talking.

• Video Switching Automation (Included)

- This allows the Broadcast signal to automatically show the camera preset for the person who is actively talking.
- For the Council, there will be one camera at the back that always has a wide shot. This may be full width to capture the entire room, but will generally be zoomed in to capture all applicable Council or Board members. There will also be four “Closeup” Cameras. If a camera needs to move to another preset for the same camera, the wide shot will always appear between the two shots so the camera image will never be seen while moving.

○ Mode

The automation software operates in your choice of three modes:

- Full Automation – All cameras and position/zoom presets are selected and switched automatically based on microphone data, selected modes, and selected operational options. Outgoing VTC video is also selected automatically – Chamber wide shot when

- o someone remote is speaking so they don't see themselves
 - o Power Assist - All cameras and position/zoom presets are selected based on microphone data, selected modes, and selected operational options. However, the proposed Council shot is placed in Preview rather than program. The operator may use this suggestion or select another and then "Take" when ready.
 - o Full Manual – Council Camera/VTC selection is fully handled by the Production Operator.
- **Speaker Timer**
The Speaker Timer can be set to any amount of time the Clerk, or Mayor/Chair chooses. A default (such as 2:00 minutes) may be adjusted at any time. The Timer appears at the bottom of the Broadcast Screen, the in-Room Displays, on the Touch Panels, and on the outgoing video sent to Broadcast & Public VTC (Zoom).
- **Character Generator (CG)**
We will provide a device which will allow you to add Graphics to your Broadcasts. In addition to City Logo, Date & Time at all times, we will provide the ability to enter the name of the meeting, a standardized list of Agenda items for each Meeting type, and on-screen Speaker Timer. If you select the Dais Touch Monitors and Voting Option, the system will also show the members Name and Title whenever they speak long enough for the camera to provide a closeup.

Here is an example from the City of Newman:

<https://www.youtube.com/watch?v=7Yh22ziMLYA>

Note: Newman is about 1 hour from Morgan Hill if you would like to visit.



- **Replace DM Switching Matrix with Network-based Video Switching System**

There is an existing Crestron 16x16 Matrix that is now about 10 years old. Acknowledgment of the age alone should advise consideration of replacement.

We will identify below the source inputs and outputs that will be part of the upgraded system. This takes into account moving the Clerk Seat from the North to South side of the Dais.

INPUTS

Room Source Inputs

- 1) Floor Box (CMGT1) - Presentation PC at Lectern
- 2) Floor Box (CMGT1A) - HDMI Input at Lectern
- 3) Clerk PC out 1 to Floor Box FB1
- 4) Clerk PC out 2 to Floor Box FB1
- 5) Floor Box (CMGT6 & 7) - HDMI Portable Input Encoder 1
- 6) HDMI Input Plate in Clerk Floor Box FB1
- 7) HDMI Input Plate at Clerk FB2
- 8) HDMI Input Plate at Wall

Rack System Inputs

- 9) Zoom PC
- 10) Admin PC
- 11) Broadcast feed (Pre or Post CG)(post 16x16)
- 12) Air Media – HDMI Input
- 13) Presentation Feed with Timer Overlay
- 14) Zoom Send Overlay

OUTPUTS

Room

- 1) Projector 1
- 2) Projector 2
- 3) Projector 3
- 4) Clerk Touch Monitor (TP1 – Control)
- 5) Clerk Touch Monitor (TP2 – Clerk PC)
- 6) Clerk Touch Monitor (TP3 – Assignable - Clerk Out 2, Zoom, Pres)
- 7) Dais 55" Monitor
- 8) Lectern 55" Monitor
- 9) Floor Box (CMGT1,5,6,7-1,1A) - HDMI Portable Decoder 1
- 10) Floor Box (CMGT1,5,6,7-2,1A) - HDMI Portable Decoder 2
- 11) Lobby Monitor
- 12) West Conference Room
- 13) Dais Touch Monitor #1
- 14) Dais Touch Monitor #2
- 15) Dais Touch Monitor #3
- 16) Dais Touch Monitor #4
- 17) Dais Touch Monitor #5
- 18) Dais Touch Monitor #6
- 19) Dais Touch Monitor #7

Rack

- 20) Producer's Touch Monitor (TP2)
- 21) 17" Assignable Rack Monitor 1 (1080p) (CIT RMP-161-X17)
- 22) 17" Assignable Rack Monitor 2 (1080p) (CIT RMP-161-X17)
- 23) Active Presentation to Switcher
- 24) Speaker Timer Overlay/Vote - Room
- 25) Speaker Timer Overlay/Vote - Zoom

- **PC's**

We will install the (4) **owner furnished** PCs that you will need for the system as we have designed it. These are all micro format with a Ethernet-based KVM that allows the Producer and Clerk to view and control any of the PCs they need to.

- Clerk PC
 - Locate at Clerk Station or in the AV Rack. We will support two video outputs from it if they exist.
- Presentation PC
 - Located in rack or at Lectern)
- Video Conference PC (for WebEx or other VTC app)
 - We will also provide USB Capture devices to insert Chamber audio & video into the Video Conference App.
- Admin PC for Producer
 - For Graphics, Recorder, Scheduled Playout Appliance, or any need

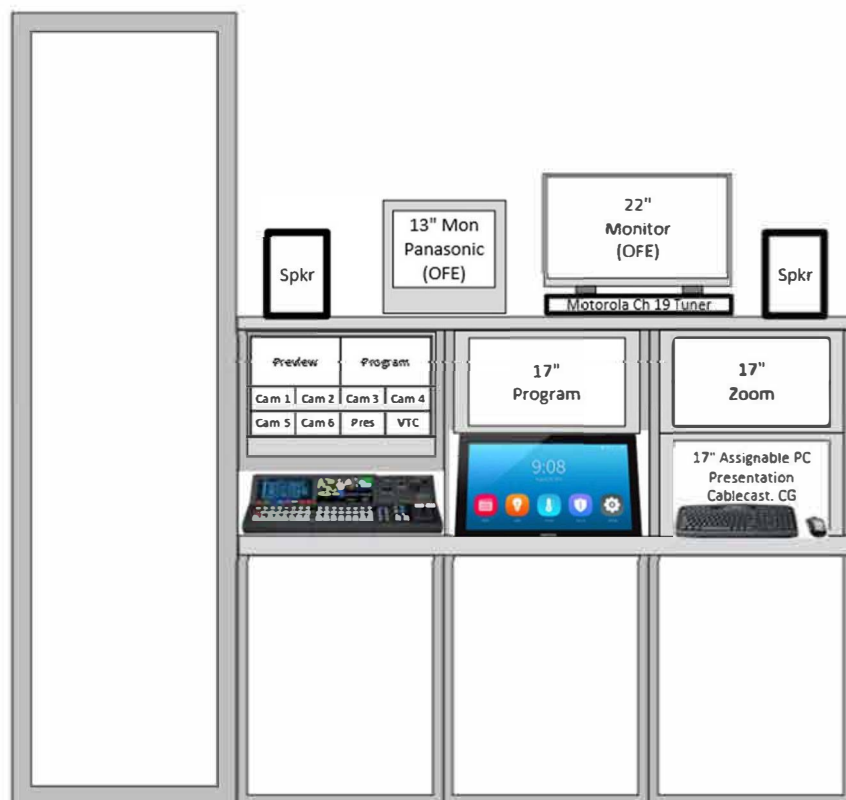
- **Document Camera**

- The existing Ceiling Doc Cam will not be supported. You may connect a portable document camera at the Lectern or Clerk Station HDMI input.

- **55" Monitors**

- We will provide (3) 55" Monitors to refresh the existing (2) Monitors in the Dais Well and the existing 55" Monitor on a cart.

- **Production Console**



We will utilize your existing rack and console frame.

We will place the Production Switcher Controller, 22" Touch Monitor and Wireless keyboard & Mouse on the counter. The Wireless Keyboard and Mouse may be assigned to any of the three PCs. We will reuse two of your existing Standard Definition TV/Monitors on top of the console for Cable TV confidence monitoring. We have included powered speakers that may be assigned to listen to any source or submix. Equipment will be installed in the main rack and under the console much as it is now.

- **Production Monitors**

- We will add a 20.5" Monitor on the left to display the Multiview output of the Production Switcher. This will display all 6 cameras, the active Presentation Signal, the VTC PC, Preview and Program.
- We will install (4) new 17" Monitors in the Console. (Your existing 17" Rack Monitor should be retained as a Spare.
 - One monitor will display the master Broadcast signal post Character Generator.
 - One will display the Switcher Multiview output showing the cameras, Preview & Program.
 - One will be dedicated to Video Conference
 - The fourth one may display either the active presentation PC, AirMedia, or the output of the Producer's admin PC which may be used for such things as the Cablecast Broadcast Billboard/Scheduled Playout System, the Character Generator, the Streaming Encoder/Recorder, YouTube Studio, or any other administrative purpose.

- We will reuse at least one of your existing Standard Definition monitors/TVs to allow monitoring of your Standard Definition Broadcast signals (i.e. Comcast).
- The Producer may use their Touch Monitor to assign PCs or AirMedia to the Assignable Monitor as well as select assignment of the Logitech Keyboard and Mouse.
- **Streaming Encoder/Recorder**
 - We have provided an option to provide a new Audio & Video Streaming Encoder and Recorder. The encoding stream may be automatically initiated when the Record button is pressed on the Touch Panel. The unit will record stream at a higher rate than the stream if desired. This unit may also be used to create an audio only recording if desired. After the recording is stopped, the file may be uploaded to a desired network storage, as well as left on the local recorder drive if desired.

Replace Projectors – 16,000 Lumen

- We will replace all three projectors with Panasonic PT-MZ16 series 16,000 Lumen UXGA Laser-based Projectors. We have included Long Throw Lenses and appropriate mounting hardware.

Audio System Refresh

- We have included (12) microphones to replace all Dais Microphones. These will have programmable buttons and LEDs which will be set to push on and push off. They may also be controlled by the Clerk, Producer, or the respective Dais Touch Monitors.
- Your existing wireless microphones are actually operating on frequencies that are not supposed to be used for Wireless Microphones. The FAA turned that frequency band over to Emergency Services and other purposed. We will provide (2) new Wireless Handheld Microphone Systems.
- We will replace the Biamp Nexia audio processing with current generation Biamp Tesira Server hardware.
 - The Inputs will support Acoustic Echo Cancellation on every microphone channel.
 - The system includes a VoIP telephone interface to allow connection of public or and/or members via a simple voice only connection.
 - We have provided an option for expansion of the audio system to support up to (16) Table Microphone discussion system.
- We will install a new energy efficient 8-channel amplifier to provide extended reliable



life.

- o The existing Ceiling Speakers will be reused.
- o We will provide a new Assistive Listening System including, at your request, (4) Rechargeable Receivers with Ear Speakers. Since you expressed interest in WiFi based Assistive Listening to allow users to use their own Phone or tablet, we have provided a WiFi-based system that can provide two channels (e.g. English & Foreign) to users running the Listen Everywhere App. We will also provide (4) WiFi-based Receivers with Ear Speakers and (2) Inductive neck Loops for use by those with Hearing Aids that support this.
- o **Discussion Microphone System**
We have provided a subsystem that includes (16) Desk Microphones, Cables, and a portable case with Input Plate, power distribution, and a device to provide Dante encoding and logic Interface for remote muting control from the microphone itself, or the Clerk or Producer Touch Panels. We will also include additional Audio Processing in the Rack to support these as well as the engineering and programming to integrate seamlessly as part of the system including audio and video conferencing. This option includes a small Network Switch so we can transport all audio and control over a single LAN Jack in the Floor Box. We have included (16) 25' Mic Extension Cables (this is addition to the 10' cable attached to each Microphone.)



Control System

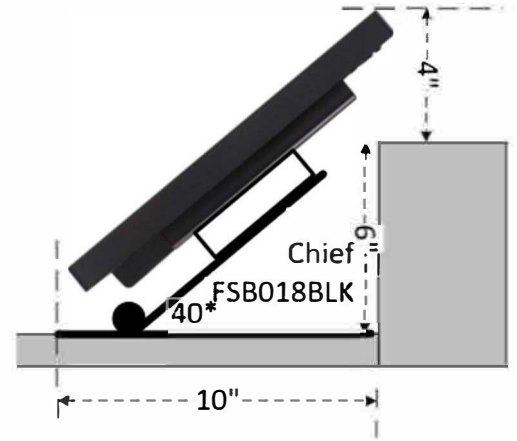
- o **Control Processor**
A new Control System will be installed and programmed to facilitate the system functions. Both the Clerk and the Producer will get a 22" Touch Panel which will allow:
 - Chamber Projector Power and Screen
 - Presentation & VTC Source Selection for Display in the Chamber
 - Audio Control
 - Speech Volume within the Chamber
 - Presentation Volume within the Chamber
 - VTC Volume within the Chamber
 - Public Audio On/Off
 - Production
 - Video Preview
 - Camera Switching Automation Controls
 - Member Titles & Agenda Graphics selection
 - Audio Monitoring Selection and Volume
 - Stream/Recording Start/Stop
 - Additional functions will be available as noted with certain options

o **Dais Touch Monitors & Voting**

We have provided an option to provide (7) 22" Touch Monitors for the Dais Members.

A very low profile mount will be used that allows the monitor to lay barely higher than the modest rail.

Each member will see Presentation or Zoom Video, be able to control their micro phone mute, and be able to Vote. The Mayor position will be able to start and close Voting (if desired, as the Clerk may also do this), control Lectern Microphone Mute, and control the Timer.



If desired, you may also implement the Request to Speak (RTS) feature. This allows for use of Parliamentary Procedure with each member pressing a button indicating their Request to Speak. The Mayor/Chair may recognize their choice of speaker and thus enable their microphone. Any member may also immediately disregard the RTS function and unmute their microphone.

Using Meeting Editor, an administrator may enter the name of any group that meets in that room, list the names of all members, their display titles for Broadcast, their voting rights, and if they get a Request to Speak Display Queue. Each member logs in by selecting their name from a list on the screen after the Clerk selects and "starts" the Meeting (this is actually usually done well ahead of the meeting actually starting.)

 		Tuesday, December 13, 2022 7:03	
Shane Tomlinson		Yes	
John Pimentel		Yes	
Casey Graham		Yes	
Laroy McDonald		Yes	
Scott Ball		Yes	
Yes 5		No 0	Abstain 0
Recusal 0			

o **Ethernet Switch**

We will provide two Netgear 40-port managed switches with POE+ sufficient to power all devices and switch all video streams without blocking. If you desire, we will connect to your network at one point and use an IP addressing scheme appropriate.

INTEGRATION SERVICES

Labor

The Technical Services cost includes the Design Engineering, Project Engineering, CAD, Programming, Project Management, Shop and Field Installation Labor, Site Configuration and Testing, and Training required for the project. Hourly technician Labor is priced for Prevailing Wage.

Materials costs include the cable, connectors, plate, panels and miscellaneous incidental components required to integrate the AV equipment into the final system.

Training

Training will include separate sessions for Room Users, Clerk, and Technical Administrators. Training sessions will be as long as required. Room Users usually need less than 20 minutes. The Clerk will probably want 1-2 hours.

Technical Administrators will probably want 4-6 hours.

Project Duration

Once we are onsite, we will require approximately 4 weeks for installation, commissioning, and Training.

Warranty

Budget assumes 1 Year Warranty with:

- 2 hour Phone Support
- 8 hour remote Support via VPN
- 48 Hour on-site response if needed
- (2) Preventative Maintenance Visits/year

Attachments

- Detailed Pricing Breakout

SCHEDULE OF COMPENSATION

Qty	Manufacturer	Model #	Description	Unit Price	Ext Price
				Updated	3/23/2024
PRODUCTION					
6	VADDIO	999-99330-000	ROBOSHOT 30E SDI	\$4,518.23	\$27,109.38
1	FOR_A	HVS-100TA	Production Switcher	\$13,942.00	\$13,942.00
1	FOR-A	HVS-100PCI	Dual HDMI Input Card	\$2,486.00	\$2,486.00
1	FOR-A	HVS-100ED	Editor Control Software	\$1,421.00	\$1,421.00
1	Digt	7A0-0348-RK	ChyTV Multi-SDI SD/HD SDI Input/output	\$6,019.23	\$6,019.23
1	AJA	3G-AMA	Audio to SDI Inserter	\$1,280.77	\$1,280.77
1	AJA	KUMO1616	16x16 SDI Switcher	\$3,242.31	\$3,242.31
1	Digt	7A0-0348-RK	ChyTV Multi-SDI SD/HD SDI Input/output	\$6,019.23	\$6,019.23
5	DECIMATOR	MD-HX	SDI-HDMI Scaler Cross Converter	\$378.21	\$1,891.05
1	TIGHTROPE	CBL-VIO2-600	CABLECAST VIDEO SERVER - 2 port	\$24,994.67	\$24,994.67
1	TIGHTROPE	CBL-CGPLAYER-LIC	Cablecast CG bulletin board software for VIO4	\$1,653.33	\$1,653.33
4	MARSHALL	V-LCD173HR	6RU 17" 1080p Rack Monitor	\$1,295.00	\$5,180.00
PRESENTATION AND ROUTING					
3	SAMSUNG	QB55R	55" Commercial Monitor	\$1,123.00	\$3,369.00
3	LOGITECH	MX KEYS/MX MASTER	Wireless Keyboard & Mouse with PC Switching	\$286.25	\$858.75
1	MAGEWELL	32070	USB Capture 2.0 SDI	\$383.33	\$383.33
2	CRESTRON	DGE-100	Digital Graphics Engine 100	\$1,375.00	\$2,750.00
AUDIO					
1	AUDINATE	ADP-USB-AU-2X2	AVIO DANTE 2x2 USB IO	\$252.00	\$252.00
12	SHURE	MX418D/C	Cardioid-18" Desktop Gooseneck Condenser Microphone, Attached 10' XLR Cable, Logic Functions, Progra	\$306.41	\$3,676.92
3	CLOCK AUDIO	CDT100MK3-PSU-UDP	UDP Version (For Crestron/AMX/QSC logic control users only) Dante Transporter for Audio and Control	\$1,119.23	\$3,357.69
2	SHURE	ULXD4=-H50	Single Digital Wireless Receiver with PS41US Power Supply, 1/2 Wave Antenna and Rack Mounting Hardware	\$1,011.54	\$2,023.08
2	SHURE	ULXD2/B58=-H50	Handheld Transmitter with BETA 58A® Microphone	\$641.03	\$1,282.06
1	SHURE	UA221	Passive Antenna Splitter/Combiner Kit. Includes Two Splitter/Combiners, Four Coaxial Cables, and Att	\$160.26	\$160.26
1	BIAMP	TESIRA SERVER IO AVB	DSP Frame	\$5,725.00	\$5,725.00
1	BIAMP	EX-UBT	USB/Bluetooth Adapter for Tesira	\$545.00	\$545.00
1	BIAMP	TESIRA SIC-4	Input Card - 4 ch	\$282.00	\$282.00
3	BIAMP	TESIRA SEC-4	Mic Input Card with AEC 4-ch	\$565.00	\$1,695.00
3	BIAMP	TESIRA SOC-4	Output Card 4-ch	\$248.75	\$746.25
1	BIAMP	TESIRA SVC-2	VOIP Card - 2ch	\$565.00	\$565.00
1	BIAMP	TESIRA DAN-1	Dante Network Card	\$1,152.00	\$1,152.00
2	BIAMP	TESIRA DSP-2	DSP Processor Card	\$689.00	\$1,378.00
1	EXTRON	60-2025-01	Eight Channel Amp, Configurable 200 watts at 70 volts	\$2,421.00	\$2,421.00
1	LISTEN TECH	LWS-10-A1-D	Assistive Listening System - WiFi System - 2 ch Server, 2 LWR-1050 Receivers, 2 Ear Spkr & 2 Loops	\$1,395.00	\$1,395.00
2	LISTEN TECH	LWR-1050	Assistive Listening System - WiFi Receiver	\$421.00	\$842.00
2	LISTEN TECH	LA-164	Ear Speaker	\$17.62	\$35.24
1	MACKIE	CR5-XBT (PAIR)	5" Creative Reference Multimedia Monitors with Bluetooth (Pair)	\$292.00	\$292.00
CLERK MONITORS					
3	CRESTRON	TSD-2220-B	21.5" HD Touch Screen Display, Black	\$1,410.26	\$4,230.78
3	WEARSON	WS-03A	Adjustable LCD Monitor Stand Mount Folding VESA Monitor Desk Stand	\$53.32	\$159.96

3	CRESTRON	DGE-100	Digital Graphics Engine 100	\$1,375.00	\$4,125.00
PRODUCER'S TOUCH MONITOR					
1	CRESTRON	TSD-2220-B	21.5" HD Touch Screen Display, Black	\$1,410.26	\$1,410.26
1	WEARSON	WS-03A	Adjustable LCD Monitor Stand Mount Folding VESA Monitor Desk Stand	\$53.32	\$53.32
1	CRESTRON	DGE-100	Digital Graphics Engine 100	\$1,375.00	\$1,375.00
CONTROL HARDWARE					
1	CRESTRON	CP4	Master Control Processor	\$1,466.00	\$1,466.00
3	GLOBAL CACHE	GLO-IP2CCP	Global Cache iTach IP2CC with PoE Option	\$156.67	\$470.01
2	NETGEAR	GSM4248P-100NAS	Netgear Switch - 40 x8, 480W POE+	\$2,432.00	\$4,864.00
2	FIBERMALL	B089D1ZCJ	AXM765 Compatible Copper 10G 30m SFP+	\$88.00	\$176.00
2	IWILLINK	YUNXI-PN-48LTK-C6	CAT6 Patch Bay - Shielded, 48 port	\$120.00	\$240.00
INSTALLATION MATERIALS					
1	SOLUTIONZ	INSTALL_MATERIAL	Misc cables, connectors, plates and hardware (INCLUDE Extension Cord- Power 25' 18# Black, CAT6 25' Black Patch Cord (Stranded))	\$6,700.00	\$6,700.00
1		FREIGHT	Freight charges	\$2,903.00	\$2,903.00

Equipment Total **\$158,598.88**
9.13% Sales Tax **\$14,480.08**

40	SOLUTIONZ	DESIGN_M	System Design	\$150.00	\$6,000.00
32	SOLUTIONZ	CADD_M	CAD Drawing	\$120.00	\$3,840.00
81	SOLUTIONZ	PROGRAM_M	Programming	\$150.00	\$12,150.00
48	SOLUTIONZ	TESTING_M	Testing & Commissioning	\$150.00	\$7,200.00
16	SOLUTIONZ	SHOPINSTALL_M	Shop Installation	\$120.00	\$1,920.00
144	SOLUTIONZ	FIELDINSTALL_PW	Field Installation	\$150.00	\$21,600.00
40	SOLUTIONZ	PROJMGMT_M	Project Management	\$150.00	\$6,000.00
12	SOLUTIONZ	MISC-TRAVEL	Misc Travel	\$1,000.00	\$12,000.00
1	SOLUTIONZ	Subcontract	Cablecast Training	\$2,500.00	\$2,500.00

Labor Total **\$0.00** **\$73,210.00**

SERVICE & SUPPORT

1	SOLUTIONZ	SS-SUPPORT-PG	Performance Guaranty - 1 Year	\$7,000.00	\$7,000.00
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GRAND TOTAL **\$253,288.96**

OPTIONS

OPTIONS

OPTIONS

REPLACE MATRIX

3	DIGITALINX	IPEX5001-WP-W	HDMI Over IP Wall Plate Encoder	\$658.20	\$1,974.60
12	DIGITALINX	IPEX5001	HDMI Over IP Encoder - Scalable 4K Solution over 1Gb Network w/ full Matrix & Video wall Capability	\$662.28	\$7,947.36
27	DIGITALINX	IPEX5002	HDMI Over IP Decoder - Scalable 4K Solution over 1Gb Network w/ full Matrix & Video wall Capability	\$666.87	\$18,005.49
1	DIGITALINX	IPEXAR-5000-100	ARRANGER CNTRLR 5000 51-100	\$665.33	\$665.33
2	DIGITALINX	DL-HDRKUNV6	6RU RACKMOUNT SYSTEM, up to 10	\$184.20	\$368.40
3	DIGITALINX	DL-RPIP5000	Rackpanel kit for DigiIIP IPEX5000 series 5 pack	\$73.00	\$219.00
1	SOLUTIONZ	INSTALL_MATERIAL	Misc cables, connectors, plates and hardware	\$5,600.00	\$5,600.00
1	SOLUTIONZ	S/H-S	Freight charges	\$135.00	\$135.00

Equipment Total **\$34,915.18**
9.13% Sales Tax **\$3,187.76**

16	SOLUTIONZ	DESIGN_M	System Design	\$150.00	\$2,400.00
16	SOLUTIONZ	CADD_M	CAD Drawing	\$120.00	\$1,920.00
16	SOLUTIONZ	PROGRAM_M	Programming	\$150.00	\$2,400.00
24	SOLUTIONZ	TESTING_M	Testing & Commissioning	\$150.00	\$3,600.00
16	SOLUTIONZ	SHOPINSTALL_M	Shop Installation	\$120.00	\$1,920.00

32	SOLUTIONZ	FIELDINSTALL_PW	Field Installation	\$150.00	\$4,800.00
16	SOLUTIONZ	PROJMGMT_M	Project Management	\$150.00	\$2,400.00
REPLACE MATRIX OPTION TOTAL					\$57,542.94

TABLE DISCUSSION MIC SYSTEM

16	SHURE	MX418D/C	Cardioid-18" Desktop Gooseneck Condenser Microphone, Attached 10' XLR Cable, Logic Functions, Progra	\$306.41	\$4,902.56
4	CLOCK AUDIO	CDT100MK3-PSU	UDP Version (For Crestron/AMX/QSC logic control users only) Dante Transporter for Audio and Control	\$1,119.23	\$4,476.92
1	BIAMP	TESIRA SEC-4	Mic Input Card with AEC 4-ch	\$565.00	\$565.00
1	BIAMP	0447.900	Fixed I/O DSP with 12 analog inputs, 8 analog outputs, 8 channels configurable USB audio, 32 x 32 ch	\$2,498.72	\$2,498.72
1	NETGEAR	NGR-GSM4230PX-100NAS	Netgear Switch - 24 Ports, POE+	\$1,680.85	\$1,680.85
1	FURMAN SOUND	M-8X2	15A Standard Power Conditioner, 9 Outlets, 1RU, 6Ft Cord	\$98.65	\$98.65
1	Liberty	Custom 2RU I/O	Custom I/O Plate - 16 XLR5f, RJ45	\$300.00	\$300.00
1	GATOR CASES	G-PROR-6U-19	Pro-Series Molded Mil-Grade PE Rack Case; 6U, 19" Deep; w/ Handle & Wheels	\$413.32	\$413.32
1	SOLUTIONZ	INSTALL_MATERIAL	Misc cables, connectors, plates and hardware	\$850.00	\$850.00
1			Microphone Cables - 25'	\$0.00	\$0.00
1			Extension Cord- Power 25' 18# Black	\$0.00	\$0.00
1			CAT6 25' Black Patch Cord (Stranded)	\$0.00	\$0.00
1		FREIGHT	Freight charges	\$135.00	\$135.00

Equipment Total \$15,921.02**9.13% Sales Tax \$1,453.59**

4	SOLUTIONZ	DESIGN_M	System Design	\$150.00	\$600.00
4	SOLUTIONZ	CADD_M	CAD Drawing	\$120.00	\$480.00
8	SOLUTIONZ	PROGRAM_M	Programming	\$150.00	\$1,200.00
8	SOLUTIONZ	TESTING_M	Testing & Commissioning	\$150.00	\$1,200.00
8	SOLUTIONZ	SHOPINSTALL_M	Shop Installation	\$120.00	\$960.00
8	SOLUTIONZ	FIELDINSTALL_PW	Field Installation	\$150.00	\$1,200.00
4	SOLUTIONZ	PROJMGMT_M	Project Management	\$150.00	\$600.00

0 Option Discussion Mics - Sub-Total \$23,614.61**DAIS MONITORS & VOTING**

7	CRESTRON	TSD-2220-B	21.5" HD Touch Screen Display, Black	\$1,410.26	\$9,871.82
7	CHIEF	FSB018BLK	FLAT SCREEN TABLE STAND -BLACK	\$257.96	\$1,805.72
7	CRESTRON	DGE-100	Digital Graphics Engine 100	\$1,375.00	\$9,625.00
1	SOLUTIONZ	INSTALL_MATERIAL	Misc cables, connectors, plates and hardware	\$300.00	\$300.00

Equipment Total \$21,602.54**9.13% Sales Tax \$1,972.31**

4	SOLUTIONZ	DESIGN_M	System Design	\$150.00	\$600.00
4	SOLUTIONZ	CADD_M	CAD Drawing	\$120.00	\$480.00
8	SOLUTIONZ	PROGRAM_M	Programming	\$150.00	\$1,200.00
8	SOLUTIONZ	TESTING_M	Testing & Commissioning	\$150.00	\$1,200.00
8	SOLUTIONZ	SHOPINSTALL_M	Shop Installation	\$120.00	\$960.00
8	SOLUTIONZ	FIELDINSTALL_PW	Field Installation	\$150.00	\$1,200.00
4	SOLUTIONZ	PROJMGMT_M	Project Management	\$150.00	\$600.00

Option Dais Monitors - Sub-Total \$29,814.85**STREAMING/RECORDER**

1	EXTRON	60-1594-01	Single Channel H.264 Streaming Media Processor	\$2,613.33	\$2,613.33
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Equipment Total \$2,613.33**9.13% Sales Tax \$238.60**

Option Streaming Recorder - Sub-Total \$3,451.93

PROJECTORS

Equipment Total \$71,950.88
9.13% Sales Tax \$6,569.12

Option Projectors - Sub-Total \$80,170.00

New Power Management & UPS

Equipment Total \$2,099.95
9.13% Sales Tax \$191.73

Option Power Management - Sub-Total \$2,291.68

UPGRADE SERVICE & SUPPORT

					\$8,000.00
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GRAND TOTAL \$458,174.95
Bond (if required) \$6,927.61
Total w/Bond \$465,102.56

y g

EXHIBIT C SCHEDULE OF PERFORMANCE

- May 6th-10th Contract and project set up.
- May 13th-17th Internal & External Kick off meetings
- May 20th-24th Order equipment and receive equipment delivery schedules.
- May 27th-31st Schedule installation dates based on equipment delivery dates.
- June 24th-28th Assumed equipment has been delivered.
- Mid -July -Aug 30th Installation 4-5 weeks
- Late-August-Beginning of September 1-Week Test, Commission, and sign off

The above schedule is contingent upon:

- 1) Prompt execution by City of final contract, enabling Solutionz to mobilize and order equipment on a timely basis.
- 2) Provision by City of clean, dust-free environment suitable for installation, all prerequisite work required to be done by the City or by City's other subcontractors to be completed prior to installation. In the event of delays caused by others, Solutionz shall be entitled to an extension of time for completion equivalent to the duration of delay.

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Michael Horta, Human Resources Director

APPROVED BY: City Manager

APPROVE MEMORANDUM OF UNDERSTANDING (MOU) WITH MORGAN HILL POLICE OFFICERS' ASSOCIATION (POA) AND CORRESPONDING SALARY SCHEDULES, AND APPROVE MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES RESOLUTION AND CORRESPONDING SALARY SCHEDULES, AND PART-TIME TEMPORARY AND SEASONAL EMPLOYEES SALARY SCHEDULE

RECOMMENDATION(S)

1. Approve a Memorandum of Understanding (MOU) with POA effective December 21, 2025 - December 31, 2028 and corresponding salary schedules;
2. Approve the Management, Professional, and Confidential Employees Resolution effective December 21, 2025 and corresponding salary schedules; and
3. Approve the Part-Time Temporary and Seasonal Employees salary schedule effective December 21, 2025.

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 POA bargaining unit have reached agreement related to Memorandums of Understanding (MOU) for an additional three-year contract period. The new term for the MOU is December 21, 2025 through December 31, 2028.

The POA agreement was ratified by POA members on November 25, 2025. The agreement falls 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 POA MOU, which affect wages, shall be implemented on December 21, 2025.

POA

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

- **Base Salary Increases for Sworn Personnel (Police Officer, Police Corporal, Police Sergeant) and Non-Sworn Personnel (Multi-Service Officer)**

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

- **Specialized Pay Assignments:** Increase pay by 3% effective December 21, 2025, increase pay by 3% effective December 20, 2026, and increase pay by 2% effective December 19, 2027 (per pay period):

	2026	2027	2028
Police Officer	\$301.24	\$310.28	\$316.49
Police Corporal	\$331.36	\$341.30	\$348.13
Police Sergeant	\$361.49	\$372.33	\$379.78

- **CalPERS Cost Sharing:** Reduce by 1.76% for all members, except Safety (sworn) Public Employees' Pension Reform Act (PEPRA) members. Eliminate cost-sharing for Safety PEPRA members.
- **Retention:** Add Step G 5% increase after 10 years for sworn classifications (Police Officer, Police Corporal and Police Sergeant). The employee must have completed 10 years of service, which includes 5 years of service in the bargaining unit for the City of Morgan Hill to be eligible for the step increase.
- **Wellness Bank:** 40 hours of use it or lose it time each fiscal year. Beginning of 2026 to be prorated January - June 2026 and end of 2028 to be prorated July - December 2028.

- **Overtime Rate:** Increase to 2 times for special events and/or scheduled to work dates that are blocked off for preferred vacation.
- **Deferred Compensation:** City shall contribute 2% at time of hire and an additional 1% after 5 years and an additional 1% after 10 years 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 monthly amounts:

	2026
Employee + Family	\$3,047.55
Employee + 1	\$2,435.99
Employee Only	\$1,216.72
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.

Management, Professional, and Confidential Employees Resolution and Corresponding Salary Schedules

The City Council considers revisions to the City's existing Management, Professional, and Confidential Employees Resolution based on a recommendation from the City Manager. All provisions included in this Resolution which affect wages and benefits are recommended to be implemented beginning December 21, 2025. A summary of the components of the recommended Resolution is provided below:

- **Salary:** Employees covered by the Resolution are recommended to receive a 3% salary increase effective December 21, 2025, 2% salary increase effective December 20, 2026, and 1% effective December 19, 2027.
- **CalPERS Cost Sharing:** For Safety Classic, Miscellaneous Classic and Miscellaneous PEPRA employees.

Reduce by 2.00% effective December 21, 2025

Reduce by 3.00% effective December 20, 2026

Reduce by 1.12% effective December 19, 2027

Effective December 21, 2025, eliminate cost-sharing for Safety PEPRA employees.

- **Deferred Compensation Program:** City shall contribute an additional one percent (1%) of an employee's base salary to a 457 Deferred Compensation plan per pay period effective December 19, 2027.
- **Health Benefit:** The City will contribute to the City's medical and dental plans as follows:

	2026
Employee + Family	\$2,947.97
Employee + 1	\$2,249.59

Employee Only \$1,124.80
 Health / Dental In-Lieu (waive)\$610

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

Holiday Pay: Those employees in Group 1-D 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 additional hours equivalent to the additional vacation hours received by those working on a 9/80 schedule as floating holiday time based on the number of holidays that fall in each specific year.

Part-Time Temporary and Seasonal Employees Salary Schedule

The Part-Time Temporary and Seasonal Salary Schedule has been updated to align with the increased minimum wage of \$16.90 per hour which takes effect January 1, 2026.

A new position classification of Public Safety Dispatcher Trainee has been added as an entry level trainee position within the Dispatch Division. The wage would be 90% of the monthly rate for Step A of the Public Safety Dispatcher classification.

COMMUNITY ENGAGEMENT:

Inform

The Human Resources Team will post the approved POA MOU, the Management, Professional, and Confidential Employees Resolution and corresponding salary schedules, and the Part-Time Temporary and Seasonal Employees salary schedule 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 POA MOU from December 24, 2023 – December 31, 2025, and corresponding salary schedules.

On November 20, 2024, the City Council approved the Management, Professional, and Confidential Employees Resolution and corresponding salary schedules.

On November 20, 2024, the City Council approved the Part-Time Temporary and Seasonal Employees salary schedule.

FISCAL AND RESOURCE IMPACT:

The fiscal impact of the POA MOU, the Management Resolution, Part-Time Temporary and Seasonal Employees salary is 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 incremental increase to the forecast is approximately \$0.4 million to the General Fund and \$0.1 million to other funds due to the above negotiated items. For Fiscal Year (FY) 2027-28, the incremental increase to the forecast is approximately \$0.3 million to the General Fund and \$0.1 million to other funds due to the above negotiated items.

Part-Time Temporary and Seasonal Employees Salary Schedule – There is no fiscal impact to increase the minimum part-time temporary and seasonal employees' salaries from the current California minimum wage rate of \$16.50 per hour to the California new minimum wage requirement of \$16.90 per hour effective January 1, 2026. The fiscal impact to increase salary ranges was known and included in the adopted budget. Future salary increases would have a fiscal impact as select positions' salary increases fall within the new ranges.

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.

**TERMS OF THE POLICE OFFICERS ASSOCIATION
MEMORANDUM OF UNDERSTANDING
RATIFIED 11.25.2025**

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

Salaries: 3.0% in Year 1, 3.0% in Year 2 and 2.0% in Year 3

Cost Sharing: Reduce by 1.76% for all members, except Sworn PEPRA members. Eliminate cost-sharing for Sworn PEPRA members.

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

	2026
Employee + Family	\$3,047.55
Employee + 1	\$2,435.99
Employee Only	\$1,216.72
Health-In-Lieu (waive)	\$610.00

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

Specialized Pay Assignment: Increase pay by 3% effective December 21, 2025, increase pay by 3% effective December 20, 2026, and increase pay by 2% effective December 19, 2027 (per pay period):

	2026	2027	2028
Police Officer	\$301.24	\$310.28	\$316.49
Police Corporal	\$331.36	\$341.30	\$348.13
Police Sergeant	\$361.49	\$372.33	\$379.78

Retention: Add Step G 5% increase after 10 years for sworn classifications (Police Officer, Police Corporal and Police Sergeant). Must have completed 5 years of service to be eligible for step increase.

Wellness Bank: 40 hours of use it or lose it time each fiscal year. Beginning of 2026 to be prorated January - June 2026 and end of 2028 to be prorated July - December 2028.

Overtime Rate: Increase to 2 times for special events and/or scheduled to work dates that are blocked off for preferred vacation.

Deferred Compensation: City shall contribute 2% at time of hire and an additional 1% after 5 years and an additional 1% after 10 years of an employee's base salary to a 457 deferred compensation plan per pay period.

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

City of Morgan Hill Salary Schedule
Morgan Hill Police Officers' Association

Effective pay period December 21, 2025

% Increase	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	G Monthly	G Hourly
3.00%	Police Sergeant	\$12,846.77	\$74.12	\$13,489.11	\$77.82	\$14,163.56	\$81.71	\$14,871.74	\$85.80	\$15,615.33	\$90.09	\$16,396.10	\$94.59	\$17,215.90	\$99.32
3.00%	Police Corporal	\$11,596.77	\$66.90	\$12,176.61	\$70.25	\$12,785.44	\$73.76	\$13,424.71	\$77.45	\$14,095.94	\$81.32	\$14,800.74	\$85.39	\$15,540.78	\$89.66
3.00%	Police Officer	\$10,774.67	\$62.16	\$11,313.41	\$65.27	\$11,879.08	\$68.53	\$12,473.03	\$71.96	\$13,096.68	\$75.56	\$13,751.52	\$79.34	\$14,439.09	\$83.30
3.00%	Multi-Service Officer	\$8,143.83	\$46.98	\$8,551.02	\$49.33	\$8,978.57	\$51.80	\$9,427.50	\$54.39	\$9,898.87	\$57.11	\$10,393.82	\$59.96	N/A	N/A

Effective pay period December 20, 2026

% Increase	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	G Monthly	G Hourly
3.00%	Police Sergeant	\$13,232.17	\$76.34	\$13,893.78	\$80.16	\$14,588.47	\$84.16	\$15,317.90	\$88.37	\$16,083.79	\$92.79	\$16,887.98	\$97.43	\$17,732.38	\$102.30
3.00%	Police Corporal	\$11,944.67	\$68.91	\$12,541.91	\$72.36	\$13,169.00	\$75.98	\$13,827.45	\$79.77	\$14,518.82	\$83.76	\$15,244.76	\$87.95	\$16,007.00	\$92.35
3.00%	Police Officer	\$11,097.92	\$64.03	\$11,652.81	\$67.23	\$12,235.45	\$70.59	\$12,847.22	\$74.12	\$13,489.59	\$77.82	\$14,164.06	\$81.72	\$14,872.27	\$85.80
3.00%	Multi-Service Officer	\$8,388.14	\$48.39	\$8,807.55	\$50.81	\$9,247.93	\$53.35	\$9,710.32	\$56.02	\$10,195.84	\$58.82	\$10,705.63	\$61.76	N/A	N/A

Effective pay period December 19, 2027

% Increase	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	G Monthly	G Hourly
2.00%	Police Sergeant	\$13,496.82	\$77.87	\$14,171.66	\$81.76	\$14,880.24	\$85.85	\$15,624.25	\$90.14	\$16,405.47	\$94.65	\$17,225.74	\$99.38	\$18,087.03	\$104.35
2.00%	Police Corporal	\$12,183.57	\$70.29	\$12,792.74	\$73.80	\$13,432.38	\$77.49	\$14,104.00	\$81.37	\$14,809.20	\$85.44	\$15,549.66	\$89.71	\$16,327.14	\$94.20
2.00%	Police Officer	\$11,319.87	\$65.31	\$11,885.87	\$68.57	\$12,480.16	\$72.00	\$13,104.17	\$75.60	\$13,759.38	\$79.38	\$14,447.35	\$83.35	\$15,169.71	\$87.52
2.00%	Multi-Service Officer	\$8,555.90	\$49.36	\$8,983.70	\$51.83	\$9,432.88	\$54.42	\$9,904.53	\$57.14	\$10,399.75	\$60.00	\$10,919.74	\$63.00	N/A	N/A

RESOLUTION NO. ~~254-041~~XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ADJUSTING THE SALARY SCHEDULE FOR MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES (THIS RESOLUTION RESCINDS RESOLUTION NO. ~~243-041~~51)

WHEREAS, the City Manager has presented to the City Council of the City of Morgan Hill a recommended set of salary ranges and benefits for the Management, Professional, and Confidential employees; and

WHEREAS, the City Council of the City of Morgan Hill has reviewed said recommendations;

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

SECTION 1-SALARY RANGES

- A. Effective ~~June 23, 2024~~December 21, 2025, base salaries for Groups 1-A, 1-B, 1-C, and 1-D, ~~are included~~increase by 3%. See the Salary Schedule attached as **Exhibit A.**
- ~~B.~~ Effective ~~the pay period including~~ December 202, 20264, base salaries for Groups 1-A, 1-B, 1-C, and 1-D, increase by 2~~5~~%; See Salary Schedule attached as **Exhibit B.**
- ~~B.C.~~ Effective December 19, 2027, base salaries for Groups 1-A, 1-B, 1-C, and 1-D, increase by 1%. See Salary Schedule attached as **Exhibit C.**
- ~~C.D.~~ Groups 1-A, 1-B, 1-C, and 1-D base salary ranges include the employee PERS contribution which is deducted from payroll (See SECTION 3, E-H.)

SECTION 2- ESTABLISHMENT OF COMPENSATION AND JOB DESCRIPTIONS FOR GROUPS 1-A, 1-B, 1-C, and 1-D

- A. The City Manager will establish the monthly compensation for the classifications in Group 1-A. In order to attract high quality executive managers, foster job security within a professional climate, and provide the flexibility to remain competitive within the area job market, the City Manager has authority to enter into individual employment agreements with each executive manager; provided that the terms of the employment agreement do not exceed the total compensation permitted by this Resolution.

Employees listed in Group 1-A may receive a severance allowance as provided for in an individual employment agreement when they are separated in good standing from employment; provided that such separation is not for cause, or for reasons listed in Government Code 19572, or for any employee who voluntarily resigns from City service for personal reasons.

1. The City Manager shall establish an allowance amount, not to exceed six months' salary, which is determined to be in the best interest of the city for the following executive classifications of the Group 1-A:

Assistant City Manager for Administrative Services
Assistant City Manager for Development Services
Assistant City Manager/Public Services Director
Chief of Police

2. The City Manager shall establish an allowance amount, not to exceed three months' salary, which is determined to be in the best interest of the City for the remaining classifications of the Group 1-A.
 3. This severance allowance is in addition to any unused vacation or administrative leave pay unused at the time of separation.
- B. Each Department Director will recommend to the City Manager the proposed monthly salary to be paid to each of the employees whose classification appears in Group 1-B, 1-C, and 1-D. Upon approval of the City Manager, the monthly salary will be set within the prescribed range for each classification. The City Manager has the authority to increase the monthly compensation for employees in Group 1-B, 1-C, and 1-D, by a maximum of 10% within the prescribed range each fiscal year based on each individual employee's performance.
- C. The City will contribute 2% of an employee's base salary to a City-sponsored IRS 457 deferred compensation program of the employee's choice 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 shall receive an additional one percent (1%) city contribution.
- D. When it is proposed by the Personnel Officer that a new classification be created or an existing classification be changed, the City Manager shall submit justification for approval of that action to the City Council and if that action is approved, the City Manager will have the authority to approve new and revised job descriptions.

SECTION 3 - CONTRIBUTIONS TO THE CalPERS RETIREMENT SYSTEM, GROUPS 1-A, 1-B, 1-C, and 1-D

- A. For "Classic Members" as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA) and in the CalPERS retirement system:
1. Non-Safety (miscellaneous) employees listed in Groups 1-A, 1-B, 1-C, and 1-D will receive

CalPERS retirement benefits under the 2.5% at age 55 plan.

2. Safety (sworn) employees listed in Groups 1-A and 1-B, will receive CalPERS retirement benefits under the 3% at age 50 plan.

B. For "New Members" as defined by PEPR and in the CalPERS retirement system:

1. Non-Safety (miscellaneous) employees listed in Groups 1-A, 1-B, 1-C, and 1-D will receive CalPERS retirement benefits under the 2.0% at 62 plan.
2. Safety (sworn) employees listed in Groups 1-A and 1-B will receive CalPERS retirement benefits under the 2.7% at age 57 plan.

C. CalPERS defines a "New Member" as:

1. A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any other California public retirement system.
2. A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system.
3. A member who established CalPERS membership prior to January 1, 2013, and who is hired by a different CalPERS employer after January 1, 2013, after a break in service of greater than six months.
4. CalPERS refers to all members that do not fit the definition of a "new member" as a "classic member."

Non-Safety (Miscellaneous)

- D. Non-Safety (miscellaneous) employees: Beginning with CalPERS rates effective July 1, 2013, the City and Non-Safety (miscellaneous) Management, Professional, and Confidential employees agreed to split future employer rate increases at a 50/50 ratio. This methodology will be used in subsequent years should CalPERS increase the Miscellaneous contribution rates.
- E. The Miscellaneous "Classic Members" shall contribute, in addition to the "Classic Members" rate of 8.0%, an additional 5.165% towards the "Classic Members" CalPERS contribution rate for FY 2021-22. The total "Classic Members" employee contribution obligation shall be 13.165%.
- F. The Miscellaneous "New Members" shall contribute, in addition to the "New Members" rate of 7.0%, an additional 5.165% towards the "New Members" CalPERS contribution rate for FY 2020-21. The total "New Members" employee contribution obligation shall be 12.165%.

- G. Effective July 1, 2022 miscellaneous employees 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 employees agree to split any rate decreases below the FY 2022-23 employer's CalPERS contribution rate of 28.77% at a 50/50 ratio.
- H. Effective pay period beginning June 26, 2022 (or as soon as administratively possible with CalPERS after June 26, 2022), all miscellaneous members (Classic and PEPRA) in the Management, Professional, and Confidential Employees Resolution shall share the employer's CalPERS contribution rate at 6.12%.
- I. Effective December 21, 2025, the employee's contribution towards employer's share of pension cost will be reduced to 4.12%.
- J. Effective December 20, 2026, the employee's contribution towards employer's share of pension cost will be reduced to 1.12%.
- K. Effective December 19, 2027, the employee's contribution towards employer's share of pension cost will be eliminated.

Safety (Sworn)

- L. Safety (sworn) PEPRA employees: Beginning with CalPERS rates effective July 1, 2013, at which time the City's employer contribution PEPRA rate was 11.5%, the City and Association agreed that, beginning with CalPERS PEPRA rates effective July 1, 2013, safety (sworn) PEPRA employees would not pay less than 11.50% and would split future increases to the City's employer PEPRA contribution rates, including both the normal cost and any unfunded actuarial liability at a 50/50 ratio. For example, the City's employer CalPERS safety PEPRA obligation was 12.114% in FY 16-17 with the PEPRA employees' obligation was at 11.50%. Therefore, City paid half of the 0.614% increase over the base year City's employer PEPRA cost of 11.50% (equal to 0.307%) and safety PEPRA employees paid the other half (also equal to 0.307%). This methodology has been used in each year subsequent to FY 2016-17 and will be used in future years should CalPERS increase the City's employer Safety PEPRA contribution rates. The Safety PEPRA employees CalPERS contributions rate for 2021-22 shall be 14.709% (13.00% employee + 1.709% of the employer share). Effective July 1, 2023, Safety (sworn) PEPRA employees will share the employer's CalPERS contribution rate at 1.02%. Effective July 1, 2024, Safety (sworn) PEPRA employees will share the employer's CalPERS contribution rate at 1.607%.

- M. Safety (sworn) PEPRA employees: Effective December 21, 2025, the employee's contribution towards employer's share of pension cost will be eliminated.

- N. Safety (sworn) Classic employees: Beginning December 30, 2018, the City and Safety (sworn)

Management, Professional, and Confidential employees agreed, Safety (sworn) Classic employees shall share the employer's CalPERS contribution rate at 6.12%.

O. Effective December 21, 2025, the employee's contribution towards employer's share of pension cost will be reduced to 4.12%.

P. Effective December 20, 2026, the employee's contribution towards employer's share of pension cost will be reduced to 1.12%.

K-Q. Effective December 19, 2027, the employee's contribution towards employer's share of pension cost will be eliminated.

SECTION 4 - HEALTH CARE CONTRIBUTIONS AND IRS 125 PLAN, GROUPS 1-A, 1-B, 1-C, and 1-D

A. The City will contribute to the City's medical and dental plans as follows:

1. For employees with family coverage, up to \$2,~~574.54~~947.97/month in 202~~64~~ and up to 6% matching the Kaiser medical premium increase in 2027 and 2028~~\$2,806.25/month in 2025.~~
2. For employees with employee plus one coverage, up to \$~~1,982.322,249.59~~/month in 202~~64~~ and up to 6% matching the Kaiser medical premium increase in 2027 and 2028~~\$2,141.45/month in 2025.~~
3. For employees with employee only coverage, up to \$~~982.321,124.80~~/month in 202~~64~~ and up to 6% matching the Kaiser medical premium increase in 2027 and 2028~~\$1,070.73/month in 2025.~~
4. Employees enrolling in City health but not using the maximum amount available from the City for their premium category (employee only, employee + 1, employee + 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.
5. Employees who waive medical coverage and annually provide proof of alternate medical coverage shall be entitled to a taxable health in lieu payment of six hundred ten dollars (\$610) per month.
6. If an employee waives medical and elects dental coverage, the employee will receive the taxable health in lieu payment of six hundred ten dollars (\$610) per month but will pay the appropriate dental premium.

B. The City will continue to provide coverage under the Concern Employee Assistance Program.

C. The City will continue to offer an IRS Section 125 program.

SECTION 5 - GENERAL BENEFIT PROVISIONS, GROUPS 1-A, 1-B, 1-C, AND 1-D

The City will comply with the requirements of the City Personnel Rules and Regulations and

the Fair Labor Standards Act governing the use of taking and reporting time off work for management employees.

A. Holidays

1. The City will grant the following paid holidays to employees:

- New Year's Day
- Martin Luther King, Jr. Day
- President's Day
- Cesar Chavez Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day

One (1) day holiday to be used during the furlough period or on the last workday before the holiday.

Two floating holidays which must be used during the fiscal year.

~~2.~~ Holidays are paid at a rate of eight hours of time off; employees on alternate work schedules must use additional leave balances to receive full pay on a holiday.

~~3-2.~~

~~3.~~ With the approval of the employee's supervisor, employees may "float" holidays to another day within the same fiscal year provided they work on the holiday.

4. Those employees in Group 1-D 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 additional hours equivalent to the additional vacation hours received by those working on a 9/80 schedule as floating holiday time based on the number of holidays that fall in each specific year.

B. Sick Leave Accrual

1. Sick Leave credit for employees will be accumulated on the basis of eight hours of sick leave per month (96 hours per year).

2. The City will, at the end of each calendar year, pay each employee twenty-five percent

of the unused sick leave earned that year unless the employee requests not to receive such a payment.

3. The balance of the unused sick leave will then be accumulated on an unlimited basis.
4. Upon retirement, 100% of the employee's unused sick leave balance will be credited to the employee's 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)
5. Each employee may take 16 hours of personal leave time during the fiscal year which is charged against the current year's sick leave accrual.
6. The City Manager may negotiate establishing a leave "bank" with new employees at time of hire.

C. Vacation Leave Accrual

1. Each employee will be credited vacation on the basis of 120 hours per year for the first five years of City service. After five years of service, vacation will be credited on the basis of 160 hours per year.
2. The maximum accumulation of vacation will be no more than that earned for ~~three years annual accrual effective December 31, 2024 and~~ two years annual accrual effective within the pay period that includes June 30 July 1st in any given year, 2025.
3. Additional vacation accrual will not be provided until the employee's vacation balance drops below the maximum accrual limit as ~~of January 1, 2025 and~~ July 1st, ~~2025~~ in any given year.
4. The City Manager may negotiate vacation accrual rates and/or establish a leave "bank" with new employees at time of hire.

D. Administrative Leave, Groups 1-A, 1-B, and 1-C

1. Employees listed in Groups 1-A, 1-B, and 1-C receive and may use up to 72 hours of administrative leave with pay per fiscal year.
2. Administrative leave time for employees in Groups 1-A, 1-B, and 1-C will be available for one additional year if not used in the fiscal year that it was initially available. If, however, the administrative leave time that was carried over to the following fiscal year is not used during the second year, it will be lost at the end of the second fiscal year. In effect, the maximum amount of administrative leave time that may be available to an employee at any given time is 144 hours.

3. Effective July 1, 2016, new employees who are hired during any month other than July, will initially receive prorated administrative leave hours of six (6) hours per month depending on date of hire and the hours will be banked at time of hire (i.e. employees hired in the month of August would receive 66 hours of administrative leave because they will be working a total of eleven (11) months in the fiscal year). All regular, full-time employees will receive 72 hours of administrative leave each fiscal year following their hire date. Part-time employees have prorated benefits and their total administrative leave hours will be prorated based on their position allocation.

E. Leave Cash Out

Employees listed in Groups 1-A, 1-B, 1-C and 1-D may cash out up to 120 hours of accrued vacation, administrative leave, or a combination of the two, per calendar year. Employees must make an irrevocable election by December 1 of each year for the following calendar year stating their intent to cash out and the eligible number of hours. If employees do not request payment of the elected cash amount by November 1 of each year, Payroll will automatically cash out the amount designated by the employee on or after the pay period including November 1st.

F. Bereavement Leave

Management, Professional, and Confidential employees shall, per occurrence, be granted Bereavement Leave when a death occurs in the employee's or 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, grandparents, and grandchildren. Employees are granted up to five (5) days of bereavement leave. Up to three (3) days of bereavement leave shall be granted-paid 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. ~~u~~Up to five (5) days are paid when the death or service is outside the State. City paid ~~B~~ereavement 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 this time, subject to the approval of the employee's supervisor and deducted from the employee's other leave banks.

Special circumstances beyond this definition may be considered on a case-by-case basis and must be approved by the City Manager. This leave will not affect the twenty-five percent cash out of sick leave for the same calendar year.

G. Professional Development

It shall be the philosophy of the City to encourage employees to attend classes, seminars, conferences, etc. which will enable the employee to develop professionally. Such attendance must be approved by the Department Director or the City Manager. The City may request employees who complete such a course to report or train other employees in the skills they have attained.

1. Tuition Reimbursement Program

Employees are eligible to receive tuition reimbursement of up to \$3,000 per fiscal year for the cost of books and tuition for classes or courses beneficial to the employee's career development. All classes must be approved in advance by the Department Director or City Manager. Reimbursement will take place upon a successful completion or passing of the course.

2. Membership Dues

For employees listed in Groups 1-A and 1-B, the City shall provide a personal membership dues reimbursement of up to \$1,200 per fiscal year for costs associated with joining and participating in Morgan Hill community service organizations such as Rotary or Kiwanis. Reimbursement of membership dues for community service organizations requires the prior approval by the Department Director or the City Manager.

H. Life and Disability Insurance

The City shall pay the premiums for short-term disability, long-term disability, and life insurance plans.

1. Life insurance levels shall be as follows for the employees listed in Section 1:

Group 1-A	\$250,000
Group 1-B	\$150,000
Group 1-C	\$100,000
Group 1-D	\$100,000

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.

2. Short-term disability coverage for employees shall be at the maximum rate of \$1,384 per week based on 66 $\frac{2}{3}$ % of the actual weekly salary after an eight-day elimination period.
3. Long-term disability coverage for employees shall be at the maximum rate of \$6,000 per month based on 66 $\frac{2}{3}$ % of the actual monthly salary after a 60-day elimination period.

I. Retirement Medical Plan

Upon retirement, employees may continue enrollment in the medical insurance plans provided by CalPERS without an interruption of coverage. Such enrollment will be contingent upon the employee meeting the requirements of the medical plans provided by CalPERS and paying the monthly premium to CalPERS at the employee's expense. It will be the employee's responsibility to make sure the insurance premium is paid to CalPERS before the due date. Failure to do so will result in the employee being terminated from their medical coverage.

J. **Special Assignment Pay**

Special Assignment Pay may be granted to employees who have assumed, for an extended period, significant additional responsibilities outside their current classification. The request for special assignment 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. This pay will not be considered additional compensation as defined by the California Public Employees' Retirement Systems (CalPERS).

K. **Employee Uniform Allowance**

Safety employees in Groups 1-A and 1-B will be eligible for the following uniform allowance:

Chief of Police and Police Captain:	\$1,400
Police Support Services Manager:	\$810

L. **Work Schedule**

The City Manager will establish the standard work schedule for employees. Based on the needs of the City, the City Manager may at his/her discretion, change the work schedules of employees at any time.

