



## **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, April 1, 2026**

**5:30 p.m. Closed Session**

**6:00 p.m. Regular Session, Continued to 6:30 p.m.**

**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 it before joining 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 first from those attending in person, with the submission of a speaker card. Once that is complete, we will move to those on Zoom who 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](mailto: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 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](mailto:cityclerk@morganhill.ca.gov). Requests must be made as early as possible, 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 5:30 p.m. for the purpose of conducting a closed session.

**SPECIAL MEETING**

5:30 p.m. Closed Session

**CALL TO ORDER**

**ROLL CALL ATTENDANCE**

**DECLARATION OF POSTING AGENDA**

**CLOSED SESSION**

**Threat to Public Services or Facilities (§ 54957)**

Consultation with: Morgan Hill Police Department, Chief of Police

**OPPORTUNITY FOR PUBLIC COMMENT ON CLOSED SESSION**

**ADJOURN TO CLOSED SESSION**

**REGULAR MEETING**

6:00 p.m.

Note, due to closed session, the start time will be continued to 6:30 p.m.

**SILENT INVOCATION**

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS**

Donate Life Month

**CITY COUNCIL REPORTS**

Mayor Turner

**CITY MANAGER'S REPORT**

**CITY ATTORNEY'S REPORT**

**OTHER REPORTS**

**PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

This opportunity for public comment is for items that are not on the agenda. If you would like to make comments on an item that is on the agenda, please wait until we get to that item to offer your comments. Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. Public comment is intended for comments. Questions posed during public comment are not generally answered. If you have questions, please send them to the City Clerk at [ccpubliccomment@morganhill.ca.gov](mailto: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. APPROVE SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH RENAISSANCE ENTREPRENEURSHIP CENTER**

Recommendation:

Approve and authorize the City Manager to execute and administer the Second Amendment to the professional services agreement with the Renaissance Entrepreneurship Center for an additional amount of \$75,000, for a total not-to-exceed amount of \$125,000, and extending services for an additional one-year term.

**2. APPROVE THE MARCH 18, 2026 CITY COUNCIL MEETING MINUTES**

Recommendation:  
Approve the March 18, 2026 City Council Meeting Minutes.

**3. AWARD EAST DUNNE SEWER UPSIZE PROJECT**

Recommendation:

1. Approve the East Dunne Sewer Upsize Project Plans and Specifications;
2. Award contract to SubTerra Construction, Inc. for the East Dunne Sewer Upsize Project in the amount of \$1,086,465.50;
3. Authorize expenditure of construction contingency funds not to exceed \$250,000; and
4. Authorize the City Manager to execute and administer the construction contract with SubTerra Construction, Inc.

**4. AWARD 2026 SEWER INFLOW AND INFILTRATION PROJECT**

Recommendation:

1. Approve 2026 Sewer Inflow and Infiltration Project Plans and Specifications;
2. Award contract to Casey Construction, Inc. for the 2026 Sewer Inflow and Infiltration Project in the amount of \$1,720,419;
3. Authorize expenditure of construction contingency funds not to exceed \$250,000; and
4. Authorize the City Manager to execute and administer the construction contract with Casey Construction, Inc.

**5. RECEIVE MONTHLY BUDGET UPDATE AND FEBRUARY 2026 FINANCIAL AND INVESTMENT REPORTS**

Recommendation:

Receive and file reports.

**OTHER BUSINESS**

**6. PROVIDE DIRECTION REGARDING COMMUNITY FUNDING REQUESTS**

Recommendation:

1. Review applications submitted for FY 2026-27 funding cycle; and
2. Provide staff direction on funding awards to be incorporated within the City's FY 2026-27 Operating Budget.

**7. ADOPT RESOLUTIONS CALLING FOR A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026, CONSOLIDATING**

**ELECTION SERVICES WITH THE COUNTY OF SANTA CLARA REGISTRAR OF VOTERS, AND PLACING A MEASURE ON THE BALLOT TO CHANGE THE ELECTIVE CITY TREASURER POSITION TO AN APPOINTIVE POSITION.**

Recommendation:

1. Adopt Resolution A calling for a General Municipal Election to be held on Tuesday, November 3, 2026, to elect a Mayor, one Council Member from District B, and one Council Member from District D;
2. Adopt Resolution B requesting the services of the Board of Supervisors of the County of Santa Clara and the Registrar of Voters Office - and the Consolidation of the Election; and
3. Adopt Resolution C placing a measure on the ballot to change the elective City Treasurer Position to an appointive position.

**8. AUTHORIZE THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE EXISTING LOAN AGREEMENT WITH EDEN HOUSING AND A GRANT AGREEMENT CONTRIBUTING \$800,000 FROM THE HOUSING MITIGATION FUND FOR CAPITAL IMPROVEMENTS AT THE SKEELS PROJECT-17305 MONTEREY ROAD**

Recommendation:

1. Authorize the City Manager to negotiate and execute, subject to City Attorney review, an amendment to the existing loan for the Skeels Project, extending the term by 20 years and allowing future surplus cash to be retained in a replacement reserve account for ongoing capital improvements; and
2. Authorize the City Manager to negotiate and execute, subject to City Attorney review, a grant agreement with Eden Housing in an amount not to exceed \$800,000 from the Housing Mitigation Fund (Fund 236) for capital improvements, including roof replacement, water and sewer line upgrades, and new showers.

**9. CONTINUED DISCUSSION OF FISCAL SUSTAINABILITY**

Recommendation:

Receive the report on revenue enhancement and cost-containment strategies to be incorporated into the upcoming biennial budget and review the proposed next steps for evaluating potential revenue measures for a November 2028 ballot.

**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](mailto: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 2026-2027

- Fiscal Sustainability
- Public Safety
- Affordable Housing and Homelessness
- Economic Development and Tourism
- Transportation
- Economic Mobility

## 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
- Promoting a Healthy Community



## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: April 1, 2026**

PREPARED BY:

Matt Mahood, Economic Development Director

APPROVED BY: City Manager

## **APPROVE SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH RENAISSANCE ENTREPRENEURSHIP CENTER**

### **RECOMMENDATION(S)**

Approve and authorize the City Manager to execute and administer the Second Amendment to the professional services agreement with the Renaissance Entrepreneurship Center for an additional amount of \$75,000, for a total not-to-exceed amount of \$125,000, and extending services for an additional one-year term.

### **COUNCIL PRIORITIES, GOALS & STRATEGIES**

#### **City Council Ongoing Priorities**

Promoting a Healthy Community

#### **Strategic Priorities 2026-2027**

Economic Development and Tourism

#### **Guiding Documents**

Economic Blueprint

### **REPORT NARRATIVE:**

The City entered into a \$50,000 one-year Professional Services Agreement with Renaissance Entrepreneurship Center in April 2025 to provide small business technical assistance, entrepreneurial training, and related economic development services to the Morgan Hill business community. A first amendment to the Professional Services Agreement was processed on May 12, 2025, to change the end date of the initial contract agreement from March 31, 2026 to April 30, 2026 to coincide with the contract scope and schedule of services.

Over the past year, Renaissance has delivered services consistent with the scope of work and has demonstrated measurable outcomes supporting local small businesses and entrepreneurs. Based on their performance and the continued need for these services, staff recommends extending the agreement for an additional year, through April 30, 2027, and increasing the contract amount by \$75,000.

For year two, the scope of services has been expanded to include all the programming

previously included in year one, plus the following additional services to include: a 5-week Food Sector cohort, two 4-week Financial Literacy cohorts, a 6-week virtual Youth Entrepreneurship cohort, and one-time Access to Capital Summit.

## **BACKGROUND**

In 2025, the City engaged Renaissance Entrepreneurship Center to support local economic development goals by providing:

- One-on-one business advising and technical assistance
- Entrepreneurial training programs and workshops
- Support for new and existing small businesses
- Outreach to underserved and emerging entrepreneurs
- Collaboration with City economic development initiatives

The agreement was intended to support small businesses, promote business retention and expansion, and support inclusive economic growth.

## **ANALYSIS**

### **Performance to Date**

Over the past year, Renaissance has provided individualized consulting services to Morgan Hill-based businesses and entrepreneurs as outlined below:

- Conducted approximately 69 one-on-one business consulting sessions.
- Hosted 16 workshops with an average of 13 attendees per workshop.
- Facilitated Class Cohort #1 — Spanish language
  - 28 attendees during the 4-week course of which 16 live in Morgan Hill and 25 were emerging business owners.
  - 20 attendees during the 10-week course of which 10 live in Morgan Hill, 19 were emerging business owners, and all 20 attendees graduated from the program.
- Facilitated Class Cohort #2 — Spanish language (still in-process)
  - 30 attendees during the 4-week course of which 18 live in Morgan Hill and 28 are emerging business owners.
  - 31 attendees during the first class of the 10-week course, of which 22 live in Morgan Hill and 29 are emerging business owners.
- Facilitated Class Cohort #3 — English language (still in-process)
  - 6 attendees during the 4-week course, of which 4 live in Morgan Hill and 5 are emerging business owners.
  - 12 attendees during the first class of the 10-week course, of which 7 live in Morgan Hill and 10 are emerging business owners.
- Hosted continued weekly classes for the graduates of the Class Cohort #1 — Spanish language at their request and with topics identified by the group.

The agreement was intended to enhance the City's small business ecosystem, promote business retention and expansion, and support inclusive economic growth.

City staff has monitored performance through regular coordination meetings and ongoing metrics reporting. Based on the outcomes achieved and the consistently positive stakeholder feedback, staff concludes that Renaissance has met the City's intended goals and delivered services aligned with Morgan Hill's Economic Blueprint and ELEVATE Morgan Hill's economic mobility objectives.

### **Need for Continued Services**

Small businesses continue to face evolving economic challenges, including access to capital, workforce constraints, inflationary pressures, and market competition. Continued partnership with Renaissance will:

- Provide consistent, accessible support to the local business community
- Provide continued support to the prior graduating classes
- Advance City Council economic development priorities
- Strengthen the entrepreneurial pipeline in Morgan Hill
- Support equitable access to business resources

Extending the agreement avoids service disruption and maintains momentum built over the past year.

The Council recently updated its Sustainable Morgan Hill and included Economic Mobility as one of the key Strategic Priorities. The proposed action is consistent with the City Council's adopted economic development goals and strategic priorities, including:

- Supporting local business retention and expansion
- Encouraging entrepreneurship and small business growth
- Promoting economic vitality and job creation
- Economic Mobility

### **COMMUNITY ENGAGEMENT:**

This report serves to inform the community of the recommended professional services agreement with Renaissance Entrepreneur Services to provide business resources and educational services.

### **ALTERNATIVE ACTIONS:**

The Council could decide not to approve this amendment to the professional services agreement. This alternative is not recommended as it will limit the City's ability to support and achieve several of the annual business objectives with both the Economic Development and Economic Mobility workplans.

**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

In May 2024, the City Council approved the annual City Budget for FY24-25 and 25-26 which included \$50,000 for small business development and support services.

In August 2025, the City Council accepted grant funding from the International City/County Management Association (ICMA) to support staffing and program efforts related to economic mobility.

**FISCAL AND RESOURCE IMPACT:**

Funding is available in the adopted FY 25-26 Economic Development budget and program funds from the ICMA Economic Mobility grant. Funds for FY 26-27 will be included in the Recommended Budget.

**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.

## **SECOND AMENDMENT TO AGREEMENT RENAISSANCE ENTREPRENEURSHIP CENTER**

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 RENAISSANCE ENTREPRENEURSHIP CENTER, a California nonprofit corporation ("CONSULTANT" OR "CONTRACTOR"), 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" made as of April 23, 2025, for consultant services for a maximum compensation of Fifty Thousand Dollars (\$50,000) ("CONSULTANT AGREEMENT").
3. The CITY and CONSULTANT entered into a "First Amendment to Agreement" made as of May 12, 2025, under which the end date of the Agreement was corrected to April 30, 2026. The CONSULTANT 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 CONSULTANT 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 to reflect the extended term of the Agreement with an updated termination date of April 30, 2027.
  - B. Paragraph 3 shall be amended to have all references to "Exhibit A" be updated to reference the revised scope of services set forth in **Exhibit A-1**, that is herein incorporated by this reference.
  - C. Paragraph 4.1 shall be amended to reflect the increased total compensation that shall not exceed One Hundred Twenty-Five Thousand Dollars (\$125,000.00).
  - D. Paragraph 4.1 and 4.2. shall be amended to have all references to Exhibit "B" be updated to reference the revised payment schedule as set forth in **Exhibit "B-1"** effective May 1, 2026, that is incorporated herein by this reference.
  - E. Paragraph 6 shall be amended to have all references to "Exhibit C" be updated to reference the revised schedule of performance set forth in **Exhibit "C-1"** that is incorporated herein by this reference.

- 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, 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

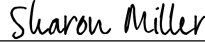
Date: \_\_\_\_\_

Date: \_\_\_\_\_


APPROVED AS TO FORM:  
Donald Larkin, City Attorney

**RENAISSANCE ENTREPRENEURSHIP CENTER**

\_\_\_\_\_  
Date: \_\_\_\_\_

DocuSigned by:  
  
 \_\_\_\_\_  
 By: 6AFC8EBD15F486...  
 Title: Sharon Miller  
 Sharon Miller, CEO

Date: 3/23/2026

DocuSigned by:  
  
 \_\_\_\_\_  
 By: 77B7C295CD425...  
 Title: Tim Russell  
 Tim Russell, Regional Director

Date: 3/23/2026

## EXHIBIT A-1 REVISED SCOPE OF WORK

Contractor shall, to the satisfaction of the City of Morgan Hill's Economic Development Director, perform the following services:

**Contract Activities:** Contractor will provide access to the following programs and services, in English and Spanish, from **May 1, 2026 – April 30, 2027**, to a minimum of sixty (60) new emerging and established Morgan Hill entrepreneurs as well as continuing to provide requested services to year-1 participants and graduates. New specialty support programs will be launched to support youth entrepreneurship, food sector entrepreneurs, and financial literacy. A minimum of 3 workshops per quarter will be facilitated, in addition to one in-person Capital Summit focused on financial literacy and access to capital.

### **Task 1: Marketing and Promotion:**

- Contractor staff will market and promote services through flyers, social media posts, e-blasts, tabling at community events, and partnerships with local organizations.
- Contractor will share any marketing and promotional flyers with City to help amplify, post, and further market opportunities
- Outreach materials will be multilingual (English and Spanish) to ensure inclusivity and accessibility.
- Contractor staff will market to Morgan Hill Unified School District and other youth service provider networks within South County (Morgan Hill, San Martin and Gilroy) the Youth Entrepreneurship Series.
- Contractor will leverage their website, social media accounts, contact database, and network of partner organizations to further amplify awareness of available services.
- Outreach efforts need to be conducted in a manner that prioritizes the outreach and engagement with Spanish speaking residents and potential clients.

### **Task 2: Provision of Technical Assistance Services: Types of**

Classes/Programs:

- Smart Start: 4-week Start Smart Class, where participants learn startup fundamentals, entrepreneurial mindset, strategy development, and product viability.
- Business Prep: 10-week Business Prep Class that integrates management, marketing, and finance to build skills, confidence, and a comprehensive business plan.
  - Fundamentos de Negocios: a course based on the 10-week Business Prep course, but targeted to the Spanish speaking community of Morgan Hill
- Post-Graduate Instruction: weekly class for prior Business Prep graduates on topics identified by this group as needing additional instruction.
- Youth Entrepreneurship Series: 6-week online expanded Smart Start course to foster an entrepreneurship spirit in students through the exploration of business value and proposition, marketing and branding, basic finance, selling, digital business tools and more.
- Food Sector Series: 5-session program designed to help food vendors build compliant and sustainable businesses. The program includes one orientation session introducing local permitting requirements, health regulations, and the steps required to operate legally, followed by a four-session cohort series focused on foundational business planning, including completing a business canvas, identifying target customers and operating locations, understanding pricing and costs, and mapping required permits and licenses. Each cohort participant will meet with a food consultant for individualized one-on-one consulting to support permit applications, inspection preparation, licensing, and core business development topics such as marketing and financial management. In addition, if City staff identifies a church willing

to participate in the Beyond the Kitchen Program, the Contractor will seek to secure funding to support the implementation of the Kitchen Program.

- Secure Futures: Financial Literacy Series: (2) 4-week financial literacy cohorts designed to help existing and future business owners set money goals, make a budget, improve credit, pay off debt, save, plan for growth and challenges, and protect and grow finances.

**Training Classes:**

- Smart Start – 4-week course
- Business Prep – 10-week course

**Training Classes Curriculum Sample**

- Business Concept & Value Proposition  
(Mission & Vision, Business Description, Problem & Solution)
- Legal & Operational Foundations  
(Business Formation, Legalities, Insurance, Business Operations)
- Market Analysis & Branding  
(Branding, Target Audience, Competitive Analysis)
- Marketing, Sales & Pricing Strategy  
(Marketing & Sales Strategy, Pricing & Financial Statements)
- Financial Planning, Risk, and Growth  
(Financial Projections, Business Risk, Growth, Access to Capital, Hiring & Management)
- Industry Specific Training: Support for entrepreneurs in the food/ childcare sectors.

**One-On-One Consulting:**

- Contractor will work with clients to provide one-on-one consulting. Consulting sessions will be available both virtually and in-person at accessible community locations. Special emphasis will be placed on ensuring that services are accessible to Spanish-speaking business owners.
- 300 hours at minimum.
- Additional training and consulting will be provided on an as needed basis.

**Task 3: Provision of Workshops:**

- Develop and deliver at least three workshops per quarter designed to meet the needs of the Morgan Hill business community. Topics will include marketing strategies, financial management, and technology for small businesses. Workshops will be conducted in English and Spanish, with language content being delivered at separate times, in both virtual and in-person formats, depending on community needs.
- Facilitate an in-person Capital Summit that explores the critical intersection of access to capital and business growth. The event will examine the challenges and opportunities entrepreneurs face when securing capital, as well as the innovative solutions shaping the future of business expansion. Participants will hear from expert-led procurement panels and have the opportunity to network with key government and industry partners.

**Task 4: Program Tracking and Client Follow-Up:**

- Contractor will track program metrics outlined.
- Quarterly reports will be submitted to the City of Morgan Hill Economic Development Department.
- Follow-ups will be conducted to assess client progress and satisfaction.
- Contractor should track all program participants and evaluate the quality of programs delivered, and the effectiveness of delivery.
- Feedback from clients will guide any necessary adjustments to improve service delivery.
- Follow-ups will also be conducted in English and Spanish.

- Metrics:
  - Unique clients
  - Returning clients
  - Workshop attendance
  - Client demographics, such as age, gender, part of underserved communities
  - Jobs created
  - Businesses created or expanded
  - Types of businesses assisted
  - One bilingual “participant spotlight” or success story per quarter
  - Number of entrepreneurs who obtained a business license, EIN/ITIN, or Health Permit
  - Number of referrals/connections made from Renaissance to City Departments
  - Number of loans facilitated and dollar amount

**Task 5: Participation in Economic Mobility Activities:** Contractor will participate in City initiatives to enhance economic mobility, addressing goals outlined in the City’s Economic Mobility Report.

Contractor will support the City’s Economic Mobility Report strategies as follows:

- Connect Spanish-speakers and day workers to education, resources, training, and job opportunities. Renaissance will deliver comprehensive services in Spanish to ensure accessibility for the Morgan Hill Hispanic/Latinx community, including specialized programs tailored for food sector and youth entrepreneurs.
- Restart business training programs “Fundamentos de Negocios” for Latinx entrepreneurs.
- Implement education into **Task 2** and **Task 3**, as appropriate, for Microenterprise Home Kitchen Operations (MEHKO).
- Promote financial confidence and readiness through in-person workshops focused on financial literacy and access to capital.