M. **Auto Allowance**

The City Manager may establish a monthly allowance for selected employees listed in Groups 1-A and 1-B who use their personal vehicles on City business. Based on the needs of the City, the City Manager may, at his/her discretion, change the auto allowance of employees at any time. The current monthly allowance range is \$225 - \$325.

N. **Cell Phone Allowance**

The City Manager may establish a monthly allowance for selected employees who use their personal cell phones on City business. Based on the needs of the City, the City Manager may, at his/her discretion, change the cell phone allowance of employees at any time. The current monthly allowance is established in Administrative Policy III019.

O. **Bilingual Pay**

Employees identified by the City Manager/Department Head to use another language in their work and who are certified by the process described below shall receive the following compensation:

- a. Employees shall receive a monthly stipend of \$150.
- b. The Certification process shall be completed by a provided contractor by Human Resources or a 3 person panel (established by Human Resources) to determine conversational competence. Employees shall be subject to recertification every 2 years unless waived by City.
- c. 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.

SECTION 6-EFFECTIVE DATE

This resolution shall be effective December ~~22~~¹⁷, 202~~5~~⁴. Compensation shall be made available to only those employees covered by this section who are still employed as a Management, Professional, or Confidential employee with the City as of the effective date of this agreement. As of the effective date of this Resolution, Resolution No. ~~23-05124-041~~ shall be superseded and rescinded.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the ~~20th~~^{17th} day of ~~November~~^{December} 202~~5~~⁴ by the following vote:

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

APPROVED:

ATTEST:

MARK TURNER, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. ~~24-04125-XXX~~, adopted by the City Council at the meeting held on ~~November 20, 2024~~^{December 17, 2025}.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

**CITY OF MORGAN HILL
MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEE GROUP
SALARY SCHEDULE**

Effective: December 21, 2025

* Currently Unfunded Positions

Job Classification	Bottom of Range Monthly	Top of Range Monthly
Group 1-A: Executive Management		
Assistant City Manager for Administrative Services	\$19,479	\$25,595
Assistant City Manager for Development Services	\$19,479	\$25,595
Assistant City Manager/Public Services Director	\$19,479	\$25,595
Chief of Police	\$19,479	\$25,595
<i>Community Services Director *</i>	\$17,180	\$22,623
Development Services Director	\$17,180	\$22,623
Economic Development Director	\$17,180	\$22,623
<i>Engineering and Utilities Director *</i>	\$17,180	\$22,623
Finance Director	\$17,180	\$22,623
Housing and Economic Mobility Director	\$17,180	\$22,623
Human Resources Director	\$17,180	\$22,623
<i>Communications and Engagement Director*</i>	\$14,825	\$19,481
Information Technology Director	\$14,825	\$19,481
Group 1-B: Middle Management	Bottom	Top
Police Captain	\$15,874	\$20,857
Assistant City Attorney	\$14,825	\$19,481
<i>Assistant Finance Director*</i>	\$14,825	\$19,481
Building Official	\$14,825	\$19,481
City Clerk/Public Information Officer	\$14,825	\$19,481
Deputy Director for Engineering	\$14,825	\$19,481
Deputy Director for Utilities Services	\$14,825	\$19,481
<i>Housing Manager*</i>	\$14,825	\$19,481
<i>Planning Manager *</i>	\$14,825	\$19,481
<i>Program Administrator*</i>	\$14,825	\$19,481
<i>Assistant to the City Manager *</i>	\$13,890	\$18,221
Building Manager	\$13,106	\$17,190
<i>Economic Development Manager*</i>	\$13,106	\$17,190
Environmental Services Administrator	\$13,106	\$17,190
Maintenance Manager	\$13,106	\$17,190
Principal Planner	\$13,106	\$17,190
Recreation Manager	\$13,106	\$17,190
Senior Civil Engineer	\$13,106	\$17,190
Senior Project Manager	\$13,106	\$17,190
Budget Manager	\$12,119	\$15,939
<i>Communications and Engagement Manager *</i>	\$12,119	\$15,939
<i>Community Services Manager *</i>	\$12,119	\$15,939
Environmental Services Manager	\$12,119	\$15,939
<i>Information Services Manager *</i>	\$12,119	\$15,939
Network Architect	\$12,119	\$15,939
Police Support Services Manager	\$12,119	\$15,939
Public Services Administrative Manager	\$12,119	\$15,939
Supervising Civil Engineer	\$12,119	\$15,939
Utility Systems Manager	\$12,119	\$15,939
<i>Accounting Manager *</i>	\$11,281	\$14,827
<i>Financial and Policy Analyst *</i>	\$11,281	\$14,827
<i>Police Administrative Manager*</i>	\$11,281	\$14,827
Senior Planner	\$11,281	\$14,827
Senior Recreation Supervisor	\$10,730	\$13,692
Community Services Supervisor	\$10,219	\$13,040
<i>Council Services and Records Manager *</i>	\$10,219	\$13,040
Deputy City Attorney	\$10,219	\$13,040
Economic Development Coordinator	\$10,219	\$13,040
Emergency Services Coordinator	\$10,219	\$13,040
GIS / Land Use Data Administrator	\$10,219	\$13,040
Maintenance Services Coordinator	\$10,219	\$13,040
<i>Older Adult Services Supervisor*</i>	\$10,219	\$13,040
Public Services Facilities Security Coordinator	\$10,219	\$13,040
Senior Human Resources Analyst	\$10,219	\$13,040
Risk Management Analyst (.50 FTE)	\$4,872	\$6,392
Group 1-C: Confidential Exempt	Bottom	Top
Administrative Analyst	\$9,741	\$12,782
Legal Specialist	\$8,764	\$11,532
Group 1-D: Confidential Non-Exempt	Bottom	Top
Accounting Technician	\$7,990	\$10,197
Human Resources Technician	\$7,771	\$10,197
<i>Human Resources Assistant *</i>	\$6,086	\$7,960

**CITY OF MORGAN HILL
MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEE GROUP
SALARY SCHEDULE**

Effective: December 20, 2026

* Currently Unfunded Positions

Job Classification	Bottom of Range Monthly	Top of Range Monthly
Group 1-A: Executive Management		
Assistant City Manager for Administrative Services	\$19,869	\$26,107
Assistant City Manager for Development Services	\$19,869	\$26,107
Assistant City Manager/Public Services Director	\$19,869	\$26,107
Chief of Police	\$19,869	\$26,107
<i>Community Services Director *</i>	\$17,524	\$23,075
Development Services Director	\$17,524	\$23,075
Economic Development Director	\$17,524	\$23,075
<i>Engineering and Utilities Director *</i>	\$17,524	\$23,075
Finance Director	\$17,524	\$23,075
Housing and Economic Mobility Director	\$17,524	\$23,075
Human Resources Director	\$17,524	\$23,075
<i>Communications and Engagement Director*</i>	\$15,121	\$19,870
Information Technology Director	\$15,121	\$19,870
Group 1-B: Middle Management	Bottom	Top
Police Captain	\$16,192	\$21,274
Assistant City Attorney	\$15,121	\$19,870
<i>Assistant Finance Director*</i>	\$15,121	\$19,870
Building Official	\$15,121	\$19,870
City Clerk/Public Information Officer	\$15,121	\$19,870
Deputy Director for Engineering	\$15,121	\$19,870
Deputy Director for Utilities Services	\$15,121	\$19,870
<i>Housing Manager*</i>	\$15,121	\$19,870
<i>Planning Manager *</i>	\$15,121	\$19,870
<i>Program Administrator*</i>	\$15,121	\$19,870
<i>Assistant to the City Manager *</i>	\$14,168	\$18,586
Building Manager	\$13,368	\$17,534
<i>Economic Development Manager*</i>	\$13,368	\$17,534
Environmental Services Administrator	\$13,368	\$17,534
Maintenance Manager	\$13,368	\$17,534
Principal Planner	\$13,368	\$17,534
Recreation Manager	\$13,368	\$17,534
Senior Civil Engineer	\$13,368	\$17,534
Senior Project Manager	\$13,368	\$17,534
Budget Manager	\$12,361	\$16,258
<i>Communications and Engagement Manager *</i>	\$12,361	\$16,258
<i>Community Services Manager *</i>	\$12,361	\$16,258
Environmental Services Manager	\$12,361	\$16,258
<i>Information Services Manager *</i>	\$12,361	\$16,258
Network Architect	\$12,361	\$16,258
Police Support Services Manager	\$12,361	\$16,258
Public Services Administrative Manager	\$12,361	\$16,258
Supervising Civil Engineer	\$12,361	\$16,258
Utility Systems Manager	\$12,361	\$16,258
<i>Accounting Manager *</i>	\$11,506	\$15,124
<i>Financial and Policy Analyst *</i>	\$11,506	\$15,124
<i>Police Administrative Manager*</i>	\$11,506	\$15,124
Senior Planner	\$11,506	\$15,124
Senior Recreation Supervisor	\$10,945	\$13,965
Community Services Supervisor	\$10,423	\$13,301
<i>Council Services and Records Manager *</i>	\$10,423	\$13,301
Deputy City Attorney	\$10,423	\$13,301
Economic Development Coordinator	\$10,423	\$13,301
Emergency Services Coordinator	\$10,423	\$13,301
GIS / Land Use Data Administrator	\$10,423	\$13,301
Maintenance Services Coordinator	\$10,423	\$13,301
<i>Older Adult Services Supervisor*</i>	\$10,423	\$13,301
Public Services Facilities Security Coordinator	\$10,423	\$13,301
Senior Human Resources Analyst	\$10,423	\$13,301
Risk Management Analyst (.50 FTE)	\$4,969	\$6,520
Group 1-C: Confidential Exempt	Bottom	Top
Administrative Analyst	\$9,936	\$13,038
Legal Specialist	\$8,940	\$11,762
Group 1-D: Confidential Non-Exempt	Bottom	Top
Accounting Technician	\$8,150	\$10,401
Human Resources Technician	\$7,926	\$10,401
<i>Human Resources Assistant *</i>	\$6,207	\$8,120

**CITY OF MORGAN HILL
MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEE GROUP
SALARY SCHEDULE**

Effective: December 19, 2027

* Currently Unfunded Positions

Job Classification	Bottom of Range Monthly	Top of Range Monthly
Group 1-A: Executive Management		
Assistant City Manager for Administrative Services	\$20,067	\$26,368
Assistant City Manager for Development Services	\$20,067	\$26,368
Assistant City Manager/Public Services Director	\$20,067	\$26,368
Chief of Police	\$20,067	\$26,368
<i>Community Services Director *</i>	\$17,699	\$23,306
Development Services Director	\$17,699	\$23,306
Economic Development Director	\$17,699	\$23,306
<i>Engineering and Utilities Director *</i>	\$17,699	\$23,306
Finance Director	\$17,699	\$23,306
Housing and Economic Mobility Director	\$17,699	\$23,306
Human Resources Director	\$17,699	\$23,306
<i>Communications and Engagement Director*</i>	\$15,273	\$20,069
Information Technology Director	\$15,273	\$20,069
Group 1-B: Middle Management	Bottom	Top
Police Captain	\$16,354	\$21,487
Assistant City Attorney	\$15,273	\$20,069
<i>Assistant Finance Director*</i>	\$15,273	\$20,069
Building Official	\$15,273	\$20,069
City Clerk/Public Information Officer	\$15,273	\$20,069
Deputy Director for Engineering	\$15,273	\$20,069
Deputy Director for Utilities Services	\$15,273	\$20,069
<i>Housing Manager*</i>	\$15,273	\$20,069
<i>Planning Manager *</i>	\$15,273	\$20,069
<i>Program Administrator*</i>	\$15,273	\$20,069
<i>Assistant to the City Manager *</i>	\$14,310	\$18,772
Building Manager	\$13,501	\$17,709
<i>Economic Development Manager*</i>	\$13,501	\$17,709
Environmental Services Administrator	\$13,501	\$17,709
Maintenance Manager	\$13,501	\$17,709
Principal Planner	\$13,501	\$17,709
Recreation Manager	\$13,501	\$17,709
Senior Civil Engineer	\$13,501	\$17,709
Senior Project Manager	\$13,501	\$17,709
Budget Manager	\$12,485	\$16,420
<i>Communications and Engagement Manager *</i>	\$12,485	\$16,420
<i>Community Services Manager *</i>	\$12,485	\$16,420
Environmental Services Manager	\$12,485	\$16,420
<i>Information Services Manager *</i>	\$12,485	\$16,420
Network Architect	\$12,485	\$16,420
Police Support Services Manager	\$12,485	\$16,420
Public Services Administrative Manager	\$12,485	\$16,420
Supervising Civil Engineer	\$12,485	\$16,420
Utility Systems Manager	\$12,485	\$16,420
<i>Accounting Manager *</i>	\$11,621	\$15,275
<i>Financial and Policy Analyst *</i>	\$11,621	\$15,275
<i>Police Administrative Manager*</i>	\$11,621	\$15,275
Senior Planner	\$11,621	\$15,275
Senior Recreation Supervisor	\$11,054	\$14,105
Community Services Supervisor	\$10,528	\$13,434
<i>Council Services and Records Manager *</i>	\$10,528	\$13,434
Deputy City Attorney	\$10,528	\$13,434
Economic Development Coordinator	\$10,528	\$13,434
Emergency Services Coordinator	\$10,528	\$13,434
GIS / Land Use Data Administrator	\$10,528	\$13,434
Maintenance Services Coordinator	\$10,528	\$13,434
<i>Older Adult Services Supervisor*</i>	\$10,528	\$13,434
Public Services Facilities Security Coordinator	\$10,528	\$13,434
Senior Human Resources Analyst	\$10,528	\$13,434
Risk Management Analyst (.50 FTE)	\$5,019	\$6,585
Group 1-C: Confidential Exempt	Bottom	Top
Administrative Analyst	\$10,035	\$13,168
Legal Specialist	\$9,029	\$11,880
Group 1-D: Confidential Non-Exempt	Bottom	Top
Accounting Technician	\$8,231	\$10,505
Human Resources Technician	\$8,005	\$10,505
<i>Human Resources Assistant *</i>	\$6,269	\$8,201

CITY OF MORGAN HILL
PART-TIME TEMPORARY AND SEASONAL EMPLOYEES SALARY SCHEDULE

Salaries effective December 2~~12~~, 202~~54~~

CLASSIFICATIONS	Bottom Step Hourly	Top Step Hourly
INTERNS		
High School Work Experience Student	\$16. 95 0	\$20.00
Intern – College/Grad School	\$18.00	\$35.00
POLICE DEPARTMENT		
Level I Reserve Police Officer	Hourly rate for Step A Police Officer	
Level II Reserve Police Officer	90% of hourly rate for Step A Police Officer	
Per Diem Dispatcher	Hourly rate for Public Safety Dispatcher	
Police Cadet – High School	\$16. 95 0	\$18.00
Police Cadet –College (Fresh/Soph)	\$18.00	\$20.00
Police Cadet – College (Jr./Senior)	\$20.00	\$25.00
Police Officer Trainee	90% of monthly rate for Step A Police Officer	
<u>Public Safety Dispatcher Trainee</u>	<u>90% of monthly rate for Step A Public Safety Dispatcher</u>	
Reserve Officer Trainee	\$16. 95 0	
TEMPORARY AND SEASONAL		
Administrative Specialist	\$22.00	\$35.00
Building Coordinator	\$22.00	\$27.00
Clerical Assistant	\$19.00	\$26.00
Communications Technician	\$16. 95 0	\$32.00
Deck Coordinator	\$24.00	\$32.00
Environmental Services Specialist	\$20.00	\$35.00
Facility Maintenance Assistant	\$20.00	\$35.00
Fire Plans Examiner/Inspector	\$35.50	\$45.00
GIS Analyst	\$30.00	\$40.00
Government Access Technician	\$20.00	\$30.00
Lifeguard	\$17.50	\$25.00
Lifeguard - Lead	\$22.00	\$28.00
Maintenance Worker Assistant	\$18.00	\$28.00
Recreation Instructor	\$16. 95 0	\$52.50
Recreation Leader	\$17.00	\$25.00
Recreation Specialist	\$22.00	\$35.00
Retired Annuitant	\$20.00	\$115.00
Senior Recreation Leader	\$20.00	\$26.00

Special Projects Coordinator	\$18.00	\$50.00
Swim Instructor	\$18.00	\$26.00
Swim Instructor - Lead	\$22.00	\$27.00
Welcome Desk Coordinator	\$22.00	\$27.00
Welcome Desk Representative	\$17.00	\$25.00

Other Part-Time Temporary or Seasonal positions may be tied to the Salary Schedule for the Bargaining Units which are not listed above. The above list only includes those part-time and temporary positions which are frequently used or are not contained on a bargaining unit salary schedule.

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Cynthia Iwanaga, Management Analyst

APPROVED BY: City Manager

AWARD LANDSCAPE MAINTENANCE SERVICE AGREEMENT TO MEDALLION LANDSCAPE MANAGEMENT, LLC FOR CITY PARKS MOWING, STREET MEDIANS, AND DOWNTOWN

RECOMMENDATION(S)

1. Award a Maintenance Service Agreement to Medallion Landscape Management, LLC in the amount of \$379,392 for an initial two-year term (\$189,696 annually) to service Group 1: Park Mowing at City Parks; Group 3: Street Medians, Streetscapes, and Parking Lots; and Group 6: Downtown Area; and extra services;
2. Authorize the City Manager to extend the service agreement up to an additional three years subject to future annual budget appropriations by the City Council for a total term of five years; and
3. Authorize the City Manager to execute and administer said Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Protecting the Environment and Preserving Open Space and Agricultural Land

2024-2025 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The purpose of this report is to provide the City Council with an opportunity to award a landscape maintenance service agreement to Medallion Landscape Management, LLC in the not-to-exceed amount of \$379,392 during the initial two-year term, and authorize the City Manager to execute and administer the agreement. Services provided under this agreement include mowing and edging of City parks; complete landscape maintenance of street medians, streetscapes, parking lots, City facilities, and Downtown (parking lots, train station, and parks); and extra services which may include addressing vandalism or various repairs.

The City has contracted with professional landscape firms for various landscape

maintenance services for many years as an approach to cost effectively serve the City. The work is divided into six separate groups as a way to diversify the City's bidding opportunities. This Request for Proposals (RFP) was released for Group 1 (Parks Mowing and Edging), Group 3 (Street Medians, Streetscapes, Parking Lots, and Miscellaneous City Facilities), and Group 6 (Downtown).

The City's current maintenance service agreement expires on December 31, 2025. A Request for Proposals (RFP) was released on September 22, 2025. In soliciting proposals for this agreement, the City advertised in the Morgan Hill Times on September 19, 2025. The RFP was posted on the City website, Public Purchase, Builders' Exchange of Santa Clara County, Bay Area Builders' Exchange, San Francisco Builders' Exchange, Central Coast Builders' Association, and Dodge & Data Analytics. Contractors registered on the City's Informal Bidders List with the required Contractor State Licensing Board (CSLB) license C-27 (Landscape Contractor) were also notified of the RFP. The RFP and addendum can be viewed on the City website via the following links: [RFP](#) and [Addendum 1](#)

Eight (8) proposals were received on October 31, 2025. One proposal (K & D Landscaping's) was deemed incomplete, and the vendor withdrew the proposal. The seven remaining proposals were reviewed in a two-step process. The seven remaining proposals were from Bayscape Management, Inc.; Brightview Landscape Services; Landscape Pros ML Inc.; Medallion Landscape Management, LLC; New Image Landscape Company; Terracare Associates; and Velasco Landscaping. Proposals were first evaluated based on narrative responses to questions. They were scored for previous work experience, work quality, references, staff qualifications, and communication systems. A total of 40 points were available for the narrative responses to questions.

Proposals receiving a minimum 30 out of 40 points were then evaluated based on weighted averages for each firm's pricing for Group 1, Group 3, Group 6, average hourly rates, and percentage (%) mark-up. Four (4) of the seven (7) proposals scored the minimum 30 points in the narrative section, and their cost schedules were then evaluated in the second step of the review process. The four cost proposals evaluated were Bayscape Management, Inc.; Brightview Landscape Services; Medallion Landscape Management, LLC; and Terracare Associates.

Based on the narrative responses and the weighted cost proposal scoring, Medallion Landscape Management, LLC scored the highest points at 88.6 points. A detailed scoring summary is included as Attachment 1, and a summary of these scores is below:

Landscape Contractor	Total Score
Medallion Landscape Management, LLC	88.6 points
Brightview Landscape	81.2 points

Services	
Terracare Associates	79.9 points
Bayscape Management, Inc.	60.0 points

The highest scoring landscape contractor, Medallion Landscape Management, has over 30 years of experience in the San Francisco Bay Area serving clients with accounts that are similar in size and scope to what is required for the City of Morgan Hill. Other current customers include the California Water Service (Cal Water) and the Alameda County Water District.

Staff recommends the award of the landscape maintenance service agreement to Medallion Landscape Management, LLC for the not-to-exceed amount of \$379,392 for the initial two-year term, which is \$189,696 per year (Attachment 2). The annual amount of \$189,696 includes a base amount of \$159,696 for scheduled services and up to \$30,000 in extra services such as repairs, irrigation valve replacements, and the rejuvenation of landscape areas. The agreement specifies that extra services are only to be provided with the prior approval of the City's Maintenance Manager or a designee. The new agreement would have an initial two-year term from January 1, 2026 to December 31, 2027 with authorization for the City Manager to execute three consecutive one-year extensions and increase the maximum compensation during the extended terms, subject to future annual budget appropriations by the City Council. The amendment amount may not exceed 105% of the previous year's annual amount.

COMMUNITY ENGAGEMENT:

Inform

As landscape maintenance services are a regular and expected City service, no efforts were made to inform the community about this proposed agreement. The actual landscape maintenance work resulting from this agreement is shared via City communication tools, including "The Scoop," a weekly maintenance activities update on the City website, and Nextdoor Morgan Hill. Signs will be posted when landscape maintenance services are performed that will effect or impair access to the street or public sidewalks.

ALTERNATIVE ACTIONS:

An alternative action would be to not approve this agreement, however, this is not recommended as it would jeopardize ongoing landscape maintenance and safety.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council awarded the prior landscape maintenance service agreement for Groups 1, 3, and 6 on November 16, 2022. No prior action has been taken on this agreement.

FISCAL AND RESOURCE IMPACT:

The funding for landscape maintenance services is included in many areas of the City's

operating budget (Fund 010-General Fund) including Street Maintenance, Park Maintenance, and Downtown Maintenance and in the Landscape Assessment Districts.

CEQA (California Environmental Quality Act):

Categorical Exemption

The activities described in this Staff Report are categorically exempt under CEQA, specifically pursuant to Section 15301 (c) 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.

City of Morgan Hill: 2025 Landscape Maintenance Groups 1, 3 and 6 RFP Scoring Summary

									NARRATIVE SCORING							
									1	2	3	4	5	6	7	
NARRATIVE									Points Available	Bayscape Management	Brightview Landscape	Landscape Pros**	Medallion Landscape	New Image Landscape**	Terracare Associates	Velasco Landscape**
Previous Experience providing a superior level of landscape maintenance services at like-sized facilities w/similar scopes of work									15.0	13.0	12.3	9.3	12.5	10.3	13.2	11.0
Assessment of Work Quality, Performance and Working Relationships with Clients that indicate high levels of satisfaction and effectiveness									10.0	9.0	7.0	7.2	10.2	6.3	8.0	7.0
Qualifications of Staff to be assigned to provide landscape maintenance services									5.0	4.0	4.0	3.0	4.0	3.2	3.7	2.8
Organized Communication Systems and reporting capabilities that demonstrate efficiency and effectiveness									10.0	8.2	7.0	5.3	8.0	7.7	9.0	6.7
SUBTOTAL- NARRATIVE POINTS									40.0	34.2	30.3	24.8	34.7	27.5	33.8	27.5
									**=Did not score minimum 30 out of 40 points on narrative							
COST PROPOSAL									COST PROPOSAL SCORING							
Item	Price from Lowest Bidder	Bayscape Management	Brightview Landscape	Landscape Pros**	Medallion Landscape	New Image Landscape**	Terracare Associates	Velasco Landscape**	Points Available	Bayscape Management	Brightview Landscape	Landscape Pros**	Medallion Landscape	New Image Landscape**	Terracare Associates	Velasco Landscape**
Group 1 Total Bid	42,180.00	103,400.00	51,060.00		49,920.00		42,180.00		20.0	8.2	16.5		16.9		20.0	
Group 3 Total Bid	59,892.00	137,960.00	78,753.00		59,892.00		116,120.00		20.0	8.7	15.2		20.0		10.3	
Group 6 Total Bid	40,185.00	96,800.00	40,185.00		49,884.00		45,532.50		15.0	6.2	15.0		12.1		13.2	
Average of Extra Work Hourly Rates	65.00	100.36	93.53		65.00		128.75		3.0	1.9	2.1		3.0		1.5	
% Material Mark-Up Over Costs	10.00	25.00	10.00		10.00		20.00		2.0	0.8	2.0		2.0		1.0	
SUBTOTAL-PRICING POINTS									60.0	25.8	50.8		54.0		46.1	
GRAND TOTAL									100.0	60.0	81.2		88.6		79.9	
									4	2	1	3				

MAINTENANCE SERVICE AGREEMENT
Medallion Landscape Management, LLC

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Medallion Landscape Management, LLC a California limited liability company ("SERVICE PROVIDER") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

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

2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2027 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum of three one-year extensions. Any such extension shall be in writing and signed by both Parties to this Agreement.

3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be landscape maintenance services for groups 1, 3 & 6 as further described in **Exhibit A.**

4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:

4.1. **Amount.** \$379,392.00. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed Three Hundred Seventy-Nine Thousand Three Hundred Ninety-Two dollars and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for each subsequent extended one-year term exceed 105% of the maximum compensation allowed to be paid to SERVICE PROVIDER for one year of service during the immediately preceding prior year of service.

4.2. **Billing.** SERVICE PROVIDER shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 14 Notices. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY'S judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

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

5.1. **Non-Appropriations.** Notwithstanding anything contained in this Agreement to the contrary, if insufficient funds are appropriated, or funds are otherwise unavailable in the budget for CITY for any reason whatsoever in any fiscal year, for payments due under this Agreement, CITY will immediately notify SERVICE PROVIDER 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.

5.2. **Temporary Suspension of Services.** CITY'S need for services may be suspended due to unforeseeable or unavoidable circumstances beyond its control. Such circumstances include, but are not limited to, earthquake, fire, explosion, flood, or other natural catastrophe; governmental legislation, condemnation, acts, orders, or regulation; war or acts of terrorism; strikes or labor difficulties; and quarantine, epidemic, or pandemic. CITY shall provide a 5-days' written notice or less under urgent circumstances to temporarily suspend services at specific CITY facilities. CITY reserves the right to request which CITY facilities are to be serviced or not serviced due to unforeseeable or unavoidable circumstances; and the level of service at each CITY facility. Upon suspension, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid up to the date of the suspension. No further payments will be made for services provided after the date of the suspension. CITY shall provide 5 days' written notice when the circumstances for the suspension of specific facilities' services are removed for SERVICE PROVIDER to commence providing services.

6. **Performance of Work.** SERVICE PROVIDER represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by SERVICE PROVIDER in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of SERVICE PROVIDER'S profession. By delivery of completed work, SERVICE PROVIDER certifies that the work conforms to the requirements of this Agreement and all applicable federal, state, and local laws. SERVICE PROVIDER is liable for any property damage caused by SERVICE PROVIDER or its Subcontractors during performance of the services and shall notify the CITY of damage within 24 hours of the occurrence. SERVICE PROVIDER must promptly repair or replace any real or personal property damage, and must promptly restore the property to its original or intended condition. CITY may repair or replace the real or personal property damage if SERVICE PROVIDER fails to do so, and the cost of the repairs or replacement may be deducted or offset from any compensation due to SERVICE PROVIDER.

6.1. **Schedule.** SERVICE PROVIDER shall perform all work and services under this Agreement in conformance with the time schedule set forth on **Exhibit C**, "Schedule of Performance," attached hereto and incorporated herein by this reference. The City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement.

6.2. **Storage of Service Provider's Equipment.** If SERVICE PROVIDER desires to leave or store any of SERVICE PROVIDER'S equipment at a CITY site while SERVICE PROVIDER is performing work or service pursuant to this Agreement, SERVICE PROVIDER will first obtain the consent of the City Manager, or his/her delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at SERVICE PROVIDER'S sole risk.

7. **Hazardous Materials.** Without limiting any other requirement or obligation of SERVICE PROVIDER under this Agreement, if SERVICE PROVIDER needs to use any material or chemical considered to be a hazardous material under any federal, state, or local law, regulation or policy, SERVICE PROVIDER agrees to fully and timely abide by and comply with all laws, regulations and policies pertaining to the use, transport, removal, handling, disposal, or other activity related to any and all such materials or chemicals. Prior to commencement of work or services under this Agreement, SERVICE PROVIDER shall provide CITY with a complete list of the hazardous materials SERVICE PROVIDER reasonably anticipates it may need to use to provide the services of SERVICE PROVIDER under this Agreement, together with the reasonably anticipated quantities thereof, if requested by CITY.

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

8.1. **Insurance Types and Amounts.**

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

8.1.2. **Automobile Liability.** SERVICE PROVIDER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if SERVICE PROVIDER does not own automobiles, then SERVICE PROVIDER shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.3. Workers' Compensation Insurance and Employer's Liability. SERVICE PROVIDER shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If SERVICE PROVIDER is self-insured, SERVICE PROVIDER shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

8.1.4. Pollution (Environmental) Liability. If the performance of SERVICE PROVIDER'S work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, SERVICE PROVIDER shall procure and maintain Pollution Liability covering the SERVICE PROVIDER'S liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.5. Professional Liability.

8.1.5.1. If the performance of SERVICE PROVIDER'S work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), SERVICE PROVIDER shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if SERVICE PROVIDER maintains a claims-made policy, SERVICE PROVIDER shall provide written evidence of such insurance to CITY for at least five (5) years after the completion of work performed under this Agreement.

8.1.5.2. If the performance of SERVICE PROVIDER'S work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), SERVICE PROVIDER shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

- 8.1.6. **Sexual Abuse/Molestation Liability (SML)**: If the performance of SERVICE PROVIDER'S work or service under this Agreement involves contact with minors, SERVICE PROVIDER shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars (\$200,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER'S combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 8.2. **Endorsements**. SERVICE PROVIDER shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:
- 8.2.1. **General Liability and pollution liability (when pollution liability applies)**.
- 8.2.1.1. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds on a form at least as broad as ISO Form CG 20 10 for ongoing operations.
- 8.2.1.2. "Waiver of Rights of Subrogation" - The insurer waives the right of subrogation against the City of Morgan Hill and CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and
- 8.2.1.3. "Primary and Non-Contributing" - Insurance shall be endorsed to be primary and non-contributory and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as ISO Form CG 20 01.
- 8.2.2. **Workers Compensation**.
- If the performance of SERVICE PROVIDER'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, SERVICE PROVIDER'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY'S elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.
- 8.3. **Qualification of Insurers**. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.
- 8.4. **Certificates**. SERVICE PROVIDER 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, SERVICE PROVIDER shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to SERVICE PROVIDER'S agreement with CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. A "material change" is a change that results in non-compliance with any insurance requirements in this section 8. 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

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

10. **Compliance with Law.**

10.1. SERVICE PROVIDER 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. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon any basis prohibited by State or Federal law, including but not limited to, race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

10.2. Without limiting the provisions of Section 10.1 above, each worker performing work under this Agreement shall be paid at a rate not less than the prevailing wage as defined in Sections 1771 and 1774 of the Labor Code. The prevailing wage rates are available online at <http://www.dir.ca.gov/dlsr>. SERVICE PROVIDER shall post a copy of the applicable prevailing rates at the Worksite.

10.2.1. Pursuant to Labor Code Section 1775, SERVICE PROVIDER and any subcontractor shall forfeit to CITY as a penalty up to two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the applicable prevailing wage rate. SERVICE PROVIDER shall also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.

10.2.2. SERVICE PROVIDER must comply with the provisions of Labor Code Sections 1776 and 1812 and all implementing regulations, which are fully incorporated by this reference, including requirements for electronic submission of payroll records.

10.2.3. As applicable, if the Agreement Amount exceeds Thirty Thousand Dollars (\$30,000.00), SERVICE PROVIDER is responsible for compliance with the requirements governing employment and payment of apprentices, as set forth in Labor Code Section 1777.5, which is fully incorporated by reference.

10.2.4. SERVICE PROVIDER must comply with the provisions of Labor Code Section 1815 with respect to payment of overtime.

10.2.5. Under Labor Code Section 1813, SERVICE PROVIDER will forfeit to CITY as a penalty, the sum of Twenty-Five Dollars (\$25.00) for each day during which a worker employed by SERVICE PROVIDER or any subcontractor is required or permitted to work more than eight (8) hours in any one (1) calendar day or more

than forty (40) hours per calendar week, except if such workers are paid overtime under Labor Code Section 1815.

- 10.3. DIR Registration. CITY will not accept a Bid Proposal from or enter into a contract with a SERVICE PROVIDER, without first receiving proof to the satisfaction of CITY that SERVICE PROVIDER and its subcontractors are registered with the California Department of Industrial Relations to perform public work under Labor Code Section 1725.5, subject to limited legal exceptions. Under Labor Code section 1771.4, this Agreement is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.
- 10.4. Compliance with Wage and Hour Laws. SERVICE PROVIDER, 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 SERVICE PROVIDER and/or its Subcontractors: BY SIGNING THIS AGREEMENT, SERVICE PROVIDER 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 SERVICE PROVIDER OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. SERVICE PROVIDER 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 SERVICE PROVIDER or any subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or SERVICE PROVIDER learns of such a judgment, decision, or order that was not previously disclosed, SERVICE PROVIDER 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. SERVICE PROVIDER 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. CITY reserves the right to require SERVICE PROVIDER to enter into an agreement with CITY regarding the manner in which any such final judgment, decision, or order will be satisfied.

City’s Right to Withhold Payment: Where SERVICE PROVIDER 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, CITY reserves the right to withhold payment to SERVICE PROVIDER 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.

11. **Independent Contractor.** SERVICE PROVIDER is an independent contractor and not an agent or employee of CITY.

12. **Confidentiality.** All data, documents, or other information received by SERVICE PROVIDER from CITY or prepared in connection with SERVICE PROVIDER'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by SERVICE PROVIDER without prior written consent by CITY.

13. **Conflict of Interest and Reporting.** SERVICE PROVIDER 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.*). SERVICE PROVIDER 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).

14. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of SERVICE PROVIDER is as follows:

Medallion Landscape Management, LLC
10 San Bruno Avenue
Morgan Hill, CA 95037

Address of CITY is as follows:

Keri Russell, Maint. Mgr.	with a copy to:
City of Morgan Hill	City Clerk
17575 Peak Avenue	City of Morgan Hill
Morgan Hill, CA 95037	17575 Peak Avenue
	Morgan Hill, CA 95037

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

16. **Service Provider's Proposal.** If applicable, this Agreement shall include SERVICE PROVIDER'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

17. **Maintenance of Records.**

17.1. **Maintenance.** SERVICE PROVIDER 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. SERVICE PROVIDER 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 SERVICE PROVIDER shall retain said records until such action is resolved.

17.2. **Access to and Audit of Records.** CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of SERVICE PROVIDER 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 CITY or as part of any audit of 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.

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

18. **Familiarity with Work.** By executing this Agreement, SERVICE PROVIDER represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should SERVICE PROVIDER 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 SERVICE PROVIDER'S risk, until written instructions are received from CITY.

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

20. **No Assignment.** Neither this Agreement nor any portion shall be assigned by SERVICE PROVIDER, 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.

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

22. **Defense and Indemnification.**

22.1. **Defense and Indemnification.** SERVICE PROVIDER shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily

injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by SERVICE PROVIDER, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

22.2. Exceptions. SERVICE PROVIDER is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of CITY.

22.3. Not limited by insurance. The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by SERVICE PROVIDER.

22.4. Right to Offset. CITY shall have the right to offset against any compensation due SERVICE PROVIDER under this Agreement any amount due CITY from SERVICE PROVIDER as a result of SERVICE PROVIDER'S failure to pay CITY promptly any indemnification arising under this Section (22) and any amount due CITY from SERVICE PROVIDER arising from SERVICE PROVIDER'S failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

22.5. Interpretation. This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of SERVICE PROVIDER 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.

23. Entire Agreement; Modification; Conflicting Provisions. This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by a subsequent mutual written agreement executed by CITY and SERVICE PROVIDER. 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.

24. 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.

25. Notice of Security and/or Privacy Incident. If SERVICE PROVIDER, 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, SERVICE PROVIDER 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. SERVICE PROVIDER 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, SERVICE PROVIDER 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. SERVICE PROVIDER 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.

26. **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.

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

28. **Binding Agreement.** Notwithstanding the provisions of Section 20 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of SERVICE PROVIDER in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

29. **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.

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

Signatures on the following page.

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

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

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

(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND

(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

City Clerk/Deputy City Clerk

Michelle Bigelow

Print Name

Date: _____

APPROVED AS TO FORM:

City Attorney

Donald A. Larkin

Print Name

Date: _____

City Manager

Christina J. Turner

Print Name

Date: _____

MEDALLION LANDSCAPE MANAGEMENT,
LLC

Raitis Raisian

By:

Raitis Raisian, CEO

Print Name and Title of Signer.

If Corporate: Chairman, President or
Vice President

Date: _____ 11/21/25

sumin wu

By:

Sumin Wu CFO

Print Name and Title of Signer.

If Corporate: Secretary, Assistant
Secretary, Chief Financial Officer or
Assistant Treasurer

Date: _____ 11/19/2025

713234

Contractor's License Number(s) (if applicable)

Expiration Date(s) _____ 09/30/2027

1001118453

Contractor's DIR Registration Number(s) (if applicable)

Expiration Date(s) _____ 06/30/2026

**EXHIBIT A
SCOPE OF SERVICES**

Please see next page for attached Scope of Work and Specifications.

EXHIBIT A
Scope of Work and Special Provisions

LANDSCAPE MAINTENANCE SERVICES (GROUPS 1, 3, & 6)

CITY OF MORGAN HILL PARKS MOWING, MEDIANS, STREETScape, PARKING LOTS,
DOWNTOWN, AND MISCELLANEOUS LANDSCAPING

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3. SITE MAPS – GROUP 1 : **(Provided to Service Provider in Request for Proposals)**
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6. INTEGRATED PEST MANAGEMENT (IPM) PLAN: **(Provided to Service Provider in Request for Proposals)**

Section 2.1:

2.1-1 SCOPE AND LOCATION OF WORK

This Landscape Maintenance Service Agreement ("Agreement") is an outcome-based Agreement where the City has established specific landscape standards as outcomes. The City will inspect the work of the Service Provider against the stated standards to determine compliance and payment.

The work to be performed under the Agreement consists of the furnishing of all labor, insurance, materials, and equipment needed for complete landscape maintenance services in the following service groups:

Group 1 Parks Mowing and Edging

Group 3 Medians, Streetscape, Parking Lots & Miscellaneous Facility Landscape Maintenance

Group 6 Downtown

Extra Work All Locations

2.1-2 ADDITIONAL AND EXTRA WORK

City has the authority to direct additional and extra work including, but not limited to, work for vandalism, City initiated improvements, various repair and maintenance functions, and the addition of new sites with the understanding that the Service Provider is entitled to additional compensation. Additional and extra work outside the Scope of Services will require written approval from City prior to the commencement of work. Costs for additional work completed by the Service Provider prior to receiving written approval from the City shall be the responsibility of the Service Provider.

2.1-3 CHANGES IN AGREEMENT PRICE

The value of any work covered by an amendment or of any claim for increase or decrease in the Agreement Price shall be determined by one or more of the following methods in the order of precedence listed below:

- A. Unit pricing previously approved.
- B. An agreed upon lump sum.

Unless an amendment has been so executed, it shall be conclusively presumed that all work performed is included in the Agreement Price.

The City recognizes the inherent complexity of "maintenance", "standards", and building an agreement that covers every potential scenario. Below is a list of additional items that the City will deem as "extra work". Items may be added or deleted through the negotiation process.

The following shall be treated as "extra work":

Renovations (thatching, over seedings, drainage installation, irrigation upgrades, etc.)

Landscape Conversions

Fence Repair

Repair of significant vandalism

Extra Services hourly rates, equipment costs, and % markups are listed in Exhibit B – Schedule of Compensation

2.1-4 OUTCOME-BASED AGREEMENT AND INSPECTION PROBLEM RESOLUTION PROCESS

City will regularly inspect the Service Provider's work and rate it according to the landscape maintenance standards attached as **Attachment 1**. Service Provider shall operate and maintain an e-mail address at which the City may send inspection reports largely consisting of photos taken of areas that the Service Provider maintains. The e-mail address must have sufficient capacity to accept numerous inspection reports from the City without delay or rejection.

The Service Provider will be paid for work rated as "meets standards". Service Provider will not be paid for work rated as "below standard" until conditions improve and rate as "meet standards" if the below standard work is attributed to neglect on the part of the Service Provider. If an area does not meet City standards, it will be considered "below standard". Service Provider will not be paid additional amounts for remedial work required to improve "below standard" areas if the below standard work is attributed to neglect on the part of the Service Provider. City staff will work closely with Service Provider's representatives to achieve the results described in the standards and inspection criteria. However, responsibility for meeting standards rests with the Service Provider.

The Service Provider shall be responsible for maintaining landscapes as described in this document and per the maintenance standards outlined in **Attachment 1**. The cost of maintaining the areas shall be included in the base bid amount unless otherwise called out as "extra work" in the Scope of Work.

During the first three (3) months of the Agreement, the Service Provider will receive one hundred percent (100%) of the monthly Agreement payment. During this period, Service Provider will inspect the sites at least monthly and will discuss inspections with City. This process and time frame will allow the Service Provider time to become familiar with the individual locations. Following this period, the Service Provider shall perform quality assurance inspections a minimum of every month, or more frequently if deemed necessary by the Service Provider.

The Service Provider will provide electronic versions of the monthly inspections to the City by the 10th of the following month as to each site's compliance with City standards. An action plan with deadlines must be provided to the City to indicate when corrections will be made if an area is deemed "below standard". Failure to turn in inspections by the deadline will result in a monthly payment being withheld until inspections are turned in, and one-hundred-dollar (\$100) deduction from their monthly payment. There will be a financial impact to the Agreement if any scheduled use, (including, but not limited to, special events or recreation programs) of City facilities are impacted by neglect on the Service Provider's part. Any costs associated with re-scheduling the event/activity/program may be the responsibility of the Service Provider for staffing and costs, including, but not limited to lost revenue, staff salaries and alternate Service Provider costs, etc.

The City will perform weekly inspection reports, which will be e-mailed to the Service Provider. The first time a site fails to meet City Standards as a result of these inspections the Service Provider will have two (2) weeks to bring the site back into compliance. For Group 6 – Downtown, the Service Provider will have one (1) week to bring the site back into compliance. If the same site is not in compliance for the

same standard at any time after the first warning, no warning will be given, and penalties will be incurred. If a site is not brought back into compliance within the allotted timeframe the following penalties will occur:

1. **First Penalty:** Service Provider to receive warning.
2. **Second Penalty:** At the same site within twelve (12) months of the First Penalty Assessment, the Service Provider will be assessed a \$35 monthly deduction per deficiency.
3. **Third Penalty:** At the same site within (12) months of the First Penalty Assessment, the Service Provider will be assessed a \$85 monthly deduction per deficiency.

The parties will observe the following progressive problem resolution process:

1. Written notice of the problem.
2. Field conference with City inspector and Service Provider's field representative to identify problem and agree on solution as presented by Service Provider.
3. Conference between City's representative and Service Provider's principal.
4. Imposition of penalties and/or correcting defect at Service Provider's cost.
5. Termination of Agreement.

2.1-5 INSPECTION OF SITE WORK

Service Providers are required to inspect the site of the work in order to satisfy themselves, by personal examination or by such other means as they may prefer, of the location of the proposed work and the actual conditions of and at the site. Service Providers may apply to the City for additional information and explanation before submitting proposals. However, no supplemental information requested or furnished shall vary the terms of the Agreement Documents or affect the Service Provider's sole responsibility to satisfy itself as to the conditions of the work to be performed. No claim for additional compensation will be allowed, which is based upon a lack of knowledge of the actual conditions or location of the work.

Submission of a proposal by a Service Provider shall constitute acknowledgment that the Service Provider has relied, and is relying, on its own examination of: (a) the site of the work; (b) access to the site; (c) all other data, matters, and things requisite to the fulfillment of the work and, on his/her own knowledge of existing facilities on and in the vicinity of the site of the work and not on any representation or warranty of the lack of knowledge of the above items.

Section 2.2: General Conditions

2.2-1 NORMAL HOURS AND DAYS OF MAINTENANCE SERVICES

- A. For the Third Street Creek Park and Nob Hill Trail Park work hours shall be every Monday and Thursday between 7:00am and 5:00 pm.

- B. At all other locations, the Service Provider shall perform the required maintenance services between the hours of 7:00 a.m. and 5:00 pm Monday through Friday and on weekends with prior City approval.
- C. The Service Provider shall conduct the work at all times in a manner which will not interfere with normal recreation programs, school programs, pedestrian traffic on adjacent sidewalks, or vehicular traffic on adjacent streets.
- D. Any modification in the hours and days of maintenance services as stated in the Service Provider's service schedule is subject to approval by the City.

2.2-2 PERIODIC PROJECT INSPECTIONS

Upon request, the Service Provider will walk the project with the City's representative to determine and confirm compliance with the specifications or to discuss required work. The Service Provider's representative must be authorized to sign documents and make changes to the work.

2.2-3 PERFORMANCE DURING INCLEMENT WEATHER

During periods of excessive rainfall that hinders normal operations, the Service Provider shall adjust its workforce to accomplish those activities that are not affected by weather. The prime factors in assigning work shall be the safety of the workforce and damage to parks, landscaping and neighboring properties.

2.2-4 NOTICE TO PROCEED

As soon as practical after execution of the Agreement, and after receipt of acceptable insurance certificates by City, a written Notice to Proceed will be emailed to the Service Provider. The effective date of the Notice to Proceed will be the date stated as such in the Notice, provided that the effective date will not be earlier than the day following the issuance of the Notice to Proceed.

2.2-5 ACCEPTANCE

- A. Acceptance by the City of any services furnished under the Agreement shall occur only subsequent to the final review of authorized employees of the City.
- B. The City shall reject and refuse to pay for any and all non-conforming services.
- C. Nothing in this section shall limit or restrict the warranty and remedy obligations of the Service Provider specified in the Standard Maintenance Service Agreement.

2.2-6 LICENSES REQUIRED FOR DURATION OF AGREEMENT

- C-27 Landscape Service Provider License
- City of Morgan Hill Business License
- Qualified Applicator License (includes Santa Clara County Registration)
- Registered with the California Dept. of Industrial Relations as a Public Works Contractor (PWC)

2.2-7 SAFETY

Safety provisions shall conform to Cal-OSHA Safety Orders, and all other applicable federal, state, county, and local laws, ordinances, codes, and regulations in performing the work under this Agreement.

Where any of these are in conflict, the more stringent requirement shall be followed. The Service Provider's failure to thoroughly familiarize themselves with the aforementioned safety provisions shall not relieve them from compliance with the obligations and penalties set forth therein.

The Service Provider shall develop and maintain for the duration of the Agreement, a safety program that will effectively incorporate and implement all required safety provisions. The Service Provider shall appoint an employee who is qualified and authorized to supervise and enforce compliance with the safety program.

2.2-8 RESPONSE

Supervision shall be immediately available at all times when Service Provider employees are working on sites, must be available from 7:00 am to 10:00 pm each day via telephone, and must respond to an emergency situation/major discrepancy in the Agreement within two (2) hours of initial contact.

2.2-9 QUALIFIED SERVICE PROVIDER SUPERVISION

All of Service Provider's supervisors must be qualified, proficient in English, trained and capable of providing adequate supervision and direction to all Service Providers' employees and must demonstrate verbal and written communication skills sufficient for the work required herein.

2.2-10 SERVICE PROVIDER'S EMPLOYEES

Only Service Provider's employees or subcontractors are allowed on City premises where work is being performed. The City shall have the right to have Service Provider remove from assignment to City facilities such Service Provider and/or subcontractors' employees as shall be deemed incompetent, careless, insubordinate, or in any way objectionable, or any personnel whose actions may be contrary to the public interest or inconsistent with the best interest of the City. Service Provider's employees and subcontractors shall not smoke tobacco on any City property.

2.2-11 EMPLOYER PROVIDED UNIFORMS

The Service Provider shall provide each of its employees with uniforms. Uniform apparel shall be kept neat, clean, and in good repair. All uniforms shall include the Service Provider's name and logo. Service Provider and subcontractor personnel shall wear uniforms at all times.

2.2-12 SERVICE PROVIDER'S EQUIPMENT

The on-site supervisor shall ensure that all Service Provider-supplied equipment is in good working order. Any damaged equipment or equipment in need of repair shall be removed from the site. Service Provider shall be responsible for any damage to the work sites, City or private property, or any injuries caused by Service Provider's equipment or personnel.

2.2-13 LOCKS AND KEYS

The Service Provider shall be responsible for the series of keys assigned to it and shall assign these keys to its personnel for use in maintaining the facilities. The Service Provider shall properly use and keep safe all keys or locks issued by the City to the Service Provider.

The Service Provider shall report all lost or stolen keys or locks to the City within twenty-four (24) hours of discovery. The Service Provider shall reimburse the City for the total cost of replacement keys and/or locks that have been lost.

Upon termination or cancellation of the Agreement, the Service Provider shall immediately return all keys, cards, remotes, etc., to the City. The Service Provider shall reimburse the City for the total cost of lost items.

2.2-14 VANDALISM AND ACCIDENTAL DAMAGE

City assumes responsibility for the cost of repairing or replacing appurtenances significantly damaged by persons other than the Service Provider or its agents. Vandalism or accidental damage repair costs shall be based on unit costs submitted by Service Provider in the proposal or on time and materials quotes for work not called out in the proposal. Service Provider shall be responsible for reporting damage to City and repairing or replacing all appurtenances damaged by Service Provider or Service Provider's agents.

2.2-15 WATER MANAGEMENT PROGRAM

City utilizes an online water management software and mobile application for the battery controllers. Service Provider will be provided access to this software as an additional tool for oversight, scheduling, and irrigation management in conjunction to physical inspections. All battery operated controllers must be managed at the location directly. The City reserves the right to request from the Landscape Maintenance Service Provider a report of irrigation controller settings for the current month in electronic format. This report will include the following information:

- A. All irrigation programs are set on controllers.
- B. Irrigation schedule start times for each irrigation program.
- C. Irrigation run days for each irrigation program.
- D. Irrigation cycle length, in minutes for each station in an irrigation program.
- E. Number of repeat cycles for each station in an irrigation program.

All required scheduling and operation of the automatic irrigation controllers reflecting weather changes and water needs will be covered under this Agreement. Service Provider shall make all adjustments and setting of automatic controllers to establish frequency and length of watering periods. Any malfunction of controllers must be reported to the City along with a proposal for correction with costs.

All systems shall be programmed as needed to maintain plants in a healthy, vigorous condition. The irrigation controller program is to be sufficient to keep the plant material healthy without excessive water use.

- A. Controller programs shall incorporate the following conditions: Meet City Water Management requirements
- B. Program around Park and Facility use and events

- C. Reflect actual evapotranspiration (E.T.) requirements
- D. Reflect actual requirements of soil and plants
- E. Eliminate runoff onto streets, sidewalks, and other non-target areas

The Water Management Program is designed to optimize park and landscape water usage through field testing and irrigation schedule development. Soil moisture levels can be compared to irrigation schedules and plant water requirements to assist in responsible management of each park and landscape irrigation valve zone.

A. Irrigation Schedule Analysis:

The Service Provider should be prepared to provide the City with the current month's irrigation schedules and monthly report on the required system check within the 10th day of the month. The irrigation schedules are analyzed by comparing the minutes of irrigation run time, plant water requirement and the level of environmental demand (evapotranspiration). Valve areas appearing to be over or underwatered are to be further tested by the Service Provider as outlined below.

B. Soil Moisture Testing:

Valve areas suspected to be over or underwatered should be tested by the Service Provider by removing a soil sample and testing the moisture content. Soil probing is conducted to determine soil moisture levels for automated overhead irrigation circuits.

C. Irrigation Base Schedule Development:

A monthly irrigation base schedule is developed based upon current controller settings and the feedback of moisture probing results. Adjustments are made at the controller either up or down where soil is found to be too dry or too wet. Once the Service Provider has the correct run times for any given month, the starting "base schedule" is acquired. Adjustments to the "base schedule" shall occur throughout the month to accommodate changes in area use and/or environmental changes to individual sites.

D. Drought Impact on Irrigation:

The Service Provider shall comply with all water use regulations and restrictions. In addition, Service Provider shall comply with City directed changes in irrigation in response to drought conditions.

E. Irrigation System Evaluation:

Annually the City will turn off all landscape water accounts November through March (if warmer than expected weather occurs this might be altered.) When accounts are turned back on in March each year the Service Provider shall perform a complete system check of every irrigation system. The Service Provider shall supply the City with a written report of every system as it is completed. Needed repairs shall occur throughout that same time period, and with the approval of the City, to ensure a fully operational system at the beginning of each spring. System evaluations of head, valves, quick couplers, etc. shall also occur monthly, at a minimum, March through November.

For any controller schedule or system check report requested by the City and not supplied by the 10th day of the current month by Service Provider in any month, a \$50.00 penalty per controller will be assessed.

City will provide all the water and electricity necessary for the Service Provider to perform the services except instances where excessive costs are incurred by the City due to waste or negligence by the

Service Provider. If the City determines that excessive utility costs due to waste or negligence have occurred and are a result of Service Provider's actions, the City may withhold from payment to Service Provider those funds necessary to reimburse the City for these additional costs. If there is a difference of opinion between the City and the Service Provider as to the whether or not there has been waste due to the negligence of the Service Provider, the opinion of the City will prevail.

Irrigation system repair shall occur and be compensated as stated below.

- A. Irrigation system repair will be the responsibility of the Service Provider. All replacement materials are to be with new original types and models, unless a substitute is approved by the City. The Service Provider shall implement repairs in accordance with all effective warranties, and no separate payment shall be made for repairs on equipment covered by warranties.
- B. Maintenance, repair, and replacement of malfunctioning sprinkler heads and quick couplers, including risers, swing joints, shall be included in the Service Provider's base bid. The Service Provider shall provide labor for the above items at no extra charge and shall bill the City for the required parts with a maximum markup of 10% over cost.
- C. Maintenance and repair of valves, filters, valve boxes, batteries and wiring shall be covered in the Service Provider's base bid. The Service Provider shall provide labor for the above items at no extra charge and shall bill the City for the required parts with a maximum markup of 10% over cost.
- D. Replacement of valves, filters, valve boxes, and wiring shall be considered "extra work" in their entirety. Decisions regarding repair verses replacement will be made by the Service Provider and the City jointly. In the event that there is a disagreement with regards to how to proceed, the City's choice will prevail.
- E. Repair and replacement of lateral lines, main lines, check valves, and controllers shall be considered "extra work" in their entirety.
- F. Repairs and replacements of any irrigation component or property damaged by the Service Provider or as a result of negligence, error, or omission by the Service Provider shall not be submitted to the City for payment and are the responsibility of the Service Provider.
- G. Repair and replacement of any irrigation components or property that is a result of vandalism, or unintentional damage, caused by the public shall be considered "extra work" in its entirety. All vandalized components must be presented to the City within one working day of the repair or replacement in order for the Service Provider to be compensated for the repair or replacement. If the vandalized components are not presented within one working day the Service Provider will be paid based on the above stated criteria for repair and replacement.
- H. When the Service Provider observes or is notified of water waste due to excessive overspray, overwatering for irrigation system malfunction, he/she shall respond within 24 hours. Repairs/adjustments shall be completed promptly to prevent damage to the landscape.

2.2-16 PLANT LOSS

It is one of the Service Provider's prime responsibilities to prevent loss of plants caused by pests, diseases, insects, soil conditions, nutrient, micro-climatic conditions, improper planting, or problems in irrigation.

Service Provider agrees to be continuously alert in locating and defining problems and agrees to exercise prompt and proper corrective action. A preliminary written report shall be submitted for major corrective problems not covered in the Agreement along with the costs.

Service Provider agrees to replace, at the Service Provider's cost, any dead, stunted, or damaged items that are the result primarily of the Service Provider's negligence including, but not limited to, irrigation malfunctions that are not addressed within a reasonable amount of time based on environmental conditions. Plants lost from Service Provider's negligence shall be replaced, at the Service Provider's expense, within thirty (30) days of discovery. Replacement plants shall be comparable in size to the lost plant up to a maximum size of a thirty-six (36) inch box, or if smaller, the size shall be approved by the City.

The Service Provider shall not be held responsible for plant losses due to maladies beyond the Service Provider's control; this includes, but is not limited to, disease or insect attack for which there is no legal recommended control, acts of vandalism, earthquakes, fires, storms, freezing/frost, and related events. Service Provider shall report all such conditions to the City in writing within seventy-two (72) hours of occurrence, and submit a proposal for the work or repairs along with the costs. The Service Provider shall obtain City's written permission/direction or authorization prior to proceeding with the work. Failure to notify the City within seventy-two (72) hours of occurrence will result in replacement at the Service Provider's cost as if the cause was Service Provider negligence.

The City shall approve all replacement plants that differ in species. However, it is agreed that replacing plants shall not be used by the Service Provider as a substitute for proper care. The City will consider Service Provider negligence a major breach of contract with full responsibility for costs and losses.

Dead plants and those in a state of decline shall be brought to the City's attention immediately and before removal. The City shall pay labor and material for plant replacement not caused by Service Provider negligence, as deemed by the City, on an actual time and material basis.

All new plant material and irrigation installations or repairs shall be guaranteed for a period of ninety (90) days for unhealthy plant installation and/or poor workmanship. Exceptions include damage or death of plant material due to wind or storm, or vandalism, theft, or other willful acts over which the Service Provider has no control. Existing plants shall be replaced by Service Provider if they die due to Service Provider's negligence. All replacement plants and materials shall be inspected and approved by City prior to installation.

At the end or termination of the Agreement, the City reserves the sole right to withhold final payment(s) in the amount necessary to replace any damaged or dying plant material that is a result of Service Provider negligence or to restore any site which is in a condition that is worse than when the Agreement was executed.