**EXHIBIT B-1:  
REVISED PAYMENT SCHEDULE**

**COMMUNICATIONS TECHNICAL SERVICES COMPENSATION**

The City of Morgan Hill ("CITY") shall compensate Renaissance Entrepreneurship Center ("CONSULTANT ") for goods and services provided in accordance with the payment terms, conditions, and rates set forth in this Revised Payment Schedule.

All invoices should be sent at least two (2) weeks prior to the payment date with the due date as the payment date.

Unless otherwise agreed to by both Parties, all payments will be made to the Consultant invoiced to:

**Contracting Agency:**

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

**Recipient:**

Renaissance Entrepreneurship  
Center 275 Fifth Street  
San Francisco, CA 94103

**1. Initial Payment (\$18,750)**

- o **Due Date:** Upon receipt of invoice following signing of the second Amendment to the contract
- o **Amount:** 25% of the total contract value.

**2. Second Payment (\$18,750)**

- o **Due Date:** Three (3) months after signing of the second Amendment to the contract.
- o **Amount:** 25% of the total contract value.

**3. Third Payment (\$18,750)**

- o **Due Date:** Six (6) months after signing of the second Amendment to the contract.
- o **Amount:** 25% of the total contract value.

**4. Fourth Payment (\$18,750)**

- o **Due Date:** Nine (9) months after signing of the second Amendment to the contract.
- o **Amount:** Remaining 25% of the total contract value.

Revised Dates of Invoice due date:

1. Invoice 1 on May 1st, 2026
2. Invoice 2 on July 1st, 2026
3. Invoice 3 on October 1st, 2026
4. Invoice 4 on December 1st, 2026

Consultant shall submit timely invoices to the following address:

City of Morgan Hill  
c/o Finance- Accounts Payable  
17575 Peak Ave.  
Morgan Hill, CA. 95037

**EXHIBIT C-1  
REVISED SCHEDULE OF PERFORMANCE**

**Quarter 1 (May 1<sup>st</sup>, 2026-July 31<sup>st</sup>, 2026):**

- Outreach, marketing, and tabling (Task 1)
- Monthly virtual orientations (English & Spanish)
- One Start Smart class series (Spanish) (Task 2)
- One Business Prep class (Spanish) (Task 2)
- Begin Ongoing one-on-one consulting (English & Spanish) (Task 2)
- Begin post-graduate classes (Task 2)
- Begin Youth Entrepreneurship 6-week summer class series (Task 2)
- Minimum 3 workshops (Task 3)
- Quarterly reporting (Task 4)

**Quarter 2 (August 1<sup>st</sup>, 2026- October 31<sup>st</sup>, 2026):**

- Outreach, marketing, and tabling (Task 1)
- Monthly virtual orientations (English & Spanish)
- Two Start Smart class series (English & Spanish) (Task 2)
- Two Business Prep class series (English or Spanish) (Task 2)
- Financial Literacy 4-week class series (Task 2)
- Ongoing one-on-one consulting (English & Spanish) (Task 2)
- Ongoing post-graduate classes (Task 2)
- Minimum 3 workshops (Task 3)
- Quarterly reporting (Task 4)

**Quarter 3 (November 1<sup>st</sup>, 2026- January 30<sup>th</sup>, 2027):**

- Outreach, marketing, and tabling (Task 1)
- Monthly virtual orientations (English & Spanish)
- Access to Capital Summit (Task 3)
- 5-week Food Sector class series (Task 2)
- Ongoing one-on-one consulting (English & Spanish) (Task 2)
- Ongoing post-graduate classes (Task 2)
- Minimum 3 workshops (Task 3)
- Quarterly reporting (Task 4)

**Quarter 4 (February 1<sup>st</sup>, 2027- April 30<sup>th</sup>, 2027):**

- Outreach, marketing, and tabling (Task 1)
- Monthly virtual orientations (English & Spanish)
- One Start Smart class (Spanish) (Task 2)
- Fundamentos de Negocios program (Spanish) (Task 2)
- Financial Literacy 4-week class series (Task 2)
- Ongoing one-on-one consulting (English & Spanish) (Task 2)
- Ongoing post-graduate classes (Task 2)
- Minimum 3 workshops (Task 3)
- Quarterly reporting (Task 4)

**EXHIBIT 1**

**FIRST AMENDMENT TO AGREEMENT  
RENAISSANCE ENTREPRENEURSHIP CENTER**

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 5/12/2025 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and RENAISSANCE ENTREPRENEURSHIP CENTER, a California nonprofit 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" made as of April 23, 2025, for consultant services ("CONSULTANT AGREEMENT").
3. The CONSULTANT AGREEMENT incorrectly referenced March 31, 2026 as the end date of the Agreement.
4. The CONSULTANT AGREEMENT 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, 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 is hereby amended to reflect the correct end date of April 30, 2026.

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.

*///*

*///*

*///*

*///*

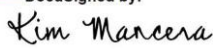
*///*

4. **Conflicts.** In the event of a conflict between the terms and provisions of this First Amendment to Agreement and the terms and provisions of the CONSULTANT AGREEMENT, 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:

DocuSigned by:  
  
 \_\_\_\_\_  
 Kim Mancera, City Clerk

Date: 5/13/2025

APPROVED AS TO FORM:  
Donald Larkin, City Attorney

DocuSigned by:  
  
 \_\_\_\_\_  
 BFE66AF9672C451 ...

Date: 5/9/2025

CITY OF MORGAN HILL

DocuSigned by:  
  
 \_\_\_\_\_  
 Christina Turner, City Manager

Date: 5/12/2025

**RENAISSANCE ENTREPRENEURSHIP CENTER**

DocuSigned by:  
  
 \_\_\_\_\_  
 Sharon Miller

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

Date: 5/9/2025

DocuSigned by:  
  
 \_\_\_\_\_  
 Tim Russell

By: F277B7C295CD425...  
 Title: Tim Russell Regional Director  
 Print Name and Title of Signer.  
 If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date: 5/9/2025

# EXHIBIT 1

## CONSULTANT AGREEMENT Renaissance Entrepreneurship Center

**THIS AGREEMENT** is entered into and becomes effective on 4/23/2025 \_\_\_\_\_ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Renaissance Entrepreneurship Center, a California nonprofit corporation ("CONSULTANT" or "CONTRACTOR") 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 authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until March 31<sup>st</sup> 2026 at which time CONSULTANT'S services shall be completed. 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, unless otherwise authorized by City Council. 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 providing small business support services through classes, workshops, and one-on-one consulting as further described in **Exhibit A**.
4. **Compensation.** CONSULTANT shall be compensated as follows:
  - 4.1. **Amount.** \$50,000.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed fifty thousand 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.
- 7.1.7. Crime/Fidelity Bond. If the performance of CONSULTANT'S work or service under this Agreement relates to or involves handling of CITY monies, CONSULTANT shall procure and maintain Crime insurance, in the minimum amount of: (i) three hundred thousand dollars (\$300,000.00) per occurrence, covering all CONSULTANT'S officers and employees, for loss of CITY monies caused by dishonesty and/or theft.
- 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](mailto:riskmgmt@morganhill.ca.gov) or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

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

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

9. **Compliance with Law.**

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

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

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

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

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that CONSULTANT or an subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or CONSULTANT learns of such

a judgment, decision, or order that was not previously disclosed, CONSULTANT shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision or order. CONSULTANT and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision or order within five (5) days of satisfying the final judgment, decision or order. The City reserves the right to require CONSULTANT to enter into an agreement with the City regarding the manner in which any such final judgment, decision, or order will be satisfied.

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

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

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

10. **Independent Contractor.** CONSULTANT is an independent contractor and not an agent or employee of CITY.
11. **Confidentiality.** All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.
12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement 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).
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:

Renaissance Entrepreneurship Center  
275 Fifth Street  
San Francisco, CA. 94103

Address of CITY is as follows:

Director of Economic Development City of Morgan Hill 17575 Peak Ave. 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.** 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").

21.2. **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 or willful misconduct of the CITY.

21.3. **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 CONSULTANT.

21.4. **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.

21.5. **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 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. **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.

26. **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.

27. **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.

28. **D 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.

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.

III

*[Signatures on Next 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:

Signed by

Michelle Bigelow  
City Clerk

Michelle Bigelow  
Print Name

Date: 4/23/2025

APPROVED AS TO FORM:

Donald A. Lark DocuSigned by:

Donald A. Lark  
City Attorney

Cynthia Hasson  
Print Name

Date: 4/21/2025

CITY OF MORGAN HILL

DocuSigned by:

Christina J. Turner  
City Manager

Christina J. Turner  
Print Name

Date: 4/23/2025

Renaissance Entrepreneurship Center

DocuSigned by:

Sharon Miller  
CEO

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

Date: 4/21/2025

DocuSigned by:

Tim Russell  
7B7C295CD425..

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

Date: 4/21/2025

## EXHIBIT A Scope of Work

Contractor shall, to the satisfaction of the City of Morgan Hill's Economic Development Director, perform the following services:

**Contract Activities:** Contractor will provide access to the following programs and services, in English and Spanish, from May 1, 2025-April 31, 2026, to a minimum sixty (60) emerging and established Morgan Hill entrepreneurs. Each of the 60 clients will engage with the program and receive the services that best align with their needs.

**Task 1: Marketing and Promotion:**

- Contractor staff will work with City staff to market and promote services through flyers, social media posts, e-blasts, and partnerships with local organizations.
- Outreach materials will be multilingual (English and Spanish) to ensure inclusivity and accessibility.
- Contractor will leverage their network of partner organizations to further amplify awareness of available services.
- Outreach efforts need to be conducted in a manner to prioritize the outreach to Spanish speaking residents and potential clients.

**Task 2: Provision of Technical Assistance Services:** The services will include:

Types of Classes

- Business Prep: 10-week Business Prep Class that integrates management, marketing, and finance to build skills, confidence, and a comprehensive business plan.
  - o Fundamentos de Negocios: a course based on the 10-week Business Prep course, but targeted at the Spanish speaking community of Morgan Hill
- Smart Start: 4-week Start Smart Class, where participants learn startup fundamentals, entrepreneurial mindset, strategy development, and product viability.

Training Classes:

- 5 Smart Start-4-week course
- 1 Business Prep - 10-week course
- 2 Fundamentos de Negocios-10-week course reconstituting the of "Fundamentos de Negocios" curriculum targeted at Spanish speaking entrepreneurs. Utilize community partners to enhance outreach and participation.

Training Classes Curriculum Sample

- Business Concept & Value Proposition  
(Mission & Vision, Business Description, Problem & Solution)
- Legal & Operational Foundations  
(Business Formation, Legalities, Insurance, Business Operations)
- Market Analysis & Branding  
(Branding, Target Audience, Competitive Analysis)
- Marketing, Sales & Pricing Strategy  
(Marketing & Sales Strategy, Pricing & Financial Statements)
- Financial Planning, Risk, and Growth  
(Financial Projections, Business Risk, Growth, Access to Capital, Hiring & Management)

- Industry Specific Training: Customized support for entrepreneurs in the food and childcare sectors.

One-On-One Consulting:

- Contractor will work with clients to provide one-on-one consulting. Consulting sessions will be available both virtually and in-person at accessible community locations. Special emphasis will be placed on ensuring that services are accessible to Spanish-speaking business owners.
- 300 hours at minimum.
- Additional training and consulting will be provided on an as needed basis.

**Task 3: Provision of Workshops:**

- Develop and deliver workshops designed to meet the needs of the Morgan Hill business community.
  - o Topics will include marketing strategies, financial management, and technology for small businesses. Workshops will be conducted in English and Spanish, with language content being delivered at separate times, in both virtual and in-person formats, depending on community needs.
- Renaissance will provide at least three workshops and one-on-one consulting services in both English and Spanish each quarter

**Task 4: Program Tracking and Client Follow-Up:**

- Contractor will track program metrics outlined.
- Quarterly reports will be submitted to the City of Morgan Hill Economic Development Department.
- Follow-ups will be conducted to assess client progress and satisfaction.
- Contractor should track all program participants and evaluate the quality of programs delivered, and the effectiveness of delivery.
- Feedback from clients will guide any necessary adjustments to improve service delivery.
- Follow-ups will also be conducted in English and Spanish to accommodate language needs of participants.
- Metrics:
  - o Number of Unique clients
  - o Returning clients
  - o Workshop attendance
  - o Client demographics, such as age, gender, part of underserved communities
  - o Jobs created
  - o Businesses created or expanded
  - o Types of businesses assisted
  - o Number of loans facilitated and dollar amount

**Task 5: Participation in Economic Mobility Activities:** Contractor will participate in City initiatives to enhance economic mobility, addressing goals outlined in the City's Economic Mobility Report.

Contractor will support the City's Economic Mobility Report strategies as follows:

- Connect Spanish-speakers and day workers to education, resources, training, and job opportunities. Renaissance will deliver comprehensive services in Spanish to ensure accessibility for the Morgan Hill Hispanic/Latinx community, including specialized programs tailored for food and childcare entrepreneurs.

- Restart business training programs "Fundamentos de Negocios" for Latinx entrepreneurs.
- Implement education into **Task 2** and **Task 3**, as appropriate, for Microenterprise Home Kitchen Operations (MEHKO).
- Support the development of home-based day care centers through education in **Task 2** and **Task 3**, as appropriate. We will deliver specialized training in business planning, licensing, financial management, and marketing for family childcare businesses.

**EXHIBIT B: PAYMENT SCHEDULE**

**COMMUNICATIONS TECHNICAL SERVICES COMPENSATION**

The City of Morgan Hill ("CITY") shall compensate Renaissance Entrepreneurship Center ("CONTRACTOR") for goods and services provided in accordance with the payment terms, conditions, and rates set forth in this Exhibit B.

All invoices should be sent at least two (2) weeks prior to the payment date with the due date as the payment date.

Unless otherwise agreed to by both Parties, all payments will be made to the Contractor invoiced to:

**Contracting Agency:**

City of Morgan Hill  
17575 Peak Ave.  
Morgan Hill, CA. 95037

**Recipient:**

Renaissance Entrepreneurship Center  
275 Fifth Street  
San Francisco, CA. 94103

**1. Initial Payment (\$12,500)**

- o **Due Date:** Upon receipt of invoice following signing of the contract.
- o **Amount:** 25% of the total contract value.

**2. Second Payment (\$12,500)**

- o **Due Date:** Three (3) months after the contract start date.
- o **Amount:** 25% of the total contract value.

**3. Third Payment (\$12,500)**

- o **Due Date:** Six (6) months after the contract start date.
- o **Amount:** 25% of the total contract value.

**4. Fourth Payment (\$12,500)**

- o **Due Date:** Nine (9) months after the contract start date.
- o **Amount:** Remaining 25% of the total contract value.

Dates of Invoice due date:

1. Invoice 1 on May 1<sup>st</sup>, 2025
2. Invoice 2 on July 1<sup>st</sup>, 2025
3. Invoice 3 on October 1<sup>st</sup>, 2025
4. Invoice 4 on December 1<sup>st</sup>, 2025

Contractor shall submit timely invoices to the following address:

Attention: City of Morgan Hill, Finance Department -Accounts Payable

Project Manager: Matt Mahood

Department: Economic Development

## **EXHIBIT C: SCHEDULE OF PERFORMANCE**

### Quarter 1 (May 1<sup>st</sup> -July 3p<sup>t</sup>):

- Outreach, marketing, and tabling (Task 1)
- Monthly virtual orientations (English & Spanish)
- One Start Smart class series (Spanish) (Task 2)
- One Business Prep class (Spanish) (Task 2)
- Begin Ongoing one-on-one consulting (English & Spanish) (Task 2)
- Minimum 3 workshops (Task 3)
- Quarterly reporting (Task 4)

### Quarter 2 (August 1<sup>st</sup> -October 3p<sup>t</sup>):

- Outreach, marketing, and tabling (Task 1)
- Monthly virtual orientations (English & Spanish)
- Two Start Smart class series (English & Spanish) (Task 2)
- One Business Prep class (English or Spanish) (Task 2)
- Ongoing one-on-one consulting (English & Spanish) (Task 2)
- Minimum 3 workshops (Task 3)
- Quarterly reporting (Task 4)

### Quarter 3 (November 1<sup>st</sup> -January 3p<sup>t</sup>):

- Outreach, marketing, and tabling (Task 1)
- Monthly virtual orientations (English & Spanish)
- One Start Smart class (English or Spanish) (Task 2)
- Fundamentos de Negocios program (Spanish) (Task 2)
- Ongoing one-on-one consulting (English & Spanish) (Task 2)
- Minimum 3 workshops (Task 3)
- Quarterly reporting (Task 4)

### Quarter 4 (February 1<sup>st</sup> -April 30<sup>th</sup>):

- Outreach, marketing, and tabling (Task 1)
- Monthly virtual orientations (English & Spanish)
- Ongoing one-on-one consulting (English & Spanish) (Task 2)
- Minimum 3 workshops (Task 3)
- Quarterly reporting (Task 4)

### Certificate Of Completion

Envelope Id: 7EC07C98-9CF4-4E2C-958C-C9A2CA394F06  
 Subject: Complete with Docusign: Renaissance - Second Amendment Contract  
 Source Envelope:  
 Document Pages: 24  
 Certificate Pages: 5  
 AutoNav: Enabled  
 Envelopeld Stamping: Enabled  
 Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed  
 Envelope Originator:  
 City Clerk's Office  
 17575 Peak Ave  
 Morgan Hill, CA 95037  
 cityclerk@morganhill.ca.gov  
 IP Address: 35.131.77.142

### Record Tracking

Status: Original  
 3/23/2026 12:58:41 PM  
 Security Appliance Status: Connected  
 Holder: City Clerk's Office  
 cityclerk@morganhill.ca.gov  
 Pool: StateLocal  
 Location: DocuSign

### Signer Events

Sharon Miller  
 Sharon@rencenter.org  
 CEO  
 Renaissance Entrepreneurship Center  
 Security Level: Email, Account Authentication  
 (None)

### Signature

DocuSigned by:  
  
 D6AFC8EBD15F486...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 216.38.149.98

### Timestamp

Sent: 3/23/2026 1:00:23 PM  
 Viewed: 3/23/2026 1:01:02 PM  
 Signed: 3/23/2026 1:01:12 PM

### Electronic Record and Signature Disclosure:

Accepted: 3/23/2026 1:01:02 PM  
 ID: 62ff8d83-e82c-42c5-8328-1f091b8ec3d7

Tim Russell  
 Trussell@rencenter.org  
 Regional Director  
 Security Level: Email, Account Authentication  
 (None)

DocuSigned by:  
  
 F277B7C295CD425...  
 Signature Adoption: Pre-selected Style  
 Using IP Address:  
 2601:644:8481:89b0:7d1a:9366:9413:67ff

Sent: 3/23/2026 1:00:24 PM  
 Viewed: 3/23/2026 1:02:14 PM  
 Signed: 3/23/2026 1:05:33 PM

### Electronic Record and Signature Disclosure:

Accepted: 3/23/2026 1:02:14 PM  
 ID: 74b84963-f9fb-4a80-980f-d13f7df60708

In Person Signer Events	Signature	Timestamp
-------------------------	-----------	-----------

Editor Delivery Events	Status	Timestamp
------------------------	--------	-----------

Agent Delivery Events	Status	Timestamp
-----------------------	--------	-----------

Intermediary Delivery Events	Status	Timestamp
------------------------------	--------	-----------

Certified Delivery Events	Status	Timestamp
---------------------------	--------	-----------

Carbon Copy Events	Status	Timestamp
--------------------	--------	-----------

Brittney Sherman  
 brittney.sherman@morganhill.ca.gov  
 Security Level: Email, Account Authentication  
 (None)

**COPIED**

Sent: 3/23/2026 1:05:35 PM  
 Viewed: 3/23/2026 1:08:09 PM

### Electronic Record and Signature Disclosure:

Accepted: 2/11/2026 11:48:13 AM  
 ID: ca040923-b291-4526-a057-b8cf56912314

<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
-----------------------	------------------	------------------

<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
----------------------	------------------	------------------

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
--------------------------------	---------------	-------------------

Envelope Sent	Hashed/Encrypted	3/23/2026 1:00:24 PM
Certified Delivered	Security Checked	3/23/2026 1:02:14 PM
Signing Complete	Security Checked	3/23/2026 1:05:33 PM
Completed	Security Checked	3/23/2026 1:05:35 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

<b>Electronic Record and Signature Disclosure</b>
---

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, City of Morgan Hill (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact City of Morgan Hill:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [michelle.bigelow@morganhill.ca.gov](mailto:michelle.bigelow@morganhill.ca.gov)

### **To advise City of Morgan Hill of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [michelle.bigelow@morganhill.ca.gov](mailto:michelle.bigelow@morganhill.ca.gov) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from City of Morgan Hill**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [michelle.bigelow@morganhill.ca.gov](mailto:michelle.bigelow@morganhill.ca.gov) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with City of Morgan Hill**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [michelle.bigelow@morganhill.ca.gov](mailto:michelle.bigelow@morganhill.ca.gov) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify City of Morgan Hill as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by City of Morgan Hill during the course of your relationship with City of Morgan Hill.