2.2-17 TURF AERATION

The Service Provider shall perform core aerations of turf (no mow areas excluded) as part of the base bid. Two (2) aerifications are required in all turf areas each year. Aeration plugs shall be properly destroyed so as to not pose a safety issue or interfere with the use of parks and facilities. The aeration schedule shall be coordinated with the City during the first month of the Agreement period. Additional turf aerations may be proposed, as "extra work" by the Service Provider, in order to meet the

designated standard. All proposals, and costs must be approved by the City prior to additional turf aerations occurring.

2.2-18 FERTILIZATION

The Service Provider will be responsible for performing all fertilizations of turf and landscape and shall be included in the base bid. The fertilization schedule shall be coordinated with the City during the first month of the Agreement period.

All turf areas (excluding no-mow) shall receive fertilizer applications four times per year. Approximate dates of these are April 1, June 1, September 1, and November 1. Turf is to be maintained in good condition with horticultural acceptable growth and color, and additional fertilization may be required as extra work. Variations to these dates may be required under individual circumstances. All fertilizer shall be approved by the City prior to application.

All shrub, groundcover and no-mow turf areas shall receive fertilizer applications two times per year. Approximate dates of these are March 1 and September 1. Intent is to maintain plants in good condition with horticultural acceptable growth and color. Variations to these dates may be required under individual circumstances. All fertilizer shall be approved by the City prior to application.

2.2-19 BARK AND MULCH

The Service Provider will be responsible for notifying the City when areas need new bark or mulch. The City reserves the right to have the bark installed in any manner that it sees fit and by whomever it sees fit. In the event that the City requests that new bark mulch be added by the Service Provider, it will be considered "extra work" in its entirety.

2.2-20 TREE PRUNING

The Service Provider shall prune trees for clearance as part of the base bid. Pedestrian clearance shall be eight feet (8') and vehicular clearance shall be fifteen feet (15'). Responsibility for structural grid pruning, weight reduction pruning, etc. shall not be contained in the base bid and will be considered "extra work". The City reserves the right to perform this work in any manner that it deems appropriate.

2.2-21 MOWING AND EDGING

Lawn mowing and edging shall be performed as needed to meet the City landscape standards. When lawns cannot be cut on the scheduled day due to rain, they must be cut as soon as weather and ground conditions permit. This trimming shall include cutting all grass along walls, fences, foundations, curbs, sidewalks, shrubs, tree basins, poles, guy wires, irrigation & utility boxes, and any other object within or immediately adjacent to the lawn areas. Turf and plantings around sprinkler heads shall be trimmed to provide maximum water coverage. Trimming shall be done by power edgers or by hand, but in no case will herbicides be permitted without prior written approval. Clippings shall be removed from all adjacent walkways and other paved surfaces immediately after each mowing/edging.

Seed heads on no-mow turf shall be removed on an annual basis. No-mow turf shall be edged as needed to keep from encroaching on walls, fences, sidewalks, etc.

2.2-22 REFUSE DISPOSAL

All refuse and recycling materials are to be placed in the trash dumpsters and recycling containers located at the Morgan Hill Corporation Yard. Green waste is to be placed in bins provided by the City at the Bus Yard across the street from the Corporation Yard.

2.2-23 TRAFFIC CONTROL

Traffic control shall conform to the latest Caltrans Standards to ensure safe flow of traffic and safety of workers in traffic zones. All traffic control costs shall be included in the prices paid for the various Agreement items of work and no additional compensation will be allowed, therefore.

The Maintenance Manager shall be notified prior to any road closures. No traffic lanes on Dunne Avenue, Cochrane Road, Butterfield Blvd., Watsonville Rd., Hale Ave., Tennant Ave., or Monterey Road may be closed before 9:00 a.m. or after 3:00 p.m. without written permission from the Maintenance Manager. Access to driveways shall be maintained at all times.

When entering or leaving roadways which bear public traffic, the Service Provider's equipment, whether empty or loaded, shall in all cases yield to public traffic.

The provisions in this section may be modified or altered if, in the opinion of the Maintenance Manager, public traffic will be better served, and work expedited. Such modifications or alterations shall not be adopted until approved in writing by the Maintenance Manager.

2.2-24 FINGERPRINTING AND BACKGROUND CHECKS

All Service Provider staff who will be working on City facilities during business hours must pass a background check. Each employee will need to undergo Livescan fingerprinting and will be subject to a background check by the Morgan Hill Police Department in accordance with State of California Department of Justice regulations.

Credentials are issued to each individual employee. The Service Provider is responsible for maintaining and updating their employee roster, including notifying the City of staffing changes. The Service Provider will be responsible for the fingerprinting fees for each employee.

Section 2.3: Locations and Services Required

2.3-1 GROUP 1 – Parks Mowing and Edging:

In Group 1 the Service Provider shall provide complete turf mowing and edging services only at the following locations:

Group 1 Locations	Location	Year-Round Frequency
Community Park	171 W Edmundson Ave	Weekly (March thru Oct.); Bi-Weekly** (Nov. thru Feb.)
Galvan Park	17666 Crest Ave	Weekly (March thru Oct.); Bi-Weekly** (Nov. thru Feb.)
Paradise Park	La Crosse Ave & Calle Enrique	Weekly (March thru Oct.); Bi-Weekly** (Nov. thru Feb.)
Diana Park	505 Diana Ave	Weekly (March thru Oct.); Bi-Weekly** (Nov. thru Feb.)
Howard Weichert Park	860 Via Del Castille	Weekly (March thru Oct.); Bi-Weekly** (Nov. thru Feb.)
Nordstrom Park	E Dunne Ave & Murphy Ave	Weekly (March thru Oct.); Bi-Weekly** (Nov. thru Feb.)
Jackson Park	16695 Trail Drive	Weekly (March thru Oct.); Bi-Weekly** (Nov. thru Feb.)

**Biweekly means every two weeks.

2.3-2 GROUP 3 – Arterial Medians and Miscellaneous Sites

In Group 3 the Service Provider shall provide complete landscape maintenance services as described in this document for the locations shown below. Minimum frequencies for trash & recycling material removal, litter removal, pavement and site furnishing cleaning frequencies are shown:

Group 3 Locations	Year-Round Frequency
Arterial medians	Bi-weekly**
Friendly Inn and Parking Lot	Weekly
El Dorado	Bi-weekly**
Sunrise Meadows	Bi-weekly**

** Biweekly means every two weeks.

2.3-3 GROUP 6 – Downtown

In Group 6 the Service Provider shall provide complete landscape maintenance services as described in this document for the locations below.

Group 6 Locations: Map #1 Downtown Parking Lots, Train Station, Parks,	Year-Round Frequency
Parking Lots (Area 1, 2, 3, 4)	Weekly
Train Station West of RR Tracks (Area 5)	Weekly
Community Demonstration Garden/County Courthouse (Area 6)	Weekly
3 rd Street Landscape Areas (between Monterey Road and Depot Street) (Area 7)	Weekly
4 th Street Landscape Areas (between Monterey Road and Depot Street) (Area 8)	Weekly
Railroad Park (Area 9)	Weekly
Third Street Creek Park (Area 10)	Biweekly (M/Th)*
Nob Hill Trail Park (Area 11)	Biweekly (M/Th)*
Parking Garage Bioswale (Area 12)	Weekly

***Bi-weekly means twice a week on Monday and Thursdays**

Group 6 Locations: Map #2 Depot Street Landscape Areas	Year-Round Frequency
Parkway Areas	Weekly

2.3-4 Extra Work

Extra work pricing will apply to all three groups 1, 3 & 6, and per the Extra Services Hourly Rates in Exhibit B-Schedule of Compensation. Service Providers are responsible for determining which DIR prevailing wage classifications are appropriate for the landscape maintenance scope of work as stated in this agreement.

Section 2.4: ATTACHMENTS

ATTACHMENT 1: City of Morgan Hill Landscape Maintenance Standards

All landscaped areas shall be maintained to have a neat and well- tended appearance and to provide a safe environment for the general public at all times.

1. Turf

1.1. General Use Standard

- 1.1.1. All turf areas will support their designed uses
- 1.1.2. Turf will be healthy with an even and uniform surface, color, and soil moisture that benefits the plant without disrupting the user's experience. Turf will not exhibit bare spots. Turf will be pest-free. Shall be maintained in accordance with Turf Maintenance Section, Irrigation and Disease and Pest Control Section standards.

1.2. Turf Maintenance

- 1.2.1. Mowing
 - 1.2.1.1. Maintained Turf Height 2.5-3 inches
- 1.2.2. Edging - Complete site edging of trees, curbs, sidewalks, beds, buildings, sprinklers, valve boxes, meter boxes, etc., shall be performed to ensure that the site looks groomed and neat at all times.
- 1.2.3. Aeration - As needed to maintain standard. Minimum of two times per year.
- 1.2.4. Weeds - Turf will be weed free. (Excluding Group 2 Park Mowing)
- 1.2.5. Reseeding or Sod Replacement - Reseeding or sod replacement shall be done on an as needed basis to meet standards.
- 1.2.6. Fertilizer
 - 1.2.6.1. Fertilizer shall be applied to turf four (4) times per year. Additional applications may be required to maintain standard based on soil conditions.
 - 1.2.6.2. Fertilizer analysis will be determined based on plant needs.

2. Irrigation

2.1. General

- 2.1.1. Irrigation systems shall be checked as needed at each site to meet standards and conform to the City's conservation efforts and all applicable ordinances, regulations, and laws. All systems will comply with State and local laws regarding prevention and protection of the public water system. All controllers that are on the central system shall be used to their fullest programming capability.
- 2.1.2. Irrigation preventative maintenance system checks shall be done as needed; all zones will be checked for operation, and repairs will be made immediately. General inspections of turf and plant materials shall be done routinely for sign of stress or damage. Service Providers must provide the City with a monthly irrigation schedule for all controllers including verification that the controllers are on the central irrigation system. Repairs must be initiated within twenty-four (24) hours of discovery.
- 2.1.3. Water Usage & Scheduling

- 2.1.3.1. Irrigation systems will deliver optimum water to each plant type at the lowest cost with maximum resource conservation.
- 2.1.3.2. Water will be delivered primarily during non-use hours and not between 8:00 am and 8:00 pm.
- 2.1.3.3. Each station shall be adjusted to meet the needs of the specific area unless authorized by the City, as well as adjusted due to weather conditions.
- 2.1.3.4. Supplemental day-time watering shall be performed as needed to maintain standard

3. Disease and Pest Control

- 3.1. Turf, trees and landscaping shall be disease and pest free. Any signs of stress or damage to trees, turf or planting materials and/or safety concern shall be addressed using an Integrated Pest Management Approach. Service Provider's work shall be in compliance with the City's Integrated Pest Management Program (Attachment 6).

4. Shrubs, Ground Cover Areas

4.1. General Standard

- 4.1.1. Fertilization, irrigation and cultivation (when applicable) shall be adjusted to serve the requirements of the plant species.
- 4.1.2. Shall be maintained in healthy, attractive condition that lends variety and interest to the landscape.
- 4.1.3. Bark mulch shall be placed around and between plants and maintained on an as needed basis.
- 4.1.4. Removal and Replacement - All failed or damaged plant materials shall be removed and replaced, after City inspection, within thirty (30) days of notice. Replacement plant material shall be the same size and species as the damaged or failed plants, if possible. The City shall approve replacement of plant materials not meeting these specifications.
- 4.1.5. Litter and Debris Removal - All areas shall be maintained free of trash and debris.
- 4.1.6. Weed Control - Plant beds shall be free of weeds. Beds shall be weeded as needed to meet standard.
- 4.1.7. Trimming All shrubs shall be pruned as needed to meet the intent of the landscape design and have a neat appearance. Ground covers shall be edged as needed to keep plant growth from extending beyond curbs, onto sidewalks, buildings, and turf areas. Ground cover in medians shall not be allowed to extend beyond the curb or sidewalk. Pruning shall occur three (3) times per year or as plant material growth dictates to meet standard.
- 4.1.8. All hedge and shrub heights along fences and walls will be maintained at the height of the fence line or at an approved height.

5. Rose and Flower Beds

- 5.1. Shall be maintained in accordance with the standards listed in Shrubs, Ground Cover, and Mulch Areas.
- 5.2. Flowering plants shall be dead headed and trimmed on an ongoing basis so that wilted blossoms and other defects do not detract from the decorative nature of the plantings
- 5.3. Irrigation timers shall be coordinated with scheduled use, and maintained in compliance with Irrigation standards.

6. Trees

6.1. General Standards

- 6.1.1. Shall provide shade, wind breaks, sound attenuation, and otherwise enhance the park or landscape setting. Trees shall conform to the general shape and height of the species: significantly deformed specimens shall be removed after authorization.
- 6.1.2. Weed Control - Mechanical grass trimming around trees shall be accomplished in a way that will not scar the trunk in any way.
- 6.1.3. Trimming - Tree limbs shall be kept at a safe height for the users anticipated in the vicinity: Eight feet (8') for pedestrian clearance (including over turf areas) and fifteen feet (15') for vehicular street clearance.
- 6.1.4. Trees shall not exhibit broken or cracked limbs or other structural damage, and all suckers shall be removed.
- 6.1.5. Staking - Young trees shall be properly staked to assist in support until roots are firmly established, especially in wind prone areas. Once firmly established, stakes shall be removed with no protrusion above ground. Trees must be straight. Ties on the stakes shall be checked periodically to ensure they are adjusted properly. Tight or damaged ties or stakes shall be replaced or repaired.
- 6.1.6. Removal and Replacement - All damaged trees shall be removed and replaced, after authorization, and within thirty (30) days of notice. All replacement trees shall be the same size and species of tree as the damaged tree up to 36" box tree. If the tree cannot be matched, the City will determine an appropriate replacement species.

7. Paved Surfaces

- 7.1. Paved surfaces include areas topped with asphalt, concrete, brick and pavers.
- 7.2. Pathways, parking lots, tennis courts and other paved areas shall be free of sand, debris, leaves and litter so at no time detracts from the look or safety of the area.
- 7.3. Sand and decomposed gravel shall be removed from sidewalks.
- 7.4. All surfaces shall be weed free.
- 7.5. No standing water from irrigation shall be permitted on pathways.
- 7.6. Surfaces shall be cleaned of all spills, gum, paint, chalk, dirt & debris.

8. Unpaved Walkways, Other Unplanted Areas

- 8.1. Unpaved surfaces include designated paths and trails with porous surfacing.
 - 8.1.1. All unpaved surfaces shall be free of leaves, weeds, debris, and litter so at no time it detracts from the look or safety of the area.
 - 8.1.2. No standing water from irrigation shall be permitted on pathways.
 - 8.1.3. Unpaved walkways shall be maintained in a safe, level, and smooth manner
- 8.2. Fencing, Walls - Notify City of any vandalism, defects, safety items within twenty-four (24) hours of discovery.

9. Medians

- 9.1. Median landscape will follow the general landscape maintenance standards
- 9.2. Any signs other than traffic/directional signs are considered to be illegal and should be removed. If for some reason a sign cannot be removed it must be reported to the Maintenance Coordinator or Maintenance Manager within 24 hours.
- 9.3. Any debris including weeds, leaf, pine needle, mulch, etc. that is up against the curb of the median, including the turn pocket, should be removed during biweekly service.

10. Playground Maintenance

- 10.1. Playgrounds shall be maintained weekly to ensure an even distribution of material across the surface.
- 10.2. Organic and non-organic debris shall be removed from all play areas immediately upon discovery.
- 10.3. The City shall be notified of any vandalism, defects, safety items as soon as possible and no more than within twenty-four (24) hours of discovery.

11. Litter Removal and Trash & Recycle Container Servicing

- 11.1. Trash and recycling containers shall be emptied as needed when they are half full or more or have a foul odor at the time of service.
- 11.2. Site shall be free of all litter after each landscape service.

12. Site Furnishings (Benches, Tables, Trash Containers, Fountains, etc.)

- 12.1. Site furnishings such as benches, tables, trash containers, drinking fountains, water features, bollards, etc. shall be inspected on a monthly basis for condition and defects.
- 12.2. Site furnishings shall be cleaned as needed to maintain in clean condition.
- 12.3. Hazardous debris shall be removed immediately upon discovery.
- 12.4. The City shall be notified of any vandalism, defects, and/or safety items within twenty-four (24) hours of discovery.

13. Downtown Parks

13.1 Nob Hill Trail Park: The selected Service Provider will be given vehicle access to Nob Hill Trail Park via a Service Provider's code to the keypad at the gate. The scope of work for Nob Hill Trail Park includes the maintenance of the landscape areas, litter control on the trails throughout the park, site furnishing cleaning, plant maintenance as noted in the planting and irrigation plans and weed abatement in the natural grass area. Weed abatement should be 10 feet on either side of the pathways or to the fence line if the fence line is within 10-15 feet of the path. Weed abatement should occur 1-2 times a year depending on growth. Please note that litter removal along the trail that goes up from Creek Park on the left side of Third Street from the East Third Street Bridge and then down Del Monte Avenue to Nob Hill Terrace will also be part of the scope of work.

13.2 Railroad Park : The scope of work for Railroad Park is landscape maintenance and litter control.

13.3 Third Street Creek Park: The scope of work for Third Street Creek Park is landscape maintenance and litter control.

ATTACHMENT 2: Landscape Inspection Rating Form



SAMPLE

Site: Community Park

Category	Meets Standards Y/N	Notes
Turf maintenance		
Irrigation maintenance		
Shrubs, groundcovers, mulch areas, roses		
Tree maintenance		
Paved & unpaved surface maintenance		
Litter, trash and recycled material		
Site furnishing maintenance		

NOTE: If any category does not meet City standards, monthly payment for the specific site(s) will be withheld until the site is back in conformance.

EXHIBIT B
SCHEDULE OF COMPENSATION RATES

Please see attached Schedule of Compensation

EXHIBIT B-SCHEDULE OF COMPENSATION**Medallion Landscape Management, Inc.****January 1, 2026 to December 31, 2027****Group 1: Park Mowing**

Area	Monthly	# of months	Total Annual Amt
Community Park	\$ 2,025.00	12	\$ 24,300.00
Galvan Park	\$ 560.00	12	\$ 6,720.00
Paradise Park	\$ 560.00	12	\$ 6,720.00
Diana Park	\$ 225.00	12	\$ 2,700.00
Howard Weicert	\$ 225.00	12	\$ 2,700.00
Nordstrom Park	\$ 450.00	12	\$ 5,400.00
Jackson Park	\$ 115.00	12	\$ 1,380.00
GRAND TOTAL -GROUP 1	\$ 4,160.00		\$ 49,920.00

Group 3: Medians and Misc. Sites

Area	Monthly Maintenance	Monthly Irrigation	Total Annual Amt
Arterial Medians	\$ 3,460.00	\$ 450.00	\$ 46,920.00
Friendly Inn & Parking Lot	\$ 340.00	\$ 115.00	\$ 5,460.00
El Dorado Estates	\$ 115.00	\$ 56.00	\$ 2,052.00
Sunrise Meadows	\$ 340.00	\$ 115.00	\$ 5,460.00
GRAND TOTAL-GROUP 3	\$ 4,255.00	\$ 736.00	\$ 59,892.00

Group 6: Downtown

Area	Monthly Maintenance	Monthly Irrigation	Total Annual Amt
Parking Lots (Areas 1, 2, 3, 4)	\$ 620.00	\$ 56.00	\$ 8,112.00
Train Station West of Railroad Tracks (Area 5)	\$ 225.00	\$ 45.00	\$ 3,240.00
Community Demonstration Garden/County Courthouse (Area 6)	\$ 340.00	\$ 56.00	\$ 4,752.00
3rd Street Landscape Areas (Area 7)	\$ 340.00	\$ 56.00	\$ 4,752.00
4th Street Landscape Areas (Area 8)	\$ 225.00	\$ 25.00	\$ 3,000.00
Railroad Park (Area 9)	\$ 340.00	\$ 56.00	\$ 4,752.00
Third Street Creek Park (Area 10)	\$ 340.00	\$ 56.00	\$ 4,752.00
Nob Hill Trail Park (Area 11)	\$ 450.00	\$ 56.00	\$ 6,072.00
Parking Garage Bioswale (Area 12)	\$ 115.00	\$ 25.00	\$ 1,680.00
Depot Street Parkway Areas (Map 2)	\$ 675.00	\$ 56.00	\$ 8,772.00
GRAND TOTAL-GROUP 6	\$ 3,670.00	\$ 487.00	\$ 49,884.00

Annual Total for Contract Services**\$ 159,696.00****Two-Year Contract Services Amount****\$ 319,392.00****Two-Year Allocation for Extra Services @ \$30,000 per year****\$ 60,000.00****Grand Total for Two-Year Contract****\$ 379,392.00**

Medallion Landscape Management-Groups 1, 3 & 6
Extra Services Rates

January 1, 2026 to December 31, 2027

Extra Work Category	Hourly Rates
<i>Regular Time Labor Rate including work truck and tools</i>	
Landscape/Irrigation Laborer/Tender-Landscape/Irrigation Laborer	\$ 48.00
Landscape/Irrigation Laborer/Tender-Landscape/Irrigation Laborer3	\$ 55.00
Plumber-Landscape/Irrigation Fitter	\$ 65.00
Skilled Technician	\$ 65.00
Supervisor/Foreman	Included
<i>Emergency/After Hour Response - Labor Rate including work truck and tools</i>	
Landscape/Irrigation Laborer/Tender-Landscape/Irrigation Laborer	\$ 65.00
Landscape/Irrigation Laborer/Tender-Landscape/Irrigation Laborer3	\$ 70.00
Plumber-Landscape/Irrigation Fitter	\$ 80.00
Skilled Technician	\$ 80.00
Supervisor/Foreman	Included
<i>Equipment</i>	
Spray Equipment	Included
Tractor with implements	\$ 80.00
Slit seeder	\$ 40.00
Mower	Included
<i>Supplies</i>	
% Mark up over costs	10%

EXHIBIT C
SCHEDULE OF PERFORMANCE

Maintenance services to be scheduled per Exhibit A-Scope of Services in coordination with the City Maintenance Manager or other designated City staff. Extra services are to be coordinated with the City Maintenance Manager or other designated City staff.

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Dat Nguyen, Finance Director

APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE AND OCTOBER 2025 FINANCIAL AND INVESTMENT REPORTS

RECOMMENDATION(S)

Receive and file reports.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities

Fiscal Sustainability

Community Engagement

REPORT NARRATIVE:

As part of the City Council's commitment to maintaining a high level of transparency and being responsible stewards of public funds, staff is providing this monthly budget update, along with the October 2025 financial and investment reports.

October 2025 Financial Report

The Revenue and Expense Summary through October 2025 is included on page 4 of the attached monthly financial and investment reports. Overall, General Fund revenues total \$9.9 million or about 17% of the budget. Expenditures, including encumbrances, amounted to \$21.8 million, of which approximately \$2.1 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$22.3 million. This represents a decrease of \$0.5 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures increased by about \$1.9 million, primarily due to negotiated salary adjustments, overall cost increases, and timing differences related to an additional payroll period this month.

Budget Update

There has been no material change since the last budget update to the Council on November 19, 2025. Regarding water revenue, Morgan Hill residents consumed approximately 3% more water through October compared to the average for the prior three years. As a result, no revenue stabilization water rate was implemented.

COMMUNITY ENGAGEMENT:

Inform.

Finance staff prepares these financial reports to inform City officials, the Council, the community, and various lenders and stakeholders about the financial health of the organization, which assists each one of the interested parties in making sound financial and investment decisions.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council receives and files the financial and investment report for each month. At the September 16, 2015 meeting, City Council recommended monthly financial and investment reports be agendaized under the Consent Agenda, and quarterly financial and investment reports be presented to City Council as an “Other Business” item.

FISCAL AND RESOURCE IMPACT:

The preparation of the report is a part of the Finance workplan.

CEQA (California Environmental Quality Act):

Not a Project

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

CITY OF MORGAN HILL
Monthly Financial and Investment Reports
October 31, 2025 - 33% of Year Complete



CITY OF MORGAN HILL

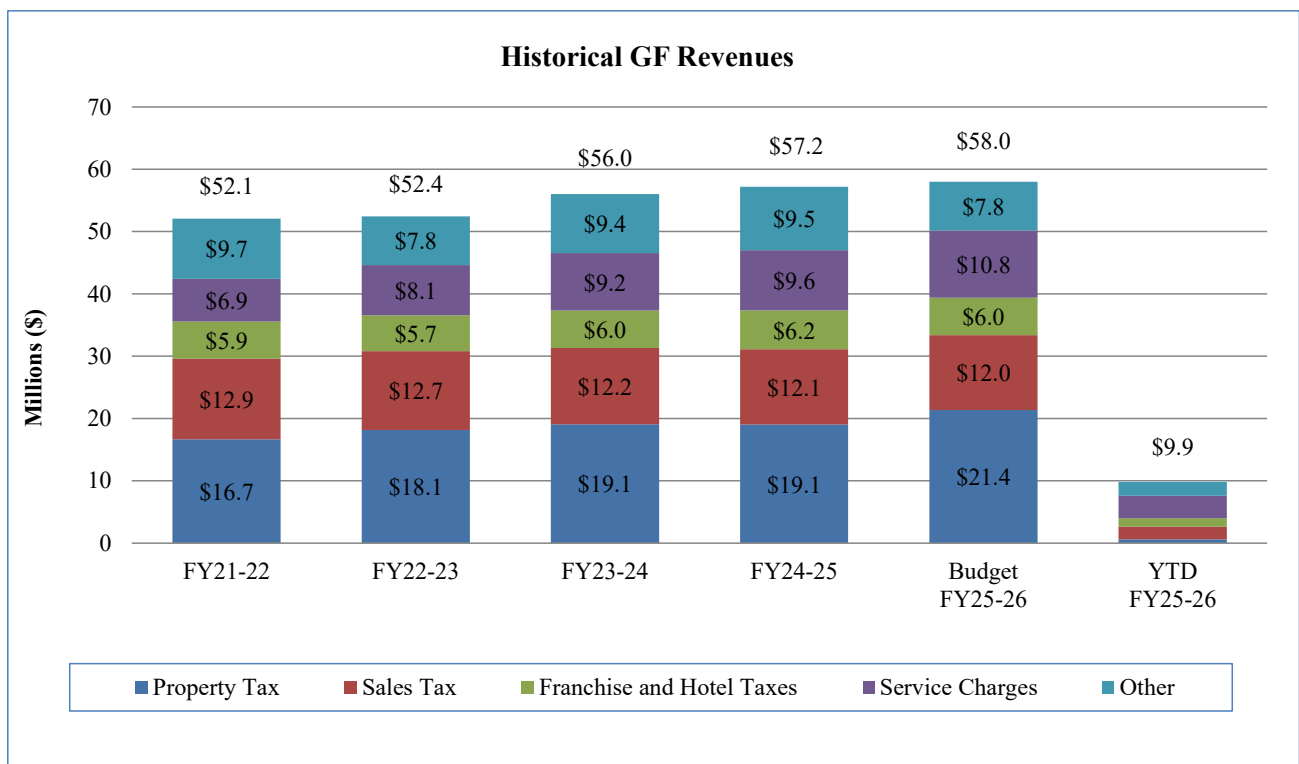
Prepared by:
FINANCE DEPARTMENT



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2025-26
FOR THE MONTH ENDED OCTOBER 2025 – 33% OF YEAR COMPLETE

- **General Fund** – Revenues through October totaled \$9.9 million, or about 17% of the budgeted as some of the major revenue categories such as property tax are received later in the fiscal year. Regarding the property tax revenue forecast, the County estimates the City will receive approximately \$21.7 million in property tax revenue for the current fiscal year, slightly exceeding the budget of \$21.4 million. However, after adjusting for the excess ERAF set-aside of 20%, or \$0.6 million, the property tax revenue shows a slight decrease over the budget. As for sales tax, there’s been no changes to prior forecast. The City's current fiscal year sales tax revenue estimate, before tax rebates, is \$12.1 million.

The chart below shows historical General Fund revenues by major revenue category from FY21-22 through FY24-25 Actual, FY25-26 Budget, and YTD as of October 31, 2025.



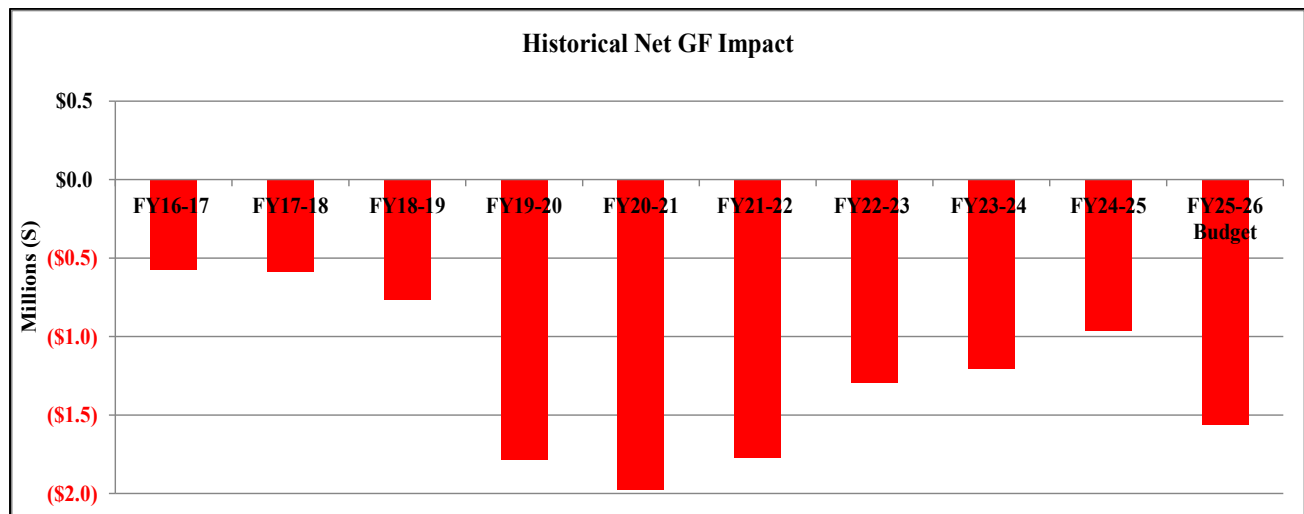
General Fund expenditures and encumbrances through October totaled \$21.8 million, of which approximately \$2.1 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$22.3 million. This represents a decrease of \$0.5 million, including encumbrances, compared to the prior year. Excluding the encumbrances, expenditures increased by about \$1.9 million, primarily due to negotiated salary adjustments, overall cost increases, and timing differences related to an additional payroll period this month.

- **Community Services** – The Community Services Department’s recreation operations, as reflected in the schedule presented on page 7 of the Monthly Financial and Investments Reports, shows a negative impact to the General Fund of approximately \$1.8 million as of October 31, 2025. Recreation operations are expected to be on target with budget.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2025-26
FOR THE MONTH ENDED OCTOBER 2025 – 33% OF YEAR COMPLETE

The chart below shows the historical net impact of Recreation Operations to the general fund.



Due to longstanding governmental accounting and budgeting convention, the City's recreation operations are not charged for indirect costs (known in Morgan Hill as "General Fund Administration") from the central services departments of City Attorney, City Manager, and Administrative Services. The City's other governmental funds, such as Development Services, and the proprietary funds, such as Water and Wastewater, and the Information Services Fund, are assessed such charges through the City's indirect cost allocation plan, prepared in compliance with the guidelines set forth in the Code of Federal Regulations Title 2, Chapter II, Part 200 (formerly OMB Circular No. A-87), which mandates certain calculation and cost allocation practices that must be followed in order to qualify for Federal grant funding, but which also represents best practice for non-grant funded City operations like utilities and information services.

- **Development Services Fund** – Revenues through October totaled \$2.4 million compared to the prior year to date amount of approximately \$2.0 million. Expenditures, including encumbrances, totaled \$2.5 million.
- **Debt Service Funds** – Expenditures through October totaled \$2,690. The debt service for the first half of the year includes both interest and principal, while the second half will include interest only. Debt service payments were scheduled when the bonds were issued and are budgeted for the months specified in the underlying bond documents. The General Fund's portion of the annual debt service payments is approximately \$200,000, less than one percent of the General Fund's budgeted revenues.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2025-26
FOR THE MONTH ENDED OCTOBER 2025 – 33% OF YEAR COMPLETE

- **Wastewater Operations** – Revenues through October 31, 2025 totaled \$5.5 million. Expenditures and outstanding encumbrances totaled \$6.0 million or 32% of the budget. The table below shows historical Wastewater Operations revenues and expenditures from FY21-22 through FY24-25 Actual, FY25-26 Budget, and YTD as of October 31, 2025.

(amount in millions)	FY21-22	FY22-23	FY23-24	FY24-25	Budget FY25-26	YTD FY25-26
Revenues	14.9	15.3	15.2	18.2	18.4	5.5
Expenditures	14.8	16.0	14.9	18.1	18.5	6.0
Operating Margin	0.1	(0.7)	0.3	0.1	(0.1)	(0.5)
Operating Margin without Encumbrances	0.1	(0.7)	0.3	0.1	(0.1)	(0.2)

- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues through October 31, 2025 totaled \$6.9 million. Water Operations expenditures, including outstanding encumbrances, totaled \$7.3 million. Morgan Hill residents consumed about 3% more water through October compared to the prior three-year average. As such, no revenue stabilization water rate was implemented. The table below shows Water Operations revenues and expenditures from FY21-22 through FY24-25 Actual, FY25-26 Budget, and YTD as of October 31, 2025.

(amount in millions)	FY21-22	FY22-23	FY23-24	FY24-25	Budget FY25-26	YTD FY25-26
Revenues	16.0	18.1	18.7	21.5	23.5	6.9
Expenditures	15.2	18.0	19.1	21.5	23.8	7.3
Operating Margin	0.8	0.1	(0.4)	-	(0.3)	(0.4)
Operating Margin without Encumbrances	0.8	0.1	(0.4)	-	(0.3)	0.1

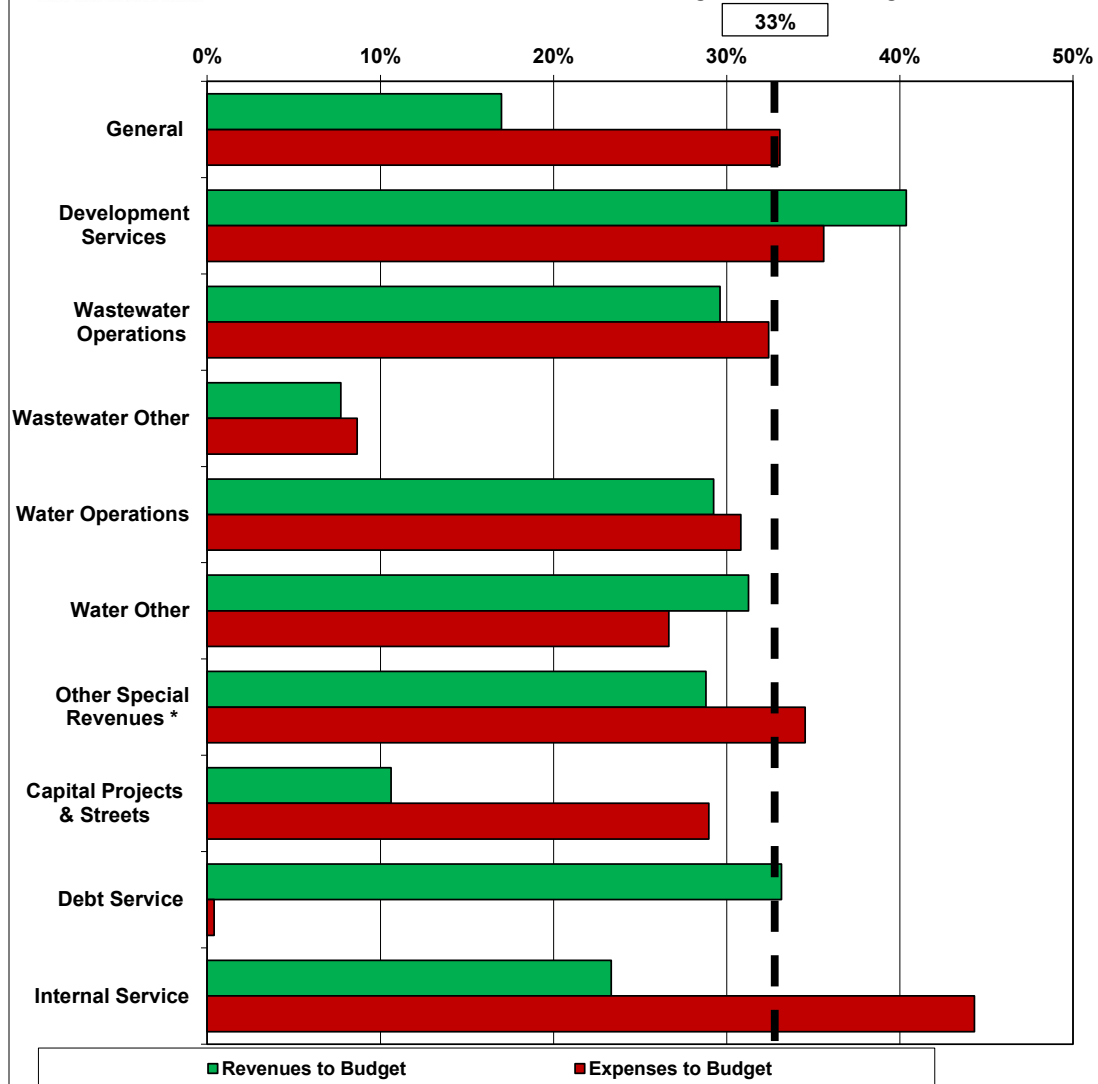
- **Investments** – Eight securities were called, and five new securities were purchased. Total interest earnings received on investments were \$370,000 during the month.



Morgan Hill YTD Revenue & Expense Summary

October 31, 2025 - 33% of Year Complete

Percentage of Actual to Budget



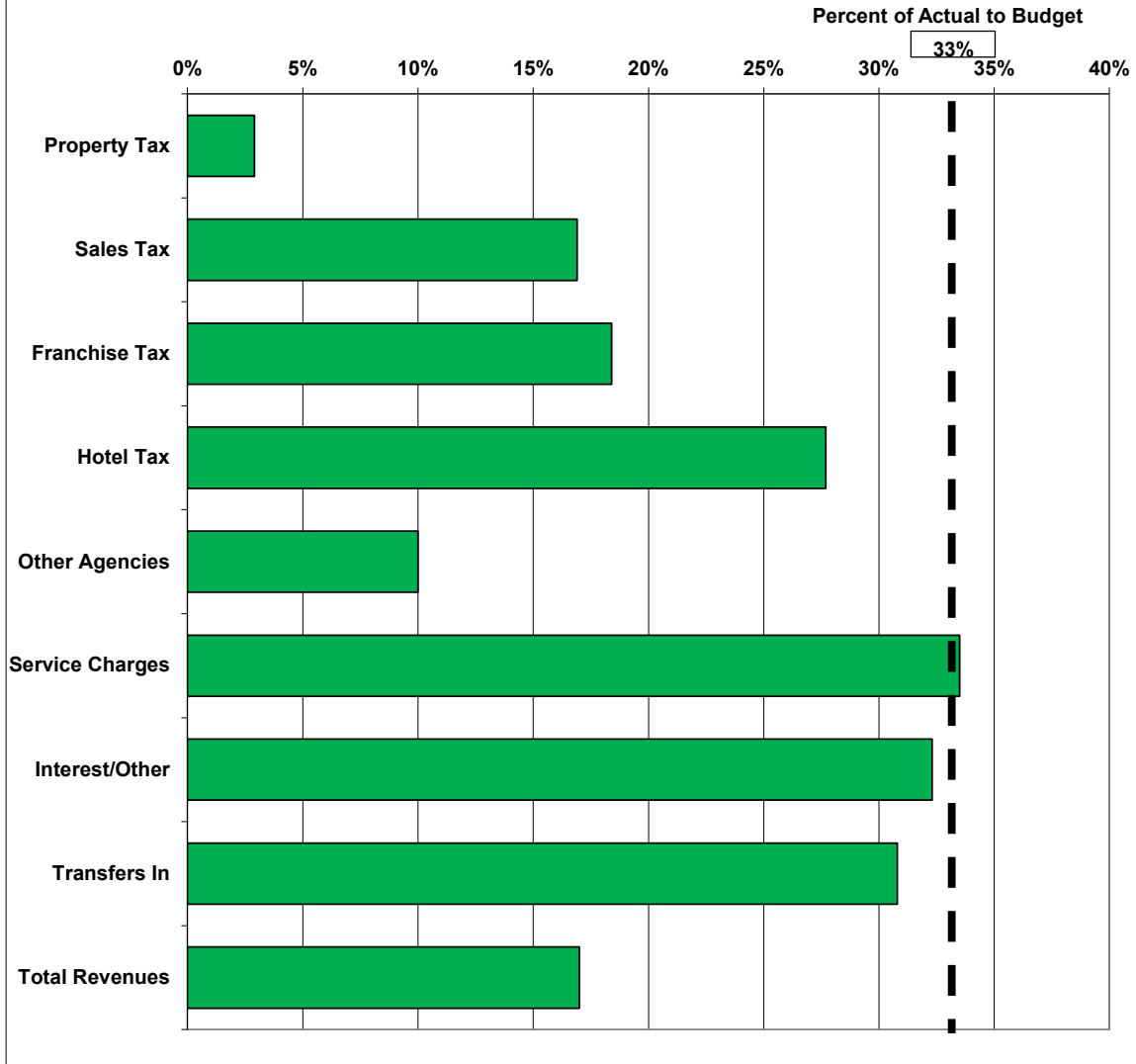
FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 9,886,513	17%	\$ 21,827,033	33%
Development Services	2,373,048	40%	2,458,178	36%
Wastewater Operations	5,454,843	30%	5,985,305	32%
Wastewater Other	3,532,532	8%	7,113,571	9%
Water Operations	6,859,435	29%	7,326,501	31%
Water Other	3,996,170	31%	10,536,292	27%
Other Special Revenues *	2,033,316	29%	3,692,271	35%
Capital Projects & Streets	3,501,331	11%	13,111,960	29%
Debt Service	231,066	33%	2,690	0%
Internal Service	3,814,761	23%	7,132,444	44%
TOTAL FOR ALL FUNDS	\$ 41,683,015	19%	\$ 79,186,247	26%

* Includes all Special Revenue Funds except Development Services Fund and Street Funds.



Morgan Hill YTD General Fund Revenues

October 31, 2025 - 33% of Year Complete

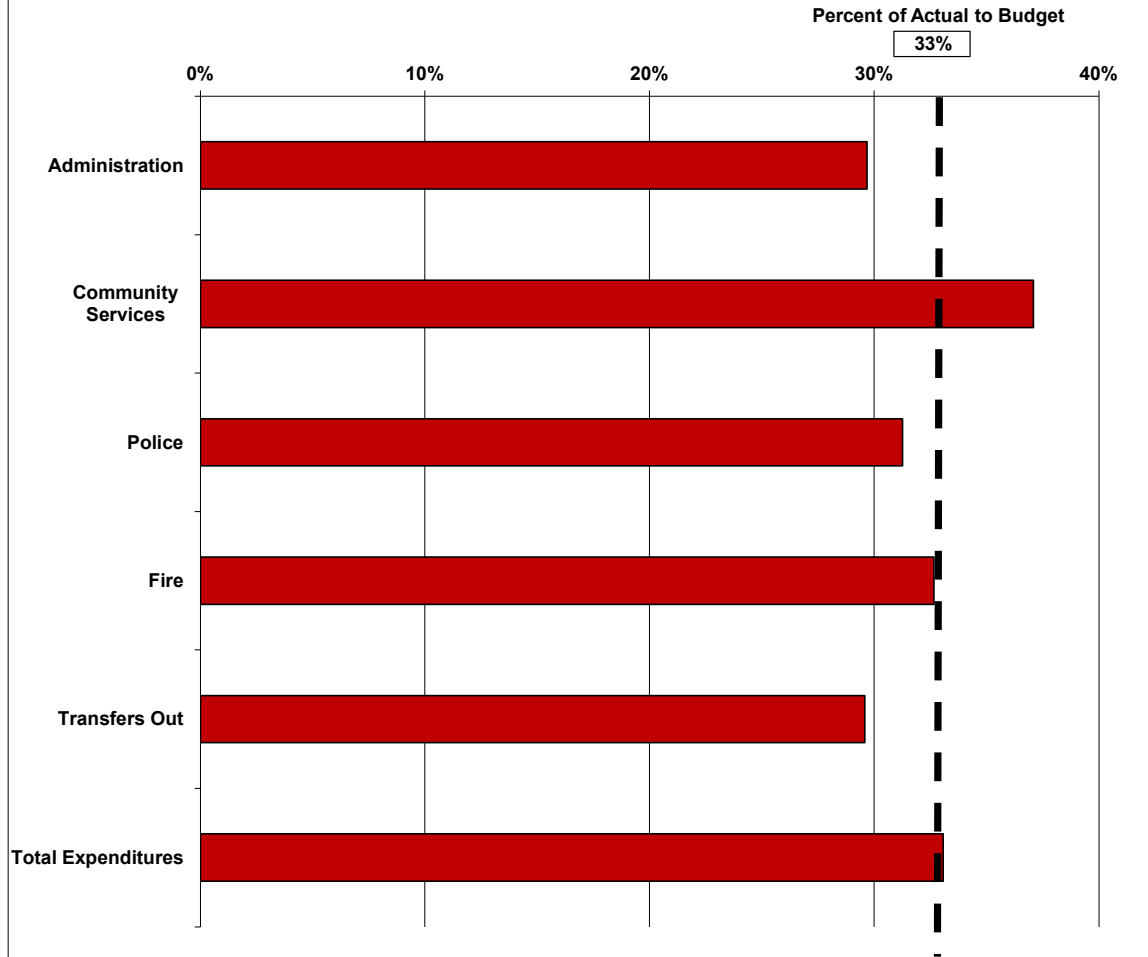


REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$ 21,369,792	\$ 627,115	3%	\$ 702,530	-11%
Sales Tax	11,989,269	2,025,889	17%	1,922,722	5%
Franchise Tax	3,354,166	615,898	18%	568,887	8%
Hotel Tax	2,658,340	736,210	28%	708,553	4%
Other Agencies	940,183	93,809	10%	352,612	-73%
Service Charges	10,794,856	3,614,510	34%	3,619,842	0%
Interest/Other	3,468,411	1,121,627	32%	1,291,399	-13%
Transfers In	3,411,140	1,051,455	31%	1,067,826	-2%
TOTAL REVENUES	\$ 57,986,156	\$ 9,886,513	17%	\$ 10,234,371	-3%



Morgan Hill YTD General Fund Expenditures

October 31, 2025 - 33% of Year Complete



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 7,097,361	\$ 2,106,450	30%	\$ 2,797,850	-25%
Community Services	20,176,055	7,483,150	37%	7,088,644	6%
Police	26,079,133	8,155,018	31%	8,366,195	-3%
Fire	11,212,073	3,662,722	33%	3,594,839	2%
Transfers Out	1,418,558	419,692	30%	486,077	-14%
TOTAL EXPENDITURES	\$ 65,983,180	\$ 21,827,033	33%	\$ 22,333,605	-2%

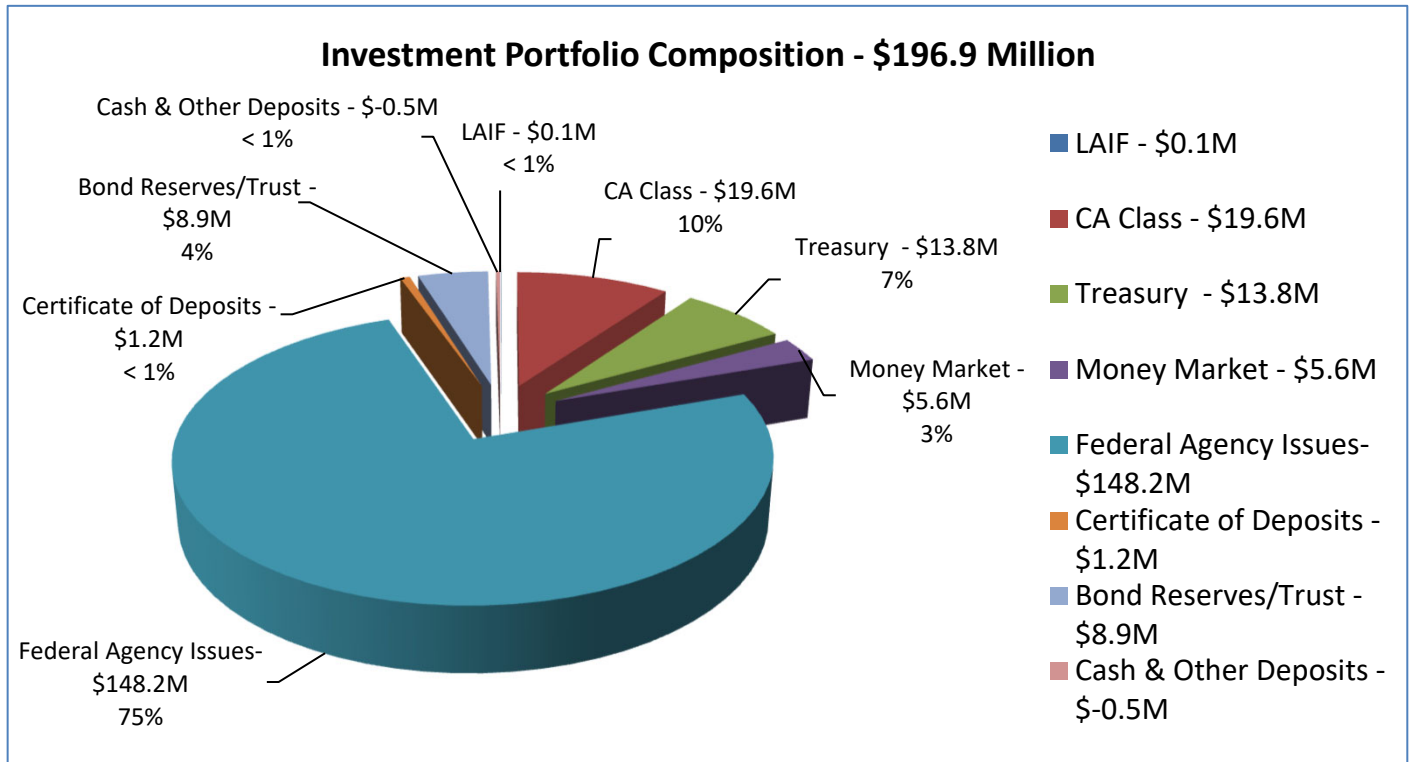


City of Morgan Hill
Recreation Report - Fiscal Year 2025-26
For the Month Ended October 31, 2025
33% of Year Complete

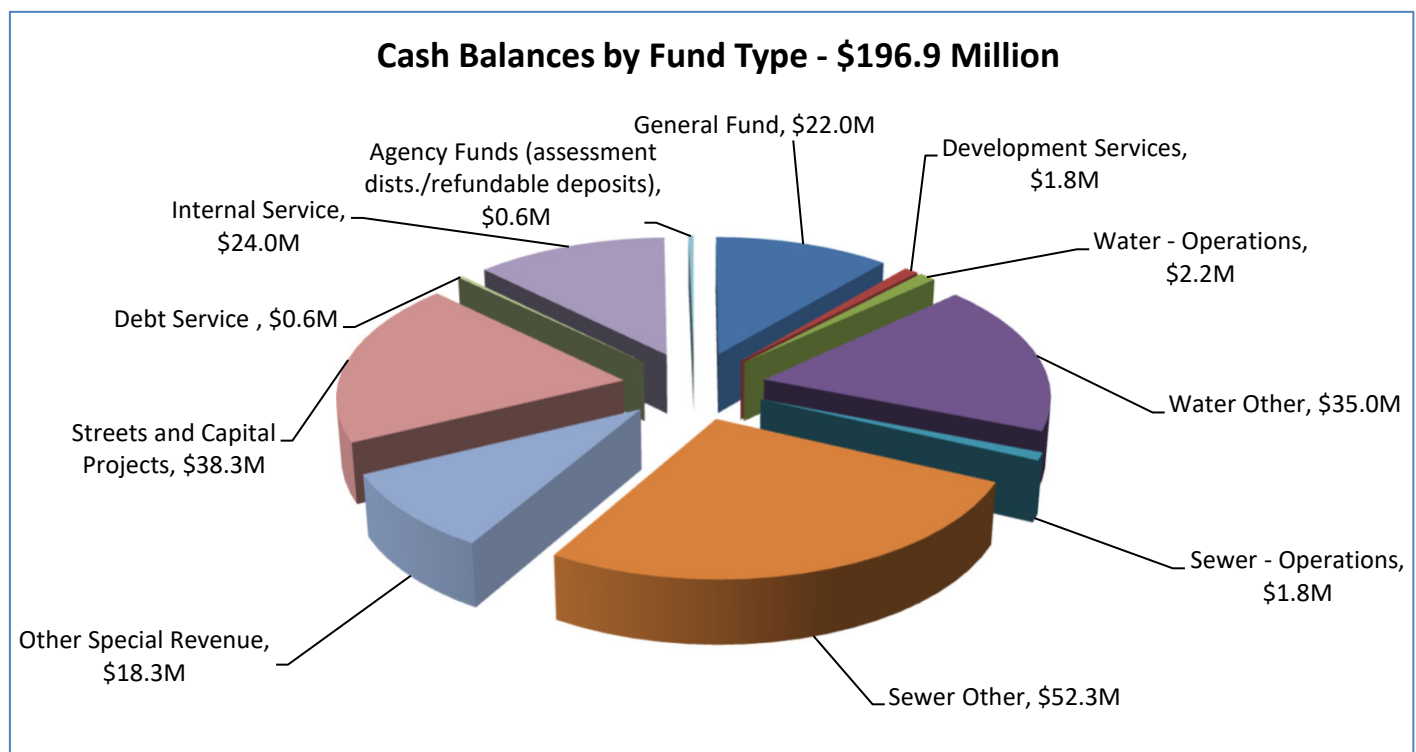
	<u>Budget</u>	<u>October 2025</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 6,830,960	\$ 456,911	\$ 2,293,886	
Facility Rentals	1,245,612	140,174	564,933	
Community Services	138,498	4,206	18,003	
Transfers in	100,000	6,250	33,333	
Total Revenues	<u>\$ 8,315,070</u>	<u>\$ 607,541</u>	<u>\$ 2,910,155</u>	35%
Less: Expenditures				
Membership & Program Services	\$ 7,541,945	\$ 481,600	\$ 2,292,531	
Facility Rentals	1,451,514	131,070	413,200	
Community Services	883,254	85,090	277,920	
Total Expenditures	<u>\$ 9,876,714</u>	<u>\$ 697,759</u>	<u>\$ 2,983,651</u>	30%
Net Impact without encumbrances	<u>\$ (1,561,644)</u>	<u>\$ (90,218)</u>	<u>\$ (73,496)</u>	
Encumbrances	-	-	1,677,296	
Net Impact with encumbrances	<u>\$ (1,561,644)</u>	<u>\$ (90,218)</u>	<u>\$(1,750,793)</u>	

City of Morgan Hill Monthly Investment Report - October 31, 2025

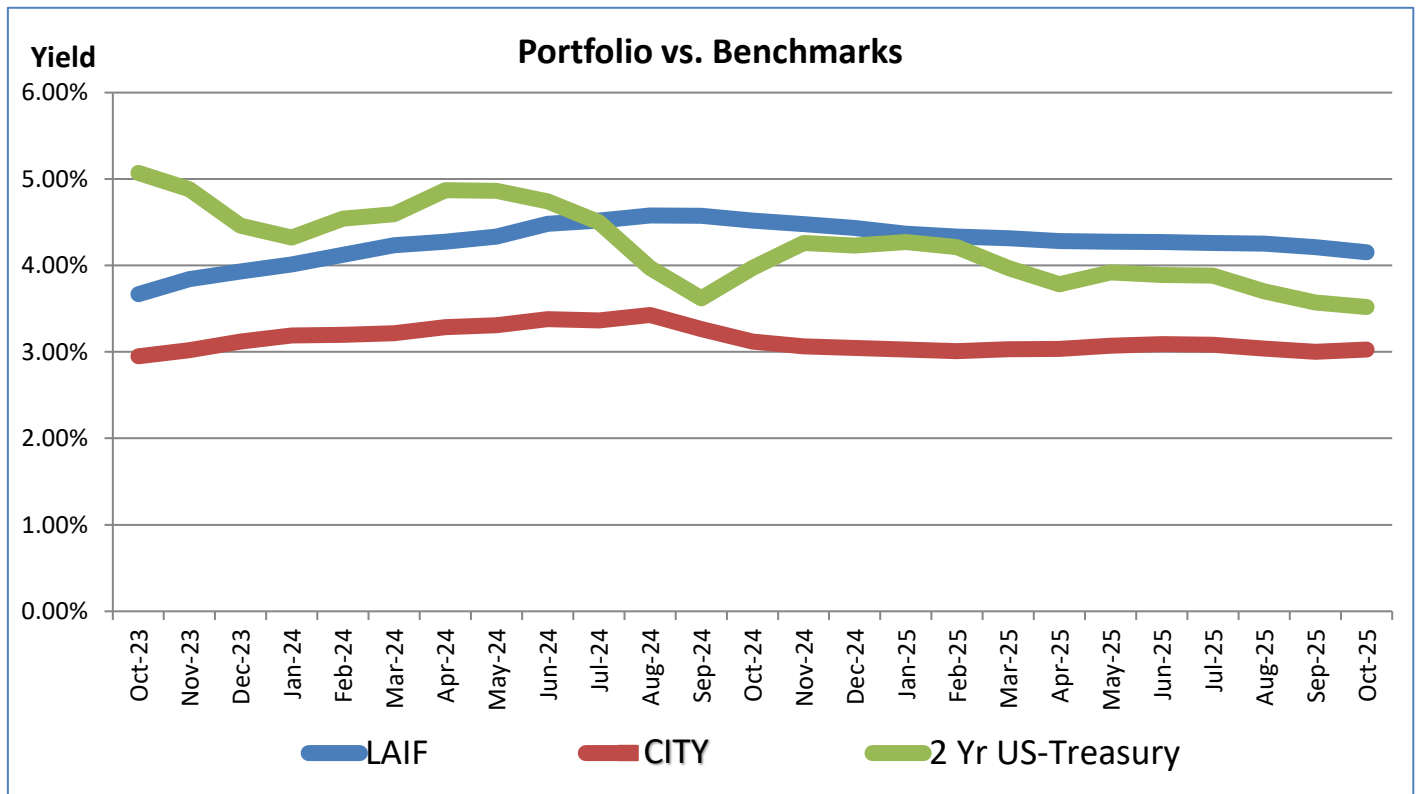
The following are the snapshots of City's investment portfolio as of October 31, 2025. The first chart shows the portfolio composition by investment type:



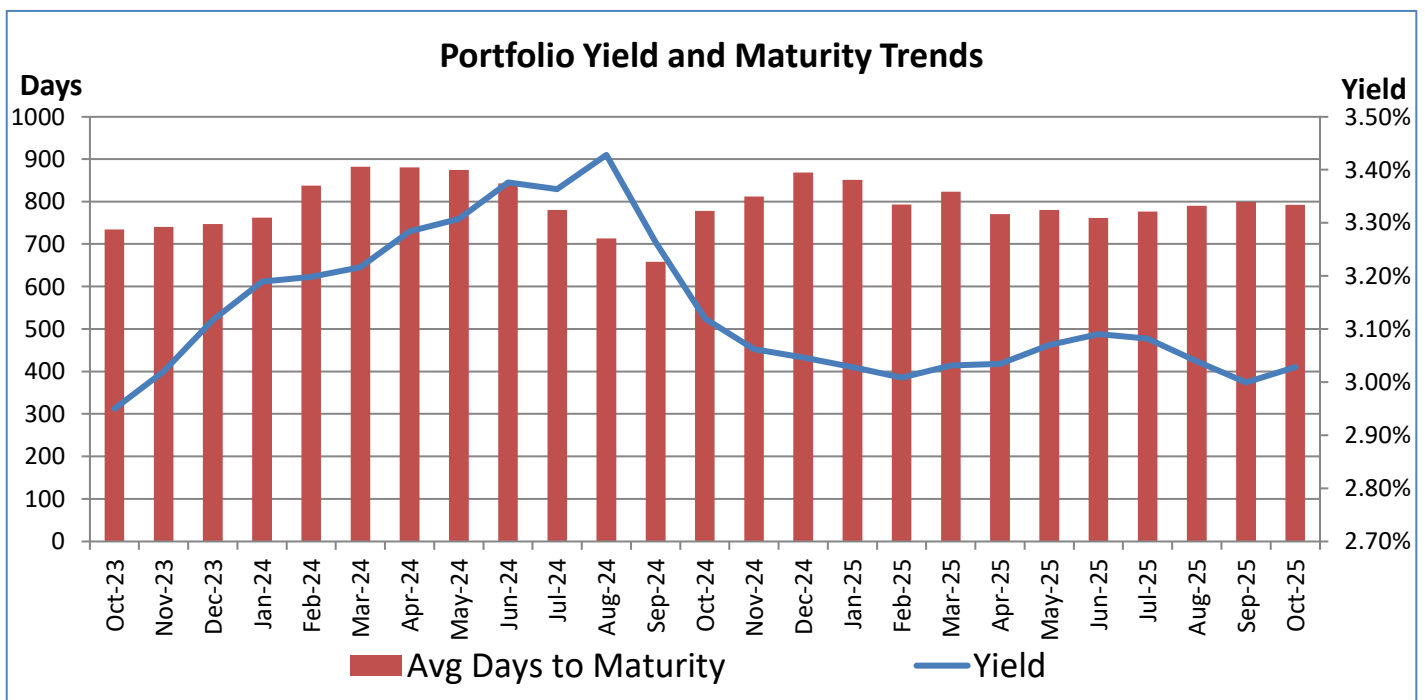
The chart below shows cash balances by fund type reconciled to City's financial system:



The following chart illustrates a yield comparison by month among the City's portfolio, LAIF and 2-Year US Treasury:



The chart below illustrates monthly average days to maturity of the City's portfolio along with the weighted average yield for the past two years:





City of Morgan Hill
Investment Portfolio Detail
As of October 31, 2025

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F			\$ 64,616	\$ 64,616	0.0%	\$ 64,741	4.15%		
California C L A S S			19,555,938	19,555,938	9.9%	19,555,938	4.19%		
WFB Money Market			3,121,965	3,121,965	1.6%	3,121,965	4.05%		
US Bank - Portfolio of Securities									
Dreyfus Treasury Agency MM	261908107		2,482,802	2,482,802	1.3%	2,482,802	3.88%		
Treasury Note	91282CCZ2	10/8/2021	1,987,656	1,997,732	1.0%	1,949,100	1.00%	9/30/2026	9/30/2026
Treasury Note	912828U24	6/13/2022	1,904,688	1,977,587	1.0%	1,965,020	3.16%	11/15/2026	11/15/2026
Treasury Note	91282CFL0	9/30/2024	2,031,719	2,024,840	1.0%	2,015,620	3.53%	9/30/2029	9/30/2029
Treasury Note	91282CLL3	10/1/2024	1,994,323	1,994,510	1.0%	1,991,560	3.53%	9/15/2027	9/15/2027
Treasury Note	91282CCV1	10/4/2024	1,822,536	1,869,753	0.9%	1,868,120	3.61%	8/31/2028	8/31/2028
Treasury Note	31282CFJ5	10/7/2024	1,949,794	1,955,712	1.0%	1,962,180	3.76%	8/31/2029	8/31/2029
Treasury Note	91282CFY2	12/19/2024	1,959,077	1,962,896	1.0%	2,015,620	4.39%	11/30/2029	11/30/2029
FFCB Bond	3133EMFR8	11/3/2020	2,000,000	2,000,000	1.0%	2,000,000	0.54%	11/5/2025	11/3/2025
FNMA Bond	3135GA4P3	11/18/2020	2,000,000	2,000,000	1.0%	1,997,160	0.65%	11/18/2025	11/18/2025
FHLMC Bond	3134GXEJ9	11/24/2020	2,000,000	2,000,000	1.0%	1,996,120	0.64%	11/24/2025	11/24/2025
FFCB Bond	3133EMHF2	11/24/2020	1,000,000	1,000,000	0.5%	997,840	0.60%	11/5/2025	11/24/2025
FHLMC Bond	3134GXCS1	11/25/2020	3,000,000	3,000,000	1.5%	2,994,090	0.63%	11/25/2025	11/25/2025
FHLMC Bond	3134GXFA7	11/30/2020	2,000,000	2,000,000	1.0%	1,995,740	0.65%	11/26/2025	11/26/2025
FFCB Bond	3133EMLC4	12/22/2020	2,000,000	2,000,000	1.0%	1,990,080	0.47%	11/5/2025	12/22/2025
FHLB Bond	3130AKQ74	1/22/2021	2,000,000	2,000,000	1.0%	1,985,620	0.63%	11/22/2025	1/22/2026
FNMA Bond	3135G06R9	1/28/2021	2,000,000	2,000,000	1.0%	1,984,320	0.55%	11/28/2025	1/28/2026
FHLB Bond	3130AKRN8	1/28/2021	2,000,000	2,000,000	1.0%	1,984,780	0.65%	11/28/2025	1/28/2026
FHLB Bond	3130ALCV4	2/24/2021	2,000,000	2,000,000	1.0%	1,980,820	0.75%	11/24/2025	2/24/2026
FHLB Bond	3130ALDB7	2/25/2021	2,000,000	2,000,000	1.0%	1,980,000	0.66%	11/25/2025	2/25/2026
FHLB Bond	3130AKZ25	2/26/2021	2,000,000	2,000,000	1.0%	1,979,120	0.65%	11/26/2025	2/26/2026
FHLB Bond	3130ALGS7	3/10/2021	2,000,000	2,000,000	1.0%	1,978,420	0.85%	12/10/2025	3/10/2026
FHLB Bond	3130ALEP5	3/16/2021	2,000,000	2,000,000	1.0%	1,976,300	0.70%	12/16/2025	3/16/2026
FHLB Bond	3130ALDN1	3/16/2021	2,000,000	2,000,000	1.0%	1,977,020	0.80%	12/16/2025	3/16/2026
FHLB Bond	3130AMNH1	6/9/2021	2,000,000	2,000,000	1.0%	1,967,920	1.08%	11/5/2025	6/9/2026
FHLB Bond	3130AMYJ5	6/30/2021	2,000,000	2,000,000	1.0%	1,962,600	1.00%	12/30/2025	6/30/2026
FHLB Bond	3130AMYP1	7/15/2021	3,000,000	3,000,000	1.5%	2,944,110	1.13%	1/15/2026	7/15/2026
FHLB Bond	3130ANJC5	8/26/2021	2,000,000	2,000,000	1.0%	1,952,240	0.80%	8/26/2026	8/26/2026
FHLB Bond	3130ANLW8	8/26/2021	3,000,000	3,000,000	1.5%	2,932,680	1.00%	11/26/2025	8/26/2026
FHLB Bond	3130ANLZ1	8/26/2021	2,000,000	2,000,000	1.0%	1,952,720	0.90%	8/26/2026	8/26/2026
FHLB Bond	3130A8XY4	9/13/2021	2,103,340	2,017,817	1.0%	1,968,300	0.82%	9/11/2026	9/11/2026
FFCB Bond	3133EM4X7	9/28/2021	1,982,960	1,997,045	1.0%	1,950,020	0.98%	9/10/2026	9/10/2026
FHLB Bond	3130APCH6	9/29/2021	3,000,000	3,000,000	1.5%	2,928,000	1.13%	11/5/2025	9/29/2026
FHLB Bond	3130ANZE3	9/30/2021	2,000,000	2,000,000	1.0%	1,948,420	0.88%	9/30/2026	9/30/2026
FHLB Bond	3130AP6N0	9/30/2021	3,000,000	3,000,000	1.5%	2,927,610	1.05%	12/30/2025	9/30/2026
FHLB Bond	3130AP6M2	9/30/2021	3,000,000	3,000,000	1.5%	2,926,170	1.02%	12/30/2025	9/30/2026
FHLB Bond	3130APCG8	10/19/2021	2,000,000	2,000,000	1.0%	1,947,380	1.00%	1/19/2026	10/19/2026
FHLB Bond	3130APNX9	11/18/2021	2,000,000	2,000,000	1.0%	1,949,380	1.30%	11/18/2025	11/18/2026
FHLB Bond	3130AQHU0	1/19/2022	2,000,000	2,000,000	1.0%	1,964,360	1.74%	1/19/2027	1/19/2027
FHLMC Bond	3134GXUZ5	6/15/2022	2,000,000	2,000,000	1.0%	1,998,820	3.28%	12/15/2025	12/15/2025
FHLMCMTN Bond	3134HAKY8	9/13/2024	2,985,210	2,988,562	1.5%	2,995,380	4.11%	12/13/2025	9/13/2029
FHLB Bond	3130B2P58	9/26/2024	2,003,014	2,000,000	1.0%	1,996,040	3.87%	9/10/2026	9/10/2029
FHLB Bond	3130B36N8	10/15/2024	1,944,000	1,995,253	1.0%	1,993,080	4.32%	4/15/2026	10/15/2029
FHLMCMTN Bond	3134HAC92	11/19/2024	3,000,000	3,000,000	1.5%	3,000,330	5.00%	11/19/2025	11/19/2029
FFCB Bond	3133ERF48	12/4/2024	2,000,000	2,000,000	1.0%	2,000,720	4.77%	12/4/2025	12/4/2028
FHLB Bond	3130B5A73	2/26/2025	2,000,000	2,000,000	1.0%	2,010,200	4.75%	8/26/2026	2/26/2030
FHLMCMTN Bond	3134HBBE0	3/11/2025	2,000,000	2,000,000	1.0%	1,995,220	4.88%	12/11/2025	3/11/2030
FNMA Bond	3136GABW8	3/12/2025	2,000,000	2,000,000	1.0%	1,998,220	5.00%	12/12/2025	3/12/2030
FAMCMTN Bond	31424WZC9	5/7/2025	3,000,000	3,000,000	1.5%	2,990,790	4.55%	5/7/2026	5/7/2030
FHLMCMTN Bond	3134HBQZ7	5/19/2025	2,000,000	2,000,000	1.0%	2,000,480	4.50%	11/19/2025	5/19/2027
FHLB Bond	3130B6FS0	5/28/2025	2,000,000	2,000,000	1.0%	2,004,820	4.75%	5/14/2026	5/14/2030
FAMCMTN Bond	31424WB50	5/28/2025	2,000,000	2,000,000	1.0%	1,997,760	4.74%	5/28/2026	5/28/2030
FFCB Bond	3133ER3L3	6/6/2025	2,029,443	2,000,000	1.0%	2,001,780	4.69%	2/13/2026	2/13/2029

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
FAMCMTN Bond	31424WG30	6/26/2025	1,200,000	1,200,000	0.6%	1,205,856	4.33%	6/26/2026	6/26/2028
FFCB Bond	3133ETMB0	6/27/2025	2,000,775	2,000,000	1.0%	2,003,760	4.65%	6/24/2026	6/24/2030
FAMCMTN Bond	31424WG55	7/1/2025	2,000,000	2,000,000	1.0%	2,005,880	4.60%	7/1/2026	7/1/2030
FFCB Bond	3133ETNA1	7/2/2025	2,000,000	2,000,000	1.0%	2,003,680	4.50%	7/2/2026	1/2/2030
FHLMCMTN Bond	3134HBYC9	7/15/2025	2,000,000	2,000,000	1.0%	2,000,860	4.75%	1/15/2026	7/15/2030
FHLMCMTN Bond	3134HBZA2	7/15/2025	2,000,000	2,000,000	1.0%	2,001,580	4.50%	1/15/2026	7/14/2028
FHLMCMTN Bond	3134HBB59	7/30/2025	2,000,000	2,000,000	1.0%	2,004,620	4.64%	4/30/2026	7/30/2030
FNMA Bond	3136GAM22	8/12/2025	2,988,270	2,998,346	1.5%	2,994,270	4.14%	2/12/2026	8/12/2030
FAMCMTN Bond	31424WN81	8/12/2025	2,000,000	2,000,000	1.0%	2,000,480	4.39%	8/12/2026	8/12/2030
FFCB Bond	3133ETUP0	8/20/2025	2,000,000	2,000,000	1.0%	1,997,800	4.49%	2/20/2026	5/20/2030
FFCB Bond	3133ETUN5	8/25/2025	2,000,000	2,000,000	1.0%	1,999,000	4.45%	2/25/2026	2/25/2030
FHLB Bond	3130B7KG8	8/25/2025	2,000,000	2,000,000	1.0%	1,996,420	4.38%	11/25/2025	8/25/2028
FFCB Bond	3133ETWC7	9/2/2025	2,000,000	2,000,000	1.0%	2,000,020	4.35%	12/2/2025	3/2/2029
FNMA Bond	3136GAQF9	9/3/2025	2,000,000	2,000,000	1.0%	1,993,500	4.25%	6/3/2026	6/3/2030
FFCB Bond	3133ETWB9	9/5/2025	2,000,000	2,000,000	1.0%	1,999,060	4.31%	12/5/2025	9/5/2028
FFCB Bond	3133ETXY8	9/16/2025	2,000,000	2,000,000	1.0%	1,994,680	4.00%	9/16/2026	9/16/2030
FHLB Bond	3130B7SF2	9/18/2025	2,000,222	2,000,000	1.0%	1,998,400	4.00%	9/17/2026	9/17/2030
FNMA Bond	3136GAUR8	9/25/2025	2,000,000	2,000,000	1.0%	2,000,260	4.20%	3/18/2026	9/18/2030
FNMA Bond	3136GAVD8	9/26/2025	2,000,000	2,000,000	1.0%	1,997,440	4.13%	6/26/2026	9/26/2030
FNMA Bond	3136GAVW6	9/30/2025	2,000,000	2,000,000	1.0%	2,001,840	4.45%	12/30/2025	9/30/2030
FHLB Bond	3130B7YU2	10/15/2025	2,000,000	2,000,000	1.0%	1,992,220	4.33%	4/15/2026	10/15/2030
FFCB Bond	3133ETJ73	10/21/2025	2,000,000	2,000,000	1.0%	1,995,020	4.12%	4/21/2026	10/21/2030
FFCB Bond	3133ETJ73	10/21/2025	2,000,000	2,000,000	1.0%	1,995,020	4.12%	4/21/2026	10/21/2030
FNMA Bond	3136GAYT0	10/22/2025	2,000,000	2,000,000	1.0%	1,998,960	4.00%	1/23/2026	10/23/2028
FNMA Bond	3136GAZ44	10/24/2025	2,000,000	2,000,000	1.0%	1,994,720	4.00%	10/15/2026	10/15/2030
CD - Morgan Stanley Bank	61690DGT9	11/8/2023	250,000	250,000	0.1%	259,415	5.05%	11/8/2028	11/8/2028
CD - Morgan Stanley Private Bank	61768EE82	11/8/2023	250,000	250,000	0.1%	259,415	5.05%	11/8/2028	11/8/2028
CD - American Express	02589AF98	11/8/2023	250,000	250,000	0.1%	259,063	5.00%	11/8/2028	11/8/2028
CD - State Bank India	8562834U7	11/24/2023	250,000	250,000	0.1%	261,408	5.00%	11/24/2028	11/24/2028
CK - JPMorgan Chase	46659CLN8	9/30/2025	250,000	250,000	0.1%	250,198	4.13%	9/30/2030	9/30/2030
Sub Total/Average			\$ 165,619,830	\$ 165,712,857	84.2%	\$ 164,717,846	2.87%		
Total City Managed/Average			\$ 188,362,349	\$ 188,455,376	95.7%	\$ 187,460,489	3.02%		
Bond Reserve Accounts - Held By Trustees			\$ 1,047,840	\$ 1,047,840	0.5%	\$ 1,047,840			
Cash/Deposits			\$ (532,869)	\$ (532,869)	-0.3%	\$ (532,869)			
PARS and CALPERS CERBT Trust			\$ 7,887,404	\$ 7,887,404	4.0%	\$ 10,789,254			
GRAND TOTAL/AVERAGE			\$ 196,764,724	\$ 196,857,751	100.0%	\$ 198,764,714			



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF OCTOBER 31, 2025
FOR THE FISCAL YEAR OF 2025-26

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	4.15%	\$ 64,616	0.0%	\$ 64,741
California CLASS	All Funds Pooled	4.19%	19,555,938	9.9%	19,555,938
US Bank - Portfolio of Securities	All Funds Pooled	2.87%	165,712,857	84.2%	164,717,846
WFB MMA	All Funds Pooled	4.05%	3,121,965	1.6%	3,121,965
	SUBTOTAL		\$ 188,455,376	95.7%	\$ 187,460,489
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility	Debt Service	4.21%	257,563	0.1%	257,563
Blackrock Liq Fund	Debt Service	4.21%	327,807	0.2%	327,807
Zions Bank - MH Police Facility Lease Revenue Bonds	Debt Service	4.21%	327,807	0.2%	327,807
Blackrock Liq Fund	Debt Service	4.21%	327,807	0.2%	327,807
BNY - RDA Bonds	Agency Fund	3.58%	462,471	0.2%	462,471
Dreyfus Cash Mgmt 521	Agency Fund	3.58%	462,471	0.2%	462,471
	SUBTOTAL		1,047,840	0.5%	1,047,840
Other Cash/Deposits					
General Checking	All Funds		(578,719)	-0.3%	(578,719)
Workers' Comp Administrators	Workers' Comp		30,000	0.0%	30,000
Petty Cash & Emergency Cash	General Fund		15,850	0.0%	15,850
CALPERS CERBT - OPEB Trust	General Fund		5,237,404	2.7%	7,139,969
PARS - PENSION Trust	General Fund		2,650,000	1.3%	3,649,285
	SUBTOTAL		7,354,535	3.7%	10,256,385
Total Cash and Investments			\$ 196,857,751	100.0%	\$ 198,764,714

CASH ACTIVITY SUMMARY
FY 2025-26

Fund Type	07/01/2025 Balance	Change in Cash Balance	10/31/2025 Balance
General Fund	\$ 27,754,684	\$ (5,712,775)	\$ 22,041,909
Development Services	1,256,663	543,227	1,799,890
Water - Operations	1,682,675	484,891	2,167,566
Water Other	33,378,396	1,666,457	35,044,853
Sewer - Operations	581,685	1,202,771	1,784,456
Sewer Other	51,823,477	427,997	52,251,474
Other Special Revenue	18,941,285	(685,053)	18,256,232
Streets and Capital Projects	40,813,196	(2,551,401)	38,261,795
Debt Service	354,990	228,376	583,367
Internal Service	29,447,571	(5,406,921)	24,040,650
Agency Funds (assessment dists./refundable deposits)	6,701,471	(6,075,911)	625,560
Total	\$ 212,736,093	\$ (15,878,342)	\$ 196,857,751

Note: See Investment Portfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

I certify that information on the investment report has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill Investment Policy and all State laws and regulations.

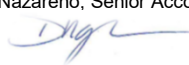
Prepared by:


 Gina Nazareno, Senior Accountant

Approved by:



Reviewed by:


 Dat Nguyen, Finance Director

Cindy Murphy, Treasurer



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2025-26
For the Month Ended October 31, 2025
33% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
TAXES							
Property Tax - Secured/Unsecured	\$ 17,345,642	17,945,642	\$ 591,848	3%	\$ 667,779	\$ (75,931)	-11%
Property Tax - RPTTF Residual Distribution	3,098,634	3,098,634	-	n/a	-	-	n/a
Property Tax - Supplemental Roll	325,515	325,515	35,267	11%	34,751	516	1%
Sales Tax	12,711,087	11,511,087	1,953,784	17%	1,888,580	65,204	3%
Public Safety Sales Tax	478,182	478,182	72,105	15%	34,141	37,963	111%
Transient Occupancy Taxes	2,958,340	2,658,340	736,210	28%	708,553	27,657	4%
Franchise (Refuse ,Cable ,PG&E)	3,354,166	3,354,166	615,898	18%	568,887	47,011	8%
Property Transfer Tax	642,000	642,000	162,363	25%	162,431	(68)	0%
TOTAL TAXES	40,913,566	40,013,566	4,167,475	10%	4,065,123	102,352	3%
LICENSES/PERMITS							
Business License	200,000	200,000	66,320	33%	66,741	(422)	-1%
Other Permits	82,750	82,750	111,055	134%	147,157	(36,102)	-25%
TOTAL LICENSES/PERMITS	282,750	282,750	177,375	63%	213,898	(36,523)	-17%
FINES AND PENALTIES							
Parking Enforcement	9,800	9,800	1,369	14%	3,166	(1,797)	-57%
Bails & Fines	55,000	55,000	12,038	22%	7,757	4,281	55%
Administrative Citations	20,000	20,000	7,600	38%	11,675	(4,075)	-35%
TOTAL FINES AND PENALTIES	84,800	84,800	21,007	25%	22,597	(1,591)	-7%
OTHER AGENCIES							
Motor Vehicle In-Lieu	63,654	63,654	70,915	111%	-	70,915	n/a
Other Revenue - Other Agencies	434,545	940,183	93,809	10%	352,612	(258,804)	-73%
TOTAL OTHER AGENCIES	498,199	1,003,837	164,724	16%	352,612	(187,889)	-53%
CHARGES CURRENT SERVICES							
Police False Alarm Charge	33,500	33,500	5,513	16%	9,394	(3,881)	-41%
Business License Application Review	84,872	84,872	17,174	20%	18,470	(1,296)	-7%
Membership Services & Rec Programs	6,830,960	6,830,960	2,293,886	34%	2,217,915	75,970	3%
Facility Rentals	1,245,612	1,245,612	564,933	45%	518,592	46,341	9%
Community Services	138,498	138,498	18,003	13%	27,828	(9,826)	-35%
General Administration Overhead	1,727,037	1,727,037	594,399	34%	560,970	33,429	6%
Other Charges Current Services	734,377	734,377	120,603	16%	266,673	(146,070)	-55%
TOTAL CURRENT SERVICES	10,794,856	10,794,856	3,614,510	33%	3,619,842	(5,331)	0%
OTHER REVENUE							
Use of money/property	1,283,417	1,583,417	416,429	26%	638,681	(222,253)	-35%
Other Revenues	548,648	811,790	273,538	34%	253,791	19,747	8%
TOTAL OTHER REVENUE	1,832,065	2,395,207	689,967	29%	892,472	(202,505)	-23%
TRANSFERS IN							
One Time Transfer	165,000	165,000	55,000	33%	55,000	-	0%
Public Safety Facilities Fund	50,000	50,000	16,667	33%	16,667	-	0%
Supplemental Law Enforcement Fund	100,000	100,000	-	n/a	33,333	(33,333)	-100%
Countywide Solid Waste	563,961	544,328	187,987	35%	180,109	7,878	4%
Streets	851,932	851,932	225,175	26%	229,884	(4,709)	-2%
Park Maintenance	650,000	650,000	216,667	33%	216,667	-	n/a
Sewer Operations	434,390	434,390	144,797	33%	137,900	6,897	5%
Water Operations	434,390	434,390	144,797	33%	137,900	6,897	5%
Open Space	81,100	81,100	27,033	33%	27,033	-	n/a
Park Development	100,000	100,000	33,333	33%	33,333	-	n/a
TOTAL TRANSFERS IN	3,430,773	3,411,140	1,051,455	31%	1,067,826	(16,371)	-2%
TOTAL GENERAL FUND	57,837,009	57,986,156	9,886,513	17%	10,234,371	(347,858)	-3%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	851,932	851,932	222,630	26%	227,612	(4,982)	-2%
Interest / Other Revenue/Other Charges	1,665	1,665	2,544	153%	2,272	272	12%
202 STREET MAINTENANCE	853,597	853,597	225,175	26%	229,884	(4,710)	-2%



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2025-26
For the Month Ended October 31, 2025
33% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
SPECIAL REVENUE FUNDS							
<u>205 SUPPLEMENTAL LAW ENFORCEMENT FUND</u>							
Interest Income	11,065	11,065	5,582	50%	5,940	(358)	-6%
Police Grant/SLEF/JAG	100,000	100,000	12,500	13%	102,997	(90,497)	-88%
205 SUPPLEMENTAL LAW ENFORCEMENT FUND	111,065	111,065	18,082	16%	108,936	(90,855)	-83%
<u>206 DEVELOPMENT SERVICES</u>							
Building Fees	3,655,850	3,578,850	1,437,404	40%	1,268,826	168,579	13%
Planning Fees	954,276	1,059,276	338,705	32%	353,652	(14,947)	-4%
Engineering Fees	723,341	723,341	477,011	66%	296,858	180,152	61%
Other Revenue/Current Charges	544,851	516,851	119,927	23%	73,854	46,073	62%
206 DEVELOPMENT SERVICES	5,878,318	5,878,318	2,373,048	40%	1,993,190	379,858	19%
207 LONG RANGE PLANNING	827,760	827,760	473,720	57%	281,241	192,479	68%
<u>215 and 216 HCD BLOCK GRANT</u>							
Interest Income/Other Revenue	994	994	755	76%	1,018	(263)	-26%
215 and 216 HCD BLOCK GRANT	994	994	755	76%	1,018	(263)	-26%
225 ASSET SEIZURE	1,631	1,631	1,140	70%	1,553	(413)	-27%
229 LIGHTING AND LANDSCAPE	207,135	207,135	1,987	1%	3,485	(1,498)	-43%
230 COMMUNITY FACILITIES DISTRICT	28,314	28,314	1,751	6%	2,465	(715)	-29%
232 ENVIRONMENTAL PROGRAMS	525,286	525,286	164,330	31%	158,300	6,031	4%
234 MOBILE HOME PARK RENT STAB.	2,447	2,447	4,458	182%	1,196	3,262	273%
236 HOUSING MITIGATION	3,061,720	3,478,220	761,621	22%	668,438	93,184	14%
240 EMPLOYEE ASSISTANCE	481	481	3,048	634%	2,413	635	26%
246 COUNTYWIDE SOLID WASTE	2,393,478	1,716,866	556,164	32%	432,896	123,268	28%
255 HOUSING SUCCESSOR AGENCY	418,260	418,260	45,865	11%	234,870	(189,005)	-80%
260 PUBLIC ART	869	869	395	45%	-	395	n/a
TOTAL SPECIAL REVENUE FUNDS	14,311,356	14,051,244	4,631,539	33%	4,119,886	511,653	12%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	2,324,852	2,324,852	300,238	13%	1,762,018	(1,461,780)	-83%
302 PARK MAINTENANCE	1,008,792	1,008,792	19,876	2%	41,435	(21,559)	-52%
303 LOCAL DRAINAGE	3,672,294	3,672,294	42,059	1%	348,467	(306,408)	-88%
304 LOCAL DRAINAGE/NON AB1600	28,357	187,838	34,457	18%	92,791	(58,335)	-63%
306 AGRICULTURE & OPEN SPACE PRESERVATION	10,461	10,461	123,096	1177%	399,457	(276,361)	-69%
308 STREET CIP	7,777,340	7,777,340	851,524	11%	1,165,999	(314,476)	-27%
309 TRAFFIC IMPACT	3,584,714	3,584,714	365,834	10%	1,741,079	(1,375,246)	-79%
315 PUBLIC SAFETY FACILITIES IMPACT	2,217,137	2,217,137	647,340	29%	1,567,822	(920,481)	-59%
346 PUBLIC FACILITIES NON-AB1600	26,226	26,226	20,317	77%	37,861	(17,544)	-46%
347 PUBLIC FACILITIES IMPACT	994,483	994,483	54,133	5%	304,883	(250,751)	-82%
348 LIBRARY	2,180,740	2,180,740	273,903	13%	1,242,884	(968,981)	-78%
350 UNDERGROUNDING	47,258	47,258	19,032	40%	26,851	(7,819)	-29%
360 COMMUNITY/REC IMPACT FUND	3,802,095	3,802,095	447,547	12%	2,040,164	(1,592,617)	-78%
375 QUIMBY FEE	4,268,487	4,268,487	76,802	2%	1,230,471	(1,153,669)	-94%
TOTAL CAPITAL PROJECTS FUNDS	31,943,236	32,102,717	3,276,157	10%	12,002,183	(8,726,026)	-73%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	302,376	302,376	101,144	33%	100,930	214	0%
441 POLICE FACILITY BOND	394,304	394,304	129,922	33%	129,493	429	0%
TOTAL DEBT SERVICE FUNDS	696,680	696,680	231,066	33%	230,423	643	0%



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2025-26
For the Month Ended October 31, 2025
33% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
ENTERPRISE FUNDS							
640 WASTEWATER OPERATION							
Sewer Service Fees	17,871,000	17,871,000	5,344,494	30%	3,846,496	1,497,998	39%
Interest Income/Transfers	121,041	121,041	17,187	14%	32,421	(15,235)	-47%
Other Revenue/Current Charges	428,860	428,860	93,162	22%	87,052	6,110	7%
640 WASTEWATER OPERATION	18,420,901	18,420,901	5,454,843	30%	3,965,969	1,488,874	38%
641 WASTEWATER EXPANSION							
Interest Income	164,788	164,788	241,953	147%	325,214	(83,261)	-26%
Development Impact Fee	30,415,728	30,415,728	1,023,160	3%	7,858,725	(6,835,565)	-87%
641 WASTEWATER EXPANSION	30,580,516	30,580,516	1,265,112	4%	8,183,939	(6,918,827)	-85%
642 WASTEWATER RATE STABILIZATION	93,037	93,037	35,458	38%	47,219	(11,760)	-25%
643 WASTEWATER CAPITAL PROJECT	15,076,739	15,076,739	2,231,961	15%	2,482,849	(250,888)	-10%
TOTAL SEWER FUNDS	64,171,193	64,171,193	8,987,375	14%	14,679,976	(5,692,601)	-39%
650 WATER OPERATION							
Water Sales	21,385,800	21,385,800	6,238,351	29%	5,780,917	457,434	8%
Meter Install & Service	110,000	110,000	8,889	8%	46,797	(37,908)	-81%
Transfers-In / Interest Income	911,184	911,184	277,028	30%	219,601	57,427	26%
Other Revenue/Current Charges	1,044,838	1,044,838	335,167	32%	462,420	(127,254)	-28%
650 WATER OPERATION	23,451,822	23,451,822	6,859,435	29%	6,509,736	349,699	5%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	40,273	40,273	62,572	155%	67,601	(5,029)	-7%
Development Impact Fee	4,833,886	4,833,886	440,759	9%	2,359,538	(1,918,779)	-81%
651 WATER EXPANSION	4,874,159	4,874,159	503,331	10%	2,427,139	(1,923,808)	-79%
652 WATER RATE STABILIZATION	99,247	99,247	37,925	38%	51,183	(13,258)	-26%
653 WATER CAPITAL PROJECT	7,809,380	7,809,380	3,454,914	44%	2,279,542	1,175,372	52%
TOTAL WATER FUNDS	36,234,608	36,234,608	10,855,605	30%	11,267,600	(411,995)	-4%
TOTAL ENTERPRISE FUNDS	100,405,801	100,405,801	19,842,980	20%	25,947,576	(6,104,596)	-24%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	3,038,971	3,038,971	1,011,638	33%	963,626	48,012	5%
740 BUILDING MAINTENANCE	1,270,189	1,270,189	427,171	34%	475,330	(48,159)	-10%
741 BUILDING REPLACEMENT	1,049,288	2,299,288	360,353	16%	369,163	(8,810)	-2%
745 CIP ADMINISTRATION	2,880,028	2,880,028	-	n/a	634,017	(634,017)	-100%
760 UNEMPLOYMENT INSURANCE	8,298	8,298	2,940	35%	4,175	(1,235)	-30%
770 WORKERS COMPENSATION	1,211,610	1,211,610	155,701	13%	317,963	(162,262)	-51%
790 EQUIPMENT REPLACEMENT	1,615,158	1,615,158	546,209	34%	621,963	(75,753)	-12%
791 EMPLOYEE BENEFITS	1,251,963	1,251,963	392,305	31%	383,657	8,648	2%
795 GENERAL LIABILITY INSURANCE	2,769,881	2,769,881	918,444	33%	837,414	81,029	10%
TOTAL INTERNAL SERVICE FUNDS	15,095,386	16,345,386	3,814,761	23%	4,607,308	(792,548)	-17%
TOTAL FOR ALL FUNDS	\$ 220,289,468	\$ 221,587,983	\$ 41,683,015	19%	\$ 57,141,747	\$ (15,458,733)	-27%



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2025-26
For the Month Ended October 31, 2025
33% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
010 GENERAL FUND								
I. ADMINISTRATION								
	CITY COUNCIL	\$ 119,049	\$ 631,504	\$ 343,358	\$ 12,000	\$ 355,358	56%	\$ 169,080
	CITY ATTORNEY	100,634	1,151,353	279,191	57,072	336,262	29%	296,051
	CITY MANAGER	69,912	1,041,692	223,187	-	223,187	21%	153,415
	HUMAN RESOURCES	97,055	1,032,289	324,761	-	324,761	31%	346,895
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	57,017	627,757	177,446	-	177,446	28%	166,875
	Elections	3,882	38,516	11,969	-	11,969	31%	2,338
	COUNCIL SVCS & RECORDS MGMT	60,899	666,273	189,415	-	189,415	28%	169,213
	FINANCE	203,682	2,574,249	619,244	58,223	677,467	26%	588,356
	TOTAL ADMINISTRATION	651,231	7,097,361	1,979,156	127,295	2,106,450	30%	1,723,008
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	481,600	7,541,945	2,292,531	1,522,969	3,815,501	51%	2,384,931
	Recreation Facility Rentals	131,070	1,451,514	413,200	67,056	480,256	33%	173,521
	Innovative Transit	-	-	-	-	-	n/a	174,655
	Community Services	85,090	883,254	277,920	87,271	365,190	41%	174,895
	Park Maintenance	120,640	1,563,784	373,544	46,637	420,181	27%	321,276
	Environmental Services	50,345	885,890	226,143	-	226,143	26%	182,086
	Countywide Solid Waste Program	49,649	546,317	157,232	-	157,232	29%	144,572
	Street Maintenance	314,775	3,600,422	1,003,732	-	1,003,732	28%	838,983
	Downtown Maintenance	36,299	398,326	101,737	16,008	117,745	30%	72,367
	PD Building Maintenance	52,337	729,167	187,028	57,108	244,136	33%	153,360
	Cable Television	7,837	91,406	30,388	-	30,388	33%	29,944
	COMMUNITY SERVICES	1,329,641	17,692,025	5,063,455	1,797,049	6,860,504	39%	4,650,590
	CODE COMPLIANCE	44,920	420,943	137,395	-	137,395	33%	115,778
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	55,285	644,253	161,552	-	161,552	25%	120,949
	ECONOMIC DEVELOPMENT PROGRAMS	105,373	1,418,834	320,796	2,904	323,699	23%	251,039
	TOTAL COMMUNITY SERVICES	1,535,219	20,176,055	5,683,198	1,799,953	7,483,150	37%	5,138,356
III. PUBLIC SAFETY								
	POLICE							
	PD Administration	185,868	1,964,769	604,624	20,588	625,212	32%	543,683
	Field Operations	1,194,797	14,237,974	4,134,077	189,307	4,323,384	30%	3,428,250
	Support Services	243,439	2,766,134	910,233	-	910,233	33%	805,842
	Emergency Services/Haz Mat	25,864	278,548	78,877	-	78,877	28%	71,857
	Special Operations	499,427	4,405,650	1,432,761	-	1,432,761	33%	1,331,938
	Dispatch Services	258,863	2,426,058	784,551	-	784,551	32%	679,725
	POLICE	2,408,258	26,079,133	7,945,123	209,895	8,155,018	31%	6,861,297
	FIRE	831,003	11,212,073	3,662,722	-	3,662,722	33%	3,526,559
	TOTAL PUBLIC SAFETY	3,239,261	37,291,206	11,607,846	209,895	11,817,741	32%	10,387,856
IV. TRANSFERS								
	Other	104,923	1,418,558	419,692	-	419,692	30%	486,077
	TOTAL TRANSFERS	104,923	1,418,558	419,692	-	419,692	30%	486,077
	TOTAL GENERAL FUND	5,530,634	65,983,180	19,689,892	2,137,142	21,827,033	33%	17,735,297



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2025-26
For the Month Ended October 31, 2025
33% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
SPECIAL REVENUE FUNDS								
202	STREET MAINTENANCE	463	857,492	227,028	-	227,028	26%	231,701
205	PUBLIC SAFETY/SUPP.LAW	115	101,380	460	-	460	0%	33,784
206	DEVELOPMENT SERVICES FUND							
	Planning	171,380	1,734,431	541,347	-	541,347	31%	475,914
	Building	277,844	3,331,894	916,307	126,119	1,042,426	31%	777,063
	Engineering	154,321	1,837,532	503,238	371,167	874,405	48%	445,174
206	DEVELOPMENT SERVICES FUND	603,544	6,903,857	1,960,892	497,286	2,458,178	36%	1,698,151
207	LONG RANGE PLANNING	87,481	2,201,195	398,696	406,782	805,478	37%	264,666
215/216	CDBG	8	90	30	-	30	33%	29
225	ASSET SEIZURE	70	840	280	-	280	33%	274
229	LIGHTING AND LANDSCAPE	27,823	221,603	57,357	7,968	65,325	29%	53,707
230	COMMUNITY FACILITIES DISTRICT	2,129	24,377	8,971	-	8,971	37%	7,906
232	ENVIRONMENTAL PROGRAMS	32,252	470,920	115,237	8,381	123,618	26%	119,355
234	MOBILE HOME PARK	81	970	323	-	323	33%	317
236	HOUSING MITIGATION	673,334	2,488,831	873,267	30,773	904,040	36%	404,804
240	EMPLOYEE ASSISTANCE	84	21,010	2,017	-	2,017	10%	3,831
246	COUNTYWIDE SOLID WASTE PROGRAM	254,336	1,927,635	395,326	551,505	946,831	49%	519,597
255	HOUSING SUCCESSOR AGENCY	112,873	1,375,331	508,505	324,250	832,755	61%	456,770
260	PUBLIC ART	536	6,430	2,143	-	2,143	33%	2,152
TOTAL SPECIAL REVENUE FUNDS		1,795,127	16,601,960	4,550,532	1,826,946	6,377,478	38%	3,797,044
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	16,158	4,134,937	265,486	1,096,664	1,362,150	33%	425,893
302	PARK MAINTENANCE	54,167	650,000	218,016	-	218,016	34%	218,257
303	LOCAL DRAINAGE	30,202	2,618,694	959,584	29,154	988,738	38%	12,332
304	LOCAL DRAIN. NON-AB1600	4,646	556,459	52,344	143,500	195,844	35%	30,329
306	AGRICULTURE & OPEN SPACE PRESERVATI	10,731	128,770	42,923	-	42,923	33%	42,719
308	STREET CIP	1,772,849	7,569,224	1,912,532	321,777	2,234,309	30%	2,237,249
309	TRAFFIC IMPACT	63,035	4,050,898	188,817	204,577	393,394	10%	361,473
315	PUBLIC SAFETY FACILITIES IMPACT	23,252	4,651,282	191,372	1,023,683	1,215,055	26%	3,036,558
346	PUBLIC FAC.NON AB1600	50,427	291,774	175,840	55,772	231,612	79%	19,930
347	PUBLIC FACILITIES IMPACT	403,293	2,838,513	410,688	636,711	1,047,399	37%	352,531
348	LIBRARY IMPACT	17,957	215,486	71,829	-	71,829	33%	904,538
350	UNDERGROUNDING	105	1,050,456	420	-	420	0%	411
360	COMM/REC CENTER IMPACT	38,279	4,438,720	93,156	104,671	197,828	4%	230,204
375	QUIMBY FEE	1,082,201	11,203,793	1,633,943	3,051,472	4,685,415	42%	1,042,818
TOTAL CAPITAL PROJECTS FUNDS		3,567,301	44,399,006	6,216,950	6,667,982	12,884,932	29%	8,915,243
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	289	294,598	1,157	-	1,157	0%	1,134
441	POLICE FACILITY BOND DEBT	383	389,293	1,533	-	1,533	0%	1,502
TOTAL DEBT SERVICE FUNDS		673	683,891	2,690	-	2,690	0%	2,636



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2025-26
For the Month Ended October 31, 2025
33% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
ENTERPRISE FUNDS								
SEWER								
640	WASTEWATER OPERATIONS	1,493,687	18,456,050	5,731,208	254,097	5,985,305	32%	3,603,436
641	WASTEWATER CAPITAL EXPANSION	343,212	49,012,211	640,537	292,987	933,524	2%	2,085,182
642	WASTEWATER RATE STABILIZATION	168	2,010	670	-	670	33%	655
643	WASTEWATER CAPITAL PROJECTS	356,096	33,236,798	1,366,930	4,812,447	6,179,378	19%	1,625,033
TOTAL SEWER FUND(S)		2,193,163	100,707,069	7,739,346	5,359,531	13,098,876	13%	7,314,306
WATER								
	Water Operations	2,195,053	21,768,518	6,397,258	315,947	6,713,205	31%	5,533,333
	Utility Billing	160,306	1,547,081	452,424	-	452,424	29%	362,390
	Water Conservation	28,083	451,335	87,786	73,087	160,873	36%	112,939
650	WATER OPERATIONS	2,383,442	23,766,933	6,937,468	389,034	7,326,501	31%	6,008,662
651	WATER CAPITAL EXPANSION	173,400	11,503,055	510,293	1,983,448	2,493,742	22%	247,649
652	WATER RATE STABILIZATION	125	1,500	500	-	500	33%	491
653	WATER-CAPITAL PROJECTS	937,959	28,017,341	1,637,858	6,404,192	8,042,051	29%	532,122
TOTAL WATER FUND(S)		3,494,925	63,288,829	9,086,119	8,776,674	17,862,794	28%	6,788,924
TOTAL ENTERPRISE FUNDS		5,688,088	163,995,898	16,825,465	14,136,205	30,961,670	19%	14,103,229
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	212,762	3,072,099	921,111	20,475	941,585	31%	823,472
740	BUILDING MAINTENANCE	102,941	1,332,278	336,713	12,557	349,271	26%	413,703
741	BUILDING REPLACEMENT	455,866	3,696,301	604,605	260,853	865,458	23%	593,386
745	CIP ADMINISTRATION	270,200	2,746,811	867,019	-	867,019	32%	697,570
760	UNEMPLOYMENT	-	15,000	2,937	-	2,937	20%	3,922
770	WORKERS COMPENSATION	30,234	1,007,970	742,251	-	742,251	74%	675,846
790	EQUIPMENT REPLACEMENT	10,147	599,178	266,798	527,330	794,128	133%	717,328
791	EMPLOYEE BENEFITS FUND	20,317	1,000,000	156,227	-	156,227	16%	132,783
795	GEN. LIABILITY INSURANCE	24,590	2,623,909	2,413,568	-	2,413,568	92%	2,043,472
TOTAL INTERNAL SERVICE FUNDS		1,127,057	16,093,546	6,311,229	821,215	7,132,444	44%	6,101,481
REPORT TOTAL		\$ 17,708,879	\$ 307,757,481	\$ 53,596,758	\$ 25,589,489	\$ 79,186,247	26%	\$ 50,654,929



City of Morgan Hill
Fund Activity Summary - Fiscal Year 2024-25
For the Month Ended October 31, 2025
33% of Year Complete

Fund No.	Fund Description	Beginning Fund Balance 07-01-25	Revenues		Expenses		Year to-Date Deficit or Carryover	Preliminary Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
010	GENERAL FUND	\$ 27,063,982	\$ 9,886,513	17%	\$ 19,689,892	30%	\$ (9,803,379)	\$ 2,137,142	\$ 15,123,461
TOTAL GENERAL FUND		\$ 27,063,982	\$ 9,886,513	17%	\$ 19,689,892	30%	\$ (9,803,379)	\$ 2,137,142	\$ 15,123,461
202	STREET MAINTENANCE	152,931	\$ 225,175	26%	\$ 227,028	28%	\$ (1,854)	\$ -	\$ 151,077
205	PUBLIC SAFETY/SUPPL. LAW	523,410	18,082	16%	460	27%	17,622	-	541,032
206	DEVELOPMENT SERVICES	(987,534)	2,373,048	40%	1,960,892	28%	412,156	497,286	(1,072,664)
207	LONG RANGE PLANNING	1,367,092	473,720	57%	398,696	18%	75,025	406,782	1,035,334
215 / 216	CDBG	34,690	755	76%	30	33%	725	-	35,415
225	ASSET SEIZURE	107,136	1,140	70%	280	33%	860	-	107,996
229	LIGHTING AND LANDSCAPE	204,684	1,987	1%	57,357	26%	(55,370)	7,968	141,346
230	COMMUNITY FACILITIES DISTRICT	169,007	1,751	6%	8,971	37%	(7,220)	-	161,787
232	ENVIRONMENTAL PROGRAMS	576,223	164,330	31%	115,237	24%	49,093	8,381	616,936
234	MOBILE HOME PK RENT STAB.	87,242	4,458	182%	323	33%	4,135	-	91,377
235	SENIOR HOUSING	253,103	-	n/a	-	n/a	-	-	253,103
236	HOUSING MITIGATION	10,243,057	761,621	22%	873,267	35%	(111,646)	30,773	10,100,638
240	EMPLOYEE ASSISTANCE	63,420	3,048	634%	2,017	10%	1,031	-	64,451
246	COUNTYWIDE SOLID WASTE	324,737	556,164	32%	395,326	21%	160,839	551,505	(65,930)
255	HOUSING SUCCESSOR AGENCY	3,856,660	45,865	11%	508,505	37%	(462,640)	324,250	3,069,770
260	PUBLIC ART	37,920	395	45%	2,143	33%	(1,749)	-	36,172
TOTAL SPECIAL REVENUE FUNDS		\$ 17,013,778	\$ 4,631,539	33%	\$ 4,550,532	27%	\$ 81,007	\$ 1,826,946	\$ 15,267,839
301	PARK DEV. IMPACT FUND	\$ 3,333,114	\$ 300,238	13%	\$ 265,486	6%	\$ 34,752	\$ 1,096,664	\$ 2,271,203
302	PARK MAINTENANCE	1,896,529	19,876	2%	218,016	34%	(198,141)	-	1,698,388
303	LOCAL DRAINAGE	10,517,077	42,059	1%	959,584	37%	(917,526)	29,154	9,570,398
304	LOCAL DRAINAGE/NON-AB1600	1,342,166	34,457	18%	52,344	9%	(17,887)	143,500	1,180,779
306	AG. AND OPEN SPACE PRESERVATION	2,344,054	123,096	1177%	42,923	33%	80,173	-	2,424,227
308	STREET CIP	4,608,966	851,524	11%	1,912,532	25%	(1,061,008)	321,777	3,226,180
309	TRAFFIC IMPACT FUND	2,855,919	365,834	10%	188,817	5%	177,017	204,577	2,828,359
315	PUBLIC SAFETY FACILITIES IMPACT	(6,894,240)	647,340	29%	191,372	4%	455,969	1,023,683	(7,461,955)
346	PUBLIC FACILITIES NON-AB1600	1,921,852	20,317	77%	175,840	60%	(155,523)	55,772	1,710,557
347	PUBLIC FACILITIES IMPACT FUND	1,250,914	54,133	5%	410,688	14%	(356,555)	636,711	257,648
348	LIBRARY IMPACT FUND	3,540,033	273,903	13%	71,829	33%	202,074	-	3,742,107
350	UNDERGROUNDING	1,768,756	19,032	40%	420	0%	18,612	-	1,787,368
360	COMM/REC CTR IMPACT FUND	4,522,800	447,547	12%	93,156	2%	354,391	104,671	4,772,519
375	QUIMBY FEE	6,800,701	76,802	2%	1,633,943	15%	(1,557,142)	3,051,472	2,192,088
TOTAL CAPITAL PROJECT FUNDS		\$ 39,808,641	\$ 3,276,157	10%	\$ 6,216,950	14%	\$ (2,940,793)	\$ 6,667,982	\$ 30,199,866
420	CIVIC CENTER DEBT	\$ 192,703	\$ 101,144	33%	\$ 1,157	0%	\$ 99,987	\$ 257,563	\$ 35,127
441	POLICE FACILITY BOND DEBT	162,288	129,922	33%	1,533	0%	128,389	327,807	(37,130)
TOTAL DEBT SERVICE FUNDS		\$ 354,991	\$ 231,066	33%	\$ 2,690	0%	\$ 228,376	\$ 585,369	\$ (2,003)
640	WASTEWATER OPERATIONS	\$ 3,158,106	\$ 5,454,843	30%	\$ 5,731,208	31%	\$ (276,365)	254,097	2,627,644
641	WASTEWATER IMPACT FUND*	22,082,658	1,265,112	4%	640,537	1%	624,575	292,987	22,414,247
642	WASTEWATER RATE STABILIZATION	3,295,308	35,458	38%	670	33%	34,788	-	3,330,096
643	WASTEWATER CAPITAL PROJECTS	23,945,613	2,231,961	15%	1,366,930	4%	865,031	4,812,447	19,998,196
650	WATER OPERATIONS	4,429,715	6,859,435	29%	6,937,468	29%	(78,033)	389,034	3,962,648
651	WATER IMPACT FUND*	5,747,541	503,331	10%	510,293	4%	(6,963)	1,983,448	3,757,130
652	WATER RATE STABILIZATION	3,524,499	37,925	38%	500	33%	37,425	-	3,561,924
653	WATER -CAPITAL PROJECT	22,586,031	3,454,914	44%	1,637,858	6%	1,817,056	6,404,192	17,998,895
TOTAL ENTERPRISE FUNDS		\$ 88,769,471	\$ 19,842,980	20%	\$ 16,825,465	10%	\$ 3,017,515	\$ 14,136,205	\$ 77,650,781
730	INFORMATION SERVICES	\$ 619,218	\$ 1,011,638	33%	\$ 921,111	30%	\$ 90,527	\$ 20,475	\$ 689,270
740	BUILDING MAINTENANCE	346,643	427,171	34%	336,713	25%	90,458	12,557	424,543
741	BUILDING REPLACEMENT	5,024,498	360,353	16%	604,605	16%	(244,252)	260,853	4,519,393
745	CIP ENGINEERING	7,515	-	n/a	867,019	32%	(867,019)	-	(859,504)
760	UNEMPLOYMENT	285,588	2,940	35%	2,937	20%	3	-	285,591
770	WORKERS COMPENSATION	2,338,745	155,701	13%	742,251	74%	(586,550)	30,000	1,722,195
790	EQUIPMENT REPLACEMENT	10,172,190	546,209	34%	266,798	45%	279,412	527,330	9,924,272
791	EMPLOYEE BENEFITS FUNDS	346,566	392,305	31%	156,227	16%	236,077	-	582,643
795	GEN. LIABILITY INSURANCE	1,149,474	918,444	33%	2,413,568	92%	(1,495,125)	-	(345,651)
TOTAL INTERNAL SERVICE FUNDS		\$ 20,290,437	\$ 3,814,761	23%	\$ 6,311,229	39%	\$ (2,496,469)	\$ 851,215	\$ 16,942,753

 CITY OF MORGAN HILL City of Morgan Hill Fund Activity Summary - Fiscal Year 2024-25 For the Month Ended October 31, 2025 33% of Year Complete								
Beginning Fund Balance 07-01-25	Revenues		Expenses		Year to-Date Deficit or Carryover	Preliminary Ending Fund Balance		
	YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved	

SUMMARY BY FUND TYPE

GENERAL FUND GROUP	\$ 27,063,982	\$ 9,886,513	17%	\$ 19,689,892	30%	\$ (9,803,379)	\$ 2,137,142	\$ 15,123,461
SPECIAL REVENUE GROUP	17,013,778	4,631,539	33%	4,550,532	27%	81,007	1,826,946	15,267,839
DEBT SERVICE GROUP	354,991	231,066	33%	2,690	0%	228,376	585,369	(2,003)
CAPITAL PROJECTS GROUP	39,808,641	3,276,157	10%	6,216,950	14%	(2,940,793)	6,667,982	30,199,866
ENTERPRISE GROUP	88,769,471	19,842,980	20%	16,825,465	10%	3,017,515	14,136,205	77,650,781
INTERNAL SERVICE GROUP	20,290,437	3,814,761	23%	6,311,229	39%	(2,496,469)	851,215	16,942,753
TOTAL ALL GROUPS	\$ 193,301,300	\$ 41,683,015	19%	\$ 53,596,758	17%	\$ (11,913,744)	\$ 26,204,858	\$ 155,182,698

For Enterprise Funds: Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

*Unreserved fund balance includes bond proceeds reserved for projects listed in bond documents.

¹ Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Matt Mahood, Economic Development Director

APPROVED BY: City Manager

REVIEW AND APPROVE DESIGN OF A PROPOSED DOWNTOWN GATEWAY ARCH BY THE DOWNTOWN MORGAN HILL IMPROVEMENT DISTRICT (DMHID)

RECOMMENDATION(S)

Review and approve the design of a Downtown Gateway Arch as proposed by the Downtown Morgan Hill Improvement District.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Maintaining and Enhancing Infrastructure

Preserving our Community History

2024-2025 Strategic Priorities

Economic Development and Tourism

REPORT NARRATIVE:

Downtown Entryway Signage Background

Downtown entryway features have been included in several Downtown plans over the years.

In 1980, a Downtown Design Study conducted by CHNMB Associates to address issues of Downtown Revitalization, determined that gateway signs on Monterey Road were needed to signify entry in a real and symbolic sense. That study led to the 1981 Morgan Hill Downtown Plan, which established a series of recommendations for the Downtown area, including an entryway design of a collection of three historic windmills in the median at Monterey Rd at Dunne Avenue and Main Avenue. Not all elements of the Plan were implemented in the 1984-1994 design development and implementation phase, including the creation of distinctive Downtown entry features on Monterey Road, but all remaining elements were included in the Downtown Design Plan Update.

In 2003, a Task Force was commissioned to create an update to the 1981 Plan, resulting in the creation of the 2003 Downtown Morgan Hill Plan. In this Plan, signage was included as a key component of the Vision and directional signage at the ends of Monterey Road were referenced to help visitors find their way Downtown. Special identity signs marking the Downtown entries would have a special character and assist in announcing to motorists they are entering a special pedestrian priority zone. Identity signs were proposed to be placed at the Monterey Road intersection at Dunne Avenue and Main Avenue, to create a visual and physical linkage to Downtown. Public signage improvements were listed as a priority under the public improvement category.

In 2009, the 2003 Plan was updated, and the Downtown Specific Plan was adopted. One of the

Urban Design Goals in the Specific Plan lists "creating visual and physical linkages to Downtown with landscaping, bike paths, and entry area features." Plan SG-I1 of the Downtown Specific Plan states, "Encourage entry features and directional signs." This section identifies the intersections at Monterey Road and Main Avenue, Third Street, and Dunne Avenue as the preferred locations for entry features." The former City of Morgan Hill Redevelopment Agency (RDA) planned to fund a variety of projects outlined in the Downtown Specific Plan including the design and installation of Downtown entry features.

Downtown Entryway Design

In 2006, the former RDA retained graphic design company, Graphic Solutions, to work with a Citizen's Committee to develop design components for Downtown entry features and directional signs, as well as a comprehensive City-wide directional sign program. As part of the program, three entry features were proposed at: 1) Monterey Road at Dunne Avenue, 2) Monterey Road at Main Avenue, and 3) Third Street at Depot Street. On July 18, 2007, the City Council approved the design concepts for the Downtown entry features and directional sign program and directed staff to move forward with design development and construction documents.

Directional signage was constructed and implemented in accordance with the sign program and remains in place today. Construction of the entryway features was delayed to accommodate public works improvements at the Monterey Road and Main Avenue intersection, including the addition of bulb-outs. By the time that work was completed, the former RDA had been dissolved and the funding mechanism for the three planned entry features was no longer available.

Downtown Morgan Hill Improvement District

The Downtown Property-Based Improvement District (PBID) was formed in 2023 through the approval of downtown property owners and the Morgan Hill City Council. The PBID establishes a special assessment district in which collected assessments are used exclusively for services and improvements that directly benefit the parcels within its boundaries. Management and oversight of the PBID are provided by the Downtown Morgan Hill Improvement District (DMHID) Board of Directors, which serves as the state-required Owners' Association responsible for budgeting, program administration, and project direction in accordance with the adopted Management District Plan.

A year ago, at the Downtown Morgan Hill Improvement District (DMHID) Board of Directors' retreat, several projects were advanced for funding consideration. Among them, the design and installation of one or two Downtown gateway arches was proposed and received strong Board support. Since that time, the organization has researched gateway arch designs and consulted with other cities that have completed similar projects. The concept was also presented to several community organizations for feedback and consideration. Following multiple design iterations, the DMHID Board of Directors approved a final design by E2 Architects on November 3, 2025. To ensure the project remains reflective of Morgan Hill, the DMHID has contracted local firm Kent Construction to serve as Project Manager.