**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, March 18, 2026**

**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**

Deputy City Clerk Rossi called the roll.

<b>PRESENT</b>	Mark Turner, Marilyn Librers, Soraida Iwanaga, Yvonne Martinez Beltran, Miriam Vega
<b>ABSENT</b>	None

**DECLARATION OF POSTING AGENDA**

Deputy City Clerk Rossi declared the posting of the agenda.

**SILENT INVOCATION**

**PLEDGE OF ALLEGIANCE**

**PROCLAMATIONS**

Youth Arts Month

Women's History Month

## **PRESENTATIONS**

YAC Presentation - Developmental Asset #17: Creative Activities

## **CITY COUNCIL REPORTS**

Council Member Iwanaga shared attending the State of the City, noting her appreciation for the event, the strong community engagement, and her continued deeper understanding of City initiatives through her service on City Council. She also shared that her upcoming committee meetings are scheduled for April.

## **CITY MANAGER'S REPORT**

City Manager Turner shared that the Dispatchers of the Year recognition was awarded to Andrea Deplazes and Stormi Gessell of the Morgan Hill Police Department, recognized for their calm, composed, and attentive response during an officer-involved shooting incident, and noted they will be honored at the Annual Dispatcher Recognition Banquet on April 9. She also reported a milestone for the South County Restorative Justice Youth Diversion Program, sharing that two additional youth graduated, bringing the total to 101 participants, and noted the program's continued success in diverting youth from the juvenile justice system, supporting accountability, and achieving a high completion rate. Lastly, she invited the community to attend the Budget Roundtable on March 25, 2026, to learn about the City's budget process, ask questions, and share feedback as staff prepares for the upcoming fiscal years and addresses the structural deficit.

## **CITY ATTORNEY'S REPORT**

None.

## **OTHER REPORTS**

Council Member Vega thanked students from Everette Alvarez High School and expressed her appreciation for their attendance at the meeting.

Council Member Martinez Beltran shared her participation in a League of Cities Peninsula Division meeting, the "Rock the Mock" event, an ABAG housing-related meeting, and the State of the County. She also participated in a Roundtable discussion with Senators Padilla and Schiff alongside Cal Cities leadership and colleagues, and had the opportunity to meet with Congresswoman Lofgren.

Mayor Turner thanked the community for attending Wednesday night's State of the City and expressed his appreciation for their participation.

## **PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

Public comment opened at 6:23 p.m. The following people were called to speak:

Krista Rupp  
 Suman Ganapathy  
 With no further requests to speak, public comment closed.

**ADOPTION OF AGENDA**

**MOTION:**

Adopting the agenda as posted.

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

**CONSENT CALENDAR**

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

**MOTION:**

Approving the consent calendar.

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

1. **ADOPT ORDINANCE NO. 2375, NEW SERIES, ROSEWOOD MEDICAL CAMPUS ZONING MAP AND PLANNED DEVELOPMENT (PD) MASTER PLAN AMENDMENT**

Recommendation:

Waive the reading, adopt Ordinance No. 2375, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title

and further reading waived.

**2. APPROVE AGREEMENT FOR ANNUAL WELL SITE AND BOOSTER STATION PAINTING**

Recommendation:

1. Award a Maintenance Service Agreement to Vivid-Accent Painting Co. in the not to exceed amount of \$180,000 for annual painting of the City's well sites and booster stations; and
2. Authorize the City Manager to execute and administer an agreement with Vivid-Accent Painting Co.

**3. APPROVE THIRD AMENDMENT TO AGREEMENT WITH LUHDORFF AND SCALMANINI FOR TWO TEST WELLS**

Recommendation:

Approve and authorize the City Manager to execute and administer the third Amendment to Agreement with Luhdorff and Scalmanini Consulting Engineers to add \$68,000, for a new total not to exceed contract amount of \$415,100.

**4. APPROVE THE MARCH 4, 2026 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the March 4, 2026 City Council Meeting Minutes.

**5. AUTHORIZE A LEASE AMENDMENT WITH COMMUNITY CHRISTIAN FOR THE FORMER EL TORO YOUTH CENTER BUILDING**

Recommendation:

Authorize the City Manager to execute a lease amendment with Community Christian for the use of the El Toro Building.

**OTHER BUSINESS**

**6. APPOINT ELISA TOLENTINO AS CITY ATTORNEY**

Recommendation:

Approve employment agreement, appointing Elisa Tolentino as City Attorney for the City of Morgan Hill.

Human Resources Director Horta provided a report.

Public comment opened at 6:32 p.m. With no requests to speak, public comment closed.

**MOTION:**

Approving the recommended actions.

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

**7. PROVIDE DIRECTION ON MAKING TEMPORARY DOWNTOWN DOG PARK PERMANENT**

Recommendation:

1. Receive update referred from the Parks and Recreation Commission on Downtown Dog Park trial; and
2. Provide direction on making the temporary Downtown Dog Park permanent.

Maintenance Manager Russell and Public Services Director Ghione provided a presentation and report.

Public comment opened at 6:51 p.m.  
Ben Bogert was called to speak.  
With no further requests to speak, public comment closed.

**MOTION:**

Directing staff to bring the item back to City Council for further discussion.

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

**8. PROVIDE DIRECTION REGARDING COMMUNITY FUNDING REQUESTS**

Recommendation:

1. Review applications submitted for FY 2026-27 funding cycle; and
2. Provide staff direction on funding awards to be incorporated within the City's FY 2026-27 Operating Budget.

Community Services Supervisor Martin and Public Service Director Ghione provided a presentation and report.

Public comment opened at 7:37 p.m. The following people were called to speak:

Karen Crane (yield time to Matthew Stein)

Matthew Stein

Nick Gaich

Kathy Sullivan

Ernesto Gomez

Sally Casas

Dennis Bettencourt

Armando Benavides (Zoom)

Suman Ganapathy

With no further requests to speak, public comment closed.

Directing staff to bring the item back at the April 1, 2026 City Council meeting for further discussion.

### **FUTURE COUNCIL INITIATED AGENDA ITEMS**

Mayor Pro Tem Librers and Council Member Martinez Beltran requested a discussion on bringing forward procurement policies that provide a preference for local and women-owned businesses.

### **ADJOURNMENT**

There being no further business, Mayor Turner adjourned the meeting at 8:31 p.m.

### **Minutes Prepared by:**

Vicky Rossi, Deputy City Clerk

## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: April 1, 2026**

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

## **AWARD EAST DUNNE SEWER UPSIZE PROJECT**

### **RECOMMENDATION(S)**

1. Approve the East Dunne Sewer Upsize Project Plans and Specifications;
2. Award contract to SubTerra Construction, Inc. for the East Dunne Sewer Upsize Project in the amount of \$1,086,465.50;
3. Authorize expenditure of construction contingency funds not to exceed \$250,000; and
4. Authorize the City Manager to execute and administer the construction contract with SubTerra Construction, Inc.

### **COUNCIL PRIORITIES, GOALS & STRATEGIES**

#### **City Council Ongoing Priorities**

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

#### **2026-2027 Strategic Priorities**

Fiscal Sustainability

#### **Guiding Documents**

Wastewater System Master Plan

### **REPORT NARRATIVE:**

The 2024 Wastewater Master Plan identifies an existing capacity deficiency in the East Dunne Sewer Trunk Line from Peppertree Drive to approximately 150 feet east of the intersection of Condit Road and East Dunne Avenue during peak wet-weather flow conditions. The Wastewater Master Plan recommends increasing the size of the existing 8-inch sewer main to a 10-inch sewer main from Peppertree Drive to Condit Road and is identified as a high-priority sewer pipeline project.

The East Dunne Sewer Upsize Project will remove the existing 8-inch sewer main along East Dunne between Peppertree Drive and Condit Road and replace it with a new 10-inch sewer main (see Attachment 1). On May 21, 2025, City Council awarded this project to West Rock Construction. Unfortunately, due to contract administration issues and the small window to get this project completed prior to the start of the new school

year, this project was cancelled.

Staff rebid the project in February 2026 and the bid opening was held on March 10, 2026. Sixteen (16) bids were received (as listed below):

Bidder	Base Bid
SubTerra Construction, Inc.	\$ 1,086,465.50
Ranger Pipelines, Inc.	\$ 1,186,063.50
Westrock Engineering	\$ 1,232,210.50
Casey Construction, Inc.	\$ 1,264,958.00
Precision Grade, Inc.	\$ 1,340,473.00
Pacific Underground Construction, Inc.	\$ 1,362,621.00
Golden State Construction and Utility, Inc.	\$ 1,393,999.90
Garney Pacific, Inc.	\$ 1,548,418.00
Con-Quest Contractors, Inc.	\$ 1,625,371.25
DPI, Inc.	\$ 1,658,275.00
Devaney Engineering, Inc.	\$ 1,677,770.00
QLM, Inc.	\$ 1,713,921.00
Golden Bay Construction, Inc.	\$ 1,911,779.30
Specialty Construction, Inc.	\$ 1,994,674.00
Monterey Peninsula Engineering, Inc.	\$ 2,530,710.50
Marinship Development Interests LLC	\$ 3,928,679.50

The lowest responsible bidder was SubTerra Construction, Inc. with a base bid of \$1,086,465.50. SubTerra Construction, Inc.'s bid was approximately 18% lower than the Engineer's estimate of \$1,328,235. SubTerra Construction, Inc. has performed underground utility work for several agencies within the Bay Area with work including water line replacement, storm drain pipe installation, and sewer main replacement projects. Staff recommend the award of the contract to SubTerra Construction, Inc. in the amount of \$1,086,465.50 with a contingency of \$250,000 for a construction total of \$1,336,465.50. This project is scheduled to begin in June 2026 and be completed by November 2026,

The plans and specifications are available for review on the City's [website](https://www.morganhill.ca.gov/1436/Project-Plans-Specifications-and-Bid-Res) at: <https://www.morganhill.ca.gov/1436/Project-Plans-Specifications-and-Bid-Res>

#### **COMMUNITY ENGAGEMENT:**

During construction, staff will inform the Community regarding the progress of this project using media, social media, and the City's website. Additionally, staff will coordinate with Nordstrom School to ensure access is maintained for summer classes due to proximity of construction activities to the facility.

#### **ALTERNATIVE ACTIONS:**

Council may elect not to award this construction contract and direct staff to re-bid the project in hopes of obtaining a lower bid proposal. Staff does not recommend this

alternative as competitive bids were received. Re-bidding the project is not likely to result in significant savings, and it will delay the project by a year.

**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

May 15, 2024 - Adopted Wastewater Collection System Master Plan Update which identifies the deficiency in the existing pipes and recommends pipe size increase.

May 21, 2025 - City Council Awarded East Dunne Sewer Upsize Project to Westrock Engineering.

**FISCAL AND RESOURCE IMPACT:**

The contract amount for the portion of this project with SubTerra Construction, Inc. is \$1,086,465.50. Additionally, staff is requesting authorization of construction contingency of \$250,000 for a total of \$1,336,465.50. There are adequate funds for this project within Project WW3009 - New/Replacement Sewer Lines - 315006 in the Fiscal Year 2024-2025 and 2025-2026 Budgets. The project will be funded 75% from Fund 641 - Wastewater Impact Fee Fund and 25% from Fund 643 - Wastewater CIP Fund.

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

Categorical Exemption

The proposed improvements of the East Dunne Sewer Upsize Project are categorically exempt from CEQA under Section 15301, Existing Facilities, which covers the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private facilities, mechanical systems, or topographic features involving negligible or no expansion of existing or former use.



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



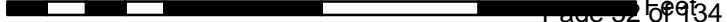
**Public Services Department  
CIP Engineering Division**

G:\R-14\Proj\GIS\Agustin\edunnesewer.mxd

### East Dunne Sewer Upsize Project



820 410 0 820 1,640 2,460





## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: April 1, 2026**

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

## **AWARD 2026 SEWER INFLOW AND INFILTRATION PROJECT**

### **RECOMMENDATION(S)**

1. Approve 2026 Sewer Inflow and Infiltration Project Plans and Specifications;
2. Award contract to Casey Construction, Inc. for the 2026 Sewer Inflow and Infiltration Project in the amount of \$1,720,419;
3. Authorize expenditure of construction contingency funds not to exceed \$250,000; and
4. Authorize the City Manager to execute and administer the construction contract with Casey Construction, Inc.

### **COUNCIL PRIORITIES, GOALS & STRATEGIES**

#### **City Council Ongoing Priorities**

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

#### **2026-2027 Strategic Priorities**

Fiscal Sustainability

#### **Guiding Documents**

Wastewater System Master Plan

### **REPORT NARRATIVE:**

The 2024 Sewer System Masterplan identifies sewer inflow and infiltration as a project need for the City as there are aging sewer mains and manholes that require repair and replacement. By reducing the amount of ground water and storm water inflow and infiltration into the City's sewer system, the overall sewer treatment costs to the City will be reduced. Additionally, eliminating inflow and infiltration reduces the risk of sanitary sewer overflows during storm events. Over the past year, engineering and maintenance staff worked together to assemble this year's Sewer Inflow and Infiltration project, which will address the most critical inflow and infiltration locations within the City's sewer system.

The scope of work for this project includes the cleaning and videoing of the sewer mains to be repaired/replaced, repairing and/or replacement of sewer mains through the use of

the open trench method and cured-in-place pipe lining, sewer manhole rehabilitation, and sewer videoing of pipes after all repairs/replacements are completed. The plans and specifications were completed in January 2026 and include sewer main repair and replacement at 25 locations and will also include 118 sewer manhole rehabilitations throughout the City (Attachment 1 - Vicinity Map).

The project was publicly advertised in February 2026 and the bid opening was held at the City of Morgan Hill Development Services Center on March 4, 2026. Nine (9) bids were received and as follows:

Bidder	Bid Amount
Casey Construction, Inc.	\$ 1,720,419
Precision Grade, Inc.	\$ 1,845,584
Bay Pacific Pipeline, Inc.	\$ 2,115,925
Westrock Engineering	\$ 2,127,670
Devaney Engineering, Inc.	\$ 2,157,125
Pacific Underground Construction, Inc.	\$ 2,191,285
Westland Contractors, Inc.	\$ 3,346,384
Con-Quest Contractors, Inc.	\$ 3,697,569
Subterra Construction, Inc.	\$ 4,383,950

Casey Construction, Inc.'s bid of \$1,720,419 is approximately 20% less than the engineer's estimate of \$2,150,000. Casey Construction, Inc. is an experienced contractor for this type of work and has performed work for other municipalities on previous undergrounding utility projects. Staff recommends awarding the contract to Casey Construction, Inc. in the amount of \$1,720,419. Due to possible unforeseen conditions for underground utility work, staff is requesting a \$250,000 contingency for this project. The project is scheduled to start in May 2026 and be completed by February 2027.

The project plans and specifications may be found on the City's webpage in the Community Project link at: <https://morganhill.ca.gov/1436/Project-Plans-Specifications-and-Bid-Res>

#### **COMMUNITY ENGAGEMENT:**

##### **Inform**

The 2026 Sewer Inflow and Infiltration Project is located at various locations throughout the City's residential neighborhoods. Staff will work with the contractor to minimize these inconveniences to residents and provide email and notifications prior to any construction activities. As with all Capital Improvement Program projects, staff will also provide regular construction activity updates through Next-door app and on the City's website.

#### **ALTERNATIVE ACTIONS:**

City Council may elect not to award this construction contract to the lowest responsible bidder and request the project be re-bid. Staff does not recommend this alternative

action as competitive bids were received for this project. Rebidding this project will not likely result in significant savings and it will delay the project approximately four months to rebid and award the project.

**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

June 19, 2024 — The City Council adopted the approved FY2024-25 through 2029-30 Capital Improvement Program Budget.