As proposed, the Downtown Morgan Hill Gateway Arch is intended to be timeless and representative of the City of Morgan Hill, incorporating the immediately recognizable silhouette of El Toro Mountain without specifically highlighting the past, present, or future. The arch will be located at the intersection of Monterey Road and Main Avenue. The El Toro element will be double-sided and constructed of laser-cut Corten steel. The front of the mountain will display "Downtown Morgan Hill" in metal channel letters, which will be backlit for nighttime visibility.

The remainder of the structure will consist of a bronze frame, mesh columns infilled with stone and accented with up-lighting, and a base designed to accommodate donor tiles or bricks. The arch footings will be installed within the sidewalk areas in front of Wells Fargo Bank and directly opposite, in front of Chase Bank. These footings will be placed in and around the existing planter boxes, which will be removed. The arch height will be engineered to avoid interference with traffic signals, accommodate semi-truck clearance, and maintain clear driver sight lines.

The anticipated cost of the project is \$500,000. The DMHID Board has committed to funding \$250,000, with the remaining balance to be raised through a focused Community fundraising effort. Ongoing maintenance of the arch is expected to be minimal, as the selected materials are durable and weather-resistant, and the electrical components have been designed for ease of access and replacement as needed. The construction and implementation timeline will be determined by the pace of fundraising, with a target completion date before Winter 2026.

The City Engineer and Public Services Director have reviewed and provided feedback on the proposed project. They will continue to work with the DMHID to ensure that all engineering and public works requirements are met prior to final design and construction.

Downtown PBID Funding Allocations

When the Downtown PBID was formed, its Management District Plan (MDP) established the specific categories where assessment funds may be used: Clean and Safe Programs, Capital Improvements and Art Installations, and Marketing and Special Events. Based on the projected budget and identified needs, annual allocations were set for each category. Capital Improvements and Art Installations account for 15% of the annual budget, or approximately \$37,403 per year. The MDP also allows funds in this category to accumulate over time to support larger-scale projects. Because no projects have yet been undertaken in this category, the first-year allocation rolled over, resulting in a current balance of \$74,806.

Additionally, the MDP authorizes the Board to adjust budget allocations by up to fifteen percent (15%) of the total budget each year. For example, up to 15% of Clean and Safe funds may be reallocated to Capital Improvements and Art or Marketing and Special Events. Beyond assessment revenue, the PBID must also generate non-assessment funds such as event revenue, donations, grants, and sponsorship, which may be allocated across categories at the Board's discretion. The next installment of assessment funds will be received in Spring 2026, adding to each category proportionally.

Using a phased funding approach—and given current reserves, annual allocations, the ability to reallocate within MDP parameters, and anticipated non-assessment revenue—the Downtown MHPBID is well positioned to commit \$250,000 toward the design, construction, and implementation of the Downtown Gateway Arch Project.

COMMUNITY ENGAGEMENT:

Inform

The Downtown Gateway Arch concept and proposed designs have been presented to partner and community organizations, including the Rotary Club of Morgan Hill, Kiwanis Club, Morgan Hill Downtown Association, Visit Morgan Hill, and the Morgan Hill Chamber of Commerce.

ALTERNATIVE ACTIONS:

Not applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

At its December 2, 2025 meeting, the Library, Culture and Arts Commission recommended approval of the project by the City Council.

FISCAL AND RESOURCE IMPACT:

The DMHID is not requesting public funding at this time. Fiscal impact is limited to the staff time required to review and coordinate the project construction.

CEQA (California Environmental Quality Act):

This project is exempt from CEQA review under CEQA Guideline 15601(b)(3). As proposed, the activity will not have an impact on the environment.

DOWNTOWN MORGAN HILL IMPROVEMENT DISTRICT (DMHID)

GATEWAY ARCH PROJECT

City of Morgan Hill
City Council Meeting
December 17, 2025

Downtown Morgan Hill

IMPROVEMENT DISTRICT

EST. 2023

PROPERTY AND BUSINESS IMPROVEMENT DISTRICT OVERVIEW

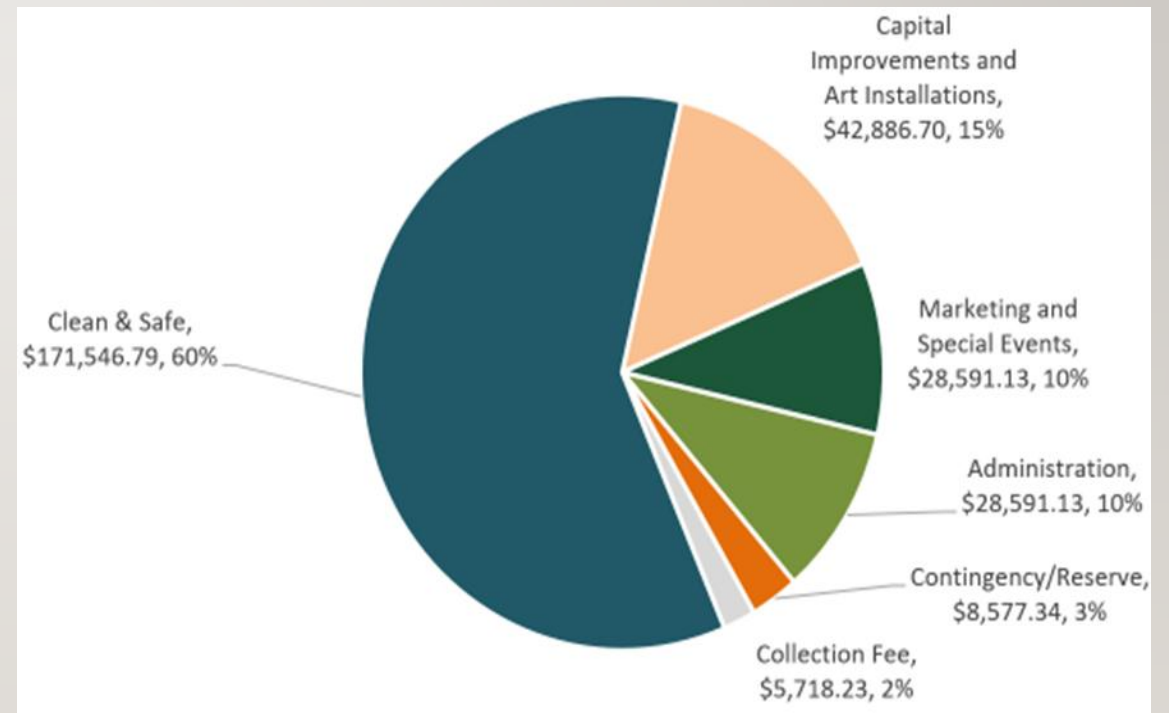
- The District Boundaries: north of Dunne, east of Del Monte, south of Main, and west of Butterfield
- Assessment Period: January 1, 2024, through December 31, 2028
- Assessment Rate: Based on parcel type, parcel square footage, and in some cases, linear frontage
- Annual Budget: Approximately \$284,640



Parcel type	Square Footage Assessment rate (sq. ft.)	Linear Frontage Assessment rate (ln. ft.)
Commercial	\$0.10	\$5.00
Non-profit	\$0.04	\$2.00

OWNER'S ASSOCIATION

- Downtown Morgan Hill Improvement District (DMHID) is a 501(c)(6) not-for-profit organization
- Board of Directors
 - No less than 5 no more than 9
 - (3) must be property owners or approved managers paying the assessment
 - (2) must be City of Morgan Hill representatives
- 60% of Funds are dedicated to “Clean and Safe” initiatives

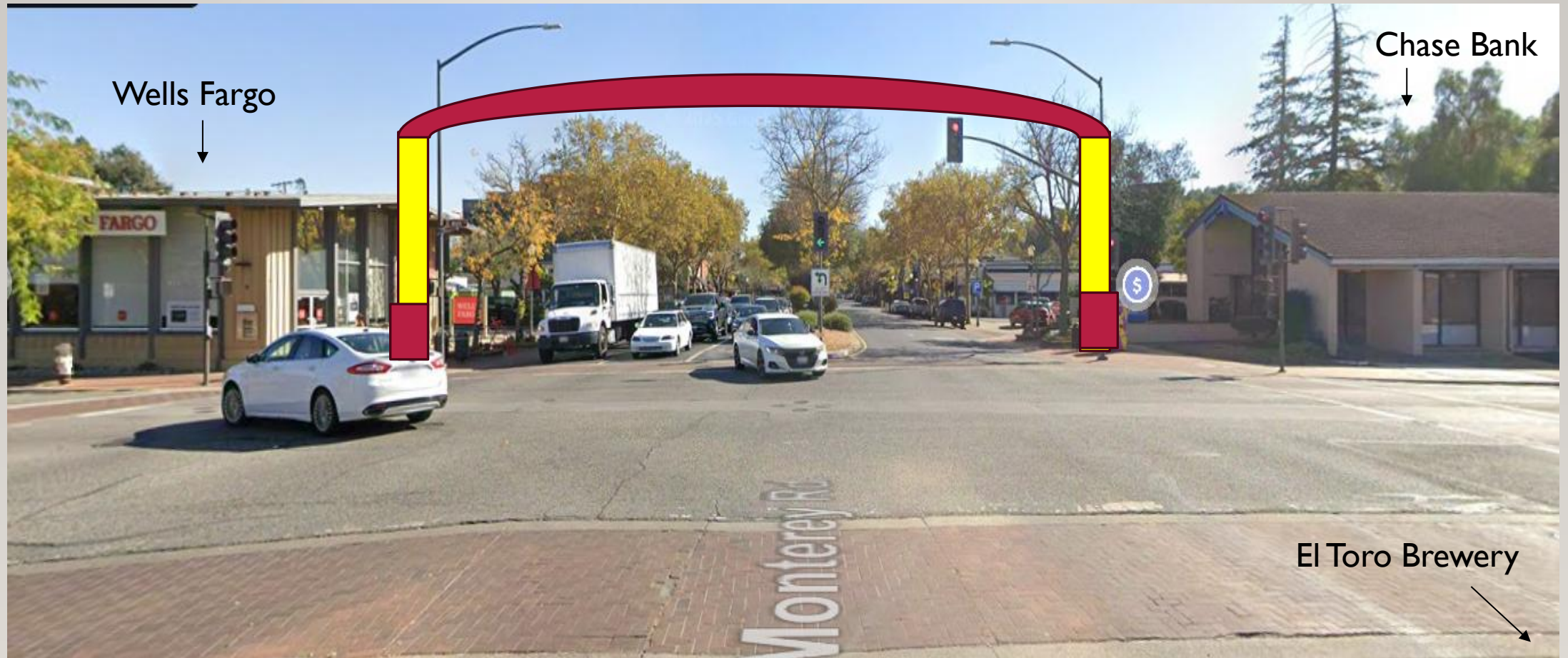


GATEWAY ARCH PROJECT

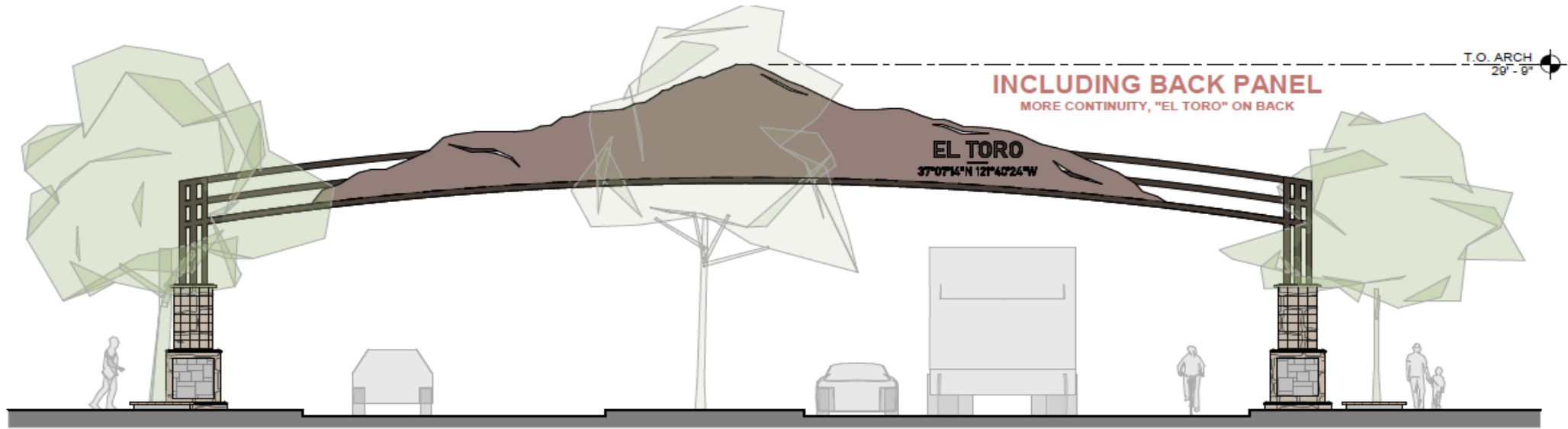
The Gateway Arch will serve as a bold, iconic entryway welcoming residents and visitors into the City's historic district.

A collaborative effort between DMHID, Kent Construction, and E2 Architects, the Arch represents a long-term investment in downtown identity and community pride.

LOCATION







INCLUDING BACK PANEL
MORE CONTINUITY, "EL TORO" ON BACK

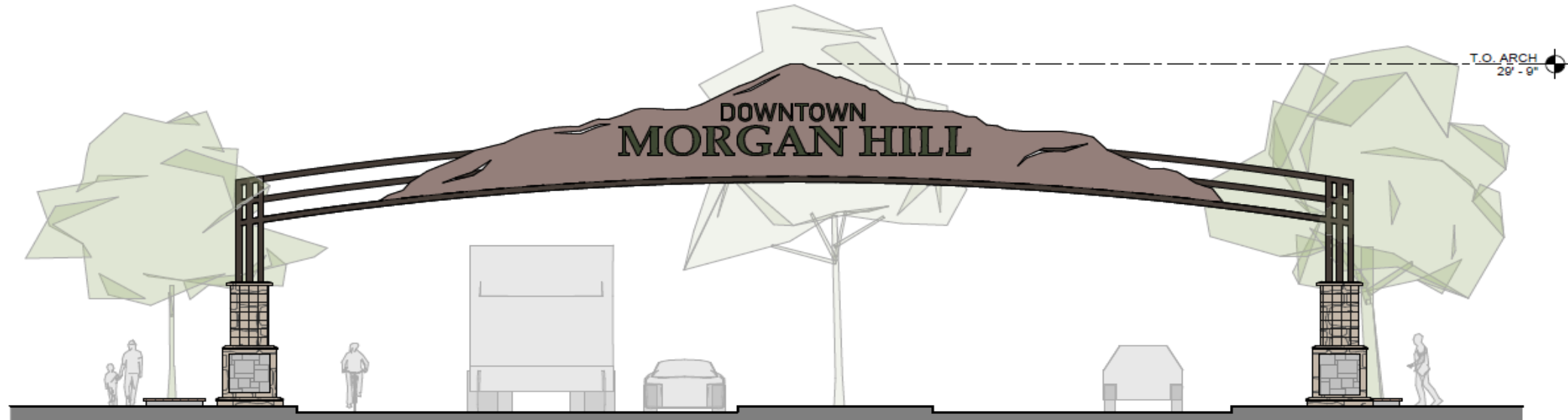
T.O. ARCH
29' - 9"

EL TORO
37°07'14"N 121°40'24"W

OPTION 5.1 - SOUTH FACE (LEAVING DOWNTOWN)

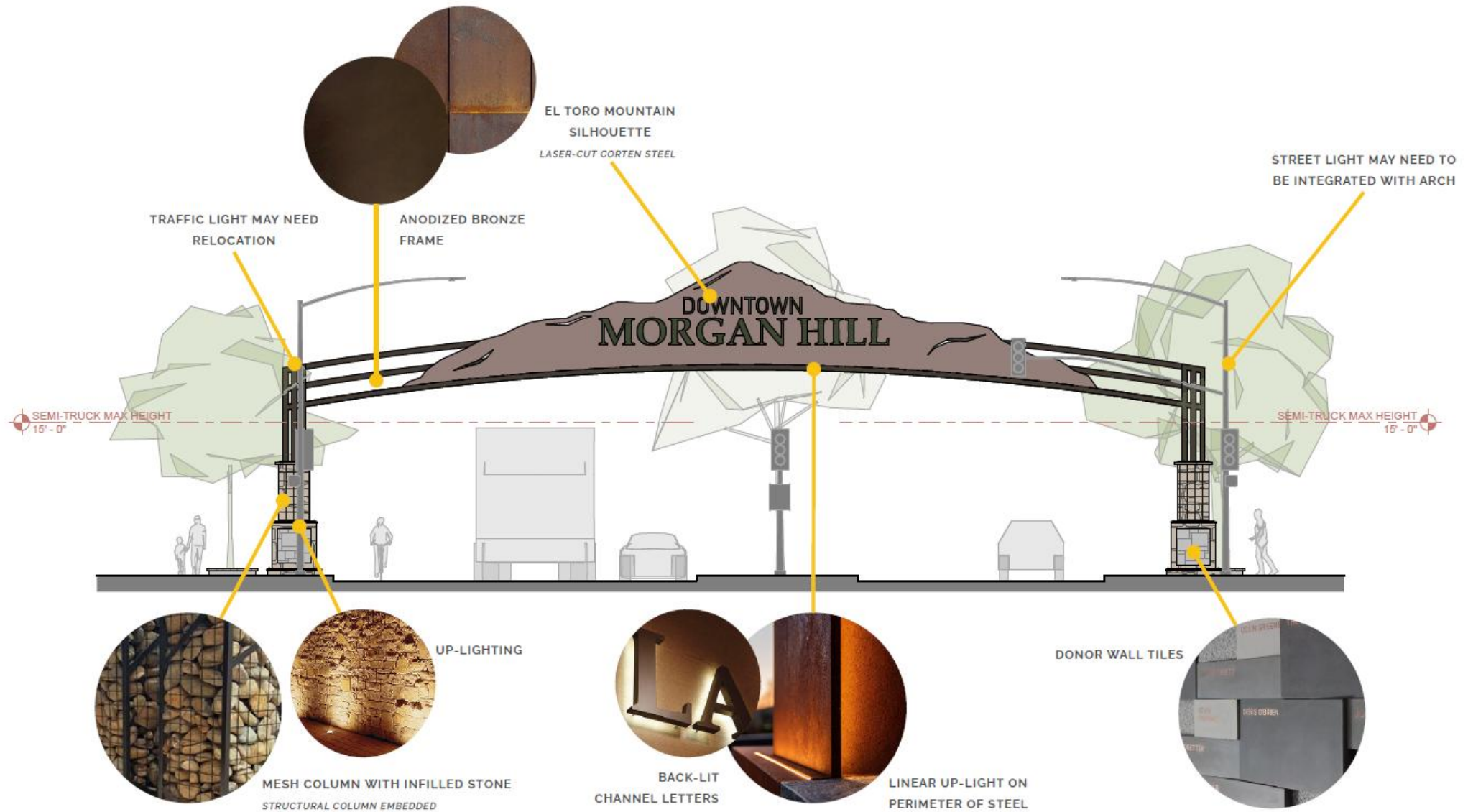
2

1/8" = 1'-0"

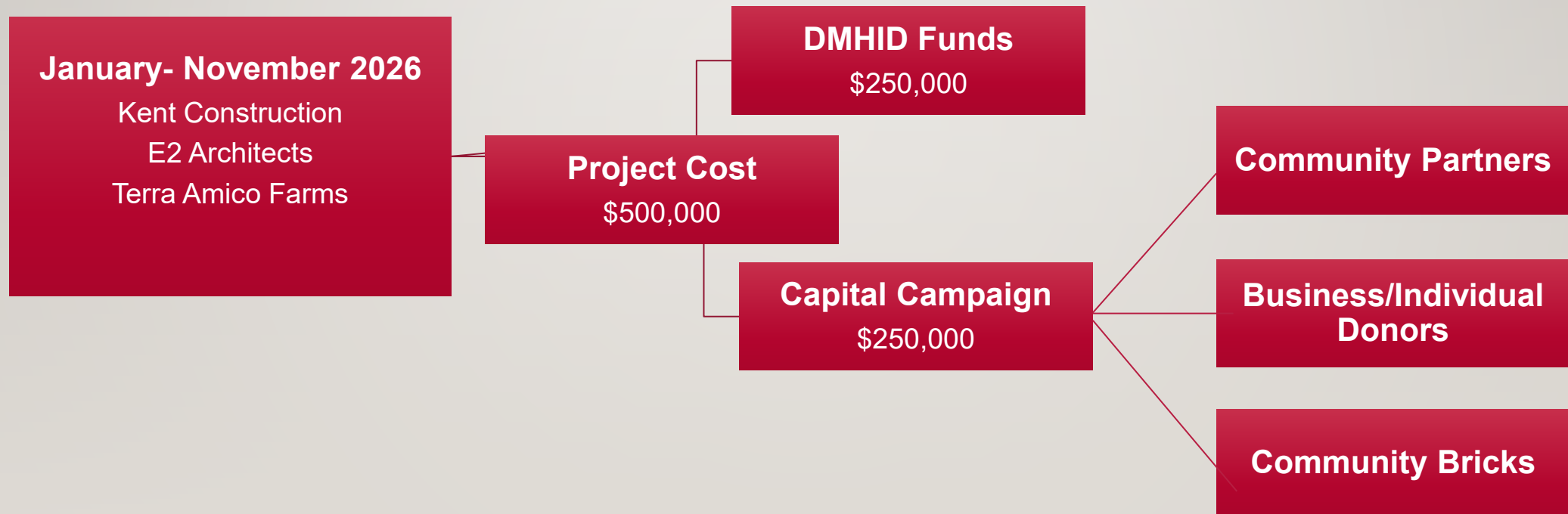


T.O. ARCH
29' - 9"

**DOWNTOWN
MORGAN HILL**



GATEWAY ARCH FUNDING PLAN



QUESTIONS

Gabby Crescini
manager@dmhid.org
Business Engagement and Events Manager
Downtown Morgan Hill Improvement District (DMHID)

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Shane Palsgrove, Police Chief

APPROVED BY: City Manager

RECEIVE REPORT REGARDING MORGAN HILL POLICE DEPARTMENT'S CALIFORNIA COMMISSION ON PEACE OFFICER STANDARDS AND TRAINING MANAGEMENT STUDY

RECOMMENDATION(S)

Accept the report of Morgan Hill Police Department's California Commission on Peace Officer Standards and Training Management Study.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

2024-2025 Strategic Priorities

Fiscal Sustainability

Community Engagement

Healthy Community

Guiding Documents

Public Safety Master Plan

REPORT NARRATIVE:

Purpose

To provide the City Council with the findings and recommendations of the California Commission on Peace Officer Standards and Training (POST) Management Study for the Morgan Hill Police Department (MHPD).

Background

In April 2025, MHPD commenced its collaboration with POST to conduct a comprehensive management and staffing study. The goal of the study is to understand organizational behavior and to provide a roadmap that enhances efficiency while effectively managing an agency's resources. The assessment examined departmental

structure, staffing, workload, training, and resource allocation. POST's findings confirm that MHPD operates with a strong culture of professionalism and community service while facing structural and staffing challenges that may limit its ability to sustain operational efficiency as the City continues to grow.

Additionally, it is essential to understand that recommendations provided by POST are recommendations only and should be evaluated in the context of each agency's unique cultural, political, historical, and financial environment. Agencies are encouraged to use these recommendations as a foundation for dialogue among leadership, staff, elected officials, and community stakeholders, and where appropriate, as a starting point for future policy development to better meet the evolving needs of the communities they serve.

Findings of the POST Staffing Study

The 2025 POST Management Study validated the need for structural modernization and staffing expansion within MHPD. There were 23 recommendations in the study: 11 have budgetary, staffing, or organizational implications, and 12 are operational or administrative improvements. The 12 recommendations will be reviewed and assessed for potential implementation. The 11 key recommendations listed below are the ones that impact service delivery, officer safety, and future resource planning. As the City considers these recommendations, it will also need to evaluate the resources required to fund additional staffing in light of the General Fund structural deficit, ensuring that any future commitments are financially sustainable.

Organizational Structure:

- Eliminate the Corporal positions to streamline supervision.
- Create Lieutenant positions to bridge management gaps between Captains and Sergeants.

Staff agrees with the recommendations. However, there would be challenges to overcome, such as salary compaction, and fewer supervisors to lead teams during absences.

Patrol Operations:

- Increase minimum staffing to four officers per shift for officer safety and effective response.
- Implement a swing shift (12:00 p.m. – 10:00 p.m., Tuesday–Friday) to match peak call demand.
- Update beat boundaries to balance workload and reflect population growth.
- Consider creating a special event planning and coordination position.

Staff agreed with the recommendations. However, they must be implemented when

there are no long-term absences; otherwise, the requirement to fill positions will result in mandatory overtime and lead to burnout.

Dispatch:

- Add a second dispatch supervisory position.
- Ensure three dispatchers per shift for operational continuity.

Staff agreed with the recommendations as calls for service and/or demands from dispatchers increase.

Property and Evidence:

- Explore mobile or stationary air filtration or exchange systems.
- Designate an alternative evidence/property site that includes ample room and security.

Staff agreed with the recommendations. Solutions are being explored for future growth.

Crime Analysis:

- Hire a dedicated Crime Analyst to provide data-driven support for patrol, investigations, and administration.

Staff agreed with the recommendation.

Conclusion

The POST Management Study provides an independent, data-driven assessment confirming the need for organizational modernization and expanded personnel within MHPD.

At the same time, the City is facing a General Fund structural deficit, which requires careful evaluation of all resource needs, including public safety staffing, within the broader fiscal context. Aligning the POST recommendations with available funding, Community priorities, and the City's long-term financial strategy will be essential.

By integrating the study's findings with realistic fiscal planning, MHPD can ensure that future staffing levels, supervision, and operational capacity evolve responsibly with the Community's growth, while maintaining officer safety, wellness, and service excellence.

COMMUNITY ENGAGEMENT:

This report is to inform the Community of the Morgan Hill Police Department's Management Study performed by the California Commission on Peace Officer Standards and Training.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

This is the first POST Management Study.

FISCAL AND RESOURCE IMPACT:

This study was funded by the California Commission on Peace Officer Standards and Training. There was no cost to the City other than staff time for interviews, conversations, and to share existing department documents. The implementation of the recommendations will be considered in the preparation of the upcoming budget cycle.

CEQA (California Environmental Quality Act):

Not a Project-This study is an administrative report that will have no impact on the environment.

Management Study

Morgan Hill Police Department



April 2025

PEACE OFFICER STANDARDS AND TRAINING

860 STILLWATER ROAD, SUITE 100

WEST SACRAMENTO, CALIFORNIA 95605

WWW.POST.CA.GOV

The mission of the California Commission on Peace Officer Standards and Training (POST) is to continually enhance the professionalism of California law enforcement in serving its communities.

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POST MANAGEMENT STUDIES

Management studies are provided by the California Commission on Peace Officers Standards and Training (POST) in accordance with Commission Regulation 1016, which provides that in accordance with Penal Code section 13513 upon the request of a local jurisdiction, the Commission shall provide a counseling service to such local jurisdiction for the purpose of improving the administration, management or operations of a police agency and may aid such jurisdiction in implementing improved practices and techniques. Such services shall be in accordance with Commission policy and guidelines for counseling services as provided in this Commission procedure. Management counseling services shall be provided only to local law enforcement agencies.

Any POST-participating agency is eligible to request a study through the Management Counseling and Projects Bureau (MCPB) at POST. Applications can be found online and must be submitted through the POST website or by the link: <https://post.ca.gov/Management-Studies> .

EXECUTIVE SUMMARY

In 2025, Police Chief Shane Palsgrove of the Morgan Hill's Police Department (MHPD) and the California Commission of Peace Officer Standards and Training (POST) collaborated on a management study for his agency. The goals of any management study are to understand organizational behavior and provide a roadmap that enhances efficiency while effectively managing an agency's resources. For this study, Chief Palsgrove requested the study focus on the following areas:

- Organizational structure and administration
- Patrol Operations and staffing
- Dispatch
- Investigations
- Property & Evidence
- Records

The information contained in this report is the product of policy review, in-person interviews, an employee survey, and an in-person review of MHPD facilities. This report contains findings and recommendations concerning the requested areas and other topics that were revealed during each element of the study.

The recommendations provided in this report are intended to support POST's mission of continually enhancing the professionalism of California law enforcement agencies in service to their communities. It is essential for the reader to understand that these are recommendations only and should be evaluated in the context of each agency's unique cultural, political, historical, and financial environment. Agencies are encouraged to use these recommendations as a foundation for dialogue among leadership, staff, elected officials, and community stakeholders, and where appropriate, as a starting point for future policy development to better meet the evolving needs of the communities they serve.

SUMMARY OF RECOMMENDATIONS

CHAPTER 1: ORGANIZATION AND ADMINISTRATION

Recommendation 1.1: POST recommends eliminating the rank of Corporal from the organizational structure of MHPD. The rank creates unnecessary ambiguity and complexity of front-line supervision.

Recommendation 1.2: Consider creating a rank of Lieutenant at MHPD to increase the management of supervisors, provide supervisory support in the absence of Sergeants, and alleviate some managerial duties of the Captain rank. With the presence of Lieutenants, it is also likely the two existing Captain positions could be consolidated into one.

Recommendation 1.3: MHPD needs to update their policy to reflect the requirements of Penal Code 18005. The law requires every law enforcement agency to develop and maintain a written policy regarding the destruction of firearms and make that policy available on its website.

CHAPTER 2: AGENCY TRAINING

Recommendation 2.1: Increasing an administrative presence at briefings, particularly after changes to policy or practices, would assist in the understanding of agency goals.

Recommendation 2.2: MHPD should consider introducing briefings for all professional staff (Support Services, Special Operations and Patrol Divisions) on a weekly or monthly basis, which would help foster communication and inclusion.

CHAPTER 3: PATROL OPERATIONS

Recommendation 3.1: Based upon the existing calls for service, increase the minimum staff to four on each existing shift to improve service to the community and enhance the safety of officers working.

Recommendation 3.2: Consider implementing a swing shift comprised of two officers, working four, 10 hour shifts Tuesday – Friday at 1200 hours – 2200 hours.

Recommendation 3.3: Consider redesigning beat maps to meet the current and anticipated growth in calls for service as well as creating an equitable workload for assigned officers.

Recommendation 3.4: Consider creating or reassigning a professional staff employee to special event planning and coordination.

CHAPTER 4: INVESTIGATIONS

Recommendation 4.1: Create or amend a policy requiring a manager to formally review a random selection of completed cases to ensure policy, procedures, reporting requirements, and best practices are followed during all stages of investigations.

Recommendation 4.2: Begin integrating relevant case information analysis and reporting to staff once the new records management system is in place.

CHAPTER 5: DISPATCH

Recommendation 5.1: Redistribute some administrative tasks such as Stolen Vehicle System (SVS) entries, missing persons reports, and warrant checks to the records department during regular business hours, with dispatch resuming these duties when records are absent.

Recommendation 5.2: Create an additional supervisor role to support the dispatch unit.

Recommendation 5.3: Increase dispatcher staffing to a minimum of three on-duty as often as possible.

Recommendation 5.4: Ensure a dispatch representative is consulted and included in the planning of an operation or special event.

CHAPTER 6: PROPERTY & EVIDENCE

Recommendation 6.1: A full annual audit by a Captain should be conducted as per policy 810.8 (c).

Recommendation 6.2: POST encourages MHPD to explore mobile or stationary air filtration or exchanges systems available. They are designed to help mitigate exposures to harmful chemicals or narcotics that employees may become exposed to during the course of their duties.

Recommendation 6.3: MHPD's policy and/or emergency operations plan should designate an alternate evidence/property site that includes ample room and security to accommodate the evidence/property function for an extended period. A tracking system should be in place to ensure all evidence/property is accounted for during removal, transportation, and relocation. Security measures should be considered during the transport to alternate sites.

CHAPTER 7: RECORDS

Recommendation 7.1: Consider staffing swing shift records position to increase the efficiency of purging records and other tasks. Additionally, the position could be considered for supplemental dispatch tasks such as records checks, entries of stolen vehicles, vehicle tows, missing persons, etc.

Recommendation 7.2: MHPD should update and utilize the records procedural manual. The manual could then be utilized as part of a formal training program for Records Specialists. Consideration can be given to the POST Records Management Guide as being a template or resource for an updated procedural manual.

CHAPTER 8: CRIME ANALYSIS

Recommendation 8.1: Hire or assign a professional staff member specifically trained in crime analysis to support patrol, investigations, and administrative functions. Provide ongoing professional development and access to analytical software (e.g., mapping, link analysis, and data visualization tools) to enhance capabilities and efficiency.

Recommendation 8.2: Integrate tactical crime analysis to provide timely, offender-focused intelligence that supports active investigations and patrol deployment decisions.

Recommendation 8.3: Create a written crime analysis plan outlining roles, data sources, deliverables, and reporting timelines for strategic, tactical, and administrative analysis.

SCOPE & METHODOLOGY

At the request of Police Chief Shane Palsgrove, the Morgan Hill Police Department (MHPD) underwent an organizational review conducted by the California Commission on Peace Officer Standards and Training (POST). During the initial meeting, Chief Palsgrove emphasized his desire for an independent and comprehensive assessment to identify opportunities for improvement across all aspects of the department, including policies, procedures, practices, and organizational structure.

Chief Palsgrove highlighted several key focus areas for the review:

- Organizational administration and structure, including:
 - Span of control
 - Position responsibilities
 - Resource alignment
 - Staffing levels
 - Deployment strategies
- Department function areas including:
 - Patrol Operations
 - Investigations
 - Dispatch
 - Property & Evidence
 - Records

While these priorities guided the direction of the study, POST also examined additional areas that emerged during the course of the assessment.

On April 8-10, 2025, POST Law Enforcement Consultants Steve Fisher, Kevin Hatano and Jamila Fields of the Management Counseling and Projects Bureau (MCPB) visited Morgan Hill to conduct the review. During the site visit, the consultants met with Chief Palsgrove and conducted interviews with both sworn and professional staff members. Interview participants were selected for their subject matter expertise and representation of key functional areas within the department. Questions were designed to prompt meaningful discussion regarding departmental operations, policies, and culture.

The POST Consultants were also provided a full tour of the MHPD facility, allowing for an in-depth review of all functional areas. In parallel with the interviews and site assessment, POST reviewed a broad array of documents to validate and assess the practices described by staff.

Following the site visit, POST conducted an anonymous online survey open to all department employees. The survey was designed to gather candid input on organizational, operational, and cultural matters. POST received 47 completed

responses. The survey results are referenced in this report for context, with interpretation left to Chief Palsgrove and his management team.

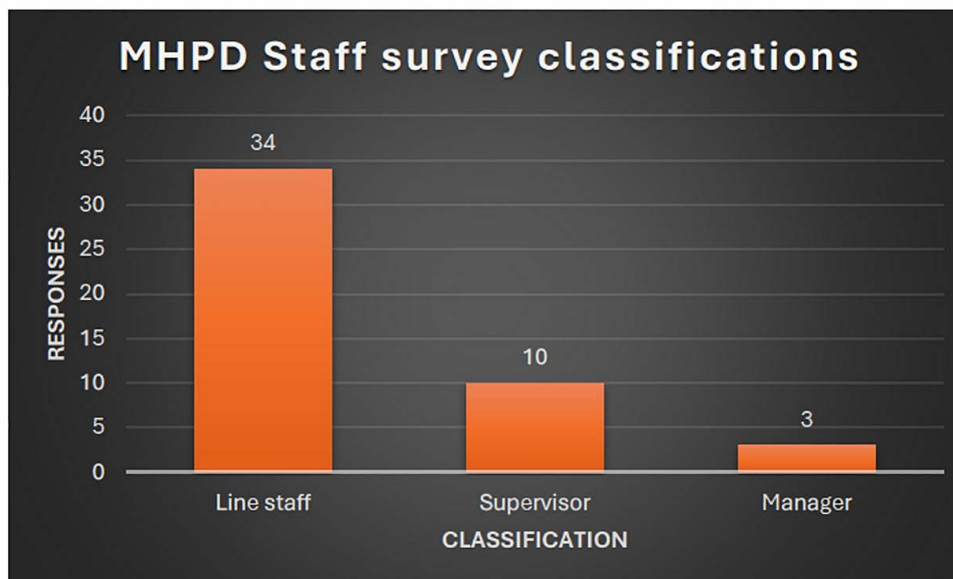


Table 0.1 survey respondent job classifications

METHODOLOGY

To conduct the organizational review, POST employed the following methodologies:

- Staff interviews
- Site assessment
- Employee survey
- Review of departmental documents

In addition to primary survey data, the study incorporated secondary research. This included a review of California POST standards, including training curricula, supervisory guidelines, and leadership development frameworks. Comparative practices from other California state and local law enforcement agencies were also analyzed to contextualize recommendations.

All survey data were aggregated and analyzed for patterns, trends, and outlier themes. Open-ended responses were thematically coded to extract common insights related to leadership, morale, training, communication, and organizational structure. These findings were synthesized into key themes and validated against industry standards to inform the recommendations provided in the report.

Portions of this report, including the synthesis of narrative content, summarization of open-ended responses, and the initial drafting of recommendations, were prepared with the assistance of generative artificial intelligence (AI) tools. All outputs were reviewed, edited, and validated by the authors to ensure accuracy, compliance with POST standards, and alignment with organizational objectives.

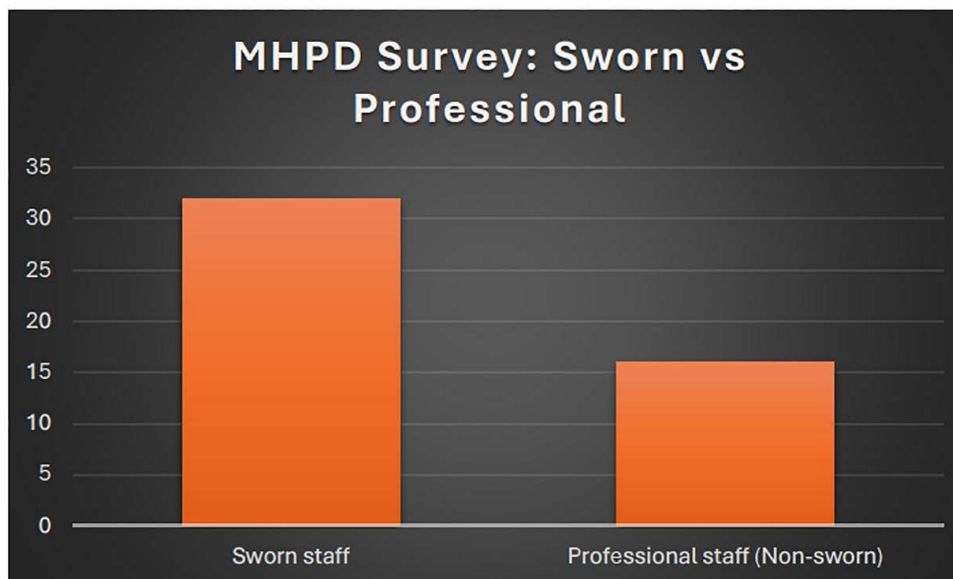


Table 0.2 Survey respondents sworn status

POST RECOMMENDATIONS

The recommendations are based upon professional research integrated with current law enforcement best practices, the most up to date standards for law enforcement training and the combined breadth of experience and knowledge of Law Enforcement Consultants within the POST Management Counseling and Projects Bureau (MCPB). Integrated with the information and feedback provided by MHPD personnel, this report is designed to provide a thoughtful examination and critical evaluation of MHPD and their current practices. Ultimately, the intent of this report is to assist the department in becoming more efficient and effective in the delivery of law enforcement services to their community.

In addition to primary survey data, the study incorporated secondary research. This included a review of California POST standards, including training curricula, supervisory guidelines, and leadership development frameworks. Comparative practices from other California state and local law enforcement agencies were also analyzed to contextualize the research.

CHAPTER 1: ORGANIZATION AND ADMINISTRATION

CITY OVERVIEW

The City of Morgan Hill, California is located in the rolling hills of Santa Clara County. The city is at the southern tip of Silicon Valley along Highway 101. Morgan Hill encompasses approximately 12.9 square miles with a population of 45,483¹.

Morgan Hill has experienced significant high density housing construction in the last two years and that construction growth shows no signs of slowing. This housing growth and subsequent population growth is expected to apply heightened pressure to city services including those of the Morgan Hill Police Department.

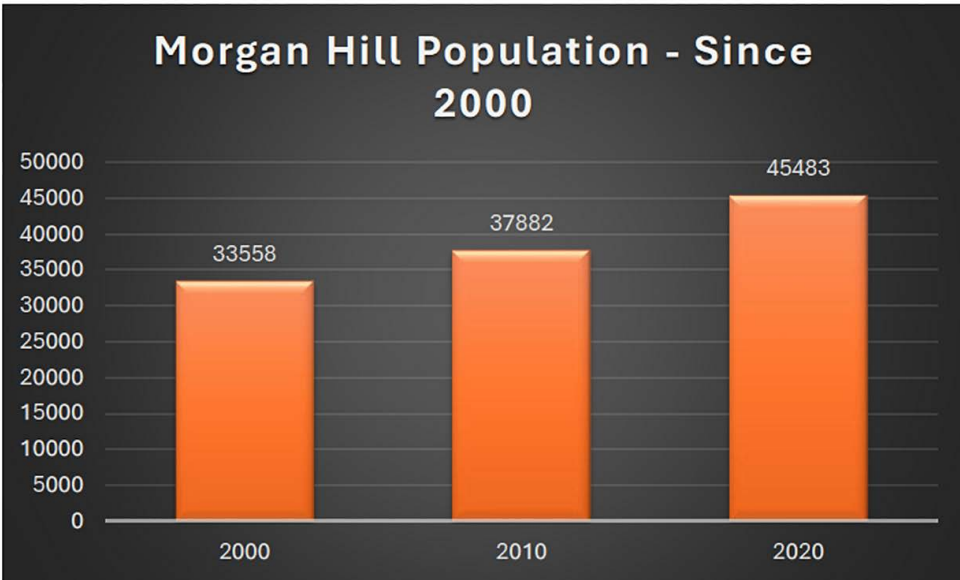


Table 1.1: Morgan Hill Population

ANTICIPATED CITY GROWTH

Morgan Hill is experiencing significant residential, commercial, and industrial development, with numerous projects currently in various stages of the planning and construction process. Residential growth alone is projected to add more than 2,953 housing units within the next two years. Based on U.S. Census Bureau data indicating an average of 3.07 persons per household in Morgan Hill, this development could result in a population increase of over 9,000 residents- representing nearly a 20% rise in the city's population.

¹ (United States Census Bureau, 2025)

This anticipated growth will be an important consideration throughout this study. However, the degree to which it will impact on city services, infrastructure, and staffing demands must be carefully examined. City leaders and staff are encouraged to independently assess the pace and scope of development and prepare for any corresponding increases in workload or service needs.

MISSION AND VALUES OF MORGAN HILL PD

The mission statement of the Morgan Hill Police Department is to deliver intelligent-based police services by partnering with the community to reduce crime, apprehend offenders and improve quality of life with integrity, professionalism and respect.

Their mission is guided by identified core values of safety, integrity, respect, professionalism, pride, teamwork and innovation.

AGENCY OVERVIEW

The Morgan Hill Police Department consists of 43 sworn officers and 26 professional staff members (as of April 2025). Law enforcement organizations should be structured and staffed in such a way that they are able to address community expectations and reflect the mission and values of the agency. Under the leadership of Chief Palsgrove, the Department is organized into three divisions: Field Operations, Special Operations and Support Services. Each operational division is commanded by a Police Captain and the Support Services division is commanded by a Support Services Manager (see Figure 1.2). Serving under these divisions are various bureaus which make up the primary functions of the department. These bureaus include: Patrol, Investigations, Traffic, Animal Control, Records, Property Evidence, and Communications.

SPAN OF CONTROL

Historically, the optimum span of control was considered to be one supervisor for every seven subordinates. However, in practice, there is no universally applicable ratio that fits every organization or operational environment. The definition of span of control can vary—from the number of individuals one supervisor can effectively manage during routine operations or emergencies, to the number of personnel with whom a supervisor must communicate to achieve departmental objectives. Factors such as workload, operational tempo, task complexity, and supervisor availability all influence the appropriate level of supervisory oversight. These factors impact communication, planning, accountability, and daily operational review.



Morgan Hill Police Department

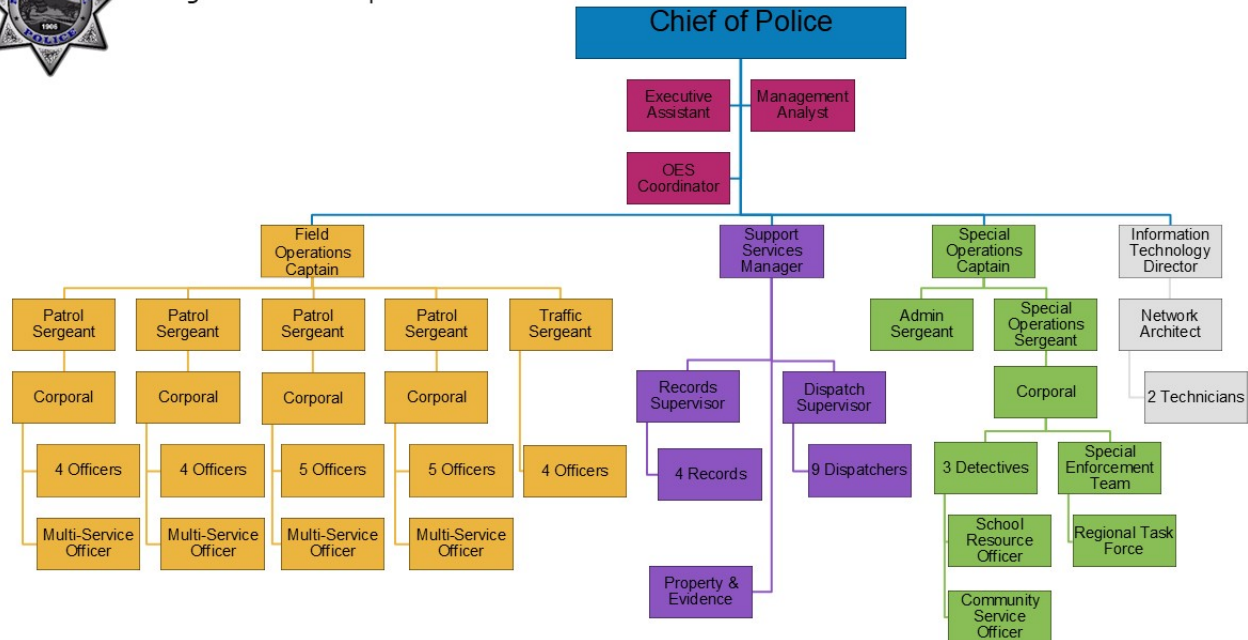


Figure 1.2: Morgan Hill Organization Chart

In law enforcement, the ideal span of control depends on both the nature of the assignment and the experience level of personnel. For example, a patrol team composed of less experienced officers typically requires more direct supervision, justifying a narrower span of control. In contrast, a team of seasoned dispatchers may operate effectively with broader autonomy and less frequent oversight. Developing a consistent yet adaptable organizational structure allows agencies to coordinate work more effectively, support decision-making, and respond flexibly to operational demands.

ORGANIZATIONAL STRUCTURE

An imbalanced rank structure at MHPD brings some organizational challenges to the agency. The role of the Corporal is an example of these challenges. MHPD utilizes Corporals as part of their approach to front line supervision and the development of

senior personnel. Each patrol shift or bureau has a Corporal position assigned. The job description for Corporal includes serving as a supervisor in the absence of a higher-ranking supervisor and displaying independent judgement and discretion.

Personnel interviews and staff survey responses indicated that the Corporal rank is widely viewed as ineffective and potentially redundant. POST Consultants found that the duties of a MHPD Corporal often vary day to day—serving as the shift supervisor one day, a patrol officer the next, and a Field Training Officer the day after. This inconsistency creates ambiguity in roles and adds unnecessary complexity to front-line supervision. POST recommends eliminating the rank of Corporal in the hierarchy of MHPD and instead making the Sergeant rank the clear supervisor of each team.

MHPD also does not have any Lieutenant positions between the Sergeant rank and the Captain rank. Typically, the Lieutenant rank serves as a middle manager in an agency. They generally provide oversight to daily operations, manage assigned personnel and address gaps in workload of personnel. Unlike the Captain position who typically focus on broader strategies, Lieutenants are more field-oriented, directly supervising Sergeants and Officers to enhance operational efficiency.

If Lieutenants were included as part of the organizational structure to MHPD, more flexibility and efficiency of staffing would potentially be obtained. POST recommends at least two Lieutenants be assigned to Field Operations serving in a swing shift capacity to overlap both day shift and night shift on each day of the week. Additionally, we would recommend a Lieutenant oversee the Special Operations section as this area could likely be served by a middle manager. Subsequently, this would eliminate one Captain position from the organization and consolidate the one remaining Captain into a senior leadership role for the agency that oversees the middle managers of the agency.

These organizational adjustments—eliminating the Corporal rank and introducing the Lieutenant rank—would streamline MHPD’s supervisory structure, clarify roles and responsibilities, and improve operational oversight. By aligning the rank structure with common best practices in law enforcement, MHPD can enhance leadership effectiveness, reduce redundancy, and better support both field operations and long-term organizational development.

Recommendation 1.1

POST recommends eliminating the rank of Corporal from the organizational structure of MHPD. The rank creates unnecessary ambiguity and complexity of front-line supervision.

Recommendation 1.2

Consider creating a rank of Lieutenant at MHPD to increase the management of supervisors, provide supervisory support in the absence of Sergeants, and alleviate some managerial duties of the Captain rank. With the presence of Lieutenants, it is also likely the two existing Captain positions could be consolidated into one.

DEPARTMENT BUDGET

Several caveats apply to budget comparisons. Funding streams, accounting standards, practices, and differences in the scope and function of different law enforcement jurisdictions make meaningful comparisons easier with an in-depth analysis of the respective budgets.

POST Consultants reviewed the agency budget and found no areas indicating an inconsistency between the Department's mission and funding. This report is not a comment on the appropriateness of any specific appropriations. Still, no budget line items appeared wildly inconsistent with the experience of POST representatives. A complete fiscal audit was outside the scope and expertise of this report.

EQUIPMENT AND FACILITIES

POST Consultants were provided a guided tour of the Morgan Hill Police Department facility, located at 16200 Vineyard Boulevard. The station serves as the department's primary hub for both operations and administration. The front of the building functions as the public access point for community members conducting police-related business, while the sides and rear of the facility are secured by fencing and include a designated parking area for police vehicles.

The station features several high-quality amenities, including an above-average fitness center available to all employees, an enclosed garage for marked patrol vehicles, spacious locker and storage areas, and other well-maintained facilities. In addition to its policing functions, the building also houses Morgan Hill's Emergency Operations Center (EOC), which is supported by a full-time EOC Coordinator.

Thirty of the 47 respondents to the staff survey agreed or strongly agreed they possessed the necessary resources and equipment to conduct their jobs well.

AGENCY WEBSITE AND SOCIAL MEDIA

Most law enforcement agencies across California have established public websites as a means of enhancing their service to the community. POST highly encourages this practice to all agencies as websites are often the primary source of information for community members. Ideally, the website should provide the full set of policies used by the agency, provide basic initial services such as online crime reporting, ability to report low level quality of life issues, and be capable of answering common questions community members may frequently ask.

The MHPD website is comprehensive, current, and informative. The home page of the website allows the viewer to learn about MHPD, including the mission and values, different divisions and their function, crime trends, information on joining MHPD, frequently asked questions, and the ability to review civilian complaints and the use of force by the agency.

PENAL CODE 18005

In 2024, California enacted Senate Bill 1019, which mandates that all law enforcement agencies develop a written policy governing the destruction of firearms held in evidence. As outlined in Penal Code §18005, agencies must not only maintain this policy but also make it publicly accessible via their official website.

Recommendation 1.3

MHPD needs to update their policy to reflect the requirements of Penal Code 18005. The law requires every law enforcement agency to develop and maintain a written policy regarding the destruction of firearms and make that policy available on its website.

RECRUITMENT AND RETENTION

The central elements of staffing—recruitment, hiring, retention, and promotion—are key to effective policing, organizational efficiency, and positive police-community relations, regardless of the size of the agency. Challenges typically arise when these human resource activities are out of alignment with the agency’s strategic plan².

Modern policing in California often requires aggressive recruiting tactics to bolster or maintain staffing at most agencies. MHPD however, has a very low vacancy rate in

² (Wilson, 2010)

both sworn and professional staff. Low vacancy rates can be indicative of a positive culture and high satisfaction rate amongst employees. Many of the sworn officers at MHPD are lateral hires from outside agencies which also can be a positive sign of a quality culture in an organization. Survey respondents were asked about MHPD's greatest strengths; a majority of responses which were positive indicating teamwork, community and leadership as factors in their positive responses.

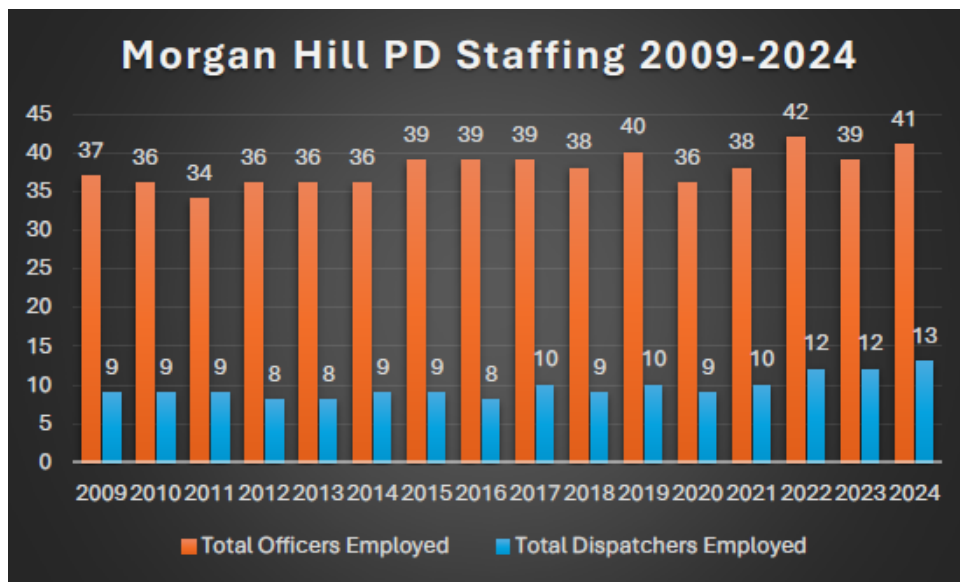


Figure 1.3: MHPD staffing 2009-2024

CHAPTER 2: AGENCY TRAINING

Employees place a high value on meaningful and effective in-service training. POST encourages agencies to develop a training plan, which identifies what training is mandated, relevant, and/or needed to improve performance within respective work assignments. While it may not be possible for a training plan to identify all of the training that may be appropriate for agency employees, the purpose of the plan is to identify training needs and set priorities for training-related expenditures within the agency. The plan provides an objective tool to assist in bringing standardization and consistency to the Department's training efforts.

A training plan will establish a framework to:

- Define mandated, essential, and desirable training requirements
- Enhance law enforcement professionalism and an agency's level of service to the public
- Strengthen the technical expertise and general effectiveness of agency employees
- Provide ongoing career development for agency employees

Updated and relevant training helps ensure peace officers are current with new laws and procedures, enhances officer safety, reduces the use of force through modern techniques, and provides liability and legal protection for officers and agencies. Chief Palsgrove made it clear to POST Consultants that he was fully committed to ensuring ongoing training was available for all members of his department.

MHPD has a training plan and policy in place for all sworn and professional staff members of the agency. The plan is readily available to all employees internally and on the public website. The document is an exhaustive plan that describes the goals, expectations and recommendations of each MHPD staff member. Over 80% of MHPD staff survey responses indicated the process to request training for their current assignment was effective.

JOB SPECIFIC TRAINING AND ORIENTATION

While certain positions within the agency require orientation and training as mandated by regulation, the majority do not. Nevertheless, it remains the agency's responsibility to ensure that all employees receive adequate orientation to prepare them for their roles. According to MHPD management and staff, an orientation process exists for all positions; however, its duration and content vary significantly depending on the assignment.

Survey results indicate that only 60% of respondents felt they received a sufficient orientation or training program upon hiring. Responses to the question, "I have received the necessary training for my CURRENT assignment," were more varied: while

14% reported receiving a “great deal” of training, 50% indicated they had received only a “moderate” amount. This disparity may reflect evolving roles or shifting responsibilities within certain positions.

MHPD may wish to evaluate whether its current orientation and internal training practices adequately support employees who transition into new roles within the organization. As part of its broader training plan, the department should assess the need for structured onboarding processes for both newly hired and internally reassigned personnel.

Both sworn and professional staff cited significant barriers to obtaining enhanced, job-specific training. Staffing shortages often require employees to use overtime to attend training, and both budgetary and personnel constraints have limited access to external training opportunities. Addressing these challenges will be critical to supporting professional development and role proficiency across the organization

TRAINING BULLETINS/PUBLICATIONS/BRIEFING TRAINING

Staff advised that there is a process which allows for the dissemination of training bulletins or policy updates. These are generally shared in briefing via emails. Training is documented in a Daily Watch Log.

Sworn personnel reported that the current 12-hour shift schedule presents challenges for conducting daily briefings and delivering briefing-based training, primarily due to the absence of shift overlap (Alternative shift models will be discussed in the Patrol Operations chapter). When call volume permits, Sergeants attempt to facilitate briefings at the start of the shift; however, these are often inconsistent and, in some cases, not conducted at all.

Although briefing training occasionally occurs, there is no established schedule or standardized curriculum. Currently, Sergeants determine the content of briefing training independently, often relying on informal topics. To enhance consistency and accountability, MHPD should consider implementing a formalized roll call training calendar, ensuring that all training is properly documented in personnel and training records.

When asked whether the Administrative Sergeant or Command Staff attend briefings to reinforce policy understanding following significant changes, more than 55% of respondents indicated that this “rarely” or “never” occurs.

Professional staff, including dispatch personnel, currently do not receive routine briefings. Interviews with staff revealed a strong desire to participate in briefings—either jointly with sworn personnel or separately depending on scheduling constraints. Many indicated that regular briefings, held weekly or even monthly, would improve communication, engagement, and operational awareness across the organization.