**FISCAL AND RESOURCE IMPACT:**

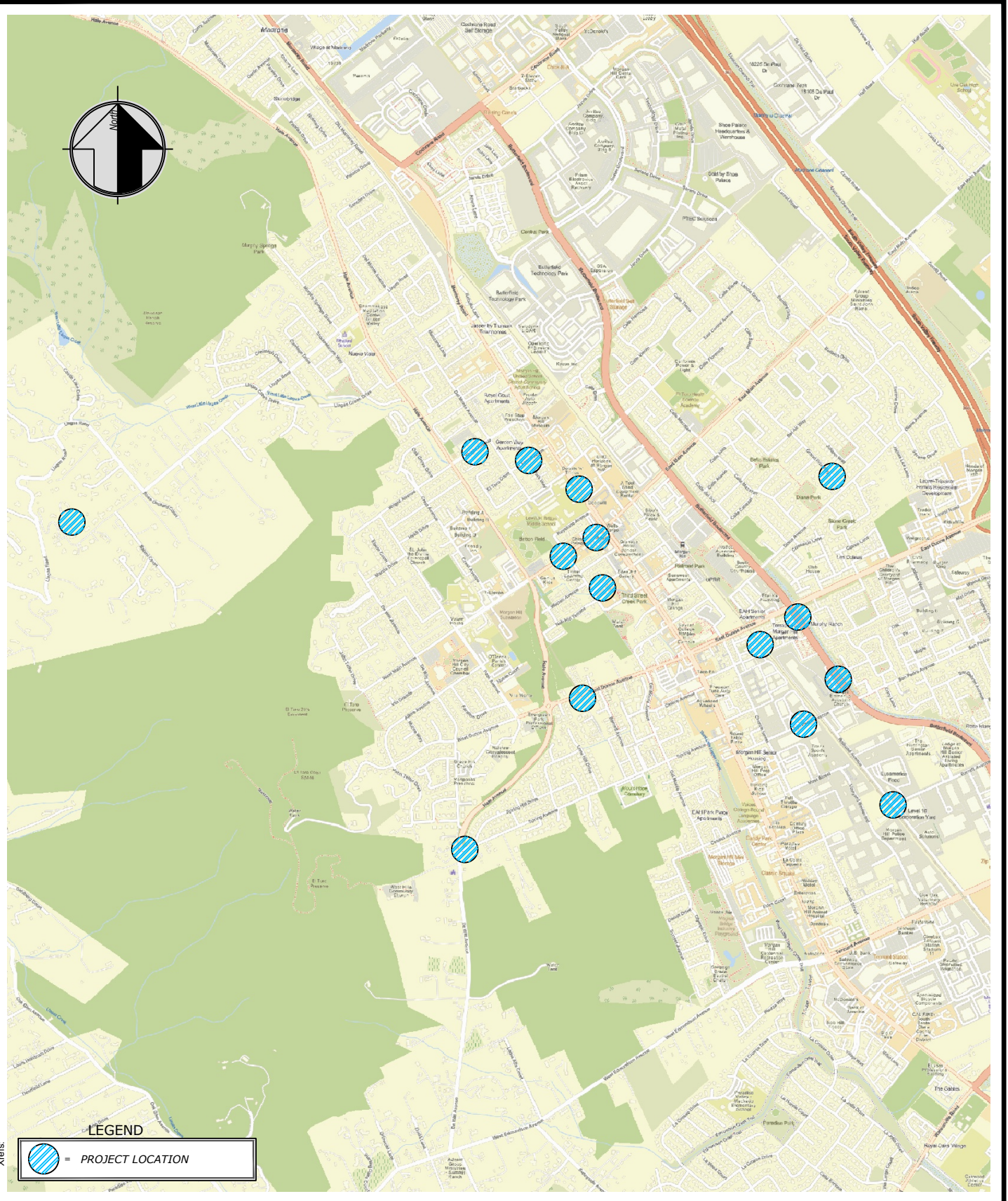
The total authorization for this project would be \$1,970,419, including a contingency of \$250,000. This project is sufficiently funded in the Fiscal Year 2025-26 Capital Improvement Program (CIP) budget under Project WW3001, utilizing Sewer Capital Funds (643).

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

Categorical Exemption

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

C:\Users\agustin.vizcarra\Desktop\181 Sewer Vicinity maps2.dwg - 3/10/2026 4:21 PM - Plotted 3/10/2026 4:26 PM by Agustín Vizcarra

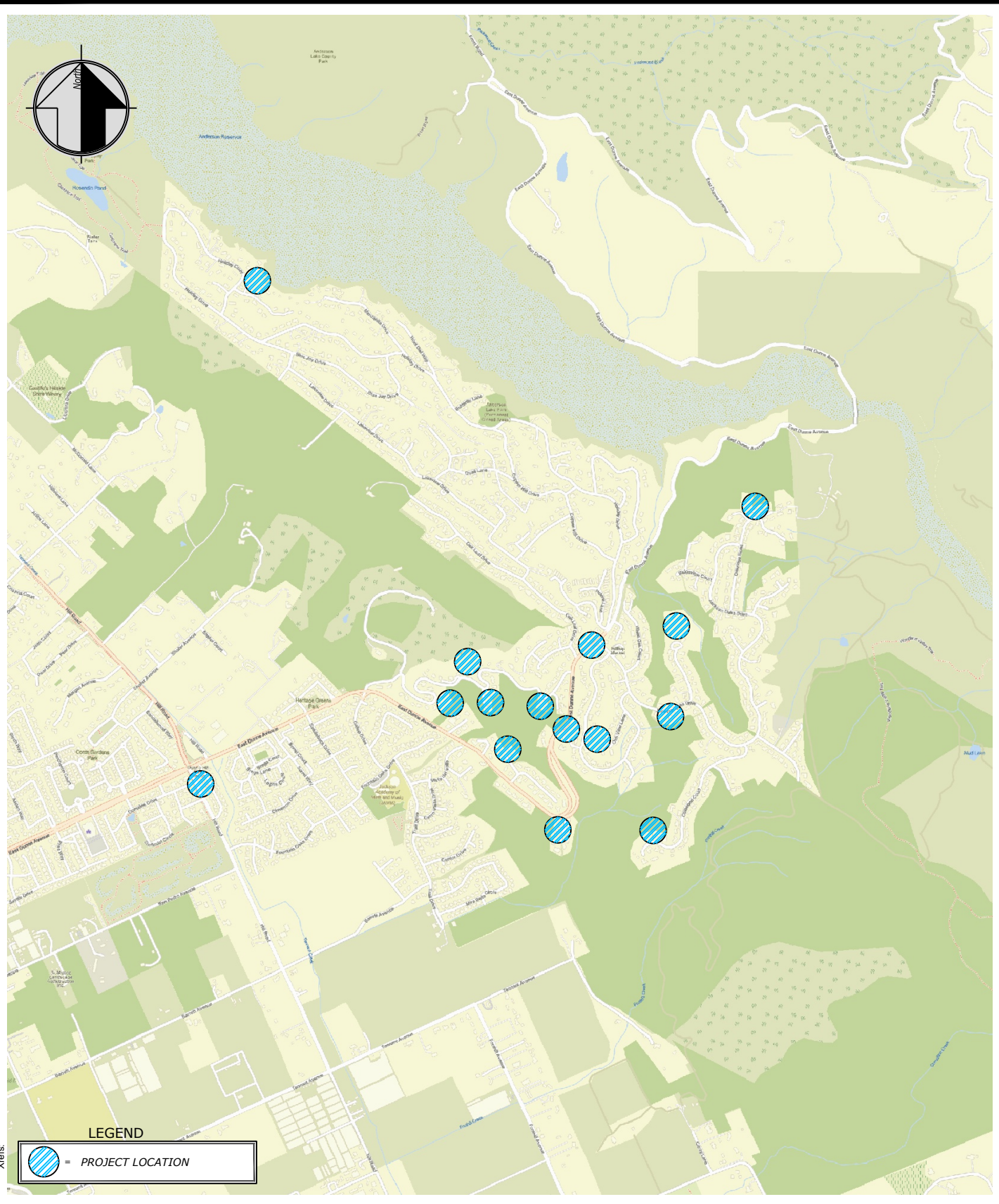



**City of Morgan Hill**  
 Engineering & Utilities Department  
 CIP Engineering Division  
 17575 Peak Ave. Morgan Hill, CA 95037  
 Phone: (408) 776-6480 Fax: (408) 779-7236

**Vicinity Map**  
 2026 Sewer Inflow and Infiltration Project  
 Sewer Repair

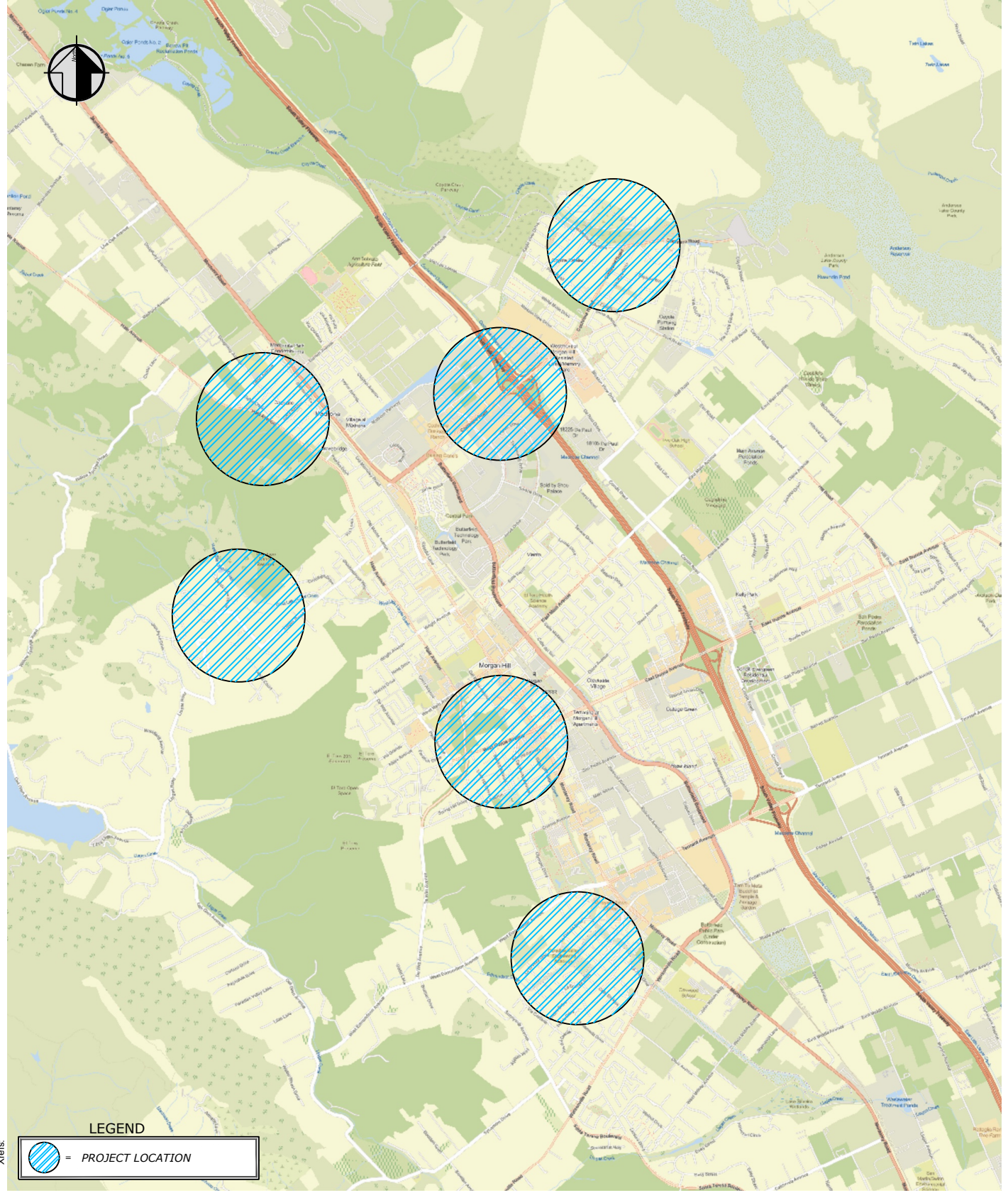
SCALE:	JOB #: WW3001	SHEET
DRAWN BY: AEV	DATE: 3/10/2026	1 of 4

C:\Users\agustin.vizcarra\Desktop\181 Sewer Vicinity maps2.dwg - 3/10/2026 4:21 PM - Plotted 3/10/2026 4:26 PM by Agustin Vizcarra



 <b>CITY OF MORGAN HILL</b>	<h2 style="text-align: center;">City of Morgan Hill</h2> <p style="text-align: center;"><b>Engineering &amp; Utilities Department</b>  <b>CIP Engineering Division</b>          17575 Peak Ave. Morgan Hill, CA 95037          Phone: (408) 776-6480 Fax: (408) 779-7236</p>		<h3>Vicinity Map</h3> <p style="text-align: center;"><b>2026 Sewer Inflow and Infiltration Project</b>  <b>Sewer Repair</b></p>	
	<p>SCALE:</p>	<p>JOB #: WW3001</p>	<p>SHEET</p>	
<p>DRAWN BY: AEV</p>	<p>DATE: 3/10/2026</p>	<p>2 of 4</p>		

C:\Users\agustin.vizcarra\Desktop\181 Sewer Vicinity maps.dwg - 3/10/2026 4:25 PM - Plotted 3/10/2026 4:25 PM by Agustin Vizcarra Xrefs:

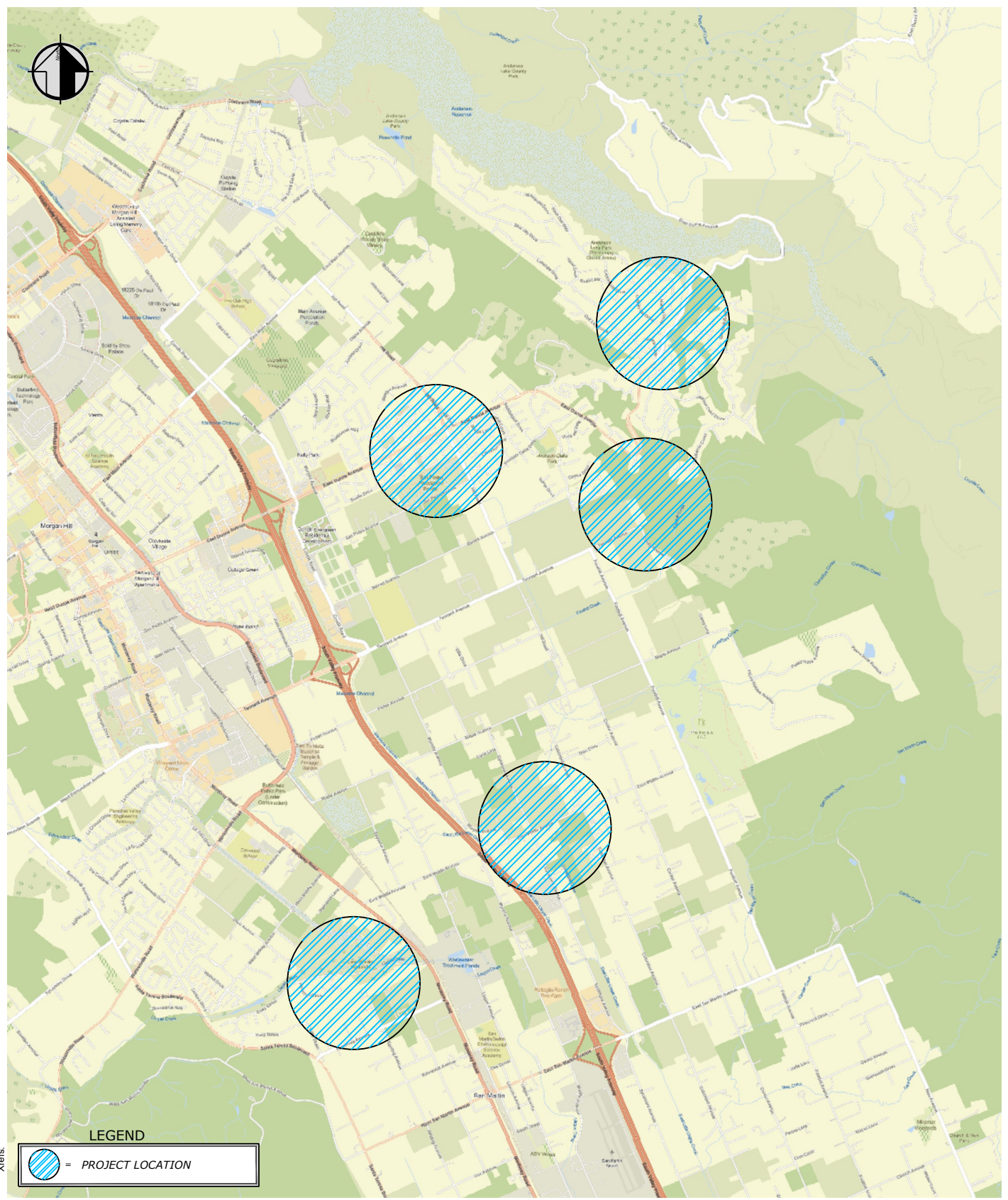


**City of Morgan Hill**  
**Engineering & Utilities Department**  
**CIP Engineering Division**  
 17575 Peak Ave. Morgan Hill, CA 95037  
 Phone: (408) 776-6480 Fax: (408) 779-7236

**Vicinity Map**  
**2026 Sewer Inflow and Infiltration Project**  
**Manhole Rehabilitation**

SCALE:	JOB #: WW3001	SHEET
DRAWN BY: AEV	DATE: 3/10/2026	3 of 4

C:\Users\agustin.vizcarra\Desktop\181 Sewer Vicinity maps.dwg - 3/10/2026 4:25 PM - Plotted 3/10/2026 4:25 PM by Agustin Vizcarra



**City of Morgan Hill**  
**Engineering & Utilities Department**  
**CIP Engineering Division**  
 17575 Peak Ave. Morgan Hill, CA 95037  
 Phone: (408) 776-6480 Fax: (408) 779-7236

<b>Vicinity Map</b>		
<b>2026 Sewer Inflow and Infiltration Project</b>		
<b>Manhole Rehabilitation</b>		
SCALE:	JOB #: WW3001	SHEET
DRAWN BY: AEV	DATE: 3/10/2026	4 of 4



## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: April 1, 2026**

**PREPARED BY:**

Dat Nguyen, Finance Director

**APPROVED BY:** City Manager

## **RECEIVE MONTHLY BUDGET UPDATE AND FEBRUARY 2026 FINANCIAL AND INVESTMENT REPORTS**

### **RECOMMENDATION(S)**

Receive and file reports.

### **COUNCIL PRIORITIES, GOALS & STRATEGIES**

#### **City Council Ongoing Priorities**

Preserving and Cultivating Public Trust

#### **Strategic Priorities 2026-2027**

Fiscal Sustainability

### **REPORT NARRATIVE:**

As part of the City Council's expectation to maintain a high level of transparency and to be responsible stewards of public funds, staff are providing this monthly budget update, along with the February 2026 financial and investment reports.

#### **February 2026 Financial Report**

The Revenue and Expense Summary through February 2026 is included on page 4 of the attached monthly financial and investment reports. Overall, General Fund revenues total \$31.1 million or about 54% of the budget. Expenditures and encumbrances through February totaled \$42.2 million, of which approximately \$2.7 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$40.9 million. This represents an increase of \$1.3 million, including encumbrances, compared to the prior year. Excluding encumbrances, expenditures increased by about \$1.3 million, primarily due to negotiated salary adjustments and overall cost increases.

#### **Budget Update**

There has been no material change since the last budget update to the Council on March 4, 2026. Regarding water revenue, Morgan Hill residents consumed about the same amount of water through February compared to the prior three-year average. 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**

**February 28, 2026 - 67% of Year Complete**



# **CITY OF MORGAN HILL**

**Prepared by:**

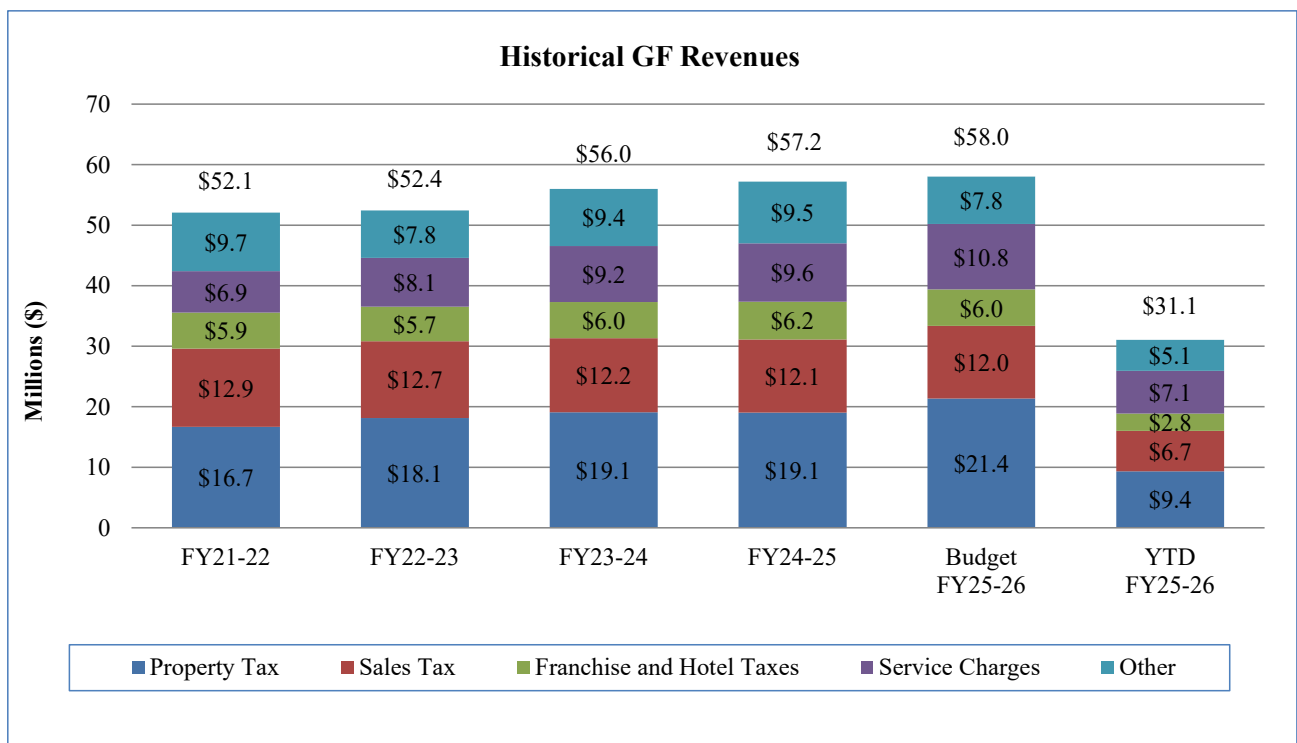
**FINANCE DEPARTMENT**



**CITY OF MORGAN HILL, CALIFORNIA**  
**FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2025-26**  
**FOR THE MONTH ENDED FEBRUARY 2026 – 67% OF YEAR COMPLETE**

- General Fund** – Revenues through February totaled \$31.1 million, or about 54% of the budget. For property tax revenue, 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, the consultant’s latest projection estimates the City’s current fiscal year sales tax revenue at approximately \$12.4 million, a slight increase from the prior projection of \$12.1 million, primarily due to one-time adjustments.

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 February 28, 2026.



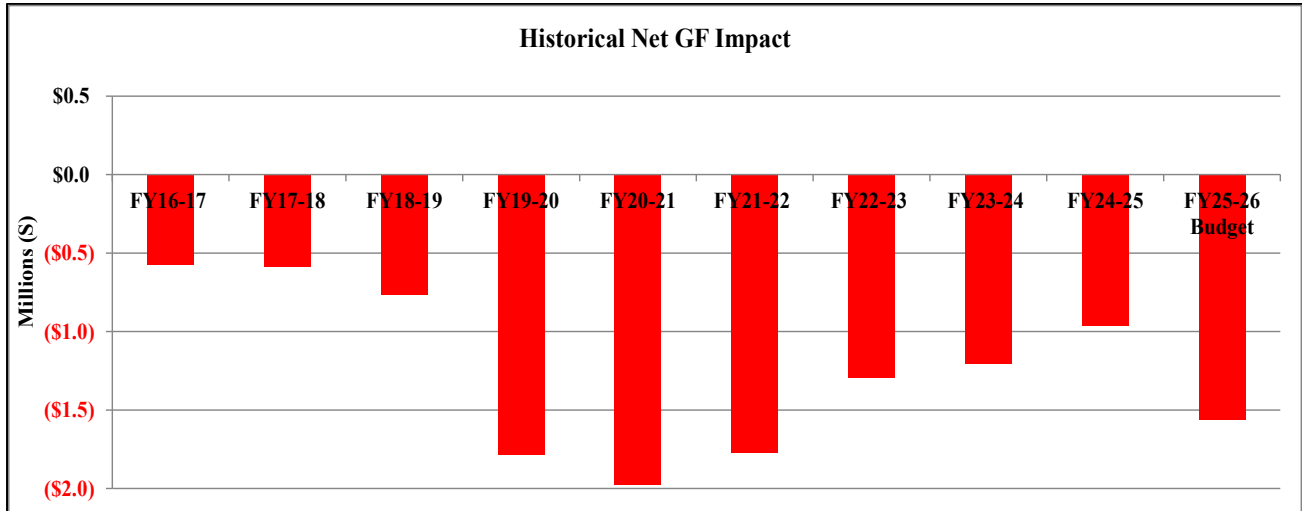
General Fund expenditures and encumbrances through February totaled \$42.2 million, of which approximately \$2.7 million is attributable to outstanding encumbrances, compared to prior year expenditures, including encumbrances, of \$40.9 million. This represents an increase of \$1.3 million, including encumbrances, compared to the prior year. Excluding encumbrances, expenditures increased by about \$1.3 million, primarily due to negotiated salary adjustments, and overall cost increases.

- 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 \$1.6 million as of February 28, 2026. The net impact of Recreation operations on the General Fund is expected to be better than budget.



CITY OF MORGAN HILL, CALIFORNIA  
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2025-26  
FOR THE MONTH ENDED FEBRUARY 2026 – 67% 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 February totaled \$5.5 million, compared to approximately \$3.9 million for the same period last year, primarily due to updated fees and increased activity. Expenditures, including encumbrances, totaled \$4.0 million.
- **Debt Service Funds** – Expenditures through February totaled \$0.6 million. 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 FEBRUARY 2026 – 67% OF YEAR COMPLETE**

- Wastewater Operations** – Revenues through February totaled \$12.4 million. Expenditures and outstanding encumbrances totaled \$11.9 million or 64% 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 February 28, 2026.

(amount in millions)					Budget	YTD
	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY25-26
Revenues	14.9	15.3	15.2	18.2	18.4	12.4
Expenditures	14.8	16.0	14.9	18.1	18.6	11.9
Operating Margin	0.1	(0.7)	0.3	0.1	(0.2)	0.5
Operating Margin without Encumbrances	0.1	(0.7)	0.3	0.1	(0.2)	0.8

- Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues through February totaled \$13.2 million. Water Operations expenditures, including outstanding encumbrances, totaled \$14.5 million. Morgan Hill residents consumed about the same amount of water through February compared to the prior three-year average. As a result, 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 February 28, 2026.

(amount in millions)					Budget	YTD
	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY25-26
Revenues	16.0	18.1	18.7	21.5	23.5	13.2
Expenditures	15.2	18.0	19.1	21.5	23.7	14.5
Operating Margin	0.8	0.1	(0.4)	-	(0.2)	(1.3)
Operating Margin without Encumbrances	0.8	0.1	(0.4)	-	(0.2)	(0.9)

- Investments** – Eight securities were called, and three new securities were purchased. Total interest earnings received on investments were \$412,000 during the month.

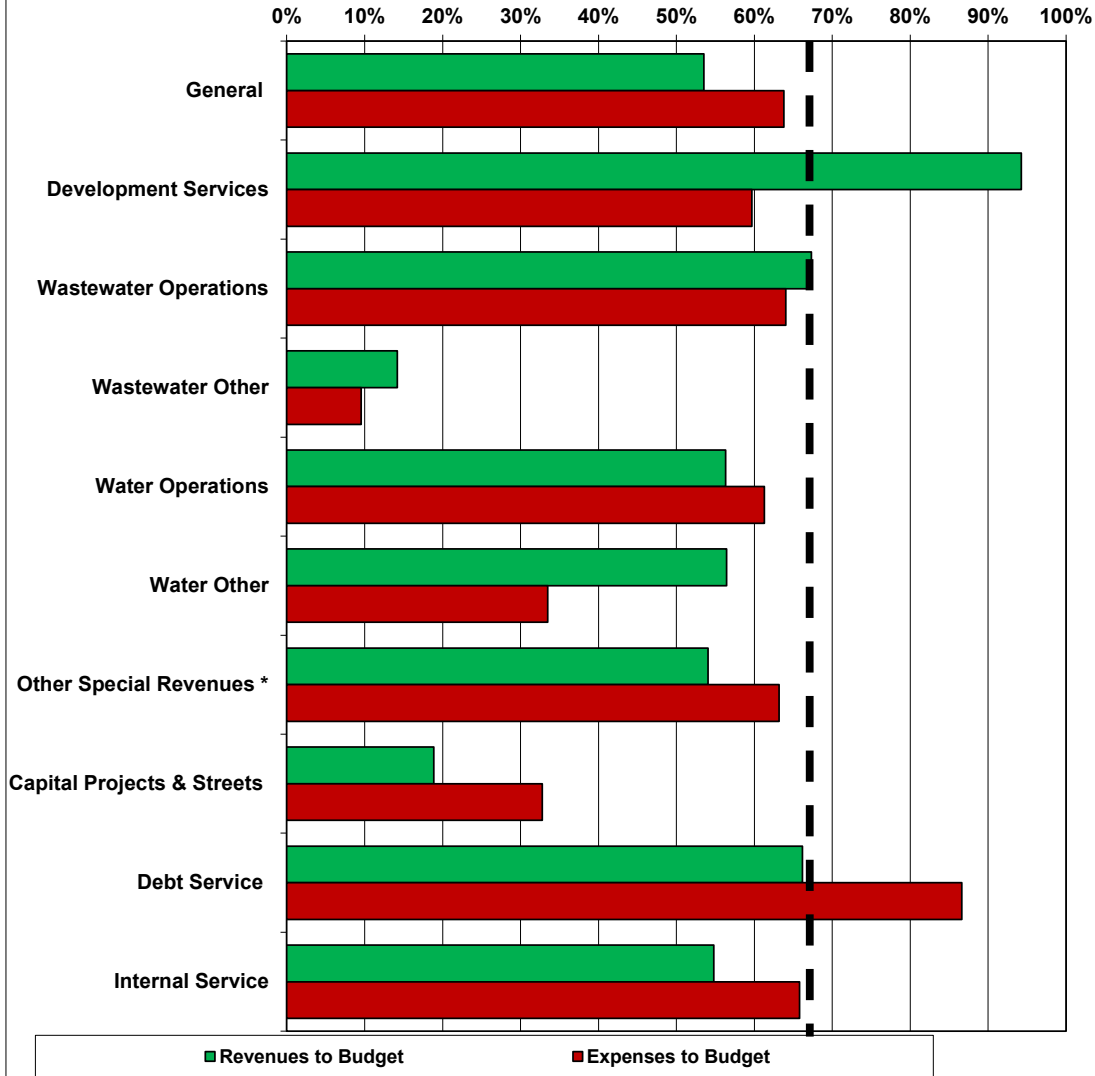


## Morgan Hill YTD Revenue & Expense Summary

### February 28, 2026 - 67% of Year Complete

Percentage of Actual to Budget

67%



FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 31,070,069	54%	\$ 42,207,887	64%
Development Services	5,541,125	94%	4,041,840	60%
Wastewater Operations	12,399,811	67%	11,888,755	64%
Wastewater Other	6,476,793	14%	8,512,529	10%
Water Operations	13,210,106	56%	14,521,450	61%
Water Other	7,213,743	56%	12,764,648	33%
Other Special Revenues *	3,865,207	54%	6,612,298	63%
Capital Projects & Streets	6,836,076	19%	17,222,954	33%
Debt Service	460,887	66%	592,499	87%
Internal Service	8,953,724	55%	11,833,251	66%
<b>TOTAL FOR ALL FUNDS</b>	<b>\$ 96,027,541</b>	<b>43%</b>	<b>\$ 130,198,110</b>	<b>40%</b>

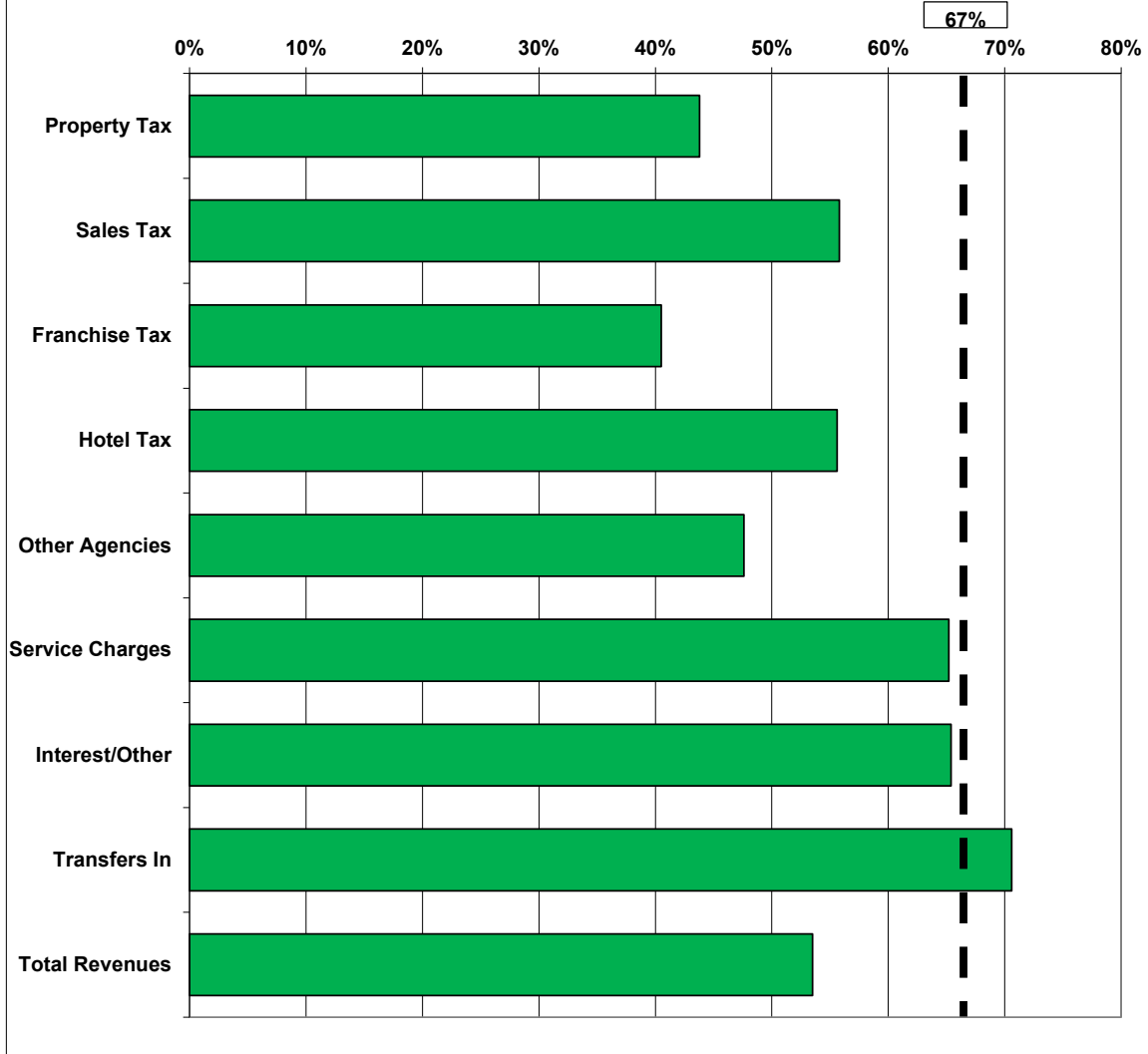
\* Includes all Special Revenue Funds except Development Services Fund and Street Funds.



# Morgan Hill YTD General Fund Revenues

February 28, 2026 - 67% of Year Complete

Percent of Actual to Budget

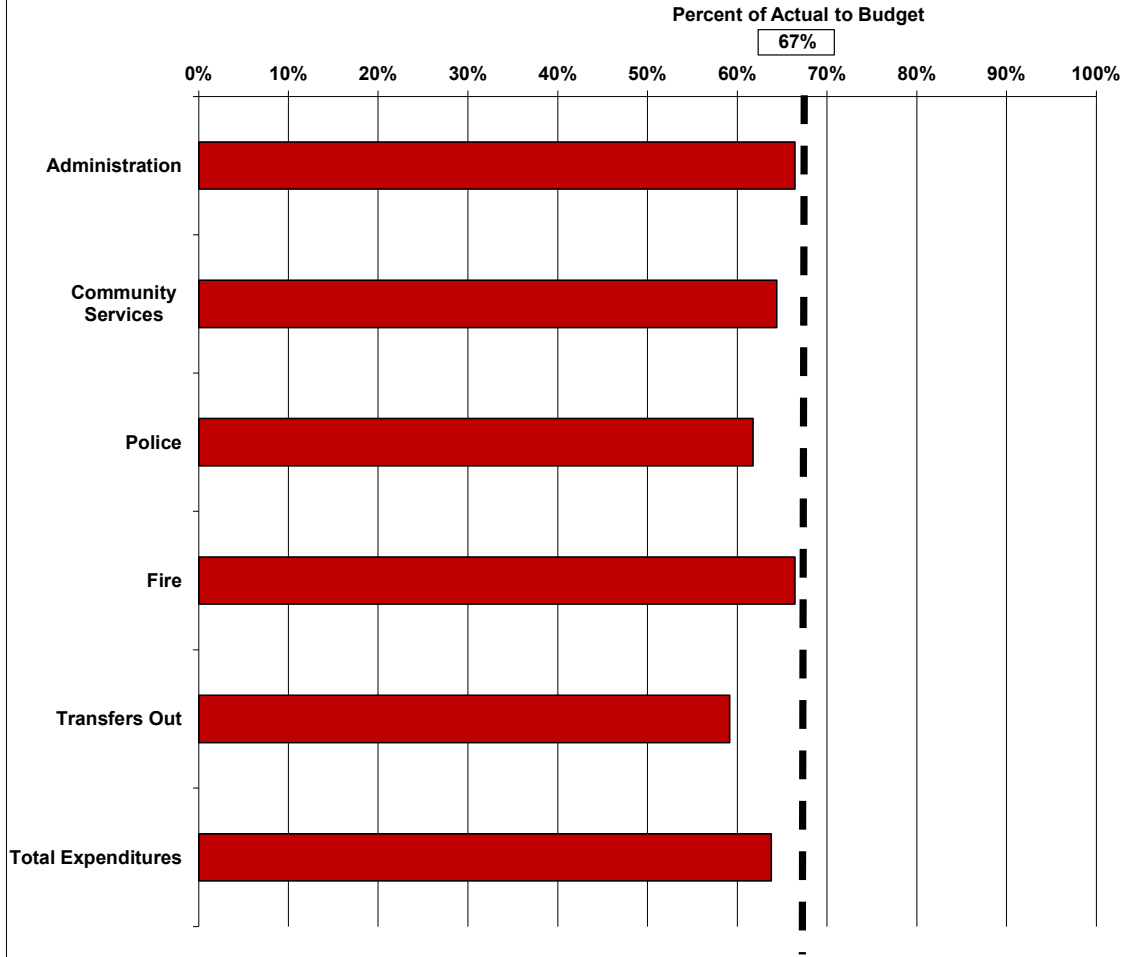


REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$ 21,369,792	\$ 9,351,911	44%	\$ 8,856,061	6%
Sales Tax	11,989,269	6,689,433	56%	6,243,211	7%
Franchise Tax	3,354,166	1,358,128	41%	1,282,171	6%
Hotel Tax	2,658,340	1,478,370	56%	1,415,821	4%
Other Agencies	954,307	453,956	48%	1,062,660	-57%
Service Charges	10,834,856	7,059,073	65%	6,830,160	3%
Interest/Other	3,468,411	2,269,699	65%	2,092,859	8%
Transfers In	3,411,140	2,409,498	71%	2,238,133	8%
<b>TOTAL REVENUES</b>	<b>\$ 58,040,280</b>	<b>\$ 31,070,069</b>	<b>54%</b>	<b>\$ 30,021,077</b>	<b>3%</b>