Recommendation 2.1

Increasing an administrative presence at briefings, particularly after changes to policy or practices, would assist in understanding of agency goals.

Recommendation 2.2

MHPD should consider introducing briefings for all professional staff on a weekly or monthly basis would help foster communication and inclusion.

POST CPT TRAINING – SWORN PERSONNEL

POST requires each Officer to obtain 24 hours or more of Continuing Professional Training (CPT) every two-year cycle. The purpose of CPT is to maintain, update, expand, and/or enhance an individual's knowledge and/or skills. CPT is training that exceeds the training required to meet or requalify in entry-level minimum standards.

The statewide CPT compliance average for sworn personnel is **94.19%** of peace officers for 2023-2024 (last full CPT cycle).

MHPD's CPT compliance percentage for 2023-2024 was **100%**.

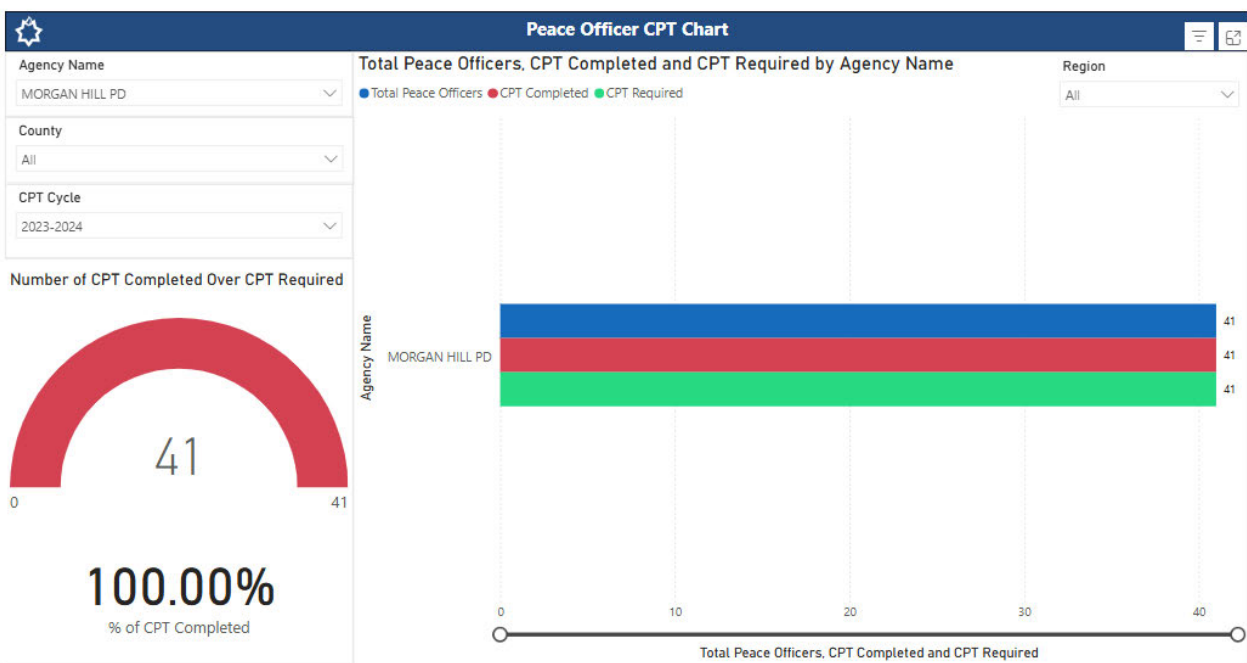


Figure 2.1: CPT compliance for the Dispatchers of MHPD.

POST CPT TRAINING - DISPATCHERS

Dispatchers have similar standards for ongoing training in California as peace officers. POST requires each dispatcher to obtain 24 hours or more of Continuing Professional Training (CPT) every two-year cycle. The statewide average for dispatchers during the last full CPT cycle (2023-2024) was **90.75%** compliance.

MHPD's Dispatcher CPT compliance percentage for 2023-2024 was **100%**.

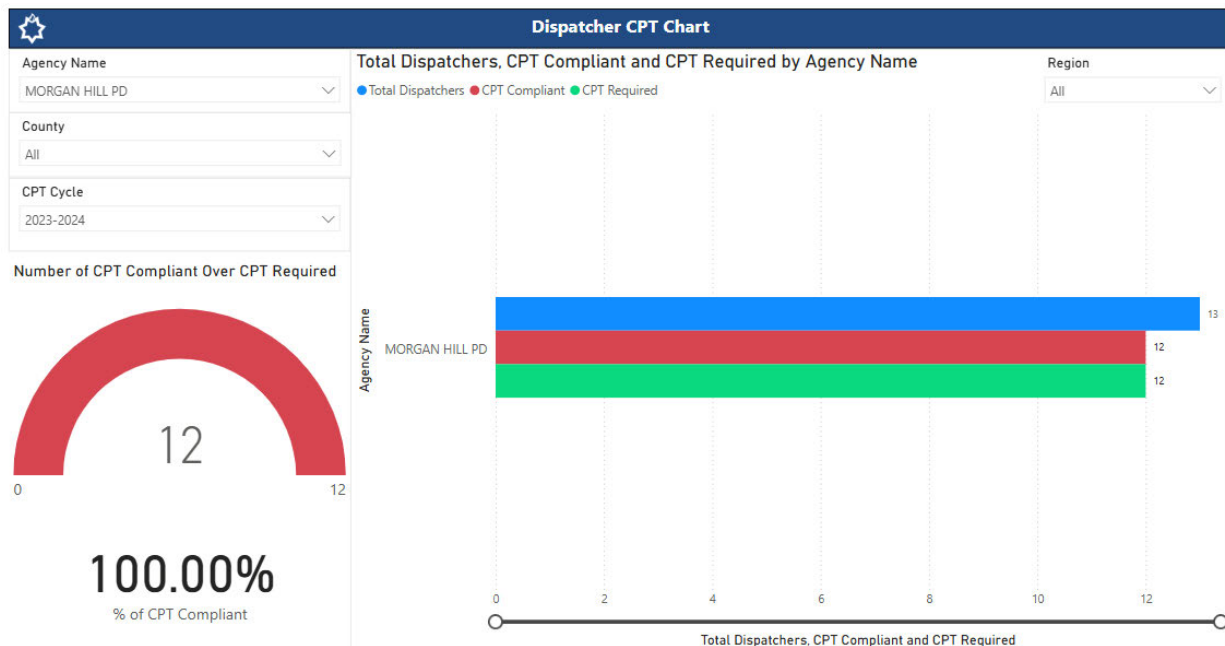


Figure 2.2 CPT: compliance for the Dispatchers of MHPD.

CHAPTER 3: PATROL OPERATIONS

The patrol function is widely regarded as the cornerstone of any effective law enforcement agency in the United States. It typically represents the largest division within the organization, serves as the most visible element of the department, and is often the only point of direct contact many community members have with their local police.

Despite its central role, patrol is frequently the first source from which personnel are drawn to meet emerging staffing needs in an agency, often leaving a community understaffed. Given its importance, it is critical that patrol operations function with maximum efficiency and effectiveness.

Achieving this requires clearly defined expectations for patrol personnel and a regular evaluation of patrol workload to ensure that staffing levels are adequate to meet both operational demands and community expectations.

While recruitment and retention receive significant attention, a more fundamental — and often overlooked — question persists: *How many officers does an agency actually need?* This is among the most frequently asked questions during management and operational assessments. Unfortunately, agency leaders often lack clear, data-driven tools to answer it.

To address this issue, several types of models are considered when evaluating police staffing. While each has some benefits, they also come with notable limitations.

PER CAPITA MODEL

This method uses population size to set a ratio—such as "2 officers per 1,000 residents" as a staffing benchmark. It's simple and easy to compare across cities.

While convenient, this method doesn't consider when or why residents call the police. Two cities with the same population may have completely different workloads depending on crime levels, traffic volume, tourism, or community expectations. This method says how many officers we *have*, but not how many we *need*. This model is generally dismissed by most city and police leaders as the complexity of staffing is much more nuanced by the culture, geography, function and overall context of a community.

MINIMUM STAFFING MODEL

This approach sets a fixed minimum number of officers per shift, often based on safety concerns or internal policy.

While it is important to ensure officer safety, fixed minimums can become outdated or arbitrary over time. If demand drops, an agency may be overstaffed. If calls rise unexpectedly, an agency may still fall short. This model doesn't respond dynamically to actual workload or allow for flexible planning.

AUTHORIZED STAFFING MODEL

This model is simply based on what the budget allows or what has historically been approved.

Budget realities will always matter, but staffing should be based on what's needed—not just what's funded. This method may lock in staffing numbers that don't reflect current conditions. It can also lead to misconceptions about being "understaffed" even if the actual workload doesn't justify additional personnel.

WORKLOAD ANALYSIS MODEL

This approach considers actual police workload, and uses objective criteria including call volume, call distribution, call time consumption, and performance expectations to develop a staffing model. For this complex model, POST Consultants rely heavily on the methodology found in *"A Performance-Based Approach to Police Staffing and Allocation"* published by the U.S. Department of Justice, COPS Office.

While a workload-based staffing model is the preferred method for POST Consultants—relying on objective data such as call volume, call distribution, time consumption, and performance expectations, it is important to note that this methodology works best when an agency responds to at least 15,000 citizen generated calls per year. Over the two years of data provided by MHPD, an average of 13,000 calls per year were noted. As a result, a traditional workload-based analysis is not feasible.

STAFFING ASSESSMENT FOR MORGAN HILL POLICE DEPARTMENT

For purposes of a staffing assessment for MHPD, we employed a modified approach that draws upon available statistical indicators and the professional judgment of experienced POST Consultants to conduct a thorough and defensible staffing assessment. This method still considers core elements of operational demand and officer availability but is tailored to a smaller agency with limited call volume.

This alternative approach maintains the same guiding principles: evaluating when calls occur, how much time is spent handling them, and how non-operational factors influence officer deployment. Although we are unable to apply the full workload formula, we remained focused on aligning staffing recommendations with the agency's actual

service needs, ensuring strategic use of personnel, and supporting community safety objectives through a data-informed and experience-based framework.

To conduct a meaningful workload analysis for a law enforcement agency, at least one full year of calls for service (CFS) data is required. The MHPD provided POST with two full years of CFS data, covering the period from January 1, 2023, to December 30, 2024. This dataset exceeded the minimum requirement and provided a robust basis for comprehensive analysis.

The dataset included detailed information such as the time the call was created, time of dispatch, officer arrival time, time of clearance, the beat in which the call occurred, and the priority level. In addition to reactive calls, the dataset also included proactive activity conducted by field personnel.

Prior to analysis, data cleaning was conducted. Any CFS entries containing 'NULL' values in the dispatch, arrival, and clearance time fields were excluded. According to MHPD personnel, such entries typically indicate that the call was received by dispatch but was not assigned to or handled by field personnel. To ensure accuracy and focus the analysis on calls that resulted in a field response, these entries were removed.

After filtering, a total of 47,887 events were analyzed across the two-year period. It is important to note, these events included all calls for service generated by citizens, all proactive enforcement conducted by MHPD (vehicle stops, pedestrian contacts, etc.) and various community caretaking events (abandoned vehicles, patrol checks, investigation follow ups, etc.). A summary of monthly and daily call volumes is shown in Table 3.1, which highlights variations in workload by month and day of the week.

CALL VOLUME TRENDS

Analysis of the dataset revealed key trends in MHPD's call volume. The months of August and September experienced the highest activity, each with approximately 11% more calls than the average monthly total of 3,992. Thursdays were the busiest day of the week, averaging 28% more calls than Sundays—the least active day.

On average, weekday call volume was significantly higher than weekends (22% higher), with approximately 7,217 calls per weekday across the two years, compared to 5,902 per weekend day.

Examination of the most active hours of the day and the busiest areas of the city by beat can be determined in Table 3.2 (Beat structure and analysis will be discussed later in this chapter).

	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Total
JAN	502	704	737	589	535	514	450	4,031
FEB	436	529	499	522	645	536	452	3,619
MAR	472	479	497	601	550	609	463	3,671
APR	411	566	532	511	525	501	493	3,539
MAY	430	560	575	631	580	606	521	3,903
JUNE	534	530	589	570	593	629	576	4,021
JULY	559	765	622	628	580	546	585	4,285
AUG	458	561	719	736	846	613	523	4,456
SEPT	506	629	663	643	667	799	557	4,464
OCT	489	668	712	704	701	599	488	4,361
NOV	433	540	476	580	639	597	491	3,756
DEC	494	648	512	537	443	666	481	3,781
TOTAL	5,724	7,179	7,133	7,252	7,304	7,215	6,080	47,887

Figure 3.1: Total CFS for two years of operations at MHPD

In this examination it is important to remember, MHPD operates on a 12-hour shift model with officers beginning and ending their day shift at 0700-1900 and night shift officers working from 1900-0700.

Over the two years of data, the CFS rise significantly at 0800 hours, and the highest volume of events can be found at 1000 hours. The average CFS from 0800 hours to 1600 hours is 2533 calls per hour.

At 1700 hours, the CFS begins to decline until 2000 hours when the average returns near the volume found during most daylight hours. In the experience of POST Consultant's, this decline in service between 1700 hours and 2000 hours can be attributed to the lack of any overlap between the dayshift team and the nightshift team.

Officers completing their shifts are often reluctant or unable to handle calls near their end of shift time due to the nature of completing daily tasks (report writing, equipment maintenance, investigative follow-up, etc.) that come from patrol operations.

Simultaneously, officers just starting their shift, as is the case of nightshift beginning at 1900 hours, often cannot immediately begin responding to calls due to the necessary tasks required of officers beginning their shift (i.e. obtaining equipment, donning their uniform, passing of operational information from the previous shift).

HOURLY AND GEOGRAPHIC DISTRIBUTION

Hourly distribution of calls by beat is presented in Figure 3.2. MHPD operates on a 12-hour shift schedule: day shift from 0700–1900 and night shift from 1900–0700. Analysis

shows a sharp increase in call volume beginning at 0800, peaking at 1000 hours, with an average of 2,533 calls per hour during the period from 0800 to 1600.

Hour	Beat 1	Beat 2	Beat 3	Uncategorized	Total
0000	397	546	740	337	2,020
0100	392	497	716	296	1,901
0200	326	376	536	207	1,445
0300	273	367	383	172	1,195
0400	192	219	256	112	779
0500	148	168	274	66	656
0600	173	180	341	89	783
0700	267	410	500	129	1,306
0800	579	673	829	222	2,303
0900	662	696	976	312	2,604
1000	658	764	1,118	326	2,866
1100	661	756	1,014	291	2,722
1200	574	697	940	299	2,510
1300	567	653	971	269	2,460
1400	603	721	889	246	2,459
1500	599	715	946	263	2,523
1600	504	647	941	257	2,349
1700	431	496	803	232	1,962
1800	334	399	676	165	1,574
1900	378	502	700	185	1,765
2000	547	695	850	323	2,415
2100	562	684	938	389	2,573
2200	570	608	889	358	2,425
2300	525	540	848	337	2,250
Total	10,922	13,009	18,074	5,882	47,887

Figure 3.2: Two years of events by time and beat

As previously discussed, a notable dip in CFS occurs between 1700 hours – 2000 hours, which POST Consultants attribute to the absence of shift overlap and the associated delays. Ideally, officers starting their shift should overlap time with the officers working in the field to provide consistent coverage for the city in response to calls.

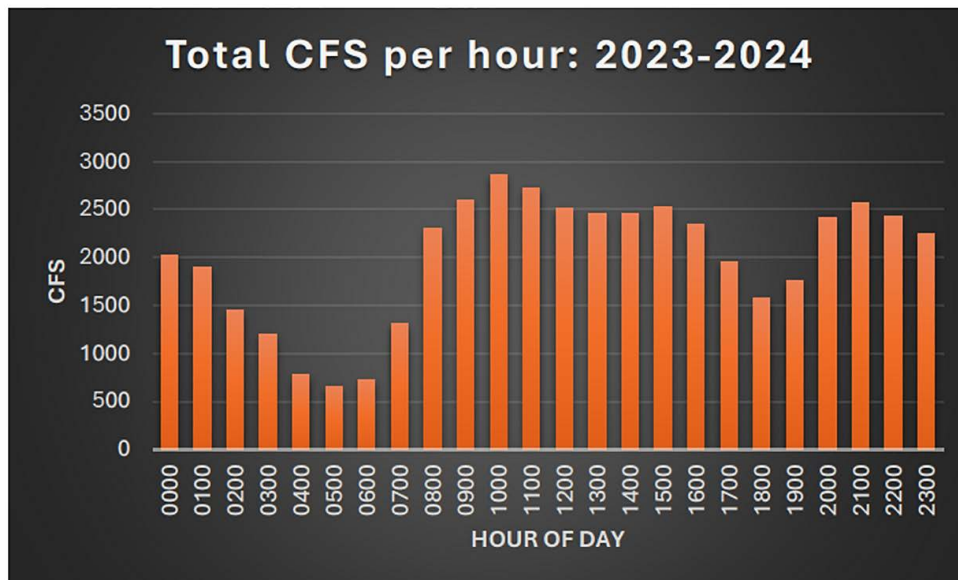


Figure 3.3: Total CFS per hour over two years, 2023-2024

RESPONSE TIME

Response time is a key metric in workload assessments. The provided dataset included the timestamp for when calls were created and when officers arrived on scene. For accuracy, proactive calls (e.g., vehicle or pedestrian stops) and calls with 'NULL' values in either the creation or arrival fields were excluded from this analysis. Additionally, calls with no arrival time or negative response times (assumed errors) were not calculated.

Only reactive calls with valid time stamps were included to ensure that the calculated response times reflect actual dispatch and officer arrival intervals. The findings revealed MHPD officers have an average

response time³ of 22.11 minutes. Although there is no official database or method for measuring response times over a broad range

Average response time for a CFS in Morgan Hill is 22.11 minutes

of police agencies, in POST Consultant's experience MHPD's response time is higher than average for similar urban police departments.

An hourly breakdown of response times by hour of the day can be found in Figure 3.4. As previously discussed in this chapter, evidence of diminished activity by officers is found near shift changes. Longer response times can be found in the 0600 and 0700 hours (changing of shifts) and again in the 1800 and 1900 hours (changing of shifts).

³ In this context, response time is referring to the time difference between the creation of the call by dispatch and the arrival time of the officer.

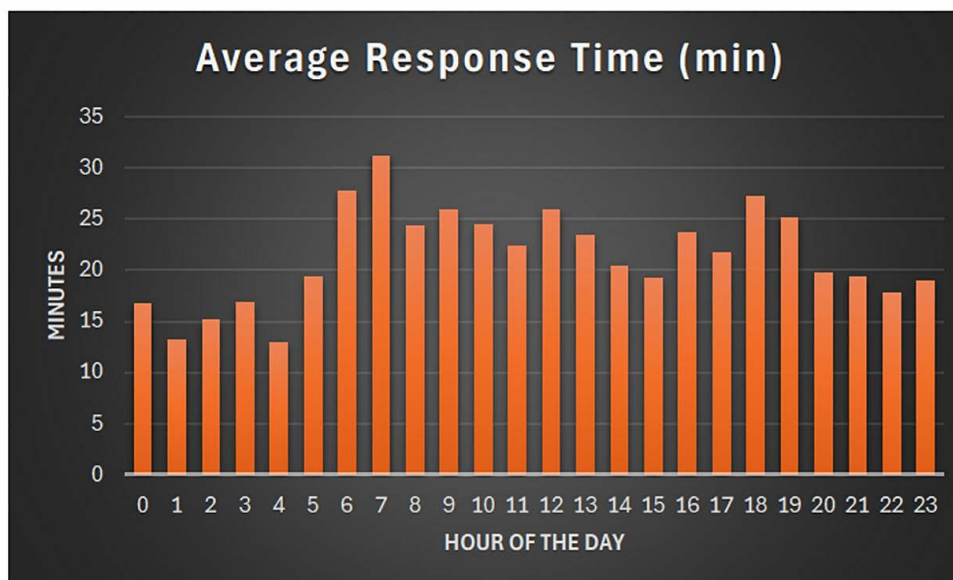


Figure 3.4: MHPD average response times

ESTIMATE TIME CONSUMED ON CALLS FOR SERVICE

A critical component of any workload or staffing analysis is accurately measuring the amount of time officers spend handling calls for service. This time is typically defined as the duration from when an officer is dispatched to a call until the final unit clears the scene. While this metric appears straightforward, its accuracy and consistency can vary significantly based on local practices and dispatch protocols.

In the simplest scenarios—when a single officer is dispatched, handles the incident, completes all associated administrative tasks (e.g., reports, arrests), and then clears the call—the time is easily tracked and recorded. In such cases, the Computer Aided

Average CFS duration – arrival of officer to conclusion of call is 31.62 minutes

Dispatch (CAD) systems should provide reliable data on time consumed per call. Agencies can further enhance their analysis by identifying the number of calls that result in formal reports and estimating the additional time required for report writing. If the time spent completing reports is not included within the CFS duration recorded in

the CAD system, this must be accounted for separately when establishing performance benchmarks or workload expectations.

More complex issues arise when multiple officers respond to a single call. Many CAD systems do not reliably record the presence or time commitment of additional ("backup") units. This gap in documentation may lead to a significant underestimation of actual staffing demand. Similarly, in some jurisdictions, officers may "self-dispatch" to incidents without formal direction from dispatch. In these cases, their presence—and the time they spend on scene—may not be logged, further distorting workload assessments.

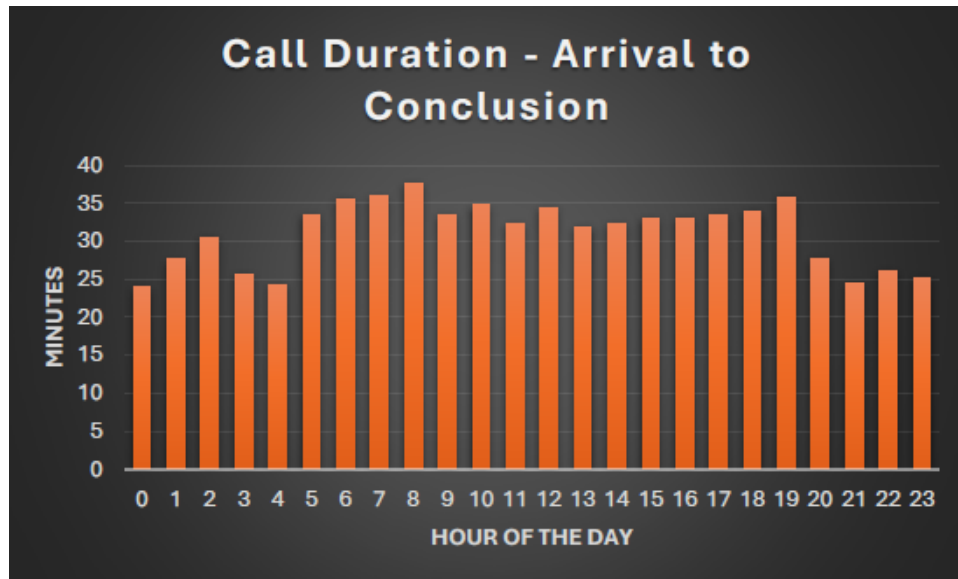


Figure 3.5 – Hourly call duration averages

As mentioned previously, the methodology outlined in the publication *A Performance-Based Approach to Police Staffing and Allocation*⁴, combined with actual 2023-2024 CAD dispatch and response data from MHPD, provided a reliable foundation for estimating officer time per call. Specifically, the analysis revealed an average travel time of 9.0 minutes by MHPD officers from the time a call is received until the time the officer arrives on scene. Additionally, the data revealed the average time spent on calls by officers, once they arrive, is an average of 31 minutes and 37 seconds in duration. The total average time including response time for a CFS at MHPD is 40 minutes and 37 seconds per incident. This value was used as a standardized metric in the workload model.

⁴ (Wilson, Jeremy M., and Alexander Weiss., 2014)

SHIFT DEPLOYMENT

The MHPD Patrol Division operates under a 12-hour shift schedule, organized across four teams. Each team follows an alternating pattern of three workdays one week and four the next, resulting in a biweekly 80-hour pay period. To fulfill this requirement, one of the weekly shifts is adjusted to a 10-hour duration.

This fixed 12-hour schedule—with teams beginning and ending their shifts simultaneously—does not provide a practical opportunity for shift briefings or briefing-related training, as outlined in MHPD Policy 404. According to the policy, briefing sessions are intended to facilitate critical communication between field personnel and supervisors, allowing for updates on recent incidents, training refreshers, operational directives, and officer wellness checks. However, the absence of shift overlap effectively eliminates this time, as officers are actively receiving or handling calls for service during shift transitions.

Each patrol team at MHPD is composed of a minimum staffing level of three officers and one supervisor. Each team is assigned one Sergeant and one Corporal, with the Corporal typically assuming supervisory responsibilities in the Sergeant's absence.

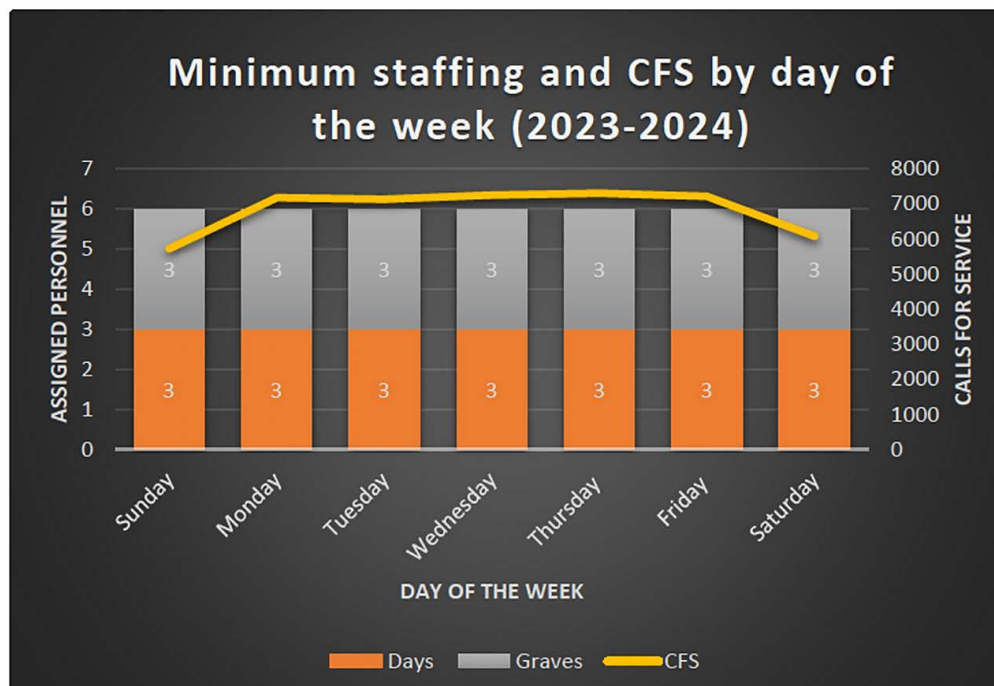


Figure 3.6: Minimum staffing by day of the week and compared to CFS.

While MHPD does not operate at minimum staffing for every shift, and additional officers are often assigned, the use of minimum staffing as a reference point in this staffing analysis provides a consistent and objective baseline. Minimum staffing reflects

the lowest acceptable threshold required to sustain core operations. It allows for a standardized metric to evaluate the department's capacity to meet service demands and maintain officer safety.

Operating at or near minimum staffing of three officers presents significant operational constraints. For example, in incidents involving in-progress crimes or those with a high potential for violence, MHPD Field Training Manual—as well as accepted law enforcement practice—requires officers to wait for backup before initiating contact. This safety-driven approach typically commits two officers to a single event, leaving only one officer to manage all other service demands. Such a structure can delay responses to lower-priority calls and reduce field presence during critical periods.

It is important to emphasize that staffing above the minimum level is essential for a healthy and functional police organization. Agencies must maintain personnel levels beyond minimums to accommodate the realities of modern policing—such as officer absences due to injury, illness, vacation, training, court appearances, administrative assignments, and specialty unit obligations. Without adequate surplus staffing, even a modest number of absences can bring shift strength down to the minimum threshold, straining resources and increasing workload on remaining personnel.

In addition, staffing beyond the minimum supports important agency goals, including proactive policing, officer wellness, and professional development. A staffing model that accounts for these needs enables command staff to balance operational readiness with workforce sustainability.

Thus, while minimum staffing serves as a key analytical benchmark, effective workforce planning must consider the additional personnel required to support full agency functionality, resilience, and quality service delivery. For these reasons, POST is recommending MHPD increase minimum staffing to four officers per shift.

Survey results indicated that approximately 40% of personnel expressed dissatisfaction with the current shift configuration. Both qualitative feedback and workload analysis suggest that the existing model lacks flexibility and does not align staffing resources with peak periods of service demand.

While recognizing the constraints of staffing levels, budgets, and recruitment, POST also recommends that MHPD consider implementing a dedicated 10-hour swing shift. This shift would enhance coverage during late afternoon and evening hours—periods when call volume tends to rise and shift transitions create operational gaps. The addition of a swing shift would also relieve pressure on outgoing and incoming teams, improve continuity of service, and better align personnel deployment with actual workload demands.

A two-officer swing shift operating Tuesday through Friday (busiest four days) would help mitigate the busiest hours of the day and alleviate delays in response during the shift change in the evening.

Recommendation 3.1: Based upon existing CFS, increase the minimum staff to four on each existing shift to improve service to the community and enhance the safety of officers working.

Recommendation 3.2: Consider implementing a swing shift comprised of two officers, working four, 10 hour shifts Tuesday – Friday at 1200 hours – 2200 hours.

PATROL DISTRICTING

The MHPD beat structure is comprised of three beats, each subdivided into a number of different reporting districts. MHPD management indicated the beat structure has been largely unchanged over many years despite population growth and subsequent changes. A review of calls for service by beat noted some imbalances between the workload demands for each area. This was supported by statements made by personnel during interviews indicating some patrol areas (Beat 3) were significantly busier than other areas (Figure 3.7). Further analysis showed this imbalance was most noted between the hours of 0700 and 1900 (Figure 3.8).

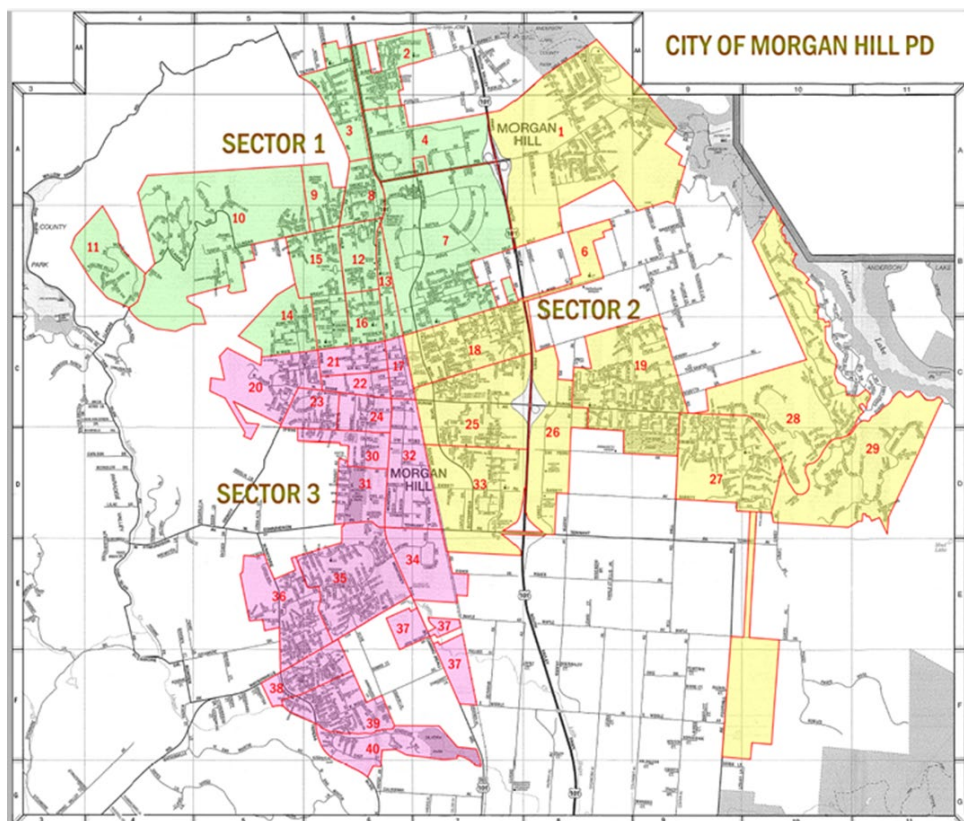


Figure 3.7 MHPD beat map

POST recommends developing new beat maps for officers to address an unbalanced workload and delivery of services to the community. The demand for police services typically will increase in both volume and complexity as growth in residential and commercial areas expands. Without accounting for projected growth, beat boundaries may quickly become even more imbalanced, leading to uneven workloads, slower response times, and reduced community engagement in rapidly developing areas. Incorporating growth forecasts in redistricting will allow MHPD to design flexible, scalable beats that can adapt to future changes in population, infrastructure, and service needs—ultimately supporting more equitable and efficient policing.

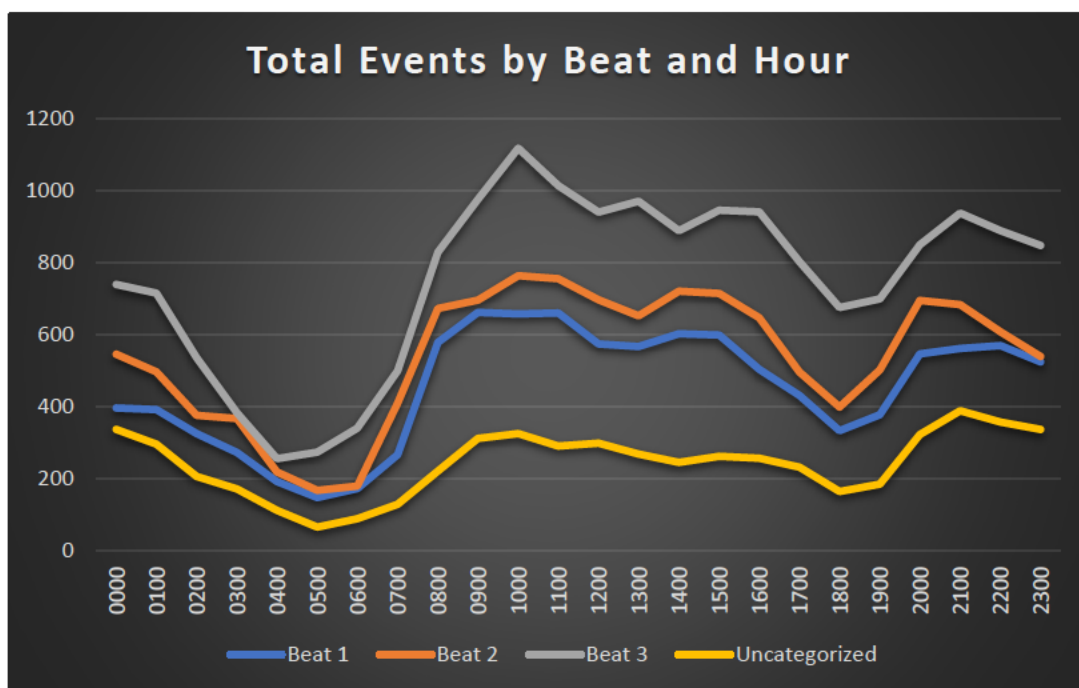


Figure 3.8: Breakdown of CFS by hour of the day and MHPD beat*

*The MHPD data included CFS that reflected an uncategorized beat for location of call. Figure 3.8 accounts for those calls as they are significant. Figure 3.9 reflects the uncategorized calls but evenly distributed at the respected ratios of the categorized CFS.

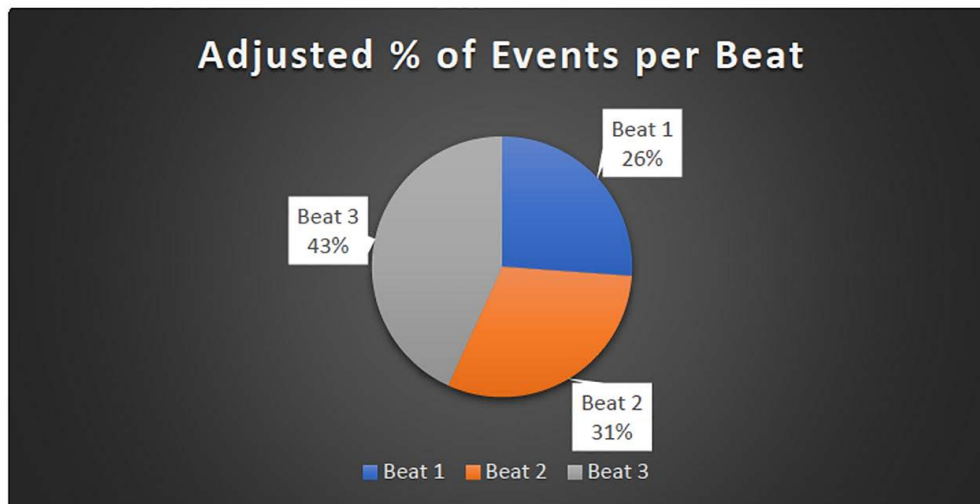


Figure 3.9: Adjusted percentage of events in each MHPD beat*

*The MHPD data included CFS that reflected an uncategorized beat for location of call. Figure 3.8 accounts for those calls as they are significant. Figure 3.9 reflects the uncategorized calls but evenly distributed at the respected ratios of the categorized CFS.

Recommendation 3.3: Consider redesigning beat maps to meet the current and anticipated growth in calls for service as well as creating an equitable workload for assigned officers.

SPECIAL EVENTS

The City of Morgan Hill hosts a wide array of community events each year that require a law enforcement presence. More than 20 of these events mandate sworn police staffing on overtime, while numerous other gatherings involve patrol officer attendance as call volume permits. In 2024 alone, MHPD personnel logged approximately 957 hours at special events, highlighting the significant resource demand placed on the agency.

A comprehensive city policy exists to guide the department's role in evaluating and supporting special event applications. However, the timing and frequency of these events create uneven impacts across patrol shifts. For instance, when a mandatory event falls on a Saturday afternoon, one particular shift often bears the burden, as night shifts are either ending or beginning their tours, and the alternate day shift is still obligated to maintain normal patrol duties. This asymmetry in scheduling leads to increased operational strain on specific teams (dispatch personnel and special events is specifically addressed in Chapter 5).

Survey responses indicate that staff generally view current overtime levels as appropriate, with most expressing a desire to maintain the status quo—neither seeking

more nor less overtime. Nonetheless, the City is exploring the addition of more community events, which may increase demand on police resources and challenge current staffing capacities.

The responsibility for special event planning and coordination currently rests entirely with the Investigations Sergeant, who serves as the sole point of contact for the permit process, coordination, and site reconnaissance. While the Sergeant has fulfilled this role diligently, he has acknowledged that these duties detract significantly from his ability to lead and supervise the Investigations Unit effectively. Furthermore, there is no active succession plan or task delegation in place, despite his upcoming retirement.

To ensure long-term sustainability, the department should prioritize succession planning and consider redistributing event-related responsibilities among other personnel. Opportunities may exist to partner with external agencies—such as the Sheriff's Office—or to pursue a Memorandum of Understanding (MOU) to share regional resources for event coordination. A key strategic recommendation is to consider transitioning the special events coordinator role to a non-sworn professional staff member. This adjustment would preserve sworn supervision capacity in Investigations while professionalizing and stabilizing event logistics support.

Recommendation 3.4: Consider creating or reassigning a professional staff employee to special event planning and coordination.

CHAPTER 4: INVESTIGATIONS

The Investigations Unit plays a critical role in advancing the mission of any police agency. While patrol officers serve as the initial responders to incidents, the complexity and scope of many crimes often require specialized follow-up beyond the capacity of frontline personnel. Investigative units are responsible for bridging this gap—conducting thorough follow-up investigations, developing leads, identifying suspects, collecting and analyzing evidence, and ultimately preparing cases for successful prosecution. MHPD patrol officers are expected to pursue investigative leads as far as they are capable. When all reasonable investigative leads are exhausted, the cases are turned over to their investigation unit.

A well-functioning investigations unit not only supports the prosecution of criminal offenders but also contributes to crime prevention, victim support, and public confidence in the justice system. MHPD Detectives typically handle a broad range of cases including property crimes, violent offenses, domestic violence, sexual assaults, financial crimes, and other specialized investigations. In addition to these core responsibilities, investigators often collaborate with allied agencies, prosecutors, and community stakeholders to address emerging crime trends and enhance public safety outcomes.

As part of this management study, POST consultants conducted a detailed review of the Investigations Unit. Areas of inquiry included day-to-day operations, staffing and selection processes, case management procedures, and the intake, assignment, and closure of investigations. Inquiries into case clearance rates, arrests, cases declined, and search warrants issued were unavailable due to the limitations of a dated records management system (RMS). Limitations in the previous software did not allow for the production of historical case clearance rates, cases declined by prosecutors, or counts of search warrants. A new RMS was nearing installation for MHPD and in the future should be able to provide such information.

Any survey data specific to investigations were gathered from individuals who self-identified as having current or former investigative experience within the department.

PERSONNEL SELECTION

MHPD management has implemented a structured and transparent process for selecting personnel for investigative assignments. This process includes submitting a letter of interest, obtaining a supervisor's recommendation, participating in an oral interview panel, undergoing a personnel review, and final evaluation by command staff. According to management, the process is perceived as fair and equitable—an assessment that is supported by survey responses, the majority of which reflected confidence in the selection methodology.

As is common in many agencies, MHPD employs a mandatory rotation model for investigative assignments. Detectives are initially assigned for a two-year term, with the

option for up to two one-year extensions based on mutual agreement between the employee and leadership. During the POST site visit, several investigators—including the investigative supervisor—were approaching the end of their rotations, raising concerns about the potential loss of institutional knowledge. While transitioning multiple senior personnel simultaneously is less than ideal, MHPD's approach reflects a broader commitment to developing well-rounded officers and ensuring broad organizational experience.

INVESTIGATIVE OPERATIONS

The Investigations Unit is under the command of the Special Operations Captain, who also holds collateral oversight responsibilities for other functions within the department. Day-to-day supervision of the unit is assigned to the Special Operations Sergeant, whose primary duty is investigative supervision; however, the Sergeant also serves as the department's primary contact for special event permits, which can impact on the time available for direct investigative oversight.

The unit includes one Corporal who performs investigative duties and assumes some limited supervisory responsibilities. Five detectives, in addition to the Corporal, are assigned to conduct general investigations in support of the City's public safety needs. Detectives are typically assigned to specific focus areas—such as property crimes or domestic violence—but are expected to conduct investigations outside of their primary assignment when necessary.

Historically, MHPD has participated in regional task forces; however, staffing limitations and budgetary constraints have made it difficult to maintain consistent involvement in these collaborative efforts.

Staff interviews indicated that routine case reviews, or “biopsies,” are not currently conducted to assess the quality and completeness of investigations. POST encourages the Special Operations Captain to implement a formal case review process. This should involve the periodic evaluation of randomly selected closed cases—from initial report to final disposition—to ensure compliance with department policy, investigative standards, and documentation best practices.

A commonly noted area for improvement within the Investigations Unit is the absence of a dedicated crime analyst. Staff emphasized the potential value such a role would bring to supporting case development, trend identification, and resource allocation. This recommendation is further discussed in Chapter 8 – Crime Analysis.

Recommendation 4.1

Create or amend a policy requiring a manager to formally review a random selection of completed cases to ensure policy, procedures, reporting requirements, and best practices are followed during all stages of investigations.

Recommendation 4.2

Begin integrating relevant case information analysis and reporting to staff once the new records management system is in place.

CHAPTER 5: DISPATCH

Dispatch Centers serve as the communication hub that coordinates responses to emergencies and incidents in law enforcement agencies. Dispatchers often provide the first contact and impression for police agencies to the public. They ensure rapid and efficient resource allocation, enhance officer and public safety, and provide critical guidance during emergencies. By maintaining 24/7 operations, managing officer responses, and coordinating with multiple agencies, dispatch centers are the lifeline for a community's response in emergency situations.

MHPD serves as a primary Public Safety Answering Point (PSAP). As a PSAP they receive and process 9-1-1 emergency calls from the public and dispatch appropriate emergency services, such as police, fire, or medical responders. Calls that require a fire response are transferred to the fire service in Morgan Hill by MHPD dispatchers.

DISPATCH OPERATIONS

MHPD currently employs nine full-time dispatchers and two per diem (part-time) dispatchers, overseen by one Dispatch Supervisor. The minimum staffing requirement is two dispatchers at any one time. While there are still times when a dispatch supervisor is not present, it is nonetheless a reasonable span of control in light of the limited number of personnel assigned to dispatch. Typically, one dispatcher will staff the incoming emergency and non-emergency public calls while the other dispatcher will be responsible for radio communication with the field.

DISPATCH POSITIONS	AUTHORIZED	ACTUAL
Support Services Manager	1	1
Dispatch Supervisor	1	1
Dispatchers (F/T)	9	9
Dispatchers (P/T)	2	2

The staffing model utilizing a minimum staffing of two dispatchers creates several complications for staff. Dispatchers often work extended hours without scheduled breaks, negatively affecting wellness and job satisfaction.

In addition to expanding dispatch staff, redistributing certain responsibilities could help further alleviate workload pressures. Tasks such as SVS (Stolen Vehicle System) entries, missing persons reports, and warrant checks could be reassigned to the records department during regular business hours, with those responsibilities returning to dispatch during nights, weekends, and holidays. This shift would improve overall efficiency and ensure dispatchers can focus on time-sensitive emergency communications when staffing is leaner.

MHPD Dispatchers, supervisors and manager each voiced the need to increase staffing and raise the minimum staffing level to three dispatchers per shift. This adjustment would directly address several challenges, including the lack of scheduled breaks that will allow dispatchers to leave the secure facility. Currently, staff must work long hours without the opportunity for adequate rest or outdoor breaks, which negatively impacts overall wellness and long-term job satisfaction.

Statewide, public safety dispatchers are struggling. Across California, many centers are dealing with burnout, excessive overtime, and insufficient staffing. Adding just two more positions would not only ease the burden on the current team but also help ensure that critical public safety operations continue to function smoothly during emergencies, vacations, or sick leave. With an increase in staffing, the department could implement regular break rotations, provide better support during surges in call volume, and maintain a backup dispatcher during events or critical incidents.

Another area of concern is the need for an additional supervisor position. At present, the dispatch unit relies on a single supervisor whose workload is substantial. Adding a second supervisor would provide much-needed leadership coverage during evenings and nights, enhance staff support, and ensure continuity during the current supervisor's absence due to illness or vacation. This role could also share administrative duties, such as writing annual performance evaluations and handling District Attorney requests that currently fall on one person. Moreover, there are team members who have shown interest in promotion, indicating a healthy internal pipeline for leadership development.

The recent staff survey revealed recurring themes that align with these proposed changes. Many dispatchers described frustration with outdated technology, inconsistent communication between dispatch and patrol, and a general lack of transparency from leadership. Others expressed concern over training gaps, noting that some tools are introduced without proper instruction, leaving staff to learn via trial and error. These operational challenges, combined with high workloads and stagnant staffing levels, contribute to morale issues and inefficiencies that could be addressed through the proposed adjustments.

Overwhelmingly, survey responses indicate the working relationship between field personnel and dispatchers is positive. However, respondents also highlighted a desire for a more cohesive working environment—one that fosters collaboration, promotes professional development, and supports staff through changes. While many praised the resilience and dedication of their team, they also emphasized that such qualities should not be taken for granted. As one employee noted, “We get the job done with what we have available,” underscoring the risk of burnout in an already stretched system.

SPECIAL EVENTS

Survey respondents indicated special events were a particular area of concern for dispatch. While dispatch respondents indicate they are generally prepared to support special events, over 70% indicate dispatchers were “rarely” or “never” consulted prior to a special event. This likely could be improved by including a dispatch representative in the preplanning of an operation or special event to ensure proper staffing and preparation.

The MHPD dispatch team has remained committed and professional despite increasing demands and limited resources. To maintain service quality, support staff wellness, and prepare for continued growth, the City should seriously consider expanding dispatcher positions, reassigning certain duties to the records division, and creating an additional supervisor role. These changes would not only enhance the efficiency of the communications center but also ensure a sustainable and supportive work environment for the people who serve as the first point of contact in public safety.

Recommendation 5.1:

Redistribute some administrative tasks such as SVS entries, missing persons reports, and warrant checks to the records department during regular business hours, with dispatch resuming these duties when records are absent.

Recommendation 5.2:

Create an additional supervisor role to support the dispatch unit.

Recommendation 5.3:

Increase dispatcher staffing to a minimum of three on-duty as often as possible.

Recommendation 5.4:

Ensure a dispatch representative is consulted and included in the planning of an operation or special event.

CHAPTER 6: PROPERTY & EVIDENCE

The property and evidence function is a critical component of law enforcement operations and plays a central role in the integrity of the criminal justice process. Managing this function has become increasingly complex due to evolving legislative mandates, the handling and storage of hazardous materials, the protection and preservation of biological and DNA-related evidence, and the need to maintain strict security and chain of custody protocols. Failure to properly manage property and evidence can jeopardize criminal prosecutions, expose the agency to civil and criminal liability, and erode public trust.

To ensure the integrity and efficiency of this function, agencies must implement clear, well-defined policies and procedures for the submission, storage, and retrieval of evidence and property. Executive and managerial personnel bear the responsibility of supporting the function through adequate resourcing—this includes establishing a sufficient budget, providing appropriate storage infrastructure, and ensuring that staff receive both initial and ongoing specialized training.

Key priorities for an effective property and evidence operation include staff safety, facility security, and the ability to accurately catalog, track, and audit all items. These elements are essential to minimizing liability, safeguarding the chain of custody, and enhancing the credibility and legal defensibility of the agency.

POST PROPERTY & EVIDENCE MANAGEMENT AND AGENCY SELF-EVALUATION GUIDE

To assist agencies with the management of evidence and property, POST developed, published, and distributed to California law enforcement agencies the Law Enforcement Property & Evidence Management Guide. The 4th Edition (2022) of the guide is available for downloading on the POST website at:

[POST Property & Evidence Management Guide, 4th Edition](#)

POST has developed a related agency self-evaluation guide that is designed to be used in conjunction with the management guide. The 4th Edition (2022) of the self-evaluation guide is available for downloading on the POST website at:

[Law Enforcement Evidence & Property Function - Agency Self-Evaluation, 4th Edition](#)

PROPERTY & EVIDENCE STAFFING AND TRAINING

POST guidelines discourage the routine transfer of staff assigned to property and evidence functions. Instead, it is recommended personnel develop a high degree of technical expertise through training, networking and experience that reflects this critical function for law enforcement.⁵

MHPD has a dedicated Property Technician specifically assigned to this core function. Additionally, a backup individual has been designated for the Property Technician.

Staff members in the Property and Evidence section indicated they have had networking opportunities associated with membership through the California Association for Property & Evidence (CAPE) as well as local Santa Clara County agency group.

PROPERTY & EVIDENCE POLICY AND OPERATIONS

POST Consultants conducted a broad review of the Property & Evidence areas at MHPD. Property & Evidence is organized and regulated through policy 810 of the MHPD Policy Manual. The policy is clear and lays the foundation for the overall function of this area.

The review of policy did note the absence of language addressing Penal Code 18005(e) which requires every law enforcement agency to develop and maintain a written policy regarding the destruction of firearms. The agency shall make that policy available on its website. This is a recent requirement that was effective January 1, 2025. (see Recommendation 1.3).

All evidence was secured in a single location with appropriate tracking mechanisms in place. Items of high priority including firearms, cash and narcotics were secured behind electronic locking mechanisms with tracking logs.

Policy 810.8 (c) indicates that an annual audit of evidence held by the Department shall be conducted by a Division Captain. In practice, the last complete audit of MHPD evidence occurred in 2022. However, staff did indicate an ongoing and rotational audit of firearms, narcotics and money does occur.

The area utilized by MHPD staff to process evidence, including narcotics, was clean and organized. Most necessary items appeared to be available for safe and effective evidence packaging. One exception, however, was the absence of any air filter or negative air pressure area specific to narcotics processing.

Overall, the Property and Evidence section of MHPD appeared to be in exceptional condition. The necessary sign-in logs were appropriately used, the area was neat and

⁵ (California Commission on Peace Officer Standards and Training, 2022)

organized, and the attention to detail was evident. Staff should be commended for the high level of dedication the condition of the Property and Evidence section demonstrated.

Recommendation 6.1:

A full annual audit by a Captain should be conducted as per policy 810.8 (c).

Recommendation 6.2:

POST encourages MHPD to explore mobile or stationary air filtration or exchange systems available. They are designed to help mitigate exposures to harmful chemicals or narcotics that employees may become exposed to during the course of their duties.

EMERGENCY AND DISASTER PLANNING

POST encourages a written directive addressing procedures to ensure the continuation of the evidence/property function in the event of an emergency or a disaster. The directive should include identification of a temporary alternate site to be used if evidence/property, including biological evidence, must be moved from the existing facility.

Currently, no procedures or plans are in place for MHPD accommodating the removal, transportation, and relocation of personnel and all property/evidence items in the event of an evacuation, including a method for tracking each item.

Recommendation 6.3:

MHPD's policy and/or emergency operations plan should designate an alternate evidence/property site that includes ample room and security to accommodate the evidence/property function for an extended period. A tracking system should be in place to ensure all evidence/property is accounted for during removal, transportation, and relocation. Security measures should be considered during the transport to alternate sites.

CHAPTER 7: RECORDS

In law enforcement the Records management function has a critical role in today's police agencies. Proper management of records helps ensure legal compliance and accountability while simultaneously maintaining the integrity of evidence, supporting proper criminal filings, and safeguards the agency against legal risks. Effective records management also encourages transparency and public trust by ensuring accurate documentation and prompt fulfillment of public records requests. The Records sections are responsible for the mandatory reporting of specific records to federal and state agencies. It provides valuable data for analyzing trends and improving law enforcement strategies. Effective policies and procedures must be established to efficiently manage the law enforcement records function.

POST consultants conducted a broad evaluation of the records bureau at MHPD but did not perform an in-depth analysis.

POST RECORDS MANAGEMENT AND SELF-ASSESSMENT GUIDE

Because it is a critical function within most law enforcement organizations, POST publishes the Law Enforcement Records Management Guide to supplement in person training for supervisors and managers of Records divisions. The purpose of the Guide and the accompanying self-evaluation document are to assist agencies in developing standardized guidelines for the management of the law enforcement records function, detailing best practices for the receipt, storage, and disposition of records maintained by the agency, and conducting evaluations of these systems.

The 6th Edition (2022) of the Records Management Guide is available for downloading on the POST website at:

[POST Records Management Guide \(6th Edition\)](#)

POST has developed an agency Records Function self-evaluation guide which is designed to be in conjunction with the Records Management Guide. The self-evaluation guide is available for downloading on the POST website at:

[POST Law Enforcement Records Function - Agency Self-Evaluation \(2022\)](#)

Staff advised POST consultants that they have not previously used the POST Records Management Guide or Self-Evaluation instrument to assess the records function.

AGENCY EVALUATION - RECORDS

The Records Bureau of MHPD is staffed by personnel in the Records Specialist, Records Supervisor and Support Services Manager job classifications. Two Police Cadets also serve in a supplemental staffing role for the Bureau. The span of control and supervision in the Records Bureau is reasonably aligned with the responsibilities of staff.

RECORDS BUREAU POSITIONS	AUTHORIZED	ACTUAL
Support Services Manager	1	1
Records Supervisor	1	1
Records Specialist	4	4

The Records Bureau is open during most typical business hours and the official schedule for the public can be found on the department website. Records personnel are responsible for staffing the public counter during business hours, administering fingerprinting services, and processing day-to-day requests, such as the release of impounded vehicles, citation signoffs, and assisting visitors with paperwork.

Records staff have no operational role in assisting dispatchers running active records checks for officers.

RECORDS OPERATIONS

The Custodian of Records for MHPD is the Support Services Manager.

MHPD Policy 808 describes the maintenance and release of records. Staff indicated the process of reviewing, acknowledging, and complying with CAPRA (California Public Records Act) requests was effective. Although a backlog of purgeable records was present, a formal process was in place for record destruction including the use of a signed records destruction form.

Staff were asked about site security and advised that the records area is closed and secured from the public. During the site tour with MHPD staff, Consultants were able to observe the Records Bureau location and found no obvious concerns regarding security.

Recommendation 7.1

Consider staffing swing shift records position to increase the efficiency of purging records and other tasks. Additionally, the position could be considered for supplemental dispatch tasks such as records checks, entries of stolen vehicles, vehicle tow

JOB SPECIFIC TRAINING AND ORIENTATION

The Record Specialist classification is the journey level position in the Records Bureau. Despite the increased degree of skill required in this position, no formal training program is in place. The Records Supervisor is responsible for the training and oversight of new Records Specialists.

The Records Supervisor and Support Services Manager have completed both a POST Records Supervisor course and a course on the Public Records Act (PRA).

RECORDS BUREAU PROCEDURE MANUAL

MHPD Policy 806.3.3 establishes a procedure manual for use in the Records Bureau. Records staff indicated the procedure manual was helpful but had become outmoded and needed to be updated to meet contemporary standards.

Recommendation 7.2

MHPD should update and utilize the records procedural manual. The manual could then be utilized as part of a formal training program for Records Specialists. Consideration can be given to the POST Records Management Guide as being a template or resource for an updated procedural manual.

MANDATORY STATISTICAL REPORTING

MHPD Policy 806.3.2 describes the compliance responsibilities for statistical reporting conducted by the Records Bureau. Staff indicated they were able to meet compliance targets for reporting on a regular basis.

CHAPTER 8: CRIME ANALYSIS

Crime Analysis is one of the most effective “force multipliers” available to contemporary law enforcement. A Crime Analysis program can successfully augment staff resources in both patrol and investigations through the delivery of timely intelligence data which serves to focus those policing efforts. Crime Analysis can be a highly specialized assignment and personnel with degrees and professional certifications in Crime Analysis can further enhance an agency’s ability to respond to citizen needs.

A properly managed Crime Analysis program will be able to provide an abundance of statistical information and be capable of performing trend analysis based upon a variety of sources. POST offers one caution: a Crime Analyst will often work with the same statistical data that provides the basis for workload indicators for personnel, a department should not saddle the analyst with the primary job of collecting this data for that purpose. To do so would undercut the primary mission of the Analyst – the detailed review of intelligence data to discern crime trends and hot spots.