# Morgan Hill YTD General Fund Expenditures

February 28, 2026 - 67% of Year Complete



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 6,981,791	\$ 4,637,862	66%	\$ 4,495,750	3%
Community Services	20,298,319	13,070,636	64%	12,708,480	3%
Police	26,228,527	16,193,540	62%	15,847,915	2%
Fire	11,238,402	7,466,464	66%	6,910,847	8%
Transfers Out	1,418,558	839,385	59%	972,153	-14%
<b>TOTAL EXPENDITURES</b>	<b>\$ 66,165,597</b>	<b>\$ 42,207,887</b>	<b>64%</b>	<b>\$ 40,935,146</b>	<b>3%</b>

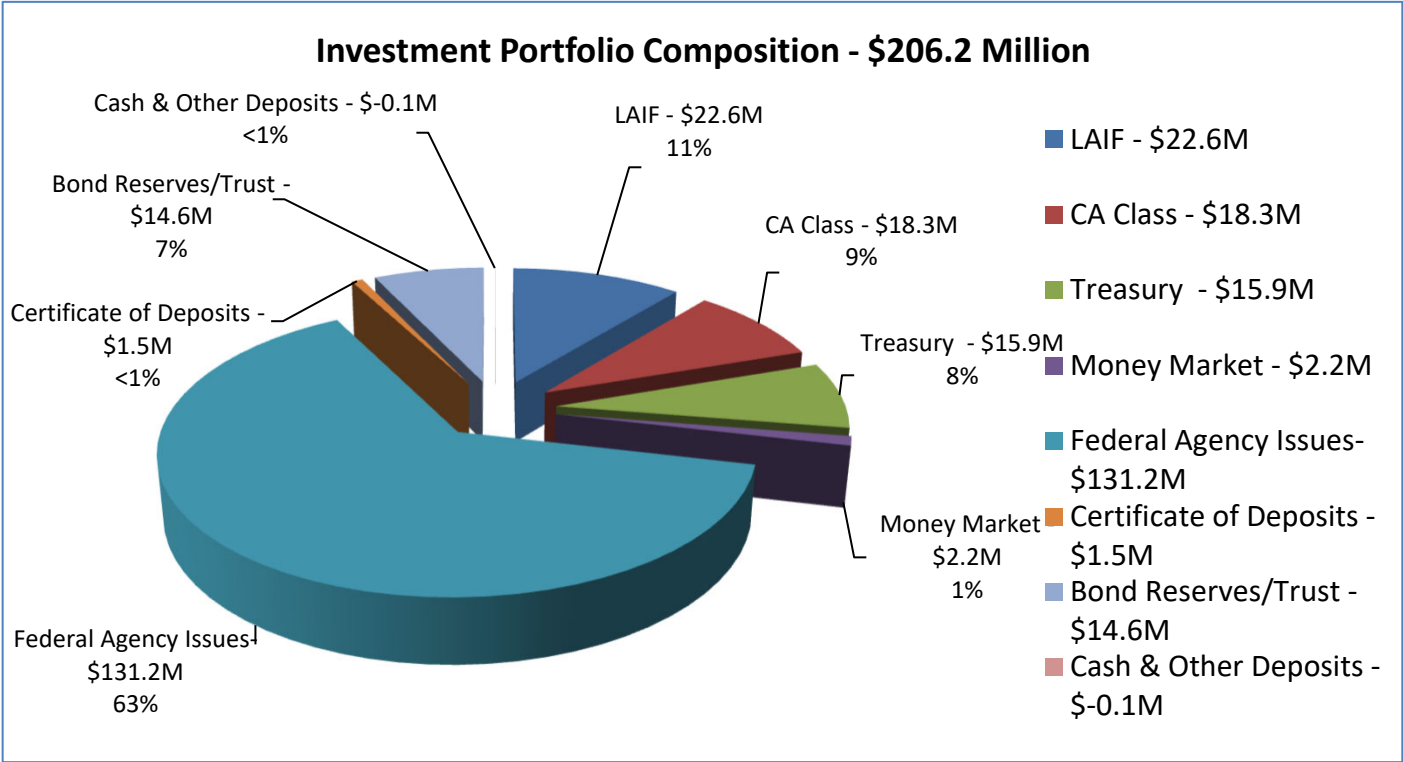


**City of Morgan Hill  
 Recreation Report - Fiscal Year 2025-26  
 For the Month Ended February 28, 2026  
 67% of Year Complete**

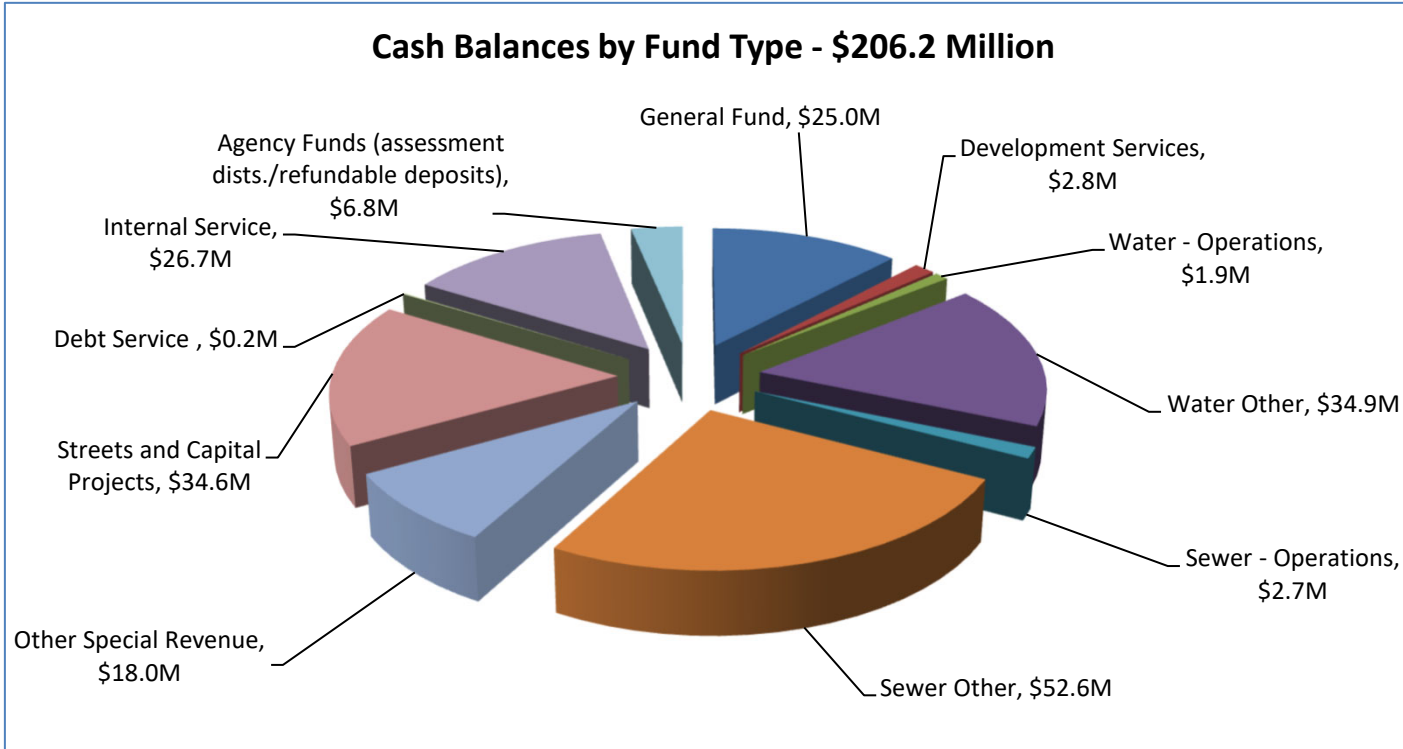
	<u>Budget</u>	<u>February 2026</u>	<u>YTD</u>	<u>% of Budget</u>
<b>Revenues</b>				
Membership Services & Rec Programs	\$ 6,830,960	\$ 480,801	\$ 4,316,627	
Facility Rentals	1,245,612	116,266	1,012,385	
Community Services	178,498	9,701	88,393	
Transfers in	100,000	6,250	66,667	
Total Revenues	<u>\$ 8,355,070</u>	<u>\$ 613,018</u>	<u>\$ 5,484,072</u>	66%
<b>Less: Expenditures</b>				
Membership & Program Services	\$ 7,547,394	\$ 515,886	\$ 4,520,096	
Facility Rentals	1,451,514	96,571	798,858	
Community Services	923,254	63,943	479,205	
Total Expenditures	<u>\$ 9,922,163</u>	<u>\$ 676,399</u>	<u>\$ 5,798,159</u>	58%
<b>Net Impact without encumbrances</b>	<b><u>\$ (1,567,093)</u></b>	<b><u>\$ (63,381)</u></b>	<b><u>\$ (314,087)</u></b>	
Encumbrances	-	-	1,310,923	
<b>Net Impact with encumbrances</b>	<b><u>\$ (1,567,093)</u></b>	<b><u>\$ (63,381)</u></b>	<b><u>\$ (1,625,010)</u></b>	

## City of Morgan Hill Monthly Investment Report - February 28, 2026

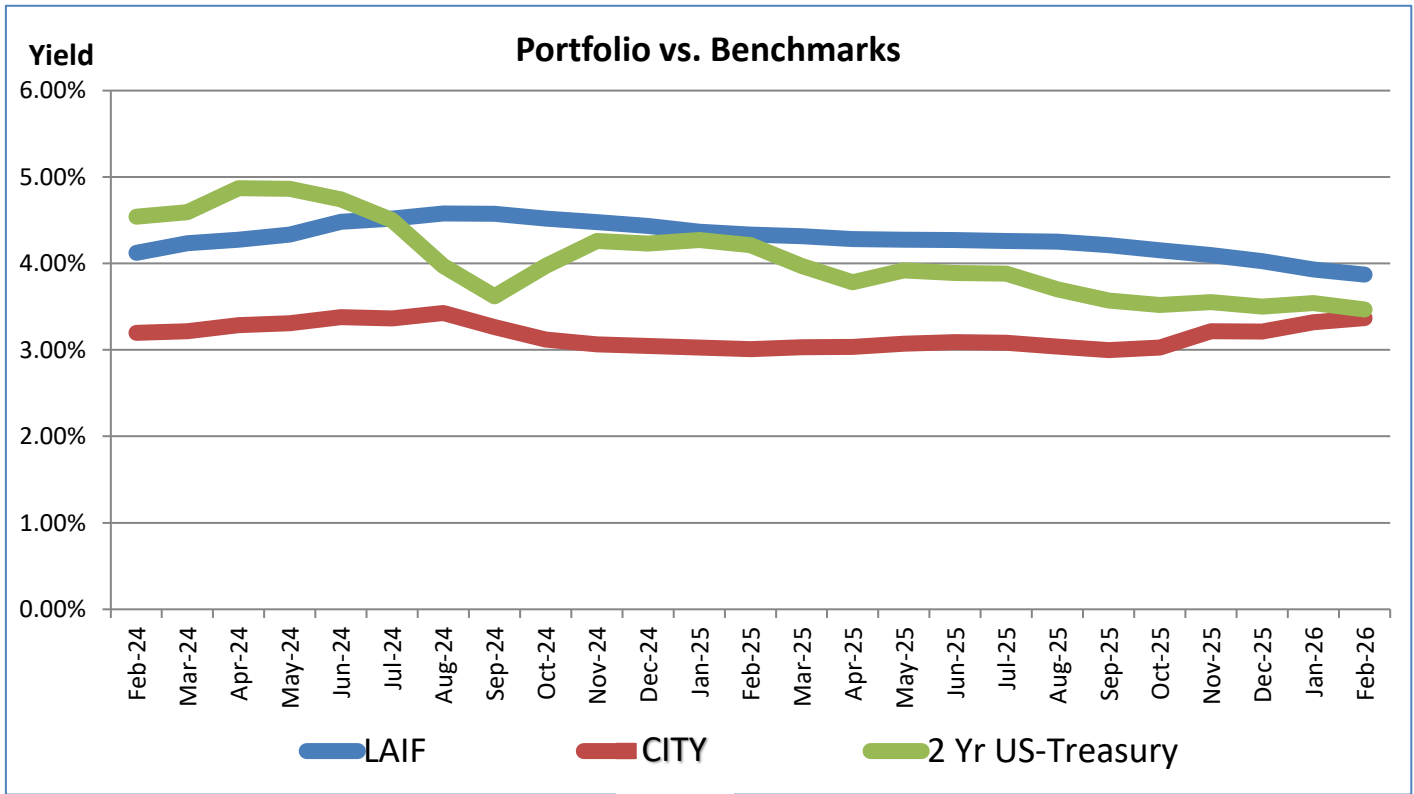
The following are the snapshots of City's investment portfolio as of February 28, 2026. The first chart shows the portfolio composition by investment type:



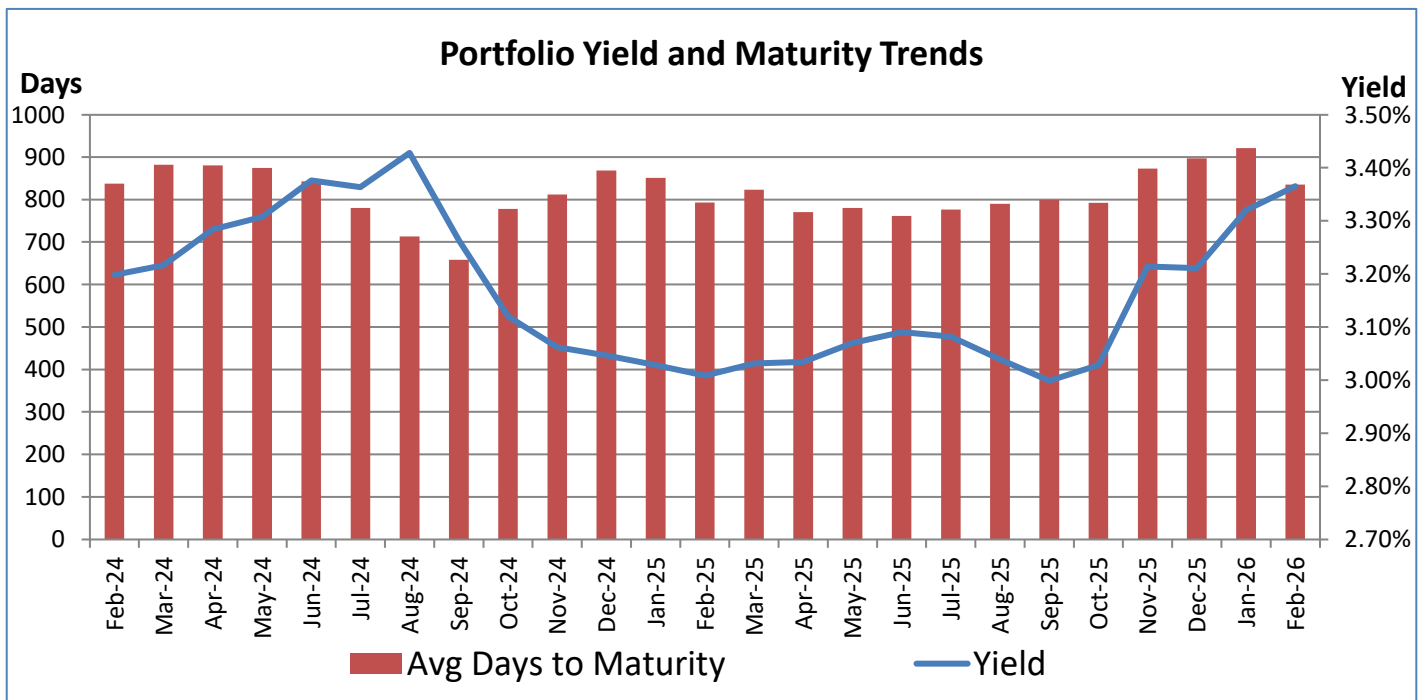
The chart below shows cash balances by fund type reconciled to City's financial system:



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 February 28, 2026**

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
<b>L A I F</b>			<b>\$ 22,577,272</b>	<b>\$ 22,577,272</b>	<b>10.9%</b>	<b>\$ 22,626,524</b>	<b>3.87%</b>		
<b>California C L A S S</b>			<b>18,283,127</b>	<b>18,283,127</b>	<b>8.9%</b>	<b>18,283,127</b>	<b>3.74%</b>		
<b>WFB Money Market</b>			<b>2,049,357</b>	<b>2,049,357</b>	<b>1.0%</b>	<b>2,049,357</b>	<b>3.58%</b>		
<b>US Bank - Portfolio of Securities</b>									
Dreyfus Treasury Agency MM	261908107		155,148	155,148	0.1%	155,148	3.56%		
Treasury Note	91282CCZ2	10/8/2021	1,987,656	1,998,547	1.0%	1,968,480	1.00%	9/30/2026	9/30/2026
Treasury Note	912828U24	6/13/2022	1,904,688	1,984,665	1.0%	1,977,560	3.16%	11/15/2026	11/15/2026
Treasury Note	91282CFL0	9/30/2024	2,031,719	2,022,756	1.0%	2,028,900	3.53%	9/30/2029	9/30/2029
Treasury Note	91282CLL3	10/1/2024	1,994,323	1,995,473	1.0%	1,998,120	3.53%	9/15/2027	9/15/2027
Treasury Note	91282CCV1	10/4/2024	1,822,536	1,884,854	0.9%	1,892,660	3.61%	8/31/2028	8/31/2028
Treasury Note	31282CFJ5	10/7/2024	1,949,794	1,959,508	1.0%	1,979,840	3.76%	8/31/2029	8/31/2029
Treasury Note	91282CFY2	12/19/2024	1,959,077	1,965,882	1.0%	2,029,540	4.39%	11/30/2029	11/30/2029
Treasury Note	91282CJM4	12/9/2025	2,057,023	2,052,414	1.0%	2,074,380	3.77%	11/30/2030	11/30/2030
FHLB Bond	3130ALGS7	3/10/2021	2,000,000	2,000,000	1.0%	1,998,720	0.85%	3/10/2026	3/10/2026
FHLB Bond	3130ALEP5	3/16/2021	2,000,000	2,000,000	1.0%	1,997,640	0.70%	3/16/2026	3/16/2026
FHLB Bond	3130ALDN1	3/16/2021	2,000,000	2,000,000	1.0%	1,997,760	0.80%	3/16/2026	3/16/2026
FHLB Bond	3130AMNH1	6/9/2021	2,000,000	2,000,000	1.0%	1,985,940	1.08%	3/5/2026	6/9/2026
FHLB Bond	3130AMYJ5	6/30/2021	2,000,000	2,000,000	1.0%	1,981,760	1.00%	3/30/2026	6/30/2026
FHLB Bond	3130AMPY1	7/15/2021	3,000,000	3,000,000	1.5%	2,971,050	1.13%	4/15/2026	7/15/2026
FHLB Bond	3130ANJC5	8/26/2021	2,000,000	2,000,000	1.0%	1,972,120	0.80%	8/26/2026	8/26/2026
FHLB Bond	3130ANLW8	8/26/2021	3,000,000	3,000,000	1.5%	2,961,660	1.00%	5/26/2026	8/26/2026
FHLB Bond	3130ANLZ1	8/26/2021	2,000,000	2,000,000	1.0%	1,973,100	0.90%	8/26/2026	8/26/2026
FHLB Bond	3130A8XY4	9/13/2021	2,103,340	2,011,093	1.0%	1,981,660	0.82%	9/11/2026	9/11/2026
FFCB Bond	3133EM4X7	9/28/2021	1,982,960	1,998,164	1.0%	1,969,860	0.98%	9/10/2026	9/10/2026
FHLB Bond	3130APCH6	9/29/2021	3,000,000	3,000,000	1.5%	2,956,800	1.13%	3/5/2026	9/29/2026
FHLB Bond	3130ANZE3	9/30/2021	2,000,000	2,000,000	1.0%	1,968,440	0.88%	9/30/2026	9/30/2026
FHLB Bond	3130AP6N0	9/30/2021	3,000,000	3,000,000	1.5%	2,954,700	1.05%	3/30/2026	9/30/2026
FHLB Bond	3130AP6M2	9/30/2021	3,000,000	3,000,000	1.5%	2,953,770	1.02%	3/30/2026	9/30/2026
FHLB Bond	3130APCG8	10/19/2021	2,000,000	2,000,000	1.0%	1,966,360	1.00%	4/19/2026	10/19/2026
FHLB Bond	3130APNX9	11/18/2021	2,000,000	2,000,000	1.0%	1,966,880	1.30%	11/18/2026	11/18/2026
FHLB Bond	3130AQHU0	1/19/2022	2,000,000	2,000,000	1.0%	1,976,300	1.74%	1/19/2027	1/19/2027
FHLB Bond	3130B2P58	9/26/2024	2,003,014	2,000,000	1.0%	2,000,440	3.87%	9/10/2026	9/10/2029
FHLB Bond	3130B36N8	10/15/2024	1,944,000	1,995,643	1.0%	1,998,620	4.32%	4/15/2026	10/15/2029
FHLB Bond	3130B5A73	2/26/2025	2,000,000	2,000,000	1.0%	2,007,660	4.75%	8/26/2026	2/26/2030
FAMCMTN Bond	31424WZC9	5/7/2025	3,000,000	3,000,000	1.5%	2,997,750	4.55%	5/7/2026	5/7/2030
FHLB Bond	3130B6F50	5/28/2025	2,000,000	2,000,000	1.0%	2,001,040	4.75%	5/14/2026	5/14/2030
FAMCMTN Bond	31424WB50	5/28/2025	2,000,000	2,000,000	1.0%	1,999,400	4.74%	5/28/2026	5/28/2030
FAMCMTN Bond	31424WG30	6/26/2025	1,200,000	1,200,000	0.6%	1,202,820	4.33%	6/26/2026	6/26/2028
FFCB Bond	3133ETMB0	6/27/2025	2,000,775	2,000,000	1.0%	2,002,980	4.65%	6/24/2026	6/24/2030
FAMCMTN Bond	31424WG55	7/1/2025	2,000,000	2,000,000	1.0%	2,003,320	4.60%	7/1/2026	7/1/2030
FFCB Bond	3133ETNA1	7/2/2025	2,000,000	2,000,000	1.0%	2,004,720	4.50%	7/2/2026	1/2/2030
FHLMCMTN Bond	3134HBB59	7/30/2025	2,000,000	2,000,000	1.0%	1,999,960	4.64%	4/30/2026	7/30/2030
FNMA Bond	3136GAM22	8/12/2025	2,988,270	2,998,458	1.5%	3,000,270	4.14%	8/12/2026	8/12/2030
FAMCMTN Bond	31424WN81	8/12/2025	2,000,000	2,000,000	1.0%	2,002,300	4.39%	8/12/2026	8/12/2030
FNMA Bond	3136GAQF9	9/3/2025	2,000,000	2,000,000	1.0%	1,999,560	4.25%	6/3/2026	6/3/2030
FFCB Bond	3133ETXY8	9/16/2025	2,000,000	2,000,000	1.0%	1,999,280	4.00%	9/16/2026	9/16/2030
FHLB Bond	3130B75F2	9/18/2025	2,000,222	2,000,000	1.0%	1,992,640	4.00%	9/17/2026	9/17/2030
FNMA Bond	3136GAUR8	9/25/2025	2,000,000	2,000,000	1.0%	1,980,620	4.20%	3/18/2026	9/18/2030
FNMA Bond	3136GAVD8	9/26/2025	2,000,000	2,000,000	1.0%	2,000,340	4.13%	6/26/2026	9/26/2030
FHLB Bond	3130B7YU2	10/15/2025	2,000,000	2,000,000	1.0%	1,997,860	4.33%	4/15/2026	10/15/2030
FFCB Bond	3133ETJ73	10/21/2025	2,000,000	2,000,000	1.0%	1,997,780	4.12%	4/21/2026	10/21/2030
FFCB Bond	3133ETJ73	10/21/2025	2,000,000	2,000,000	1.0%	1,997,780	4.12%	4/21/2026	10/21/2030
FNMA Bond	3136GAYT0	10/22/2025	2,000,000	2,000,000	1.0%	1,992,140	4.00%	4/23/2026	10/23/2028
FNMA Bond	3136GAZ44	10/24/2025	2,000,000	2,000,000	1.0%	1,999,520	4.00%	10/15/2026	10/15/2030
FHLMCMTN Bond	3134HB3J8	11/3/2025	2,000,000	2,000,000	1.0%	2,000,960	4.00%	5/1/2026	11/1/2028
FNMA Bond	3136GC3B9	11/5/2025	2,000,000	2,000,000	1.0%	2,000,480	4.25%	5/5/2026	11/5/2030
FNMA Bond	3136GC2M6	11/6/2025	2,000,000	2,000,000	1.0%	2,001,320	4.08%	5/6/2026	5/6/2030

Investment Type	CUSIP	Settlement Date	Cost Value	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
FNMA Bond	3136GC3V5	11/6/2025	2,000,000	2,000,000	1.0%	2,001,660	4.13%	11/6/2026	11/6/2030
FNMA Bond	3136GC5Z4	11/18/2025	2,000,000	2,000,000	1.0%	1,998,400	4.13%	5/18/2026	5/18/2029
FHLMCMTN Bond	3134HB6G1	11/20/2025	2,000,000	2,000,000	1.0%	1,999,880	4.00%	5/20/2026	11/20/2028
FHLMCMTN Bond	3134HB7G0	11/20/2025	2,000,000	2,000,000	1.0%	1,999,680	4.15%	11/13/2026	11/13/2030
FAMCMTN Bond	31424W3P5	11/25/2025	1,000,000	1,000,000	0.5%	990,324	4.13%	11/25/2026	11/25/2030
FHLMCMTN Bond	3134HCFN4	12/10/2025	2,000,000	2,000,000	1.0%	1,999,900	4.08%	6/10/2026	12/10/2029
FNMA Bond	3136GCAE5	12/11/2025	2,000,000	2,000,000	1.0%	2,004,520	4.03%	6/11/2027	12/11/2030
FHLMCMTN Bond	3134HCGL7	12/11/2025	2,000,000	2,000,000	1.0%	1,996,380	4.05%	6/11/2026	12/11/2028
FHLMCMTN Bond	3134HCGL7	12/11/2025	2,000,000	2,000,000	1.0%	1,996,380	4.05%	6/11/2026	12/11/2028
FFCB Bond	3133ET3X3	12/12/2025	2,000,000	2,000,000	1.0%	1,999,920	4.26%	6/12/2026	12/12/2030
FHLMCMTN Bond	3134HCCW7	12/15/2025	2,000,000	2,000,000	1.0%	1,996,040	4.25%	6/2/2026	12/2/2030
FHLMCMTN Bond	3134HCFX2	12/23/2025	2,000,000	2,000,000	1.0%	2,001,720	4.18%	12/23/2026	12/30/2030
FFCB Bond	3133ET6F9	1/8/2026	2,000,000	2,000,000	1.0%	1,997,760	4.06%	7/8/2026	7/8/2030
FNMA Bond	3136GCD93	1/8/2026	2,000,000	2,000,000	1.0%	2,002,180	4.06%	1/8/2027	1/8/2031
FHLB Bond	3130B9A83	1/28/2026	2,000,000	2,000,000	1.0%	2,009,980	4.00%	1/28/2028	1/28/2031
FHLMCMTN Bond	3134HCRN1	1/28/2026	2,000,000	2,000,000	1.0%	2,002,040	4.15%	1/28/2027	1/28/2031
FHLB Bond	3130B9EP1	2/6/2026	2,000,000	2,000,000	1.0%	1,997,940	4.00%	8/6/2026	8/6/2029
FNMA Bond	3136GCP66	2/26/2026	2,000,000	2,000,000	1.0%	1,999,020	3.88%	8/26/2026	2/26/2029
FNMA Bond	3136GCPB5	2/27/2026	2,000,000	2,000,000	1.0%	1,999,320	4.00%	8/27/2026	2/27/2030
CD - Morgan Stanley Bank	61690DGT9	11/8/2023	250,000	250,000	0.1%	257,650	5.05%	11/8/2028	11/8/2028
CD - Morgan Stanley Private Bank	61768EE82	11/8/2023	250,000	250,000	0.1%	257,650	5.05%	11/8/2028	11/8/2028
CD - American Express	02589AF98	11/8/2023	250,000	250,000	0.1%	257,333	5.00%	11/8/2028	11/8/2028
CD - State Bank India	8562834U7	11/24/2023	250,000	250,000	0.1%	259,453	5.00%	11/24/2028	11/24/2028
CD - JPMorgan Chase	46659CLN8	9/30/2025	250,000	250,000	0.1%	250,393	4.13%	9/30/2030	9/30/2030
CD - Sallie Mae	795451EE9	12/10/2025	250,000	250,000	0.1%	249,510	3.90%	12/10/2030	12/10/2030
<b>Sub Total/Average</b>			<b>\$ 148,584,547</b>	<b>\$ 148,722,606</b>	<b>72.1%</b>	<b>\$ 148,345,740</b>	<b>3.24%</b>		
<b>Total City Managed/Average</b>			<b>\$ 191,494,302</b>	<b>\$ 191,632,362</b>	<b>92.9%</b>	<b>\$ 191,304,747</b>	<b>3.36%</b>		
<b>Bond Reserve Accounts - Held By Trustees</b>			<b>\$ 6,725,630</b>	<b>\$ 6,725,630</b>	<b>3.3%</b>	<b>\$ 6,725,630</b>			
<b>Cash/Deposits</b>			<b>\$ (38,354)</b>	<b>\$ (38,354)</b>	<b>0.0%</b>	<b>\$ (38,354)</b>			
<b>PARS and CALPERS CERBT Trust</b>			<b>\$ 7,887,404</b>	<b>\$ 7,887,404</b>	<b>3.8%</b>	<b>\$ 11,289,482</b>			
<b>GRAND TOTAL/AVERAGE</b>			<b>\$ 206,068,982</b>	<b>\$ 206,207,042</b>	<b>100.0%</b>	<b>\$ 209,281,506</b>			



**CITY OF MORGAN HILL CASH AND INVESTMENT REPORT**  
**FOR THE MONTH OF FEBRUARY 28, 2026**  
**FOR THE FISCAL YEAR OF 2025-26**

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
<b>Investments</b>					
State Treasurer LAIF - City	All Funds Pooled	3.87%	\$ 22,577,272	10.9%	\$ 22,626,524
California CLASS	All Funds Pooled	3.74%	18,283,127	8.9%	18,283,127
US Bank - Portfolio of Securities	All Funds Pooled	3.24%	148,722,606	72.1%	148,345,740
WFB MMA	All Funds Pooled	3.58%	2,049,357	1.0%	2,049,357
	<b>SUBTOTAL</b>		<b>\$ 191,632,362</b>	<b>92.9%</b>	<b>\$ 191,304,747</b>
<b>Bond Reserve Accounts - held by trustees</b>					
Zions Bank - Civic Center/Library Facility	Debt Service	3.73%	482	0.0%	482
Blackrock Liq Fund					
Zions Bank - MH Police Facility Lease Revenue Bonds	Debt Service	3.73%	613	0.0%	613
Blackrock Liq Fund					
BNY - RDA Bonds	Agency Fund	3.27%	6,724,536	3.3%	6,724,536
Dreyfus Cash Mgmt 521					
	<b>SUBTOTAL</b>		<b>6,725,630</b>	<b>3.3%</b>	<b>6,725,630</b>
<b>Other Cash/Deposits</b>					
General Checking	All Funds		(84,204)	0.0%	(84,204)
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			5,237,404	2.5%	7,530,876
PARS - PENSION Trust			2,650,000	1.3%	3,758,606
	<b>SUBTOTAL</b>		<b>7,849,050</b>	<b>3.8%</b>	<b>11,251,128</b>
<b>Total Cash and Investments</b>			<b>\$ 206,207,042</b>	<b>100.0%</b>	<b>\$ 209,281,506</b>

**CASH ACTIVITY SUMMARY**  
**FY 2025-26**

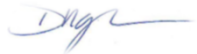
Fund Type	07/01/2025 Balance	Change in Cash Balance	2/28/2026 Balance
General Fund	\$ 27,754,684	\$ (2,782,215)	\$ 24,972,468
Development Services	1,256,663	1,542,412	2,799,076
Water - Operations	1,682,675	185,524	1,868,198
Water Other	33,378,396	1,496,458	34,874,854
Sewer - Operations	581,685	2,114,509	2,696,194
Sewer Other	51,823,477	771,339	52,594,816
Other Special Revenue	18,941,285	(932,275)	18,009,010
Streets and Capital Projects	40,813,196	(6,190,880)	34,622,316
Debt Service	354,990	(131,611)	223,379
Internal Service	29,447,571	(2,765,435)	26,682,136
Agency Funds (assessment dists./refundable deposits)	6,701,471	163,123	6,864,594
<b>Total</b>	<b>\$ 212,736,093</b>	<b>\$ (6,529,051)</b>	<b>\$ 206,207,042</b>

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:   
 Cindy Murphy, Treasurer

Reviewed by:   
 Dat Nguyen, Finance Director



**City of Morgan Hill**  
**Year to Date Revenues - Fiscal Year 2025-26**  
**For the Month Ended February 28, 2026**  
**67% of Year Complete**

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
<b>010 GENERAL FUND</b>							
<b>TAXES</b>							
Property Tax - Secured/Unsecured	\$ 17,345,642	17,945,642	\$ 7,972,656	44%	\$ 7,545,860	\$ 426,796	6%
Property Tax - RPTTF Residual Distribution	3,098,634	3,098,634	1,238,324	40%	1,160,036	78,288	7%
Property Tax - Supplemental Roll	325,515	325,515	140,930	43%	150,165	(9,234)	-6%
Sales Tax	12,711,087	11,511,087	6,508,634	57%	6,062,813	445,821	7%
Public Safety Sales Tax	478,182	478,182	180,799	38%	180,398	401	0%
Transient Occupancy Taxes	2,958,340	2,658,340	1,478,370	56%	1,415,821	62,549	4%
Franchise (Refuse ,Cable ,PG&E)	3,354,166	3,354,166	1,358,128	40%	1,282,171	75,956	6%
Property Transfer Tax	642,000	642,000	328,914	51%	325,536	3,378	1%
<b>TOTAL TAXES</b>	<b>40,913,566</b>	<b>40,013,566</b>	<b>19,206,757</b>	<b>48%</b>	<b>18,122,801</b>	<b>1,083,956</b>	<b>6%</b>
<b>LICENSES/PERMITS</b>							
Business License	200,000	200,000	78,500	39%	82,626	(4,126)	-5%
Other Permits	82,750	82,750	203,512	246%	169,426	34,086	20%
<b>TOTAL LICENSES/PERMITS</b>	<b>282,750</b>	<b>282,750</b>	<b>282,012</b>	<b>100%</b>	<b>252,052</b>	<b>29,960</b>	<b>12%</b>
<b>FINES AND PENALTIES</b>							
Parking Enforcement	9,800	9,800	3,342	34%	6,312	(2,970)	-47%
Bails & Fines	55,000	55,000	32,129	58%	19,049	13,080	69%
Administrative Citations	20,000	20,000	16,450	82%	11,277	5,173	46%
<b>TOTAL FINES AND PENALTIES</b>	<b>84,800</b>	<b>84,800</b>	<b>51,921</b>	<b>61%</b>	<b>36,638</b>	<b>15,283</b>	<b>42%</b>
<b>OTHER AGENCIES</b>							
Motor Vehicle in-Lieu	63,654	63,654	70,915	111%	73,134	(2,219)	-3%
Other Revenue - Other Agencies	434,545	954,307	453,956	48%	1,062,660	(608,704)	-57%
<b>TOTAL OTHER AGENCIES</b>	<b>498,199</b>	<b>1,017,961</b>	<b>524,871</b>	<b>52%</b>	<b>1,135,794</b>	<b>(610,923)</b>	<b>-54%</b>
<b>CHARGES CURRENT SERVICES</b>							
Police False Alarm Charge	33,500	33,500	16,131	48%	20,668	(4,536)	-22%
Business License Application Review	84,872	84,872	37,623	44%	36,758	865	2%
Membership Services & Rec Programs	6,830,960	6,830,960	4,316,627	63%	4,055,985	260,642	6%
Facility Rentals	1,245,612	1,245,612	1,012,385	81%	1,018,254	(5,869)	-1%
Community Services	138,498	178,498	88,393	50%	116,352	(27,959)	-24%
General Administration Overhead	1,727,037	1,727,037	1,155,518	67%	1,121,940	33,578	3%
Other Charges Current Services	734,377	734,377	432,396	59%	460,202	(27,807)	-6%
<b>TOTAL CURRENT SERVICES</b>	<b>10,794,856</b>	<b>10,834,856</b>	<b>7,059,073</b>	<b>65%</b>	<b>6,830,160</b>	<b>228,914</b>	<b>3%</b>
<b>OTHER REVENUE</b>							
Use of money/property	1,283,417	1,583,417	921,550	58%	890,889	30,661	3%
Other Revenues	548,648	811,790	614,386	76%	514,609	99,777	19%
<b>TOTAL OTHER REVENUE</b>	<b>1,832,065</b>	<b>2,395,207</b>	<b>1,535,936</b>	<b>64%</b>	<b>1,405,499</b>	<b>130,438</b>	<b>9%</b>
<b>TRANSFERS IN</b>							
One Time Transfer	165,000	165,000	110,000	67%	110,000	-	0%
Public Safety Facilities Fund	50,000	50,000	33,333	67%	33,333	-	0%
Supplemental Law Enforcement Fund	100,000	100,000	100,000	100%	100,000	-	n/a
Countywide Solid Waste	563,961	544,328	375,974	69%	360,219	15,755	4%
Streets	851,932	851,932	582,937	68%	528,915	54,023	10%
Park Maintenance	650,000	650,000	433,333	67%	433,333	-	n/a
Sewer Operations	434,390	434,390	326,593	75%	275,800	50,793	18%
Water Operations	434,390	434,390	326,593	75%	275,800	50,793	18%
Open Space	81,100	81,100	54,067	67%	54,067	-	n/a
Park Development	100,000	100,000	66,667	67%	66,667	-	n/a
<b>TOTAL TRANSFERS IN</b>	<b>3,430,773</b>	<b>3,411,140</b>	<b>2,409,498</b>	<b>71%</b>	<b>2,238,133</b>	<b>171,365</b>	<b>8%</b>
<b>TOTAL GENERAL FUND</b>	<b>57,837,009</b>	<b>58,040,280</b>	<b>31,070,069</b>	<b>54%</b>	<b>30,021,077</b>	<b>1,048,993</b>	<b>3%</b>
<b>SPECIAL REVENUE FUNDS</b>							
<b>202 STREET MAINTENANCE</b>							
Gas Tax 2105 - 2107.5	851,932	851,932	494,281	58%	523,940	(29,659)	-6%
Interest / Other Revenue/Other Charges	1,665	1,665	6,122	368%	4,544	1,578	35%
<b>202 STREET MAINTENANCE</b>	<b>853,597</b>	<b>853,597</b>	<b>500,403</b>	<b>59%</b>	<b>528,484</b>	<b>(28,081)</b>	<b>-5%</b>