POLICY AND PRACTICE OF CRIME ANALYSIS

At MHPD, the crime analysis function is currently limited to strategic and administrative analysis. Strategic analysis is primarily focused on long-term, aggregated crime data to support trend identification, hot spot detection, and problem-oriented analysis. Administrative analysis is used to inform internal decision-making, evaluate agency performance, and support accountability measures.

Absent from MHPD’s crime analysis function is tactical crime analysis—an essential component that provides actionable insights into the behaviors, patterns, motives, and associations of offenders and their networks. Tactical analysis is especially valuable to support patrol deployment and investigative efforts, enabling real-time or short-term operational responses.

According to Policy 800, the Support Services Manager is designated as the individual responsible for overseeing the crime analysis program. In practice, this role is also the sole contributor to the function. As a member of the agency’s command staff, the Support Services Manager has limited availability to perform comprehensive crime analysis duties alongside other high-level responsibilities.

POST strongly recommends that MHPD designate a dedicated professional staff position specifically for crime analysis. Doing so would enhance the agency’s ability to deliver timely, actionable intelligence to patrol and investigations, and would allow for a more robust and balanced crime analysis program that supports both strategic planning and daily operations. As a secondary outcome, the plan would provide increased opportunities for professional staff.

Recommendation 8.1:

Hire or assign a professional staff member specifically trained in crime analysis to support patrol, investigations, and administrative functions. Provide ongoing professional development and access to analytical software (e.g., mapping, link analysis, and data visualization tools) to enhance capabilities and efficiency.

Recommendation 8.2:

Integrate tactical crime analysis to provide timely, offender-focused intelligence that supports active investigations and patrol deployment decisions.

Recommendation 8.3:

Create a written crime analysis plan outlining roles, data sources, deliverables, and reporting timelines for strategic, tactical, and administrative analysis.

CONCLUSION

The Morgan Hill Police Department is a fundamentally sound law enforcement agency. The recommendations contained in this report are presented as opportunities to assist the MHPD in becoming more efficient and effective in delivering services to the citizens of Morgan Hill. Throughout the assessment process, POST staff observed a high degree of professionalism, dedication, and pride among MHPD personnel. Employees consistently expressed a strong sense of camaraderie and a shared commitment to the agency's mission.

POST thanks Chief Palsgrove and all of his dedicated staff for their commitment to the profession of law enforcement and their efforts in serving their community.

The MHPD Management Study Survey Responses can be reviewed at <https://www.morganhill.ca.gov/DocumentCenter/View/56082/Morgan-Hill-PD-Study-Survey> .



Morgan Hill Police Department

POST Management Study Results

December 17, 2025



Staffing Study Overview

Study Facilitator

- Commission on Peace Officer Standards and Training (POST)
- Recommendations given serve as a foundation for dialogue and as a starting point for future policy development to better meet the evolving needs of police departments and the communities they serve.

Police Department – Review of All Divisions

- Administration (Police Chief, Administration Team)
- Patrol Operations (Field Operations, Police Officers)
- Investigations (Special Operations, Detectives)
- Support Services (Dispatch, Property & Evidence, Records)
- Crime Analysis (Data)

Methodology

To conduct the organizational review, POST employed the following methodologies:

- Staff interviews
- Site assessment
- Employee survey
- Review of departmental documents

In addition to primary survey data, the study incorporated secondary research. This included:

- A review of California POST standards, including training curricula, supervisory guidelines, and leadership development frameworks.
- Comparative practices from other California state and local law enforcement agencies were also analyzed to contextualize recommendations.

All survey data were aggregated and analyzed for patterns, trends, and outlier themes. Open-ended responses were thematically coded to extract common insights.



Who is MHPD?

43 Sworn Officers (as of April 2025)

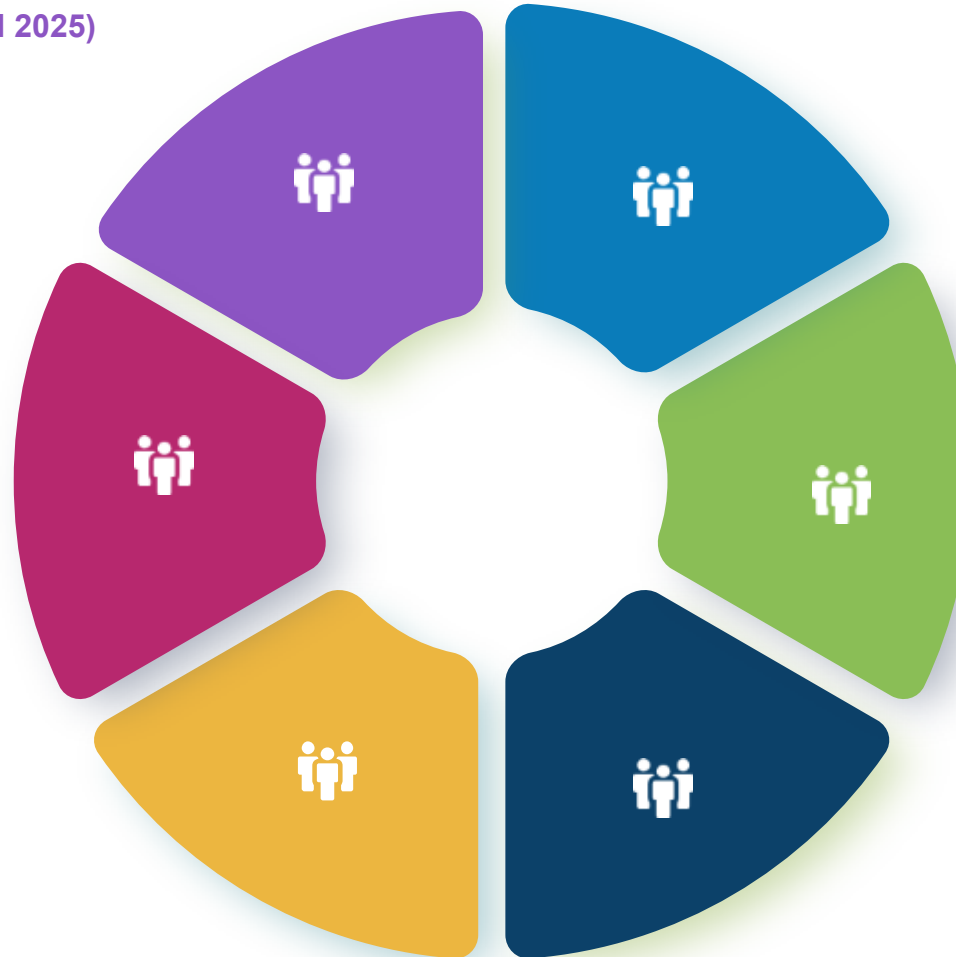
Chief, Captains, Sergeants,
Corporals, Police
Officers/Detectives

6 Non-Sworn Officers

Animal Services Officer,
Community Services Officer, Multi-
Service Officers

10 Dispatchers

Dispatcher Supervisor,
Dispatchers



5 Records Specialists

Records Supervisor, Records
Specialists

1 Property & Evidence

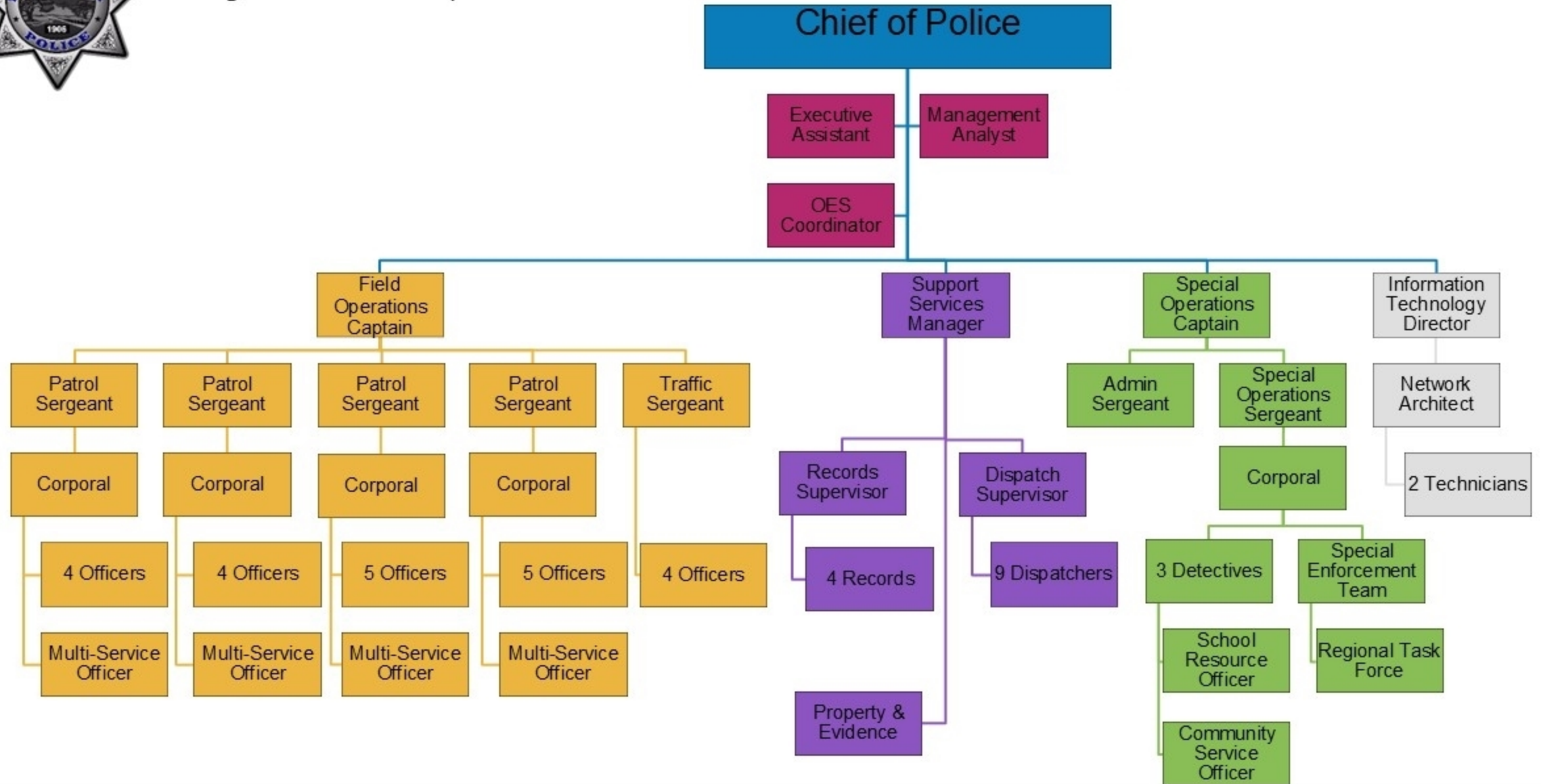
Property & Evidence Technician

8 Professional Staff

Support Services Manager,
Executive Assistant,
Management Analyst, OES
Coordinator, IT Director, IT
Network Architect, IT Technicians



Morgan Hill Police Department



Study Recommendations

- Study recommendations were given for each division of the police department addressing:
 - Span of control
 - Position responsibilities
 - Resource alignment
 - Staffing levels
 - Deployment strategies



Recommendations

Organization and Administration

- **Recommendation:** POST recommends **eliminating the position of Corporal** from the organizational structure of MHPD. The rank creates unnecessary ambiguity and complexity of front-line supervision.
- **Recommendation:** Consider **creating a Lieutenant position** at MHPD to increase the management of supervisors, provide supervisory support in the absence of Sergeants, and alleviate some managerial duties of the Captain rank. With the presence of Lieutenants, it is also likely the two existing Captain positions could be consolidated into one.

Recommendations

Patrol Operations

- **Recommendation:** Based upon the existing calls for service, **increase the minimum staff** to four on each existing shift to improve service to the community and enhance the safety of officers working.
- **Recommendation :** Consider implementing a **swing shift** comprised of two officers, working four, 10-hour shifts Tuesday – Friday at 1200 hours – 2200 hours.

Recommendations

Patrol Operations (continued)

- ***Recommendation:*** Consider ***redesigning beat maps*** to meet the current and anticipated growth in calls for service as well as creating an equitable workload for assigned officers.
- ***Recommendation:*** Consider ***creating or reassigning a professional staff employee to special event planning and coordination***.

Recommendations

Dispatch

- ***Recommendation:*** Create an **additional supervisor role** to support the dispatch unit.
- ***Recommendation:*** Increase staffing to a **minimum of three on-duty dispatchers** as often as possible.

Recommendations

Property & Evidence

- **Recommendation:** POST encourages MHPD to explore mobile or **stationary air filtration or exchange systems** available. They are designed to help mitigate exposures to harmful chemicals or narcotics that employees may become exposed to during the course of their duties.
- **Recommendation:** MHPD's policy and/or emergency operations plan should designate an **alternate evidence/property site** that includes ample room and security to accommodate the evidence/property function for an extended period. A tracking system should be in place to ensure all evidence/property is accounted for during removal, transportation, and relocation. Security measures should be considered during the transport to alternate sites.

Recommendations

Crime Analysis

- ***Recommendation:*** Hire or assign a professional staff member specifically trained in **crime analysis to support patrol, investigations, and administrative functions**. Provide ongoing professional development and access to analytical software (e.g., mapping, link analysis, and data visualization tools) to enhance capabilities and efficiency.

Next Steps/Priorities

Phase 1:

Recruit and fill vacant positions

- *Reinstate Traffic Division*
- *Reinstate Regional Auto Theft Task Force Position*

Expected Outcomes: Increased investigative capacity, improved regional collaboration, receive task force revenue reimbursement, and staffing to assist with planning and staffing of community events.

Next Steps/Priorities

Phase 2:

Establish Patrol Swing Shift Team

- 10-hour shifts, Tuesday–Friday, 1200 - 2200 hours

Expected Outcomes: Enhanced coverage during busy periods, reduced response times, reduced overtime, improved officer wellness, increased case follow-up capacity, allow time for patrol briefings, and increased proactive enforcement during peak hours.

Conclusion

- The Morgan Hill Police Department is a fundamentally sound law enforcement agency.
- The City is facing a projected General Fund structural deficit, which requires careful evaluation of all resource needs, including public safety staffing, within the broader fiscal context.
- Aligning the POST recommendations with available funding, community priorities, and the City's long-term financial strategy will be essential.



Questions?

CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2025

PREPARED BY:

Edith Ramirez, Assistant City Manager

APPROVED BY: City Manager

ADOPT PUBLIC ART MASTER PLAN

RECOMMENDATION(S)

Adopt the 2025 Public Art Master Plan.

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community

Preserving and Cultivating Public Trust

Preserving our Community History

Enhancing Diversity and Inclusiveness

2024-2025 Strategic Priorities

Community Engagement

Economic Development and Tourism

Healthy Community

Guiding Documents

Communications, Outreach, and Engagement Plan

Economic Blueprint

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

The City of Morgan Hill Public Art Master Plan (Plan) is a strategic document that guides the development, integration, and management of public art. It is a framework for how public art will contribute to the community's vision and goals. Art is public when it is located outdoors or in public buildings and is accessible to the public. Artworks can take the form of paintings, murals, sculptures, installations, and even performances. The purpose of public art is to allow residents to experience art in everyday environments.

The City's Library, Culture and Arts Commission (LCAC)'s 2025 annual work plan approved by the City Council included the creation of a Public Art Master Plan. Community outreach for this effort included community, LCAC, and Planning Commission workshops, online surveys, targeted outreach to the schools, youth groups, art groups and businesses. LCAC led three interactive outreach activities: a Youth Postcard Survey, a Quilt of Ideas, and a "Let's Chalk Art" chalk wall. This outreach,

coupled with the City's newsletter, website, email notices, flyers, social media posts and newspaper articles resulted in extensive input from a wide range of community members.

Through community outreach, staff developed the goals and priority locations that provide the framework for policy, decision-making, public investment, and alignment of financial and staff resources to focus on efforts that will grow the visual arts in the City of Morgan Hill. City leaders and administrators, community members and artists, developers and art investors can use the Plan to inform their public art initiatives.

About the Public Art Master Plan

The Plan outlines a vision grounded in key pillars of public art and community development. It provides guidance on goals, strategies, and locations for public art investment. Through the Plan's Vision and Goals, Objectives, and Strategies, artists see how the City intends to enhance the character and quality of life in the community through public art. Below are the key elements of the Plan:

Vision: The Public Art Master Plan envisions a community where art transforms our shared spaces, celebrating our unique identity and rich diversity. Through public art, we foster deeper connections, enhance community well-being, ignite curiosity, and fuel a thriving local economy.

Goals:

1. Build Community Pride Through Connection and Belonging
2. Cultivate Vibrancy by Honoring Heritage and Diversity while Embracing Creative Expression and Inspiring a Bold Vision for Morgan Hill's Future
3. Increase Public Appreciation, Knowledge, and Access to Art
4. Ensure Sustainability and Effective Management of the Public Art Program
5. Celebrate Downtown as the Heart of the Community and the City's Cultural Hub

Priority Locations: To strategically integrate public art into its urban fabric, six high impact locations have been identified as priority locations for public art investment:

1. **City Facilities:** Aquatics Center, Outdoor Sports Center (OSC), Civic Center, Centennial Recreation Center (CRC), and Community and Cultural Arts Center (CCC);
2. **Downtown;**
3. **Gateways;**
4. **Urban Corridors:** Main Avenue (Civic Center to Live Oak High School), Monterey Road, and Butterfield Boulevard;
5. **City Parks;** and
6. **Trails:** West Little Llagas Trail and Madrone Channel Trail.

Unique Opportunity Sites: In addition to the priority locations for art, unique opportunity sites offer future public art installations. The top five opportunity locations are:

1. The Downtown Alley (between Sushi Confidential and The Hill);
2. The Morgan Hill Courthouse;
3. Water Tanks/Towers;
4. A new Downtown Gateway Sign; and
5. The Monterey Road Union Pacific Rail Road Overpass.

Conclusion:

The Morgan Hill Public Art Master Plan provides a framework to guide the development, integration, and management of public art. The Plan aims to create art that strengthens Morgan Hill's sense of identity and collective pride by thoughtfully balancing respect for the City's history and diverse culture with bold, creative expressions that inspire current and future generations. The Public Arts Ordinance (Chapter 18.78 Standards for Public Arts) that was approved in 2024 and requires new land development projects to include public art or pay an in-lieu fee, will provide funding to support the implementation of the Plan, and support the Community's social and cultural character.

COMMUNITY ENGAGEMENT:

The Public Art Master Plan received input from local artists, community members, city staff, and LCAC. To ensure the widespread participation of the community, the outreach process utilized various methods to gather public feedback. Opportunities for engagement were designed to maximize public input by reaching stakeholders in places they live, work, and recreate. A community survey was widely distributed to understand the community's aspirations and values for the Public Art Master Plan. The survey was distributed via flyers with QR codes, it was hand-delivered to local businesses and via the City's 411 Newsletters and website. The outreach was done in English and Spanish. A total of 118 people filled out the survey.

In addition to the online survey, LCAC hand-delivered postcard surveys to Live Oak High School, Ann Sobrato High School, Britton Middle School, Voices Charter School, the El Toro Boys and Girls Club, and CRC Teen Center. The postcard featured space for youth to share their opinion about the type of public art they wanted to see in Morgan Hill.

Community engagement included two formal community workshops and presentations before the LCAC and Planning Commission. Pop-up informational tables were set up at several places, including the Farmers Market, Park Place apartment complex, Magical Bridge Playground, Open Streets event and at National Night Out. Dedicated outreach was done for cultural, art and community organizations, including schools, faith-based institutions, and youth sports groups.

LCAC supported three interactive outreach activities: a Youth Postcard Survey which was delivered to local schools and targeted youth voices, a Quilt of Ideas where community members used post-its to share their thoughts on public art, and finally, a "Let's Chalk Art" chalk wall that was designed and built specifically for the Public Art Master Plan and was placed in the front lobby of the Centennial Recreation Center and

at the Morgan Hill Library. The chalk wall prompted people to draw or write the kinds of public artwork they would like to see in Morgan Hill.

ALTERNATIVE ACTIONS:

The Council may approve the Public Art Master Plan as presented or make necessary edits.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council has previously approved LCAC's work plan that included the creation of a Public Art Master Plan.

FISCAL AND RESOURCE IMPACT:

Public Art will be funded through the City's Public Art Ordinance. Other work associated with the Plan will be done in collaboration with LCAC and the Community as resources become available.

CEQA (California Environmental Quality Act):

Exempt

The Public Art Master Plan has been reviewed under the California Environmental Quality Act (CEQA). The proposed draft goals, policies, and actions are primarily programmatic and policy-level, and will not result in any direct impact upon the physical environment. Any development that occurs in the future subject to such standards will undergo an independent analysis per the requirements of CEQA. The Public Art Master Plan is covered under the certified Morgan Hill 2035 General Plan Environmental Impact Report (EIR), and no further environmental review is required pursuant to CEQA Guidelines Sections 15162 and 15183.

The EIR for the Morgan Hill 2035 General Plan was prepared in accordance with CEQA and certified by the Morgan Hill City Council on July 27, 2016 (SCH#2015022074).

City of Morgan Hill

PUBLIC ART MASTER PLAN

2025



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1. ACKNOWLEDGEMENTS

The City of Morgan Hill is very appreciative of the Library, Culture, and Arts Commission (LCAC) for their dedication to enhancing, growing, and nurturing the arts and culture in Morgan Hill and for their leadership to advance this Public Art Master Plan. In addition to the LCAC, the City wants to thank the numerous volunteers, past and present LCAC volunteers, the Planning Commission, community members, community organizations and staff for their contributions to the development of the City of Morgan Hill 2025 Public Art Master Plan.

CITY COUNCIL

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Marilyn Librers, Mayor Pro Tem

Yvonne Martinez Beltrán, Councilmember

Soraida Iwanaga, Councilmember

Miriam Vega, Councilmember

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2. PLAN IN BRIEF

The City of Morgan Hill is a community that is rich in history and character. Through thoughtful planning, the Community has managed to protect its quaint look and small-town feel, while attracting investments in innovation and entrepreneurship. Public art plays a vital role in supporting a community's identity and enhancing a sense of pride, belonging, and heritage. By weaving artistic expression into the fabric of everyday life, public art can transform spaces where the community can feel a deeper connection to their surroundings.

In 2024, the City of Morgan Hill adopted a Public Arts Ordinance (Chapter 18.78 Standards for Public Arts) that requires new land development projects to include public art or pay an in-lieu fee. By integrating art into public and private developments, Morgan Hill will enhance the aesthetic quality of the City and support the community's social and cultural character. The Morgan Hill Public Art Master Plan (the Plan) provides a framework to guide the development, integration, and management of public art. The Plan aims to create art that strengthens Morgan Hill's sense of identity and collective pride by thoughtfully balancing respect for the City's history and diverse culture with bold, creative expressions that inspire current and future generations.

Led by the City's Library, Culture, and Arts Commission (LCAC), the Plan received hundreds of inputs from feedback received at community workshops, online surveys, and targeted outreach to the schools, youth groups, art groups and at community events. The Plan outlines a vision grounded in key pillars of public art and community development. It provides guidance on goals, strategies, and locations for public art investment. City leaders and administrators, community members and artists, developers and art investors can use the Plan to inform their public art initiatives.

About the Plan

The Plan is organized in five sections: **Plan in Brief**, **Context and Overview**, **Public Art Plan Pillars**, **Public Art Framework**, and **Priority Locations and Unique Opportunity Sites**. The Plan includes four appendices. The Public Art Framework is one of two core elements of the Plan; it identifies the Plan's **Vision, Goals, Strategies and Tactics**—essentially the inspiration that will guide art types and art installations. The second core element is the section on Priority Locations and Unique Opportunity Sites which offers guidance on the locations of where public art should be prioritized. The Appendices provide additional background on the **Plan's Community Outreach**, the current **Public Art Inventory**, **Workflows** that depict the public art program process, and the City's **Guiding Documents** related to public art.

City of Morgan Hill

PUBLIC ART MASTER PLAN

Vision

The Public Art Master Plan envisions a community where art transforms our shared spaces, celebrating our unique identity and rich diversity. Through public art, we foster deeper connections, enhance community well-being, ignite curiosity, and fuel a thriving local economy.

Goals:

- GOAL 1. Build Community Pride Through Connection and Belonging
- GOAL 2. Cultivate Vibrancy by Honoring Heritage and Diversity while Embracing Creative Expression and Inspiring a Bold Vision for Morgan Hill's Future
- GOAL 3. Increase Public Appreciation, Knowledge, and Access to Art
- GOAL 4. Ensure Sustainability and Effective Management of the Public Art Program
- GOAL 5. Celebrate Downtown as the Heart of the Community and the City's Cultural Hub

Priority Locations

To strategically integrate public art into its urban fabric, six high impact locations have been identified as priority locations for public art investment:

1. **City Facilities:** Aquatics Center, Outdoor Sports Center (OSC), Civic Center, Centennial Recreation Center (CRC), and Community and Cultural Arts Center (CCC);
2. **Downtown;**
3. **Gateways;**
4. **Urban Corridors:** Main Avenue (Civic Center to Live Oak High School), Monterey Road, and Butterfield Boulevard;
5. **City Parks; and**
6. **Trails:** West Little Llagas Trail and Madrone Channel Trail.

Unique Opportunity Sites

In addition to the priority locations for art, unique opportunity sites offer future public art installations. The top five opportunity locations are:

1. The Downtown Alley (Between Sushi Confidential and The Hill);
2. The Morgan Hill Courthouse;
3. Water Tanks/Towers;
4. A new Downtown Gateway Sign; and
5. The Monterey Road Union Pacific Railroad Overpass.

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3. CONTEXT AND OVERVIEW

Purpose of Public Art Master Plan

The purpose of the Public Art Master Plan (Plan) is to provide the framework for policy, decision making, public investment, and alignment of financial and staff resources to focus on efforts that will grow the visual arts in the City of Morgan Hill.

At the same time, through the Plan's Vision and Goals, Objectives, and Strategies, artists see how the City intends to enhance the character and quality of life in the community through public art.

Finally, the Plan seeks to build and nurture an art ecosystem that is supportive of the artists and fosters a culture of creative expression.

By building on the existing cultural and artistic resources in Morgan Hill, the City can foster economic vibrancy, tourism, revitalize urban areas, and further our community desirability.

City Context

Morgan Hill is one of the most desirable communities in Silicon Valley. The City is 13 square miles, located in the southern part of Santa Clara County, just 10 miles south of San Jose and 10 miles north of Gilroy. Morgan Hill is home to approximately 46,000 residents, 19,000 employees, and 1,200 businesses.

Morgan Hill's cultural makeup is highly diverse, reflecting its location in Silicon Valley and its strong agricultural history. The population is primarily characterized by White (Non-Hispanic) residents, followed by the Hispanic/Latinx population as the second largest group, and a rapidly growing Asian community as the third largest ethnic group.

Morgan Hill is nestled between the Diablo Mountain Range and the Santa Cruz Mountains and has a rich history of farming and manufacturing. While the composition of businesses in Morgan Hill closely resembles that of Silicon Valley today, Morgan Hill's natural geography and open space make it truly a unique oasis in Silicon Valley, while sharing a rich entrepreneurial spirit and thirst for innovation with its neighbors in Silicon Valley.

Morgan Hill is best known for its superb quality of life and the perfect balance that comes from a healthy workforce, access to open space, and abundant recreational amenities that give employees, visitors, and residents a unique place within Silicon Valley to live, work and recreate.

Morgan Hill's ideal location offers the opportunity for year round recreational activities such as cycling, golfing, and swimming. Smart planning has resulted in world-class recreational facilities for residents and visitors, making Morgan Hill a sports recreation destination. Morgan Hill is proud to be a leader by promoting affordable housing, preserving open space, hillsides, and agricultural lands, and being a leader in water conservation and environmental stewardship.

In addition to being known for its award-winning wine, pick-your-own orchards and farms, a thriving farm-to-table dining scene, Morgan Hill is also known for being one of the only places in the world where Poppy Jasper is found, a semi-precious gemstone.

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Another unique characteristic in Morgan Hill is having Henry Coe State Park in its backyard, the largest state park in Northern California. The park provides respite from the Silicon Valley hustle with 87,000 acres of rugged wilderness and solitude with amazing views and an annual Tarantula Festival.

Morgan Hill's main attraction is its vibrant and charming Downtown district. This bustling center features a year-round farmers market and a dynamic Main Street, which has evolved into a premier culinary destination.

Downtown now anchors the local arts scene as the home of the Cura Contemporary art center. As the heart of the community, it hosts Morgan Hill's signature annual events, including the renowned Mushroom Festival (formerly Mardi Gras), the 4th of July Freedom Fest, the Poppy Jasper International Film Festival, and the new MOHI Food and Wine Celebrity Chef culinary festival.

Guiding Documents

The guiding documents that support the City's goals on culture and arts include the City's 2035 General Plan, the LCAC adopted procedures and policies, the 2024 Public Art Ordinance, and the General Plan Healthy Community Element.

The 2035 General Plan provides a vision for the future and establishes a framework for how Morgan Hill should grow and change over the next two decades to continue to make Morgan Hill a thriving and friendly place.

The section "Culture and the Arts" under the Healthy Element outlines various strategies for the City to support local art. The General Plan recognizes that public art, cultural activities, cultural celebrations, and education are the heart of a community, allowing residents to

have healthy self-expression and development both individually and collectively.



The 2035 General Plan suggests celebrating the City's identity with strategies that use art. It recommends designating special areas of the public realm to support artists' ability to produce and sell their work, providing arts education to residents of all ages, using art to spark community dialogue, and creating festivals where locals and visitors can celebrate together. Strategies from this section emphasize the need to foster cultural and historical awareness, support accessibility for all, and contribute to Morgan Hill's sense of community.

LCAC Art Policy

LCAC has established a policy about the use of City facilities for temporary art exhibits. The policy defines how the Art Exhibit Panel (AEP) must create an annual art exhibit schedule with temporary exhibits approximately every six to eight weeks. Individual artists or groups may submit artwork for approval from the AEP to be featured in a temporary exhibit. Artists are responsible for installation and promotion of

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their artwork, and AEP is responsible for promoting temporary art exhibits and scheduling an artist's reception.

This policy aims to offer opportunities for local artists to display their work temporarily, thereby employing public resources to support public art.

The LCAC Permanent Art Policies and Procedures establishes acquisition, review, installation, maintenance, and deaccession policies for the City's permanent art collection. All art acquisitions, whether purchased or donated, require recommendations from LCAC and final approval by the City Council. A review committee is required to evaluate the quality of work, placement, feasibility in the City's art collection, and other criteria before proposing a recommendation to LCAC. Standards for lighting, public visibility, and accessibility must be considered to promote the greatest benefit of public art in the community. The policy calls for LCAC to retain maintenance plans for all artworks, perform an annual inspection of the inventory, and recommend deaccession if an artwork is no longer feasible or appropriate to maintain.

Standards for Public Art Ordinance

The Standards for Public Art Ordinance (PAO) was approved in 2024 and mandates the inclusion of public art in new development projects. The PAO provides detailed requirements for applicability, contribution levels, types of acceptable and unacceptable art, submission and approval processes, maintenance obligations, and how collected in-lieu fees will be used.

The PAO applies to new residential developments of 20 or more units, non-residential projects of 5,000 square feet or more, and new public buildings and parks.

Exemptions include renovations, public works capital improvement projects, and non-municipal government projects.

Developers are required to expend 1% of the construction valuation (up to \$1 million) on on-site public art for commercial, industrial, and market-rate residential projects. For non-profit and lower-income affordable housing, the requirement is 0.5% (up to \$500,000).

Developers also have the option to make an in-lieu payment of the same amount into the Morgan Hill Public Art Fund. If on-site art is chosen but its value is less than the required allocation, the difference must be paid into the Public Art fund.

All on-site artwork must be publicly visible and accessible, permanently sited, and integrated into the project's design, considering the site's context. The ordinance lists acceptable art forms (e.g., murals, sculptures, interactive pieces) and explicitly excludes others (e.g., mass-produced items, logos, political/religious art).

The process requires developers to submit detailed plans, artist information, and a maintenance plan, with approval involving the Planning Division and the LCAC. Property owners are responsible for the continuous maintenance of on-site artwork, and any removal requires City notification and replacement with art of equal or greater value. In-lieu fees collected will be used by the City for public art projects, maintenance, and administration.

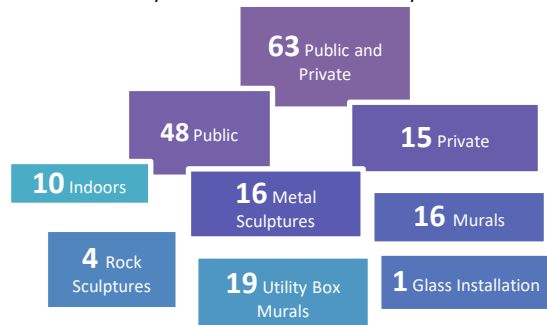


City of Morgan Hill

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Public Art Inventory and Locations

There are approximately 63 public and private works of art within the City. Of the 48 public pieces, 9 are small pieces located inside City Council Chambers and the Community and Cultural Center. Of the 39 public exterior pieces, nearly half (17) are utility box murals. Not necessarily accounted for in this report, but worth noting, 15 are privately commissioned artworks that exist in the public realm but are not in the City's Public Art Inventory.



The current Public Art Inventory consists of murals, sculptures, and other forms of art (Appendix B- Inventory). Most public art pieces (not counting the utility boxes) are sculptures (15) and murals (6). One art installation is a large glass installation at the City's 4th Street Garage's staircase, and one a rock statue between the Morgan Hill Library and Civic Center. Three sculptures (*Tessie*, *Story Time*, and *Knowledge is Power*) are expected to be evaluated for deaccession due to being manufactured pieces not constituting an artist's original work.

The 19 utility box murals commissioned to beautify the public realm are distributed citywide on various streets. Two utility boxes were privately funded and commissioned, while the other 17 were approved by LCAC.

The exterior artworks are distributed at several public art clusters, including Downtown, the

Civic Center, Centennial Recreation Center, and community parks (Appendix B- Inventory).

As the heart of the Community, Downtown is the hub for cultural expression and public art with notable works such as *Waiting for the Train*, *Hiram Morgan Hill Tarantula*, *Family of Deer*, and *Encompass*. There are diverse exterior artworks Downtown, including six murals, four bronze sculptures, two metal constructions, one glass installation, and one tile mosaic.

The Civic Center, including the Morgan Hill Library, possesses six artworks which include four bronze sculptures, one metal sculpture, and one rock statue. As indicated earlier, some of these works may be evaluated for deaccession as they were not original works of art but rather commercially manufactured art pieces, reducing the total count of the Public Art Inventory.



The Centennial Recreation Center (CRC) has three artworks including two bronze sculptures and one metal sculpture.

The Aquatics Center has one mural: *Kissed by the Sea Enhanced by the Land*. Galvan Park and the Magical Bridge Playground at Community Park have two art murals each. The remaining exterior artworks are scattered at various sites throughout the City including Monterey Road, Main Avenue, West Little Llagas Creek Trail, and Evergreen Village on Cochrane Road.

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Public Art Inventory: Opportunity Analysis

The current public art inventory in Morgan Hill is relatively small. Several artworks (nearly 19%) are in display cases inside buildings that are not always available due to days and hours of operations of these buildings. Of the exterior public art, 44% are murals on utility boxes.

There is an opportunity for the City to increase public art and improve the distribution and artistic diversity of the art throughout the City. The new Public Art Ordinance will create new public art opportunities in private developments and provide funding for the City to commission public works of art. The Public Art Master Plan provides the blueprint for intentional and focused planning and implementation to enhance high-priority areas. Consideration should be given to:

1. Areas of High Utilization and Regional Exposure

High-traffic facilities provide great opportunities to showcase Morgan Hill's identity. For example, the Outdoor Sports Center and the Aquatics Center are highly utilized regional facilities that host major competitions and attract thousands of visitors annually. Integrating public art here serves to beautify the facilities and promote the City's identity and pride for a regional audience.

Retail and commercial areas also provide a high traffic area and currently public art presence in commercial zones is minimal. Integrating public art into retail commercial developments will create a more attractive ambiance for shoppers, potentially increasing resident and visitor enjoyment and expenditure.

2. Community Hubs

Key municipal and community centers like the CRC, CCC, and Civic Center are public focal points and require a strategic infusion of diverse art forms to maximize their impact. These areas would benefit from a diversity of murals, mosaics, or other art forms of art to create a more stimulating and well-rounded focal point for governmental, cultural, and community activities.

3. Diversity of Medium and Artistic Style

A major finding across the City's Public Art Inventory is the need to enhance artistic diversity to prevent repetitiveness and maximize engagement. The inventory is heavily weighted toward certain mediums (e.g., sculpture at centers, murals at parks). New acquisitions should include a vast range of creative expressions, across mediums, styles, periods, cultures, and identities to enrich the experience and allow art to provide an opportunity for reflection and challenge. Neighborhood parks should include functional public art (e.g., artistic benches, paving, bike racks) to extend the art experience into residential areas.



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4. PUBLIC ART PLAN PILLARS

The Public Art Master Plan is grounded on four key pillars—Local Identity, Economic Vibrancy, Community Well-being, and Arts Access. These pillars are crucial to the framework because they collectively represent the multifaceted benefits that public art can bring to the community. By addressing these four areas, the Plan serves as a powerful catalyst to enhance the community’s quality of life.

Four Public Art Master Plan Pillars:



1. Local Identity

Public art helps to define a place and give it a unique character. By reflecting the history, culture, and values of a community, public art can foster a sense of civic pride and belonging among residents, visitors, business owners, etc. It transforms generic spaces into meaningful landmarks and gathering places. This

strengthens the connection people feel to their city, making it a place they want to invest in and care for.

2. Economic Vibrancy

Public art can be an economic driver. It attracts both residents and tourists, creates placemaking and place branding, which increases foot traffic and supports local businesses, such as restaurants, cafes, and shops. The presence of public art can also enhance property values and draw in new businesses and talent, contributing to the overall economic health and revitalization of an area.

3. Community Wellbeing

Engaging with public art can have a positive impact on the mental and physical health of a community. It provides opportunities for social interaction and civic engagement, especially when these involve community collaboration in their creation. Public art can also make public spaces feel safer and more inviting, encouraging people to spend time outside. Public art can enhance a community’s sense of belonging and contribute to a better quality of life.

4. Arts Access

Public art that is accessible to everyone, regardless of their income or background, removes barriers to cultural experiences, bringing creative expression directly into the daily lives of the community. A strong public art program supports local artists and allows diverse voices and perspectives to be seen and celebrated, ensuring that art is not just for a select few but is a shared public good.



5. PUBLIC ART FRAMEWORK

The Public Art Master Plan was developed under the guidance of the Library, Culture and Arts Commission. This effort included City-wide outreach including community workshops, newspaper articles, City's 411 newsletter, email outreach, tabling at community events, online surveys, postcards to local schools and outreach to arts and culture organizations. Feedback was also solicited from City staff and the City's Planning Commission for collaboration on the administration and implementation of the Plan.

The purpose of the Public Art Master Plan is to provide a clear framework for the City staff, the Library, Culture, and Arts Commission and the City Council to guide the selection, installation and maintenance of public art. Additionally, the Plan informs artists, community members, developers and policy makers about art installations and art and cultural programming. The vision, goals and objectives provide inspiration and guidance, and the strategies and tactics suggest a path and approach for implementation.

Public art can be a source of local pride and identity. It can be used to bridge the past, present and future. Through public art, Morgan Hill can honor its agricultural roots and rural charm, while at the same time celebrating its unique location within Silicon Valley and embrace a spirit of innovation, technology and entrepreneurship.

The Public Art Master Plan is more than a plan to guide public art investment. It seeks to actively grow and nurture a creative art ecosystem where local artists feel supported and encouraged to actively participate in the creation of the City's identity. The recent opening of the Downtown art center, Cura Contemporary, combined with the new Fee For Art Ordinance requiring art or a financial contribution to the art program, concluding with the creation of the Public Art Master Plan, signals a significant collective commitment. This momentum positions Morgan Hill in an ideal place to act with deliberate intention, ensuring the sustained growth and vitality of its art culture and assets for the long term.

Public Art Master Plan Vision:

The Public Art Master Plan envisions a community where art transforms our shared spaces, celebrating our unique identity and rich diversity. Through public art, we foster deeper connections, enhance community well-being, ignite curiosity, and fuel a thriving local economy.

Goals and Strategies

GOAL 1. BUILD COMMUNITY PRIDE THROUGH CONNECTION AND BELONGING

OBJECTIVE: Create public art that resonates deeply with Morgan Hill community members, fostering a sense of shared ownership, identity, and collective pride in the community.

STRATEGIES:

- Celebrate Shared Values and Identity
- Foster Co-Creation and Community Ownership
- Support Interactive Public Engagement

GOAL 2. CULTIVATE VIBRANCY BY HONORING HERITAGE AND DIVERSITY WHILE EMBRACING CREATIVE EXPRESSION AND INSPIRING A BOLD VISION FOR MORGAN HILL'S FUTURE

OBJECTIVE: Create vibrant and inclusive public art that honors Morgan Hill's rich history and diverse cultural fabric, while embracing creative expression to inspire a bold vision for the future that uses innovation and technology to inspire the youth and future generations.

STRATEGIES:

- Integrate Technology to Create Interactive, Dynamic, and Accessible Art
- Celebrate Cultural Diversity
- Honor History and Agricultural Heritage
- Embrace Vibrancy, Creativity, and Innovation
- Empower Youth Expression and Foster Creative Collaboration

GOAL 3. INCREASE PUBLIC APPRECIATION, KNOWLEDGE, AND ACCESS TO ART

OBJECTIVE: Ensure that residents and visitors can easily discover, understand, and engage with public art, fostering a deeper appreciation for its value and impact.

STRATEGIES:

- Support Comprehensive Information and Interpretation
- Support Accessible Learning Opportunities
- Broaden Physical and Digital Access
- Nurture Local Artistic Talent and Partnerships

GOAL 4. ENSURE SUSTAINABILITY AND EFFECTIVE MANAGEMENT OF THE PUBLIC ART PROGRAM

OBJECTIVE: Promote sustainable creation, conservation, and management of public art, ensuring the longevity and integrity of artworks, while establishing efficient policies and procedures that optimize the use of limited resources for the program's long-term success.

STRATEGIES:

- Ensure New Works of Art are Designed with Durable and Adaptable Materials
- Develop a Proactive and Phased Maintenance and Conservation Program
- Establish Clear Policies and Procedures for Art Repair, Deaccessioning, and Curation
- Preserve the future of public art in Morgan Hill through philanthropy and strategic partnerships

GOAL 5. CELEBRATE DOWNTOWN AS THE HEART OF THE COMMUNITY AND THE CITY'S CULTURAL HUB

OBJECTIVE: Enhance Downtown Morgan Hill's vibrancy and appeal through distinctive public art, further recognizing that Downtown is the community's living room and center of cultural expression.

STRATEGIES:

- Transform Downtown into an Iconic Art Destination
- Integrate Art into Downtown Events and Spaces
- Activate Underutilized Spaces

Public Art Tactics

How can the **CITY** Advance the Public Art Master Plan Goals and Strategies?

- ❖ Develop public art that visually and conceptually bridges our community's agricultural past with its technological present and future.
- ❖ Create works that represent the diverse ethnic, cultural, and socio-economic groups and the full spectrum of identities.
- ❖ Encourage mural projects on private properties.
- ❖ Engage Morgan Hill's youth (e.g., through local schools, Boys & Girls Club, CRC teen center) in the conceptualization and creation of public art.
- ❖ Commission public art pieces at key entry points, gateways or significant intersections to serve as welcoming beacons and visual landmarks.
- ❖ Prioritize the installation of highly visible and engaging public art within Downtown Morgan Hill, leveraging its urban character as a vibrant canvas for cultural expression.
- ❖ Prioritize art that invites physical or digital interaction, such as digital art installations, soundscapes or musical art, and a mix of playful versus thought-provoking pieces.
- ❖ Explore adding QR codes to public art where the community can learn more about the work of art, the artist, and provide feedback.
- ❖ Create and grow a local artist directory for public and private public art commissions.
- ❖ Support and encourage the development of artist housing, makers space, and space programming by art non-profits.
- ❖ Maintain an interactive map and updated inventory of public art.
- ❖ Ensure public art and placemaking initiatives resonate across age groups, fostering shared experiences and dialogue between generations.
- ❖ Create opportunities for youth-led art projects, mentorships, and design challenges that reflect emerging perspectives and creative energy.
- ❖ Engage local artists, designers, and community members in co-creating spaces that are imaginative, welcoming, and reflective of Morgan Hill's evolving story.

How can the **COMMUNITY** Advance the Public Art Master Plan Goals and Strategies?

- ❖ Encourage student competitions and private/public partners at local schools where paintings, ceramic pieces, or other artworks are displayed for one year on an outdoor display.
- ❖ Foster community responsibility and volunteerism for maintenance of public art.
- ❖ Launch city-wide art challenges (e.g., drawing contests, photography competitions) inspired by existing public art or future themes. Submissions may influence future art projects or be displayed digitally.
- ❖ Promote development and creation of an artist colony and residency programs that supports local artists to live, work, and display their art.
- ❖ Encourage Downtown events (e.g., Sidewalk Saturdays, Freedom Fest, Holiday Parade) to host live art creation and pop-up galleries within the festivities.
- ❖ Deepen collaboration with Cura Contemporary, Colibri Gallery and Open Studios for joint art walks, public art exhibit previews, artist talks, and workshops that encourage visitors to explore both indoor gallery spaces and outdoor public art installations.
- ❖ Explore digital art, augmented reality, and interactive installations to connect heritage with cutting-edge creativity.



6. PRIORITY LOCATIONS AND UNIQUE OPPORTUNITY SITES

One of the key goals of the Public Art Master Plan (Plan) is to provide guidance on where to place new works of art. The recommendations in this chapter are focused on “Priority Locations” for public art throughout the City. The locations are identified in order of priority based on the feedback received during the extensive community outreach, community survey and the public art symposium. More information on community outreach can be found in Appendix A.

Morgan Hill has identified ten "Unique Opportunity Sites" - some within existing Priority Locations and others scattered citywide - to inspire art installations by capitalizing on the city's unique landscape and physical landmarks. Five of these sites have been specifically prioritized through public outreach to guide the implementation of art selection for the Plan.

Priority Public Art Locations

The Public Art Master Plan provides six "Priority Locations for Public Art" as a framework for Morgan Hill to strategically integrate public art into its urban fabric. By focusing on placemaking, leveraging high-impact locations, and exploring partnerships, the City can create a more vibrant, engaging, and identifiable community through art.

Priority Locations

To strategically integrate public art into its urban fabric, six high impact locations have been identified as priority locations for public art investment:



- 1) **City Facilities:** Aquatics Center, Outdoor Sports Center (OSC), Civic Center, Centennial Recreation Center (CRC), and Community and Cultural Arts Center (CCC)
- 2) **Downtown**
- 3) **Gateways**
- 4) **Urban Corridors:** Main Avenue (Civic Center to Live Oak High School), Monterey Road, and Butterfield Boulevard
- 5) **City Parks**
- 6) **Trails:** West Little Llagas Trail and Madrone Channel Trail.

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Public Art Priority Locations



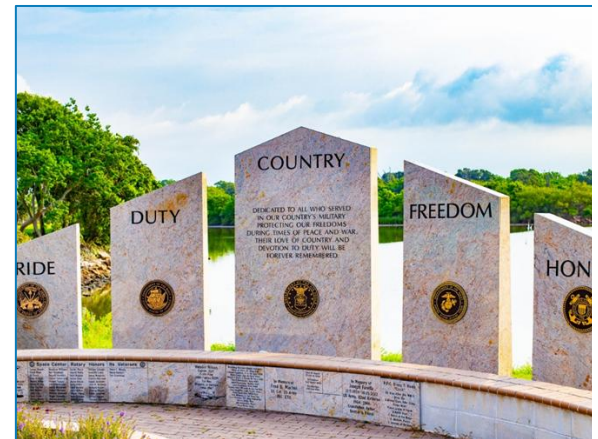
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Unique Public Art Opportunities

A number of key opportunities were identified as specific efforts to consider when commissioning works of art and or exploring projects that may yield public-private partnership and or public benefit. Below are some of the notable ideas specific to Morgan Hill's landscape.

- ✓ **Downtown Gateway Sign** –Similar to other communities that have a Downtown Gateway arch(es) that tell visitors they have arrived at the heart of the community, a Gateway sign for Downtown Morgan Hill can be artsy, create placemaking and wayfinding. An arch can span across the entire length of the street, grounding city center with a memorable, Instagrammable and identifiable landmark.
- ✓ **Veterans Memorial** -The City's Veteran's Memorial is currently located in the heart of Downtown in the median island at Monterey Road and First Street. The Veteran's Memorial features plaques honoring men and women who fought, gave their lives, and remain missing in defense of the United States. Current celebrations require traffic control to close Monterey Road to traffic as there is not enough space that allows medium to large crowds to gather. The City can commission an artist to create a new memorial at a location that can host visitors without the need for traffic control, making a Veterans Memorial more accessible year-round.
- ✓ **Downtown Alley**- Downtown alleys, often overlooked and underutilized, present significant opportunities to create vibrant and unique placemaking experiences. The Alley between Sushi Confidential and The Hill can be transformed with art, landscaping, lighting, and programming to draw people in and encourage social interaction. Ideas could include making the alley into an Italian café with murals and outdoor seating, or a shade made of umbrellas.



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- ✓ **Outdoor Art Installations**—Capitalize on vacant lots and buildings like El Toro Brewpub and create a mural project and use the lot for temporary activations like an outdoor sculpture garden or a projection wall for Instagram reels.
- ✓ **Freeway “Welcome to Morgan Hill” Art Signs**— “Welcome to...” freeway signs, often found at city limits or freeway off-ramps hold more value than just simple geographical markers. They serve a multi-faceted purpose, contributing to civic pride, economic development, and a sense of place. Currently, there are “Welcome to Morgan Hill” signs on Monterey Road. Freeway signs would tell commuters along Highway 101 that they’re driving through Morgan Hill. These can be placed on freeway overpasses, ramps and freeway-fronting buildings. Art could be integrated onto the facades or rooftops of businesses directly visible from the freeway, integrating signs onto sound walls, overpass supports, or other city-owned structures along the freeway corridor.
- ✓ **UPRR Overpass**—The Union Pacific Railroad overpass on Monterey Road south of Cochrane Road provides an opportunity for signage and graffiti prevention. In addition to the structure, the retaining wall can serve as a mural. This surrounding area is getting a lot of housing and beautification of this space would enhance pedestrian connectivity and placemaking.
- ✓ **Schools**—Schools can integrate public art through various avenues like community-based projects and partnerships with local organizations. Students can work independently or with artists to design and paint murals on school grounds, fostering a sense of pride. Murals can be pictures of agriculture, poppy jasper, El Toro, or other aspects relating to Morgan Hill. Partnering with local businesses can also provide funding, materials, or other space for art projects, assisting schools that can’t normally afford to have public art.



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- ✓ **Water Tanks**—Morgan Hill has five water tanks. Murals reflecting culture, nature, and the environment are the most appropriate subjects. Another idea is to install LED lights that can change colors or patterns. This can turn one of the tanks into a glowing beacon at night. Also incorporating three-dimensional elements onto the tank's exterior, such as fins, panels, or figures can transform its silhouette.
- ✓ **Morgan Hill Courthouse**—The Morgan Hill Courthouse offers a unique opportunity for public art, allowing artists to integrate pieces that symbolize justice, community, and local heritage. In collaboration with the County and State, art can be strategically added to the large white walls of the east façade of the building.
- ✓ **Downtown Caltrain Station**—Although there are already existing pieces of public art located near the Caltrain station, there is an opportunity to add murals on the station walls, trash cans, and surrounding buildings like Jonty's Vietnamese Eatery that depict Morgan Hill's agricultural heritage and natural beauty. The station and parking lot is also spacious enough to host temporary art installations that rotate periodically, keeping the space fresh and providing opportunities for a wide range of artists.

At the 2025 National Night Out, the community provided positive feedback on all the proposed unique art projects. However, the Downtown Alley (between Sushi Confidential and the Hill) received the most votes.

The top five ranking opportunity sites:

1. Downtown Alley
2. Morgan Hill Courthouse
3. Water Tanks/Towers
4. Downtown Gateway Sign
5. Monterey Road UPRR Overpass



Appendix A - Community Outreach

Community Outreach and Engagement

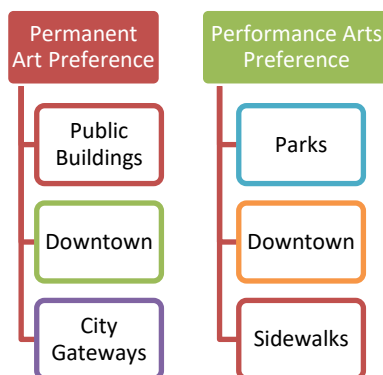
The Public Art Master Plan (Plan) received input from local artists, community members, City staff, and the Library, Culture, and Arts Commission (LCAC). To ensure the widespread participation of the community, the outreach process utilized various methods to gather public feedback. Opportunities for engagement were designed to maximize public input by reaching stakeholders in places they live, work, and recreate.

The Community Outreach section is divided into four sections: A) Public Art Symposium; B) Community-Wide Survey; C) Youth Postcard Survey; and D) Community Engagement.



A. Public Art Symposium

In collaboration with LCAC, artists, art organizations and business leaders, the City hosted an Art Symposium with over 200 attendees. Presentations from artists, public art managers, school administrators, and developers and business leaders shared initiatives related to public art policy, culinary arts and art design in architecture. The Public Art Symposium showcased local visual and performing art organizations, including the Sobrato High School Band, and the South Valley Musical Theatre.



LCAC supported the public engagement component of the event where attendees were then prompted to answer the questions “What types of art would you like to see?” and “Where would you like to see more public art?” They voted by placing stickers in their chosen categories. Respondents selected public buildings, Downtown, and City gateways for permanent works of art, while parks, Downtown, and sidewalks were selected for performance arts.

At the Public Art Symposium, the community showed strong support to the Standards for Public Art Ordinance that was later passed by the City Council. The Standards for Public Art Ordinance requires new development to include public art or contribute funds towards the Public Art Program.

City of Morgan Hill

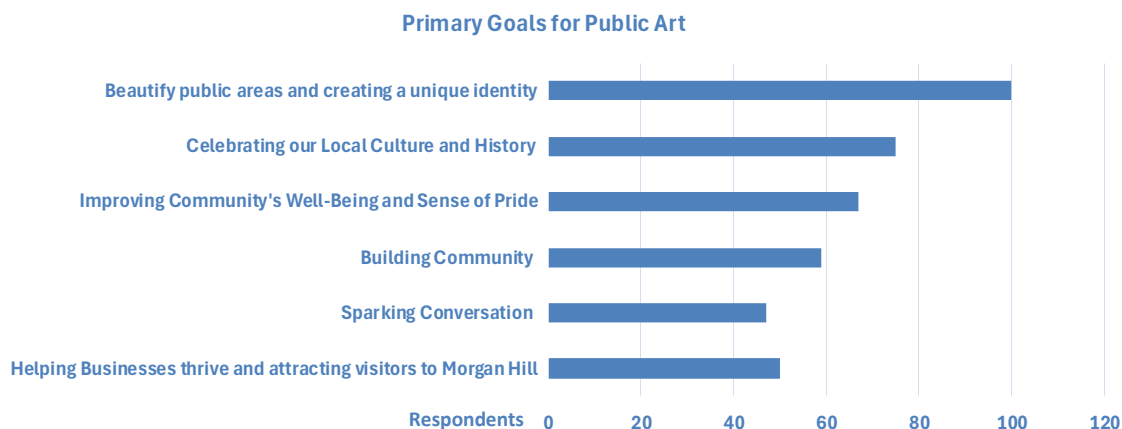
PUBLIC ART MASTER PLAN

B. Community-Wide Survey

A community-survey was widely distributed to understand the community's aspirations and values for the Public Art Master Plan. The survey was distributed via flyers with QR codes, it was hand-delivered at local businesses and via the City's 411 Newsletters and website. The outreach was done in English and Spanish. A total of 118 people responded to the survey. Below is a summary of the survey feedback:

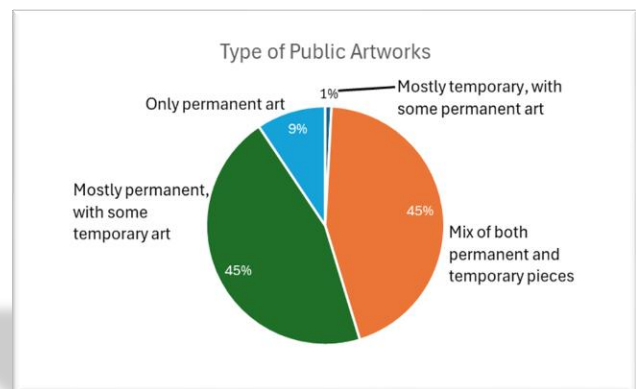
1. What do you see as the primary goals of a public art program for our community?

Respondents primarily view the beautification of public areas and creating a unique identity as the most important goal for a public art program. Celebrating local culture and history, along with improving the community's well-being and sense of pride, are also highly valued objectives. Building community and sparking conversation through art are considered important secondary goals. Additionally, some respondents believe public art should help businesses thrive and attract visitors to Morgan Hill. Overall, the community desires a public art program that enhances aesthetics, reflects local heritage, and fosters a positive civic experience.



2. What kinds of public art would you like to see in Morgan Hill (Longevity)?

Most respondents expressed interest in temporary art. Forty-five percent voted for a mix of both permanent and temporary pieces. An equal number said they would prefer mostly permanent type of artworks with some temporary art. Only nine percent said they would like to see only permanent art.



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3. *What kinds of public art would you like to see in Morgan Hill (Style)?*

The overwhelming preference among respondents is for a mix of historic and cultural styles in public art. This indicates a desire for art that acknowledges and celebrates the community's heritage while also embracing diverse cultural expressions. While a smaller segment expressed interest in "mostly historic themes" or "mostly cultural styles," the combined approach was strongly favored. A very limited number of respondents exclusively preferred either cultural or historic styles, underscoring the broad appeal of a varied artistic palette. This suggests that the community values art that is both rooted in its past and reflective of its present diversity.

4. *What kinds of public art would you like to see in Morgan Hill (Tone)?*

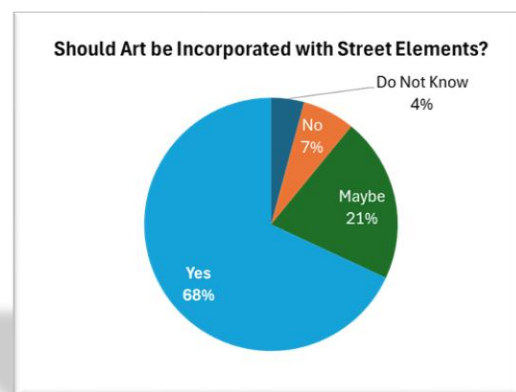
Respondents predominantly desire a mix of both playful and serious art, showcasing a preference for a balanced and versatile public art collection. A notable number of individuals also favored "mostly playful and lighthearted art," suggesting an appreciation for art that brings joy and levity. Conversely, only a small fraction of respondents expressed a preference for "mostly serious and thought-provoking art." This indicates a general inclination towards art that can evoke a range of emotions and intellectual engagement, but with a leaning towards more accessible and uplifting pieces. The overall sentiment points to a desire for art that can both entertain and inspire reflection.

5. *What kinds of public art would you like to see in Morgan Hill (Placement)?*

The most popular response regarding public art placement is "mostly spread out, but some focus in key areas," suggesting a strategic distribution rather than concentrated clusters. A considerable number of respondents also favored art being "spread across the entire City," indicating a desire for art to be accessible throughout Morgan Hill. A smaller but still significant group preferred art to be "mostly focused on key areas," which could include Downtown or other central locations. This feedback suggests a nuanced approach to placement, where art is visible in various neighborhoods but also highlights prominent community spaces. Ultimately, the community envisions art integrated broadly, with certain areas serving as focal points for significant installations.

6. *Should art be incorporated into functional elements of the street landscape?*

A strong majority of respondents believe that art should be incorporated into functional elements of the street landscape, indicating a desire for integrated and practical public art. Many see this as an opportunity to blend aesthetics with utility, enhancing the everyday environment. A smaller group was unsure, responding with "Maybe," suggesting some hesitation or a need for more examples. Overall, there's a clear preference for public art that serves a dual purpose, adding beauty and interest to practical street components.

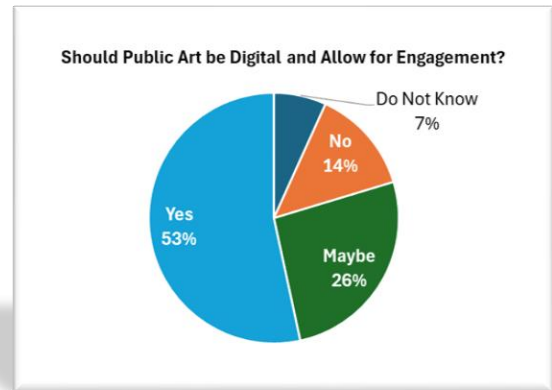


City of Morgan Hill

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7. Should public art incorporate digital art or interactive art that allows for engagement? (e.g., changing led lights, musical harp at magical bridge, projections, snowflakes falling)?

The majority expressed a strong positive view towards incorporating digital or interactive art into public spaces. This indicates an enthusiasm for modern, engaging art forms that allow for public participation and dynamic experiences. A notable number of respondents answered "Maybe," suggesting that while open to the idea, they might have specific concerns or require further clarification on the types of digital or interactive art proposed.



8. Considering Morgan Hill's past, present, and future - what key themes, values, or cultural elements are important to be represented through public art?

Respondents frequently highlighted themes related to Morgan Hill's agricultural heritage, including orchards, vineyards, and farming history, as crucial elements for public art representation. The natural beauty of the area, such as hills, oak trees, wildflowers, and local wildlife, also emerged as a significant theme. Community values like unity, family, and a small-town feel were commonly mentioned, emphasizing the desire for art that fosters connection. Some also suggested incorporating indigenous cultures, local pioneers, and the evolving identity of Morgan Hill as a modern, diverse city.

9. Imagine public art throughout Morgan Hill. What kind of overall feeling, image, or identity do you hope it contributes to our City?

Respondents frequently expressed a desire for public art to contribute a feeling of beauty, uniqueness, and welcoming charm to Morgan Hill's identity. Many hoped the art would evoke inspiration, curiosity, and a sense of pride in the community. The idea of art fostering a small-town feel while also showcasing a modern, vibrant character was a common sentiment. Some specifically mentioned hoping for art that highlights the natural scenery and reflects positive family values. Overall, the community envisions public art as a powerful tool to shape a cohesive and appealing image for Morgan Hill, blending its history with a forward-looking perspective.

10. If you could choose a specific location for the next public art installation, where would it be?

Downtown Morgan Hill emerged as the most popular choice for the next public art installation, with specific mentions of Monterey Road in Downtown, and in areas where people congregate. Many respondents suggested prominent locations like City entrance signs or areas along Highway 101 to greet visitors. Other frequently proposed sites including the Community and Cultural Center, the Library, and various parks. Some unique suggestions included the Target Shopping Center to better connect it to the City, or even the sides of plain buildings and alleys Downtown.

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11. Tell us about yourself, Age Range

The survey results indicate a broad range of ages among respondents, though older demographics appear to be more represented. The largest groups fall within the 55-64 and 65+ age ranges, suggesting a significant engagement from older residents. Medium participation was observed from the 45-54 age group. The youngest demographics, 18-24 and 25-34, showed the lowest levels of participation in the survey.

12. Tell us about yourself, Do you live or Work in Morgan Hill

The vast majority of survey respondents either live in Morgan Hill or live and work in Morgan Hill. This indicates that the feedback collected predominantly represents the views of individuals who are deeply invested in the community. A smaller segment of respondents identified as working in Morgan Hill but not living there, contributing a perspective from daily commuters. Only a very small number of participants neither lived or worked in Morgan Hill, suggesting the survey successfully reached its target audience of local stakeholders.

13. Tell us about yourself, Race and Ethnicity

Most respondents identified as White, indicating a significant representation from this racial group. The second most frequent response was "Decline to State," suggesting a portion of participants preferred not to disclose their ethnicity. Other racial and ethnic categories, including Asian, Hispanic or Latino, and Black or African American, were represented by a smaller number of responses.

14. Is there anything else you would like to tell us?

The open-ended responses to this question covered a wide range of additional comments and suggestions regarding public art in Morgan Hill. Many respondents reiterated preferences for specific art styles, themes, or placements, reinforcing earlier answers. Some expressed concerns about the cost and maintenance of public art, suggesting a need for fiscal responsibility. Several comments focused on the importance of community involvement in the art selection process, advocating for transparency and public input. A few individuals also used this opportunity to voice opinions on existing public art pieces, both positive and negative, highlighting the subjective nature of art appreciation. Overall, these comments provide valuable qualitative insights into the community's diverse perspectives and priorities for public art beyond the structured questions.

In summary, the survey results showed that there is general interest in more public art in Morgan Hill and for a mix of different artforms, styles, and tones, including Interactive art. Respondents believe that art should beautify the entire City and celebrate local culture, community, inclusivity, diversity, local history, and agriculture.

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Community Survey: Locations Feedback

The survey asked questions about respondents' preferences for locations of public art in Morgan Hill. Overall, the feedback suggested a balance of placing art throughout the City but with focus on key areas. The survey also showed that the community wants to see more public artwork in Downtown despite it being one of the most concentrated locations for art. The survey indicated that art should be placed in areas where people walk, such as Monterey Road Downtown, at various parks, near and at public facilities such as the Morgan Hill Library, the Community and Cultural Center, the Centennial Recreation Center, and the Outdoor Sports Center. And while some of these facilities or areas already have art works, there is a desire to grow these art hotspots with more works of art.

At the Community Workshop, the community shared ideas for art at multiple locations. Popular ideas included:

- Gateway sign or arch for Downtown at intersection of Monterey Road and Main Avenue
- Art walking path along future east-west pedestrian corridor on Main Avenue as designated in the Transportation Master Plan
- Art path along the Madrone Channel trail from Tennant to Cochrane
- Additional art at the Aquatics Center and Outdoor Sports Center
- Art walking path on Butterfield Boulevard
- Art along Coyote Creek Trail

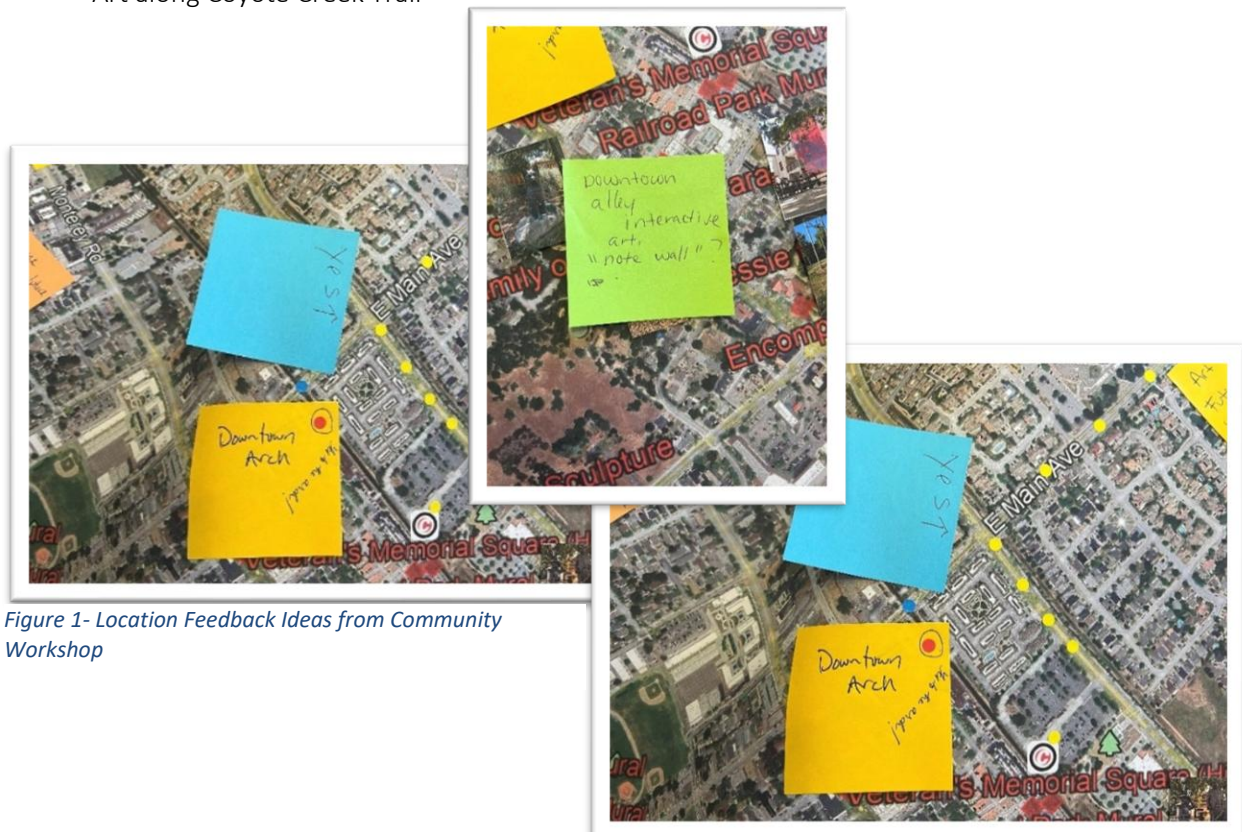


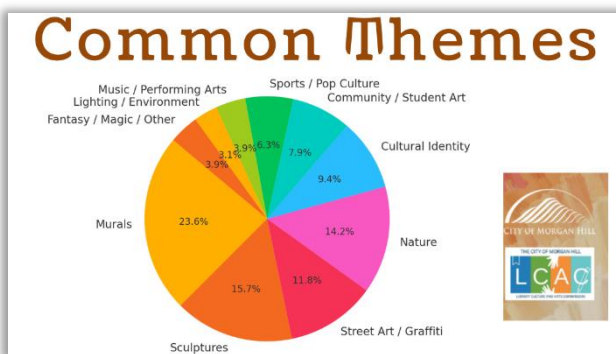
Figure 1- Location Feedback Ideas from Community Workshop

City of Morgan Hill

PUBLIC ART MASTER PLAN

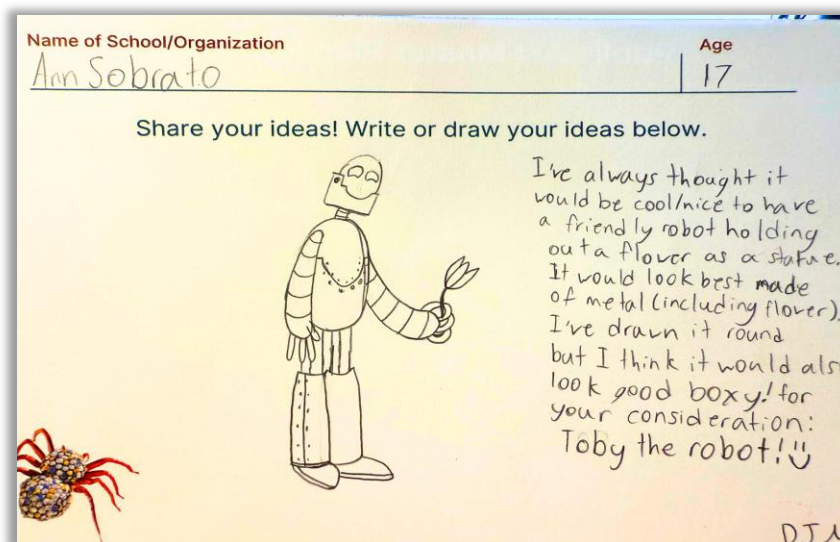
C. Youth Postcard Survey

LCAC hand-delivered postcard surveys to Live Oak High School, Ann Sobrato High School, Britton Middle School, Voices Charter School, the El Toro Boys and Girls Club, and CRC Teen Center. The postcard featured space for youth to share their opinion about the type of public art they want to see in Morgan Hill.



Nearly one hundred responses were received. The feedback showed strong favor towards murals (23.6%). Sculptures and nature received similar rankings at 15.7% and 14.2%, respectively. Eleven percent of respondents expressed interest in street/graffiti art, while 9.4% voted for cultural identity. The last significant category was Community/Student art at 7.9%.

In the submitted drawings, colored elements were frequently inspired by nature or pop culture. Their overall responses were rich with themes like nature murals, cultural symbols, street art, interactive art, environmental design, and a commitment to diversity. Significantly, the youth didn't just offer ideas; they provided strategic input and tactics, underscoring their readiness for youth and student-led opportunities. This active interest was highlighted by students' desire to co-create murals alongside their teachers.



City of Morgan Hill PUBLIC ART MASTER PLAN

D. Community Engagement

Community engagement included two formal community workshops and presentations before the LCAC and Planning Commission. Pop-up informational tables were set up at several places, including the Farmers Market, Park Place apartment complex, Magical Bridge Playground, Open Streets event and at National Night Out. Dedicated outreach was done for the cultural, art and community organizations, including schools, faith-based institutions, and youth sports groups.

LCAC supported three interactive outreach activities: A Youth Postcard Survey which was delivered to local schools and targeted youth voice. A Quilt of Ideas where community members got to fill out or decorate a post-it and share their thoughts on public art. And finally, a “Let’s Chalk Art” chalk wall that was designed and built specifically for the Public Art Master Plan and was placed in the front lobby of the Centennial Recreation Center and at the Morgan Hill Library. The chalk wall had prompted people to draw or write the kinds of public artwork they would like to see in Morgan Hill. There was also a QR code which directed people to the City webpage and community survey.



Appendix B - Inventory

Item No.	Title	Artist	Year Dedicated	Materials - Format	Location
1	Never Forgotten Tara Romero Sculpture	David Spellerman	2021	Bronze	Morgan Hill Civic Center
2	Liberty	Evelyn Davis	2006	Bronze	Centennial Recreation Center & Community Park
3	Loki Owl Sculpture	Evelyn Davis	2019	Bronze	Centennial Recreation Center & Community Park
4	Waiting for the Train	Marlene Amerian	2007	Bronze	Downtown Morgan Hill
5	Family of Deer	Evelyn Davis	2015	Bronze	Downtown Morgan Hill
6	Small Steps (Fox Sculpture)	Evelyn Davis	2017	Bronze	Downtown Morgan Hill
7	Once Upon a Mushroom	Evelyn Davis	2007	Bronze	Morgan Hill Library
8	Story Time	Purchased Leadership Morgan Hill Class Of 2007	2007	Bronze	Morgan Hill Library
9	Knowledge is Power	Purchased Leadership Morgan Hill Class Of 2007	2007	Bronze	Morgan Hill Library
10	Upstream	Evelyn Davis	2023	Bronze	West Little Llagas Creek Trail
11	Clay Model of "Waiting For The Train	Marlene Amerian	2007	Clay	Morgan Hill Community and Cultural Center
12	Poppy Jasper	Gordon Huether	2015	Glass	Downtown Morgan Hill
13	Encompass	Blessing Hancock	2015	Metal	Morgan Hill Community and Cultural Center
14	Framed 3-D Vase	Sister City Gift	2008	Metal	Morgan Hill Civic Center
15	Harmony Tree	Saori Ide & Jonathan Russell	2018	Metal	Morgan Hill Civic Center
16	Skate Park Art	Tanya Golphin	2008	Metal	Centennial Recreation Center & Community Park
17	Tarantula	Gordon Huether	2015	Metal	Downtown Morgan Hill
18	Kissed by the Sea, Enhanced by the Land	Debbie Arambula	2015	Mural	Aquatics Center
19	Railroad Park Mural	Pam Mossing	2017	Mural	Downtown Morgan Hill
20	Magical Bridge Playground Restroom Mural	Taylor Gallegos	2022	Mural	Community Park
21	Community Park Stage Mural	Lina Velasquez	2023	Mural	Community Park
22	Galvan Park Building Mural	Beautiful Day		Mural	Galvan Park
23	Galvan Park Restroom Mural	Abigail Dunnivan	2024	Mural	Galvan Park

Appendix B - Inventory (continued)

Item No.	Title	Artist	Year Dedicated	Materials - Format	Location
24	It is Together as Mothers...	Crystal Roma	2022	Mural - Utility Box	City Streets
25	Love the Planet	Lina Velasquez	2021	Mural - Utility Box	City Streets
26	Theres so Mushroom for Humanity	Rehat Sra	2022	Mural - Utility Box	City Streets
27	Be Your Own Hero	Vanessa Davidson	LMH Class of 2018	Mural - Utility Box	Downtown Morgan Hill
28	Courage Does Not Always Roar	Lina Velasquez	LMH Class of 2018	Mural - Utility Box	Downtown Morgan Hill
29	Inspire Change	Danielle DeRome	LMH Class of 2018	Mural - Utility Box	Downtown Morgan Hill
30	Inspire Others	Patty Cutis	LMH Class of 2018	Mural - Utility Box	City Streets
31	Kindness First - Words Matter	Teresa Anguiano	LMH Class of 2018	Mural - Utility Box	City Streets
32	Never Give Up	Teresa Anguiano	LMH Class of 2018	Mural - Utility Box	City Streets
33	Let Nature Sing	Jann Griffiths	LMH Class of 2018	Mural - Utility Box	City Streets
34	Love Everyone	Shawna Gonzales	LMH Class of 2018	Mural - Utility Box	City Streets
35	Never Stop Learning	Pamela Mossing	LMH Class of 2018	Mural - Utility Box	City Streets
36	Welcome Home	Lina Velasquez	LMH Class of 2018	Mural - Utility Box	City Streets
37	What You Think You Become	Noah Chin	LMH Class of 2018	Mural - Utility Box	City Streets
38	2 Utility Box Art Pieces	Lina Velasquez	2022	Mural - Utility Box	Community Park
39	Utility Box Art Community Park Stage Area	Lina Velasquez	2022	Mural - Utility Box	Community Park
40	Utility Box Art	Amanda Santiago	2024	Mural - Utility Box	City Streets
41	28 At Pieces of Louis Latronica	Louis Latronica	2021	Other	Council Chambers
42	A View of El Toro in October	Dave Sellers		Painting	Morgan Hill Community and Cultural Center
43	Our Inspiration (Flower)	Helen M. Nauss	2006	Painting	Morgan Hill Community and Cultural Center
44	2 Mexican Paintings	Unknown	NS	Painting	Morgan Hill Civic Center
45	Leadership Morgan Hill Photo Collage	Leadership MH 2014	2014	Photo	Morgan Hill Civic Center
46	Morgan Hill's City Rock, Poppy Jasper	n/a	2001	Rock	Morgan Hill Community and Cultural Center
47	The Eagle	Louis Latronica	2020	Rock	Council Chambers
48	Morgan Hill Peace Monument	David Middlebrook	2022	Rock	Civic Center

City of Morgan Hill

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Public Art Inventory Map

Figure 2 showcases current public art installations that are in the public realm. These public works of art do not include utility boxes or art indoors. As depicted, the public art inventory is clustered around Downtown, the CRC and Community Park and the Civic Center Area.

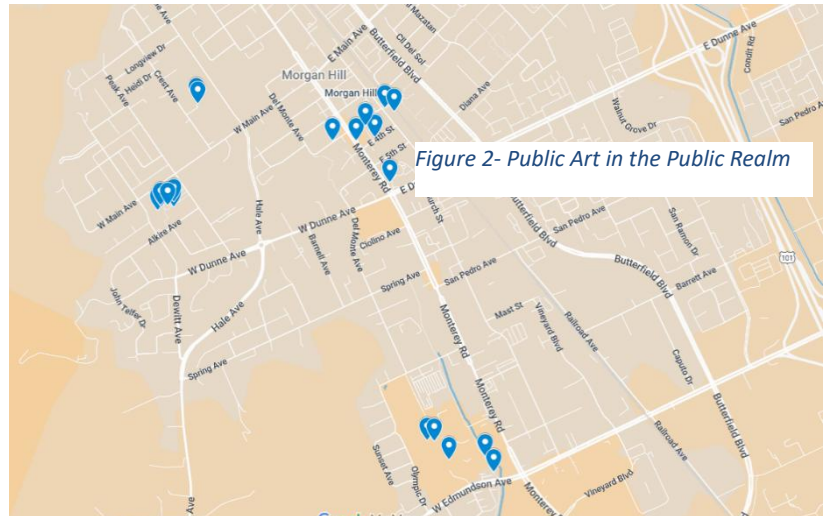


Figure 2- Public Art in the Public Realm

LCAC developed and published a Google Map named Morgan Hill Arts and Cultural Trail that showcases public art, galleries, and historic treasures. This interactive map includes privately commissioned works of art. While the google map is under development, it has received over 800 views.

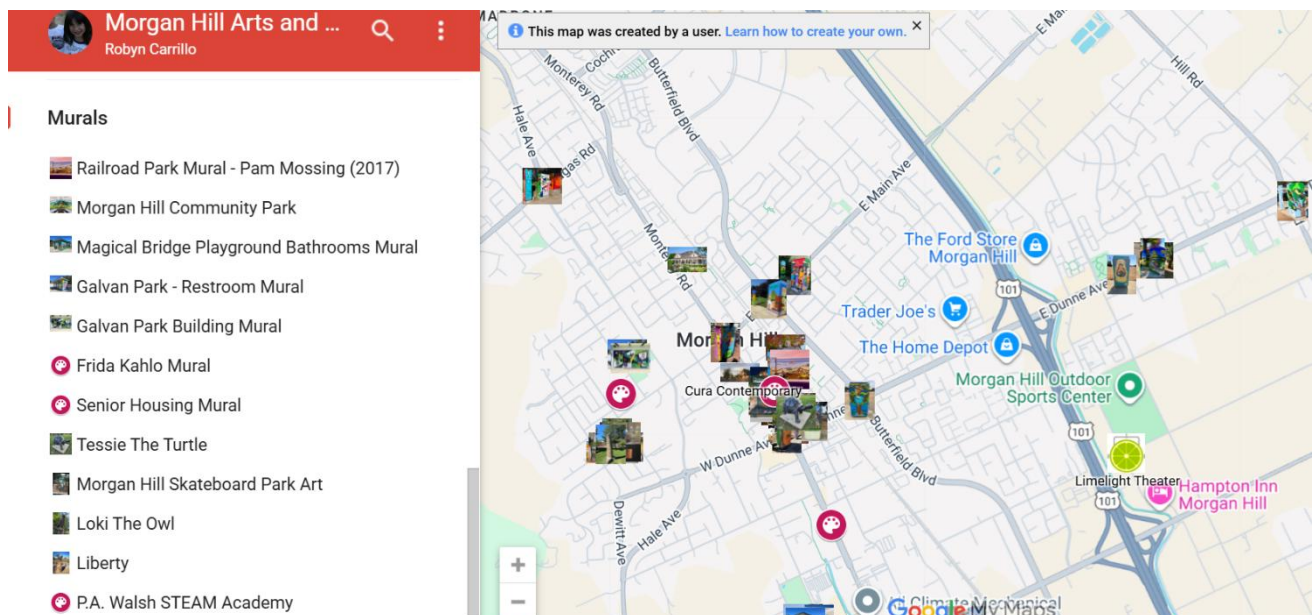


Figure 3- Morgan Hill Arts and Culture Trail

https://www.google.com/maps/d/viewer?mid=1yyNEPZZxV85D9qnLRQJ4w_e3H6OHbog&ll=37.122536722385604%2C-121.63172407604075&z=13

City of Morgan Hill

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Public & Private Art Pictures

MURALS



Building Community
Lina Velasquez
Magical Bridge BBQ area



CALFire
Morgan Hill Art Studio
CALFire Headquarters



El Toro Mural
Empire 7 Studios
Granada Theater & future Hotel Leal



Flower
Sheri Chakamian
Design Salon



Frida
Francisco Franco
Former Chachos Patio



Galvan Park Building
Beautiful Day
Galvan Park



Galvan Park
Abigail Dunnivan
Galvan Park



Hope
Patrick Hofmeister
Community Christian Church



Kissed by the Sun, Enchanted Land
Debbie Arambula
Aquatics Center



Morgan Hill Playground
Taylor Gallagos
Magical Bridge Restroom



Morgan Hill Senior Housing
Andrew Miller
Senior Housing
Monterey Rd



Once Upon A Mushroom
Evelyn Davis
Library



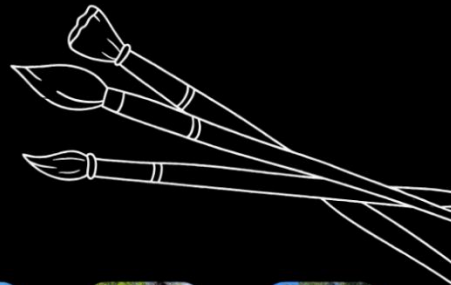
Paradise Valley
Artist Unknown
Trail Dust BBQ



Railroad Park Mural
Pam Mossing
Railroad Park



Sea Setting
Julie Castleberry Nunez, and Mary Susan Cate
Rosy's at the Beach



SCULPTURES



Deer Family
Evelyn Davis
Monterey Road Median



Harmony Tree
Saori Ide & Jonathan Russell
Civic Center Plaza



Jaguar
Francisco Franco
Behind Opa & Stacks



Liberty
Evelyn Davis
CRC walking path



Loki Owl
Evelyn Davis
CRC walking path



Morgan Hill Peace Monument
David Middlebrook
Civic Center Plaza



Never Forgotten
David Spellerberg
Outside Council Chamber



Poppy Jasper
Gordon Huether
Parking Garage 3rd Street side



Small Steps
Evelyn Davis
Downtown Creek Park



Tarantula
Gordon Huether
Parking Garage 4th Street Entrance



Upstream
Evelyn Davis
Trail south of Middle Ave.



Waiting for the Train
Marlene American
Train Station

OTHER



Bicycle and Townview
Art Decker, Joan & Steve Harkness
Aquatics Center



Checkerspot
Saori Ide & Jonathan Russell
Evergreen Shopping Center Roundabout



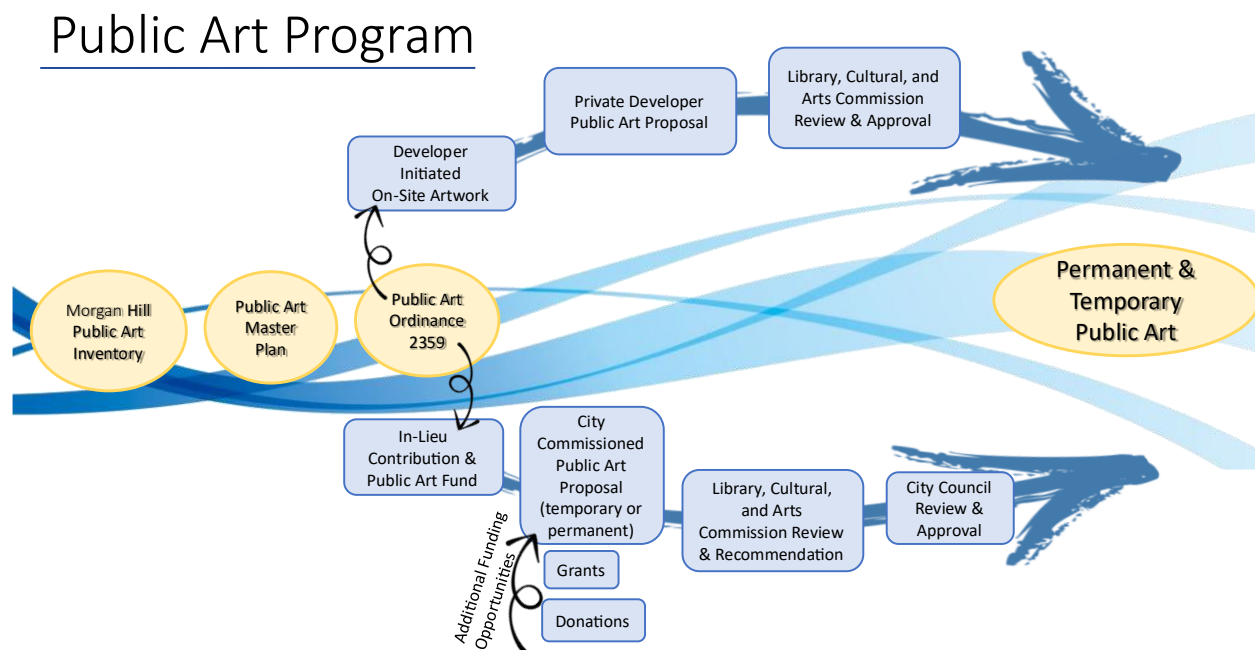
Encompass
Blessing Hancock
Monterey Road entrance to CCC



Skate Park Art
Tanya Golphin
Skate Park

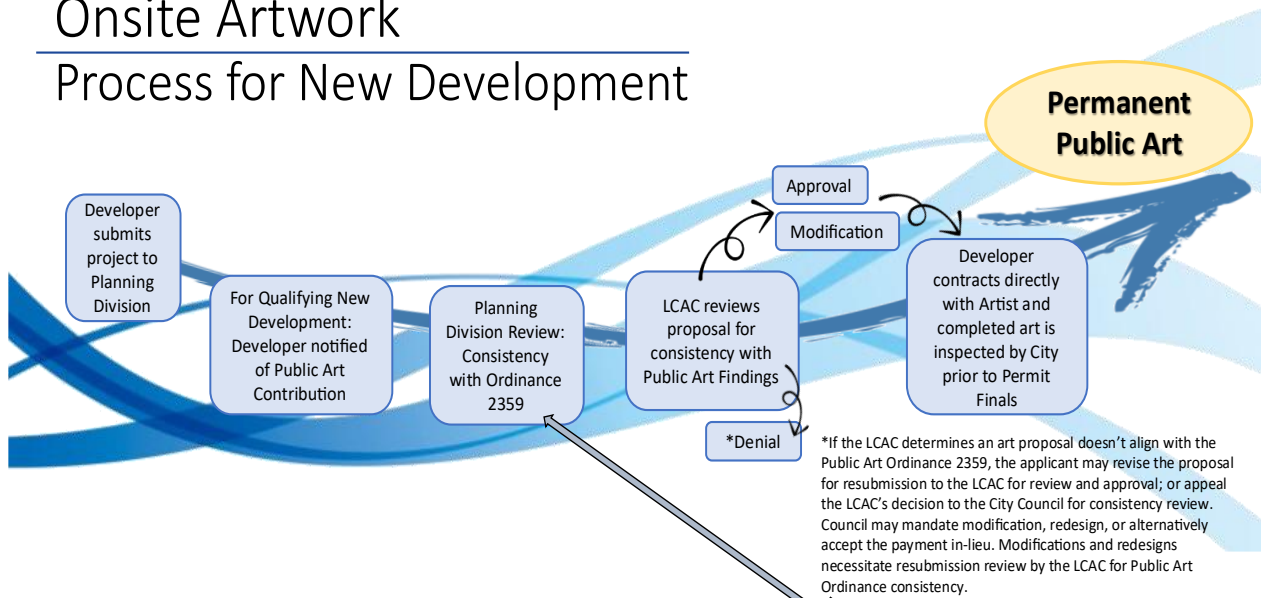
Appendix C - Workflows

Public Art Program



New Development Onsite Art

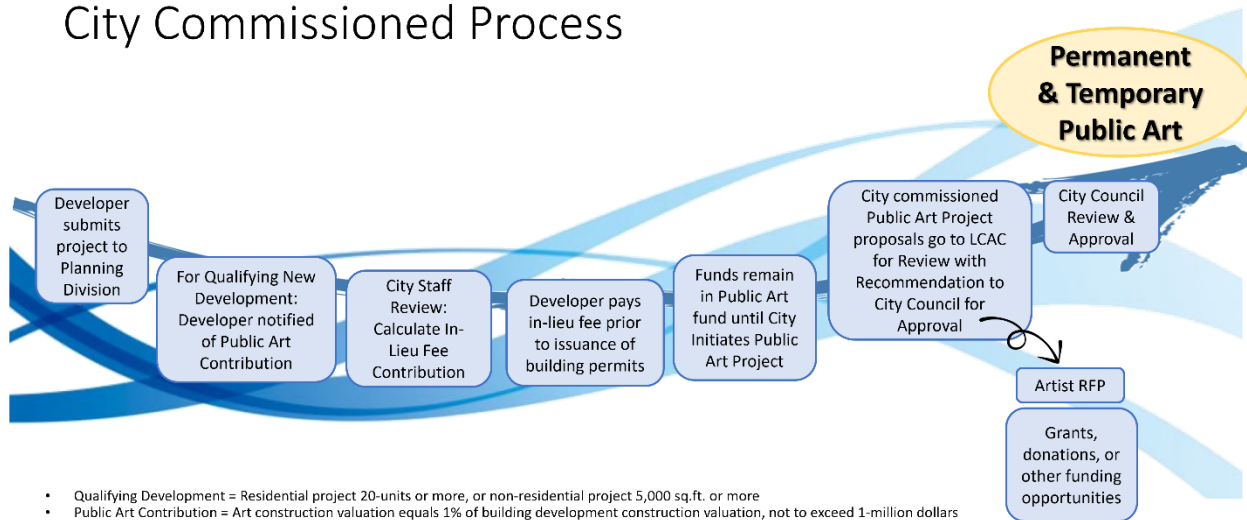
Onsite Artwork Process for New Development



- Qualifying Development = Residential project 20-units or more, or non-residential project 5,000 sq.ft. or more
- Public Art Contribution = Art construction valuation equals 1% of building development construction valuation, not to exceed 1-million dollars
- Ordinance 2359 = provides art standards/requirements
- LCAC = Library, Cultural, and Art Commission
- Art to be maintained by the property owner, a maintenance agreement will be required

City Commissioned Public Art

In-Lieu Artwork City Commissioned Process



- Qualifying Development = Residential project 20-units or more, or non-residential project 5,000 sq.ft. or more
- Public Art Contribution = Art construction valuation equals 1% of building development construction valuation, not to exceed 1-million dollars
- LCAC = Library, Cultural, and Art Commission
- RFP = Requests for Proposal
- Art to be maintained by City

Appendix D - Guiding Documents

General Plan-Healthy Community Element

CULTURE AND THE ARTS

GOAL HC-4 Support for culture and the arts as key assets for a unique and authentic community.

POLICY HC-4.1 **City Facilities.** Use the Community & Cultural Center and other City facilities to provide low-cost space and admission for events, and performances and exhibits that highlight the community's cultural, historic, and artistic diversity and history.

POLICY HC-4.2 **Accessibility.** Provide arts education and programs that are accessible to all, including residents with special needs and limited incomes.

POLICY HC-4.3 **Cultural Awareness.** Promote awareness of and celebrate Morgan Hill's diverse cultures through events, festivals, leadership on public boards and commissions, staff training, and public art installations.



POLICY HC-4.4 **Historical Awareness.** Acknowledge the contribution that history, historical sites, people, objects, landscapes and areas have in creating the uniqueness of Morgan Hill and its environs. Promote awareness of and celebrate Morgan Hill's history through leadership, staff training, celebrations, and events. Take a leading role in the collection and preservation of these things by providing for museums and other exhibit spaces to collect, exhibit, and interpret historical records and objects for community benefit.

POLICY HC-4.5 **Arts Promotion.** Enhance Morgan Hill's appeal to visitors and residents by publicizing local artists, providing space for and commissioning public art, hosting arts and cultural festivals and events, and encouraging preservation of the City's artistic and cultural heritage.

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- POLICY HC-4.6 **Placemaking.** Use public art and interpretive plaques to designate special and unique areas of the City, including the downtown, areas of historic and cultural significance, and community gathering places.
- POLICY HC-4.7 **Villa Mira Monte.** Promote awareness of Villa Mira Monte where the country home of Hiram Morgan Hill and his wife Diana is located along with the Morgan Hill Museum and the beautiful Centennial History Trail.
- POLICY HC-4.8 **Civic Arts.** Partner with local artists and art organizations to engage residents creatively in addressing community issues.
- POLICY HC-4.9 **Conversions.** Allow residential-to-commercial conversions to encourage art galleries and studios.
- ACTION HC-4.A **Public Art Program.** Study whether to require public art as part of new development and/or new City parks.

City of Morgan Hill
PUBLIC ART MASTER PLAN

Public Art Ordinance

ORDINANCE NO. 2359, NEW SERIES

**AN ORDINANCE OF THE CITY OF MORGAN HILL
ESTABLISHING CHAPTER 18.78 (STANDARDS FOR
PUBLIC ARTS) WITHIN TITLE 18 (ZONING) OF THE
MUNICIPAL CODE OF THE CITY OF MORGAN HILL
IMPLEMENTING THE REQUIREMENT OF PUBLIC ART
IN NEW LAND DEVELOPMENT PROJECTS**

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

Section 1. Chapter 18.78 (Standards for Public Arts) of Title 18 (Zoning) is hereby
established to read as follows:

18.78.010 – Purpose

The City Council finds and declares:

- A. Public art contributes to the public's understanding, enjoyment and experience of cultural diversity, while helping to create and maintain a large and diverse community that will enrich the City's cultural identity and economic vitality.
- B. The incorporation of public art into private and public development will create a unique sense of community as well as public identity and enhance the visual and aesthetic quality of such developments.
- C. The incorporation of public art in private and public development contributes to civic enhancement through creation of a more desirable community, which is in the public interest for those living and working in the City of Morgan Hill.
- D. The provision of public art supports and implements General Plan policies to support publicly accessible artwork to enhance the social, cultural, historic, and artistic character of the community and ensure high quality architectural and artistic design in all new developments.
- E. Cultural and artistic assets should be included in private development projects because those projects diminish the availability of the community's resources for those cultural and artistic features, and because it is important that those projects contribute to the urbanization of private property in a manner that benefits the public.
- F. Cultural and artistic resources foster economic development and tourism, revitalize urban areas, and create a more desirable community within which to live and work.

18.78.020 – Applicability and Exemptions

- A. **Applicability.** This chapter applies to all new residential building developments of 20 housing units or more; nonresidential development projects of 5,000 square feet or more; and new public buildings and new city parks.

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City of Morgan Hill
Ordinance No. 2359, New Series
Page 2 of 7

B. The following shall be exempt from the provisions of this Chapter:

1. Building/facility renovations or additions.
2. Public Works Capital Improvement Projects, including but not limited to, building/facility renovations or expansions, streets and roads, medians, trails, bike lanes, landscaping, storm drainage facilities, wastewater facilities, and water facilities.
3. Non-Municipal Governmental projects.
4. Municipal projects when the City Council finds that, based upon the characteristics of the project or the project budget, it is in the best interests of the Morgan Hill community to do so.

18.78.030 – Contribution Requirements.

A. Program Allocation.

1. Commercial, industrial, moderate-income and above moderate-income residential, and municipal development projects subject to the provisions of this Chapter shall expend not less than one percent (1%) of building development construction valuation, to a maximum of one million dollars (\$1,000,000), acquiring and installing on-site artwork.
2. Non-profit organizations and lower-income affordable housing development projects subject to the provisions of this Chapter shall expend not less than one-half percent (0.5%) of building development construction valuation, to a maximum of five hundred thousand dollars (\$500,000), acquiring and installing on-site artwork.

B. In-lieu Payments. In lieu of acquiring and installing on-site artwork as required under Section 18.78.030.A, the applicant, at the applicant's discretion, may pay into the Morgan Hill Public Art Fund a public art in-lieu contribution in an amount equal to one hundred percent (100%) of the program allocation. If an applicant chooses to make the public art in-lieu payment, the applicant must make that choice prior to final approval of the development project application and fully pay the public art in-lieu payment to the City prior to the issuance of the first building permit for the development project for which the contribution is required.

C. If the applicant chooses to acquire and install on-site artwork, and the value of the on-site artwork is less than one hundred percent (100%) of the program allocation, the applicant shall pay into the Morgan Hill Public Art Fund the difference between one hundred percent (100%) of the program allocation and the value of the on-site artwork.

18.78.040 – Public Art Requirements

- A.** On-site artwork shall be installed on the development project site in a location that allows the artwork to be visible and accessible by the public, such as the adjacent right-of-way.
- B.** On-site artwork shall be permanently sited and an integral part of the landscaping and/or architecture of a building considering the historical, geographical, and social/cultural context of the site or community.

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- C. On-site artwork shall be constructed of materials that are appropriate for the proposed location and to a scale that is proportional to the scale of the building or property it relates to or is sited upon.
- D. On-site artwork installations required by Section 18.78.030 may include:
 - 1. Graphic and multi-media: Printmaking, drawing, calligraphy and photography including digital, any combination of forms of electronic media including sound, film, holographic, and video and other art forms but only when on a large public scale;
 - 2. Interactive art pieces;
 - 3. Mixed Media: Any combination of forms or media, including collage;
 - 4. Mosaics;
 - 5. Painting: All media, including but not limited to, murals;
 - 6. Performance spaces, including indoor or outdoor stages and amphitheaters.
 - 7. Public art gardens;
 - 8. Sculpture; such as in the round, bas-relief, mobile, fountain, kinetic, electronic, or other, in any material or combination of materials, including glass and neon;
 - 9. Waterworks; and
 - 10. Any other artwork determined by the City Council to satisfy the intent of this section.
- E. The following facilities and artwork shall not be eligible to satisfy the requirements for on-site artwork:
 - 1. Mass-produced, standard design art objects such as playground equipment, benches or fountains;
 - 2. Decorative or functional architectural elements designed solely by the project architect;
 - 3. Directional elements such as super graphics, signage, or color coding;
 - 4. Logos or corporate identity;
 - 5. Reproduction, by mechanical or other means, of original works of art; and
 - 6. Art that signifies political or religious affiliations.

18.78.050 – Program Administration

- A. Projects subject to the public art requirement shall declare their intention to install public art on-site or to contribute to the in-lieu fund as part of the project design approval process, or the submission of building permits, if no design approval is required for the project. If an applicant chooses to install public art on-site, the applicant shall identify the proposed location(s) of the on-site public art on the submitted plans.
- B. Application Requirements. An application for the installation of on-site artwork shall be submitted to the Development Services Department on forms furnished for that purpose and shall include the following information, as applicable:

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1. Landscape and/or site plans indicating the location and orientation of the on-site artwork that integrates the artwork into the overall project design;
 2. A sample, model, photograph(s), or drawing(s) of the proposed on-site artwork;
 3. Material samples and finishes, if appropriate;
 4. The artist's resume and portfolio of past work, which demonstrates competency with the materials and forms proposed for the on-site artwork proposal;
 5. A written statement by the artist describing the on-site artwork, as well as a discussion of the manner in which the proposed on-site artwork meets the findings established by Section 18.78.050.E;
 6. An itemized budget declaring the valuation of the on-site artwork pursuant to Section 18.78.070;
 7. A maintenance plan for the on-site artwork;
 8. Any such additional information or materials as may be required by the Development Services Director; and
 9. Application processing fees.
- C. Art Installations. The Planning Division shall review the location of the proposed art installation as part of the project design approval process, or the submission of building permits, if no design approval is required for the project. The Library, Culture, and Arts Commission shall review the proposed artwork.
- D. City Commissioned Public Art Project Installations. The Library, Culture, and Arts Commission shall review the proposed artwork and provide a recommendation to the City Council. The City Council shall review and act on all City commissioned public art projects.
- E. Findings. In order to approve an on-site artwork application, the Library, Culture, and Arts Commission must make all of the following findings:
1. The artist has demonstrated qualifications to complete the proposed on-site artwork with the highest professional standards.
 2. There is sufficient public visibility and accessibility to the on-site artwork, and the proposed on-site artwork is compatible with and harmonious with the development project and surrounding environment.
 3. The proposed on-site artwork is durable and cost effective to maintain using ordinary methods of maintenance.
 4. The budget for the proposed on-site artwork and any in-lieu fees proposed by the applicant is equivalent to or exceeds the required program allocation.
- F. In-lieu Fee Collection. The City's Engineering Division shall be responsible for collecting the in-lieu fee prior to building permit issuance for nonresidential developments, and prior to certificate of occupancy for residential developments.
- G. Administration. The City's Public Services Department shall be responsible for the

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administration of the Public Art Fund.

18.78.060 – Maintenance Obligations

- A. The property owner on which the on-site artwork is located shall maintain, or cause to be maintained, in good condition the on-site artwork continuously after its installation and shall perform necessary maintenance thereto to the satisfaction of the City. The maintenance obligations of the property owner shall be incorporated into the conditions of approval for the on-site artwork and shall be reflected in an agreement between the City and the owner of the property on which the on-site artwork shall be located and the agreement shall be recorded against the property prior to building permit issuance or final map approval, whichever occurs first.
- B. Should the property owner wish to remove the on-site artwork, the City must be notified in advance. The property owner shall replace the on-site artwork with on-site artwork of equal or greater value subject to the approval of the City, and consistent with the California Preservation of Works of Art Act and the Federal Visual Artists' Rights Act and any other relevant law.

18.78.070 – Included and Excluded Expenses

- A. The following expenses may be included in the budget for the program allocation for on-site artwork:
 - 1. The on-site artwork itself, including the artist's fee for design, acquisition, purchase, structural engineering and fabrication;
 - 2. Transportation and installation of the on-site artwork at the development project site;
 - 3. Artwork identification signs; and
 - 4. Mountings, anchorages, containments, pedestals, bases, or materials necessary for installation of the on-site artwork.
- B. The following expenses shall not be included in the budget for the program allocation for on-site artwork:
 - 1. The cost of locating the artist(s);
 - 2. Architect and landscape architect fees;
 - 3. Land costs;
 - 4. Landscaping around the on-site artwork not integral to its design;
 - 5. Publicity, public relations, photographs, or dedication ceremonies;
 - 6. Utility fees associated with activating the artwork; and
 - 7. Illuminating the on-site artwork if not integral to the design.

18.78.080 – Use of In-Lieu Fee Funds

Public Art funds collected pursuant to this Chapter may be used for the following activities:

- A. For the design, acquisition, purchase, commission, installation, placement, improvement, relocation, conservation, and insurance of artwork acquired by the City with the preference

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- to commission public art from a local artist;
- B. For preventative care, maintenance, and utility charges related to the artwork and real property purchase;
 - C. For the acquisition and improvement of real property for the purpose of displaying artwork, which has been or may be subsequently approved by the City;
 - D. For costs associated with administering the public art program;
 - E. Structures that enable the display of artwork(s); artistic design and fabrication fees; labor of assistants, materials, and contracted services required for the production and installation of the work of art; any required permit or certificate fees, business and legal costs directly related to the project; and
 - F. Preparation of site to receive artwork.

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

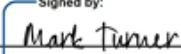
Section 3. Effective Date; Posting. This Ordinance shall take effect on the 31st day following adoption. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 20TH DAY OF NOVEMBER, 2024, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 4TH DAY OF DECEMBER, 2024, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

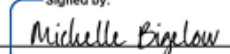
AYES:	COUNCIL MEMBERS:	Gino Borgioli, Marilyn Librers, Mark Turner, Rene Spring, Yvonne Martinez Beltran
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:

ATTEST:

Signed by:


MARK TURNER, Mayor

Signed by:


MICHELLE BIGELOW, City Clerk

LCAC Policies

CITY OF MORGAN HILL LIBRARY, CULTURE AND ARTS COMMISSION POLICIES AND PROCEDURES

LCAC-08-03

SUBJECT: TEMPORARY ART EXHIBITS AT CITY FACILITIES

APPROVED BY CITY COUNCIL DATE: October 16, 2008

In an effort to promote art by providing opportunities for local artists to display their work, the City encourages the use of City facilities for temporary art exhibits.

A. Definition of Temporary Public Art

Temporary public art is that which is displayed for two weeks and less than one year in open and freely accessible areas designated as a public area, lobbies and public assembly areas of City property, or on non-City property if the work is installed or financed, either wholly or in part, with City funds or grants procured by the City.

B. Art Exhibit Panel

The Art Exhibit Panel (AEP) shall be made up of a member of the Library, Culture and Arts Commission (LCAC), a member of a community art organization, and a City staff member. The LCAC member and the community art organization member shall be selected by the LCAC and reviewed annually. The City staff member shall be designated by the City Manager.

C. Exhibit Scheduling

An annual art exhibit schedule will be established by the AEP. Exhibits will be scheduled for approximately six (6) to eight (8) weeks. The exhibit schedule, or the duration of a particular exhibit, may be changed at the discretion of the AEP. In the event that there are more requests for exhibit space than can be accommodated in the exhibit calendar, a wait list will be established. Priority will be given to Exhibitors/Artists who have not exhibited before and to Morgan Hill residents.

D. Exhibit Selection Criteria

1. Individual or Group Proposals: individuals may submit a proposal for a one-person exhibit or two or more artists may submit a proposal for a group show. Collaborative exhibits are encouraged.
2. Open Competition: All artists are welcome to propose works that meet the exhibition criteria. Exhibitions by students are encouraged.
3. Exhibit-specific criteria may be established by the AEP for a particular exhibit.

E. Art Selection Criteria

All artists interested in exhibiting must have the artwork approved by the AEP. The decision of the AEP is final. The AEP will jury all proposed artwork using the following criteria:

1. Artist must submit photographs of the art they wish to exhibit.
2. Artistic integrity and a high quality of aesthetic experience will be the primary considerations in the selection of art for exhibits.
4. Artwork exhibited shall be suitable for display to a diverse audience that includes facility customers, employees, and the general public of all ages.

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5. Artwork exhibited shall be suitable in scale, materials, and form for its surroundings.
6. Artwork exhibited shall not pose a threat to public safety.

F. Installation and Removal

1. Installation and removal of art work will be the responsibility of the Exhibitor/Artist.
2. Art exhibit installation guidelines for the specific City facility will be provided to the Exhibitor/Artist prior to the installation of artwork. These guidelines will be followed by the Exhibitor/Artist.
3. Date and time of installation and removal will be determined by the AEP and agreed upon by the Exhibitor/Artist.
4. Exhibitor/Artist must provide printed or typed identifying labels approximately 3x5 that include the name of the artist, the name of the artwork, and the medium. If the art is for sale, the price may also be included on the label.
5. The AEP makes no representation to and assumes no liability for the suitability of the frame for the art work, the method or means of framing, or the appropriateness of the framing for hanging or extended display.

G. Exhibitor/Artist Responsibilities

1. All exhibitors will sign an Art Exhibition Agreement that includes the exhibition site, term of the exhibit, declared value of all exhibited work, promotional responsibilities, sales commissions, installation and removal requirements, waiver of liability, and indemnification before installation can begin.
2. Exhibiting artists will be asked to submit a written artist biography to the assigned City staff member of the AEP six (6) weeks prior to the exhibit date. This information may be used by the City for publicity purposes.
3. Exhibits are not intended as a means for commercial sales. However, if the artist provides a price list and contact information with the exhibiting facility, staff will attempt to provide that information to interested parties upon request. Should a sale of art result from an exhibit at a City facility, the Exhibitor/Artist will be charged a 10% commission which will be deposited in the Community Culture & Art Fund.
4. Exhibitors/Artists are encouraged to promote their exhibit through the use of printed materials and an artist reception at the hosting facility. Exhibitors/artists assume all responsibility, including financial, for the self-promotion of their exhibit. All advertising must be approved by the City staff member of the AEP.
5. Exhibitors/Artists will have the primary responsibility for the installation and removal of their respective exhibit/artwork.

H. AEP Responsibilities

In addition to those responsibilities listed above, the AEP will:

1. Promote the art exhibits in general and may promote specific art exhibits in City publications and website when possible.
2. Schedule an artist's reception, if requested, at the hosting facility. The City will provide space at the facility at no cost to the Exhibitor/Artist.
3. Assist with the installation and removal of artwork whenever possible.

This policy shall remain in effect until modified or revoked by the City Council.

**CITY OF MORGAN HILL
LIBRARY, CULTURE AND ARTS COMMISSION
POLICIES AND PROCEDURES**

LCAC-08-04

SUBJECT: CITY'S PERMANENT ART COLLECTION

APPROVED BY CITY COUNCIL DATE: October 16, 2008

The Library, Culture and Arts Commission will review and make recommendations to the City Council regarding all works of art to be acquired by the City, either by purchase, gift or otherwise, and exterior works of art installed in the City on public property.

A. Definition of Permanent Public Art

Permanent public art is that which is installed for one year or more in open and freely accessible areas designated as a public area, lobbies and public assembly areas of City property, or on non-City property if the work is installed or financed, either wholly or in part, with City funds or grants procured by the City..

B. Acquisition Policy – It is the policy of the City to encourage art in public places and to act as the conduit for the purpose of administration of a public art policy.

Acquisition Procedures:

1. All acquisitions as recommended by LCAC shall require review and approval by the City Council.
2. All acquisitions, whether purchased by or gifted to the City, shall require a contract addressing the terms of the acquisition; installation, instructions for maintenance; the manner in which work may be deaccessioned; and copyright, reproduction, and resale issues.
3. Funding for the maintenance must be determined prior to the acquisition.
4. The value of the work shall be agreed upon between the artist and the City.
5. Complete records shall be made and maintained by the staff representative to the Library, Culture and Arts Commission (LCAC) or other City staff as assigned by the Recreation and Community Services Director.

C. Review Policy – It is the policy of the City that all proposed acquisitions or gifts will be reviewed by a committee and that specific criteria be used in the approval process.

Review Procedures:

1. The review committee shall be made up of a member of the LCAC selected by the LCAC, a member of the community-at-large with expertise in public art selected by the LCAC, and a member of the City Staff selected by the City.

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2. All submissions shall include a rendition of the work, a written description of the work including dimensions and material, proposed placement, a maintenance plan, and an estimated value.
 3. The review criteria shall include:
 - a. quality of work
 - b. experience and abilities of the artist
 - c. style and nature
 - d. permanence and technical feasibility
 - e. budget
 - f. diversity
 - g. benefit
 - h. placement & public accessibility
 - i. ongoing maintenance requirements
 - j. public safety and liability
 - k. permanence
 - l. aesthetics/enhance surroundings
 4. A recommendation will be made by the review committee to the LCAC who will, in turn, make a recommendation to the City Council.
- D. Installation Policy** – It is the policy of the City to install works of public art in areas in which they will provide the greatest benefit to the community.

Installation Procedures:

1. When determining the site of installation, the following criteria will be considered:
 - a. public safety
 - b. visibility
 - c. lighting
 - d. traffic patterns
 - e. function of the facility/site
 - f. relationship of the proposed work to pre-existing works on the site
 - g. future development plans for the area
 - h. landscape design
 - i. environmental assessment
 - j. public accessibility
 - k. appropriateness of the physical characteristics of the site
 - l. relationship to the social and cultural identity of the immediate community
 2. Installation costs will be the responsibility of the artist or donating party unless otherwise stipulated in the contract.
 3. Each artwork shall be identified by a plaque stating the artist's name, artwork title, and the date the artwork was dedicated. The cost and installation of the plaque shall be the responsibility of the artist or donating party unless otherwise stipulated in the contract.
- E. Maintenance Policy** – It is the policy of the City to keep works of public art in their intended condition through inspection (cursory inspection by City staff and annual inspection by the LCAC) and required maintenance.

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Maintenance Procedures:

1. Before public art is accepted by the City there shall be a plan for its maintenance requirements and for the funding thereof.
2. Written instructions from the artist or donor for the proper care and maintenance of each work are required.
3. City staff will perform a cursory inspection of installed works as part of the regular and customary maintenance of the site.
4. LCAC will perform an annual inspection and inventory prior to the end of each fiscal year of all works and provide a written report of findings at a regularly scheduled LCAC meeting. LCAC will advise the City Council on any maintenance issues.

- F. Deaccession Policy** – It is the policy of the City to maintain its' permanent collection of public art in good condition and in keeping with the historical and cultural values of the community and will deaccession the work if the values are no longer met or if it is determined that maintenance costs are not feasible.

Deaccession Procedures:

1. An agreement regarding the manner in which the work may be deaccessioned shall accompany all acquisitions.
1. Physical evaluations may take place annually by the LCAC and a written report will be prepared by the LCAC and be submitted to Council for every work in the City's collection.
2. The following criteria will be used when determining deaccession of a work of art:
 - a. if the City cannot properly care for or store the work
 - b. if the aesthetic or the historical/cultural value of the work is no longer evident
 - c. if the work demonstrates faults in design or workmanship
 - d. if the condition of the artwork requires repair or restoration in excess of the value or in excess of the funds allotted in the acquisition contract or available from the City.
3. The City shall dispose of all deaccessioned works in accordance with the terms specified in the acquisition contract or, if no terms are specified, by sale, trade, transfer or destruction. Ethical standards will apply.
4. Any and all monies raised from deaccession will be added to the Community Culture & Art Fund and in keeping with the California Resale Royalties Act.

This policy shall remain in effect until modified or revoked by the City Council.