City of Morgan Hill  
 Year to Date Revenues - Fiscal Year 2025-26  
 For the Month Ended February 28, 2026  
 67% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
<b>SPECIAL REVENUE FUNDS</b>							
<b>205 SUPPLEMENTAL LAW ENFORCEMENT FUND</b>							
Interest Income	11,065	11,065	11,469	104%	9,707	1,762	18%
Police Grant/SLEF/JAG	100,000	100,000	164,037	164%	136,330	27,707	20%
<b>205 SUPPLEMENTAL LAW ENFORCEMENT FUND</b>	<b>111,065</b>	<b>111,065</b>	<b>175,505</b>	<b>158%</b>	<b>146,037</b>	<b>29,469</b>	<b>20%</b>
<b>206 DEVELOPMENT SERVICES</b>							
Building Fees	3,655,850	3,768,850	2,902,565	77%	2,400,776	501,789	21%
Planning Fees	954,276	1,059,276	1,481,290	140%	696,437	784,853	113%
Engineering Fees	723,341	723,341	1,009,586	140%	587,552	422,034	72%
Other Revenue/Current Charges	544,851	326,851	147,685	45%	185,236	(37,551)	-20%
<b>206 DEVELOPMENT SERVICES</b>	<b>5,878,318</b>	<b>5,878,318</b>	<b>5,541,125</b>	<b>94%</b>	<b>3,870,001</b>	<b>1,671,124</b>	<b>43%</b>
<b>207 LONG RANGE PLANNING</b>	<b>827,760</b>	<b>827,760</b>	<b>982,959</b>	<b>119%</b>	<b>656,194</b>	<b>326,765</b>	<b>50%</b>
<b>215 and 216 HCD BLOCK GRANT</b>							
Interest Income/Other Revenue	994	994	1,418	143%	1,533	(115)	-7%
<b>215 and 216 HCD BLOCK GRANT</b>	<b>994</b>	<b>994</b>	<b>1,418</b>	<b>143%</b>	<b>1,533</b>	<b>(115)</b>	<b>-7%</b>
<b>225 ASSET SEIZURE</b>	<b>1,631</b>	<b>1,631</b>	<b>2,140</b>	<b>131%</b>	<b>2,336</b>	<b>(196)</b>	<b>-8%</b>
<b>229 LIGHTING AND LANDSCAPE</b>	<b>207,135</b>	<b>207,135</b>	<b>120,194</b>	<b>58%</b>	<b>115,954</b>	<b>4,239</b>	<b>4%</b>
<b>230 COMMUNITY FACILITIES DISTRICT</b>	<b>28,314</b>	<b>28,314</b>	<b>18,497</b>	<b>65%</b>	<b>18,241</b>	<b>256</b>	<b>1%</b>
<b>232 ENVIRONMENTAL PROGRAMS</b>	<b>525,286</b>	<b>525,286</b>	<b>362,328</b>	<b>69%</b>	<b>331,524</b>	<b>30,804</b>	<b>9%</b>
<b>234 MOBILE HOME PARK RENT STAB.</b>	<b>2,447</b>	<b>2,447</b>	<b>5,306</b>	<b>217%</b>	<b>5,335</b>	<b>(28)</b>	<b>-1%</b>
<b>236 HOUSING MITIGATION</b>	<b>3,061,720</b>	<b>3,478,220</b>	<b>942,951</b>	<b>27%</b>	<b>1,061,214</b>	<b>(118,264)</b>	<b>-11%</b>
<b>240 EMPLOYEE ASSISTANCE</b>	<b>481</b>	<b>481</b>	<b>4,951</b>	<b>1029%</b>	<b>4,987</b>	<b>(37)</b>	<b>-1%</b>
<b>246 COUNTYWIDE SOLID WASTE</b>	<b>2,393,478</b>	<b>1,716,866</b>	<b>1,113,062</b>	<b>65%</b>	<b>1,286,743</b>	<b>(173,680)</b>	<b>-13%</b>
<b>255 HOUSING SUCCESSOR AGENCY</b>	<b>418,260</b>	<b>418,260</b>	<b>135,088</b>	<b>32%</b>	<b>392,681</b>	<b>(257,593)</b>	<b>-66%</b>
<b>260 PUBLIC ART</b>	<b>869</b>	<b>869</b>	<b>808</b>	<b>93%</b>	<b>330</b>	<b>478</b>	<b>145%</b>
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>14,311,356</b>	<b>14,051,244</b>	<b>9,906,735</b>	<b>71%</b>	<b>8,421,594</b>	<b>1,485,141</b>	<b>18%</b>
<b>CAPITAL PROJECTS FUNDS</b>							
<b>301 PARK DEVELOPMENT</b>	<b>2,324,852</b>	<b>2,324,852</b>	<b>571,268</b>	<b>25%</b>	<b>1,799,328</b>	<b>(1,228,060)</b>	<b>-68%</b>
<b>302 PARK MAINTENANCE</b>	<b>1,008,792</b>	<b>1,008,792</b>	<b>35,082</b>	<b>3%</b>	<b>56,892</b>	<b>(21,811)</b>	<b>-38%</b>
<b>303 LOCAL DRAINAGE</b>	<b>3,672,294</b>	<b>3,672,294</b>	<b>125,854</b>	<b>3%</b>	<b>425,496</b>	<b>(299,642)</b>	<b>-70%</b>
<b>304 LOCAL DRAINAGE/NON AB1600</b>	<b>28,357</b>	<b>187,838</b>	<b>26,490</b>	<b>14%</b>	<b>249,339</b>	<b>(222,850)</b>	<b>-89%</b>
<b>306 AGRICULTURE &amp; OPEN SPACE PRESERVATION</b>	<b>10,461</b>	<b>10,461</b>	<b>160,550</b>	<b>1535%</b>	<b>420,221</b>	<b>(259,670)</b>	<b>-62%</b>
<b>308 STREET CIP</b>	<b>7,777,340</b>	<b>7,777,340</b>	<b>2,390,464</b>	<b>31%</b>	<b>3,313,265</b>	<b>(922,801)</b>	<b>-28%</b>
<b>309 TRAFFIC IMPACT</b>	<b>3,584,714</b>	<b>3,584,714</b>	<b>745,087</b>	<b>21%</b>	<b>1,956,527</b>	<b>(1,211,440)</b>	<b>-62%</b>
<b>315 PUBLIC SAFETY FACILITIES IMPACT</b>	<b>2,217,137</b>	<b>5,517,137</b>	<b>773,230</b>	<b>14%</b>	<b>5,950,194</b>	<b>(5,176,965)</b>	<b>-87%</b>
<b>346 PUBLIC FACILITIES NON-AB1600</b>	<b>26,226</b>	<b>26,226</b>	<b>36,692</b>	<b>140%</b>	<b>174,185</b>	<b>(137,493)</b>	<b>-79%</b>
<b>347 PUBLIC FACILITIES IMPACT</b>	<b>994,483</b>	<b>994,483</b>	<b>84,733</b>	<b>9%</b>	<b>330,702</b>	<b>(245,969)</b>	<b>-74%</b>
<b>348 LIBRARY</b>	<b>2,180,740</b>	<b>2,180,740</b>	<b>398,053</b>	<b>18%</b>	<b>1,286,598</b>	<b>(888,545)</b>	<b>-69%</b>
<b>350 UNDERGROUNDING</b>	<b>47,258</b>	<b>47,258</b>	<b>73,397</b>	<b>155%</b>	<b>72,147</b>	<b>1,249</b>	<b>2%</b>
<b>360 COMMUNITY/REC IMPACT FUND</b>	<b>3,802,095</b>	<b>3,802,095</b>	<b>796,286</b>	<b>21%</b>	<b>2,387,401</b>	<b>(1,591,114)</b>	<b>-67%</b>
<b>375 QUIMBY FEE</b>	<b>4,268,487</b>	<b>4,268,487</b>	<b>118,489</b>	<b>3%</b>	<b>2,023,360</b>	<b>(1,904,871)</b>	<b>-94%</b>
<b>TOTAL CAPITAL PROJECTS FUNDS</b>	<b>31,943,236</b>	<b>35,402,717</b>	<b>6,335,674</b>	<b>18%</b>	<b>20,445,655</b>	<b>(14,109,981)</b>	<b>-69%</b>
<b>DEBT SERVICE FUNDS</b>							
<b>420 CIVIC CENTER DEBT</b>	<b>302,376</b>	<b>302,376</b>	<b>201,231</b>	<b>67%</b>	<b>200,082</b>	<b>1,149</b>	<b>1%</b>
<b>441 POLICE FACILITY BOND</b>	<b>394,304</b>	<b>394,304</b>	<b>259,656</b>	<b>66%</b>	<b>256,857</b>	<b>2,800</b>	<b>1%</b>
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>696,680</b>	<b>696,680</b>	<b>460,887</b>	<b>66%</b>	<b>456,939</b>	<b>3,948</b>	<b>1%</b>



City of Morgan Hill  
 Year to Date Revenues - Fiscal Year 2025-26  
 For the Month Ended February 28, 2026  
 67% of Year Complete

	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
<b>ENTERPRISE FUNDS</b>							
<b>640 WASTEWATER OPERATION</b>							
Sewer Service Fees	17,871,000	17,871,000	12,153,464	68%	9,955,743	2,197,721	22%
Interest Income/Transfers	121,041	121,041	43,417	36%	45,120	(1,703)	-4%
Other Revenue/Current Charges	428,860	428,860	202,929	47%	200,739	2,190	1%
<b>640 WASTEWATER OPERATION</b>	<b>18,420,901</b>	<b>18,420,901</b>	<b>12,399,811</b>	<b>67%</b>	<b>10,201,603</b>	<b>2,198,207</b>	<b>22%</b>
<b>641 WASTEWATER EXPANSION</b>							
Interest Income	164,788	164,788	455,302	276%	499,837	(44,535)	-9%
Development Impact Fee	30,415,728	30,415,728	1,521,902	5%	9,036,600	(7,514,698)	-83%
<b>641 WASTEWATER EXPANSION</b>	<b>30,580,516</b>	<b>30,580,516</b>	<b>1,977,204</b>	<b>6%</b>	<b>9,536,437</b>	<b>(7,559,233)</b>	<b>-79%</b>
<b>642 WASTEWATER RATE STABILIZATION</b>	<b>93,037</b>	<b>93,037</b>	<b>66,648</b>	<b>72%</b>	<b>71,461</b>	<b>(4,813)</b>	<b>-7%</b>
<b>643 WASTEWATER CAPITAL PROJECT</b>	<b>15,076,739</b>	<b>15,076,739</b>	<b>4,432,941</b>	<b>29%</b>	<b>4,560,748</b>	<b>(127,807)</b>	<b>-3%</b>
<b>TOTAL SEWER FUNDS</b>	<b>64,171,193</b>	<b>64,171,193</b>	<b>18,876,603</b>	<b>29%</b>	<b>24,370,249</b>	<b>(5,493,645)</b>	<b>-23%</b>
<b>650 WATER OPERATION</b>							
Water Sales	21,385,800	21,385,800	12,111,963	57%	11,590,245	521,717	5%
Meter Install & Service	110,000	110,000	32,795	30%	70,865	(38,070)	-54%
Transfers-In / Interest Income	911,184	911,184	553,980	61%	552,595	1,386	0%
Other Revenue/Current Charges	1,044,838	1,044,838	511,368	49%	519,279	(7,911)	-2%
<b>650 WATER OPERATION</b>	<b>23,451,822</b>	<b>23,451,822</b>	<b>13,210,106</b>	<b>56%</b>	<b>12,732,984</b>	<b>477,122</b>	<b>4%</b>
<b>651 WATER EXPANSION</b>							
Interest Income/Other Revenue/Transfer	40,273	40,273	114,260	284%	116,167	(1,907)	-2%
Development Impact Fee	4,833,886	4,833,886	564,950	12%	3,047,343	(2,482,393)	-81%
<b>651 WATER EXPANSION</b>	<b>4,874,159</b>	<b>4,874,159</b>	<b>679,210</b>	<b>14%</b>	<b>3,163,510</b>	<b>(2,484,300)</b>	<b>-79%</b>
<b>652 WATER RATE STABILIZATION</b>	<b>99,247</b>	<b>99,247</b>	<b>71,287</b>	<b>72%</b>	<b>77,103</b>	<b>(5,816)</b>	<b>-8%</b>
<b>653 WATER CAPITAL PROJECT</b>	<b>7,809,380</b>	<b>7,809,380</b>	<b>6,463,246</b>	<b>83%</b>	<b>4,425,797</b>	<b>2,037,449</b>	<b>46%</b>
<b>TOTAL WATER FUNDS</b>	<b>36,234,608</b>	<b>36,234,608</b>	<b>20,423,848</b>	<b>56%</b>	<b>20,399,393</b>	<b>24,455</b>	<b>0%</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>100,405,801</b>	<b>100,405,801</b>	<b>39,300,451</b>	<b>39%</b>	<b>44,769,642</b>	<b>(5,469,190)</b>	<b>-12%</b>
<b>INTERNAL SERVICE FUNDS</b>							
730 INFORMATION SYSTEMS	3,038,971	3,038,971	2,025,634	67%	1,923,998	101,636	5%
740 BUILDING MAINTENANCE	1,270,189	1,270,189	854,210	67%	950,319	(96,109)	-10%
741 BUILDING REPLACEMENT	1,049,288	2,299,288	705,805	31%	699,604	6,201	1%
745 CIP ADMINISTRATION	2,880,028	2,880,028	1,215,222	42%	1,332,835	(117,614)	-9%
760 UNEMPLOYMENT INSURANCE	8,298	8,298	5,467	66%	6,218	(751)	-12%
770 WORKERS COMPENSATION	1,211,610	1,211,610	446,917	37%	676,484	(229,568)	-34%
790 EQUIPMENT REPLACEMENT	1,615,158	1,615,158	1,084,696	67%	1,234,780	(150,084)	-12%
791 EMPLOYEE BENEFITS	1,251,963	1,251,963	779,963	62%	763,027	16,936	2%
795 GENERAL LIABILITY INSURANCE	2,769,881	2,769,881	1,835,811	66%	1,671,979	163,833	10%
<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>15,095,386</b>	<b>16,345,386</b>	<b>8,953,724</b>	<b>55%</b>	<b>9,259,244</b>	<b>(305,520)</b>	<b>-3%</b>
<b>TOTAL FOR ALL FUNDS</b>	<b>\$ 220,289,468</b>	<b>\$ 224,942,107</b>	<b>\$ 96,027,541</b>	<b>43%</b>	<b>\$ 113,374,150</b>	<b>\$ (17,346,609)</b>	<b>-15%</b>



City of Morgan Hill  
 Year to Date Expenses - Fiscal Year 2025-26  
 For the Month Ended February 28, 2026  
 67% 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
<b>010 GENERAL FUND</b>								
<b>I. ADMINISTRATION</b>								
	CITY COUNCIL	\$ 20,536	\$ 631,504	\$ 507,057	\$ -	\$ 507,057	80%	\$ 310,616
	CITY ATTORNEY	78,018	1,046,783	653,176	82,201	735,377	70%	640,103
	CITY MANAGER	66,400	1,041,692	465,857	14,000	479,857	46%	443,991
	HUMAN RESOURCES	77,605	1,032,289	700,235	-	700,235	68%	617,131
	<b>COUNCIL SVCS &amp; RECORDS MGMT</b>							
	Council Svcs & Records Mgmt	47,227	627,757	374,039	-	374,039	60%	367,304
	Elections	3,033	38,516	23,902	-	23,902	62%	273,858
	<b>COUNCIL SVCS &amp; RECORDS MGMT</b>	<b>50,260</b>	<b>666,273</b>	<b>397,941</b>	<b>-</b>	<b>397,941</b>	<b>60%</b>	<b>641,162</b>
	FINANCE	174,642	2,563,249	1,399,013	418,382	1,817,395	71%	1,485,572
	<b>TOTAL ADMINISTRATION</b>	<b>467,462</b>	<b>6,981,791</b>	<b>4,123,280</b>	<b>514,582</b>	<b>4,637,862</b>	<b>66%</b>	<b>4,138,576</b>
<b>II. COMMUNITY SERVICES</b>								
	Membership Services & Rec. Programs	515,886	7,547,394	4,520,096	1,195,346	5,715,441	76%	4,700,699
	Recreation Facility Rentals	96,571	1,451,514	798,858	66,319	865,177	60%	361,122
	Innovative Transit	-	-	-	-	-	n/a	473,917
	Community Services	63,943	923,254	479,205	49,259	528,464	57%	373,606
	Park Maintenance	66,683	1,563,669	726,587	65,339	791,925	51%	755,690
	Environmental Services	31,049	1,042,804	444,906	-	444,906	43%	411,302
	Countywide Solid Waste Program	40,327	546,317	316,765	-	316,765	58%	317,816
	Street Maintenance	330,899	3,598,941	2,242,260	27,012	2,269,272	63%	2,180,327
	Downtown Maintenance	31,417	396,152	202,603	28,168	230,770	58%	176,764
	PD Building Maintenance	45,161	727,124	366,038	66,398	432,436	59%	416,214
	Cable Television	7,599	91,406	60,736	-	60,736	66%	60,428
	<b>COMMUNITY SERVICES</b>	<b>1,229,534</b>	<b>17,888,575</b>	<b>10,158,053</b>	<b>1,497,840</b>	<b>11,655,893</b>	<b>65%</b>	<b>10,227,884</b>
	CODE COMPLIANCE	34,243	420,943	273,921	-	273,921	65%	254,490
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	44,674	644,253	359,507	15,303	374,810	58%	281,498
	ECONOMIC DEVELOPMENT PROGRAMS	145,735	1,344,548	658,503	107,509	766,012	57%	560,470
	<b>TOTAL COMMUNITY SERVICES</b>	<b>1,454,185</b>	<b>20,298,319</b>	<b>11,449,985</b>	<b>1,620,651</b>	<b>13,070,636</b>	<b>64%</b>	<b>11,324,341</b>
<b>III. PUBLIC SAFETY</b>								
	<b>POLICE</b>							
	PD Administration	148,803	1,964,769	1,187,598	8,325	1,195,924	61%	1,054,625
	Field Operations	953,516	14,224,118	8,521,792	35,729	8,557,521	60%	7,564,707
	Support Services	212,687	2,766,134	1,759,984	64,474	1,824,458	66%	1,755,799
	Emergency Services/Haz Mat	20,018	291,798	168,334	-	168,334	58%	164,829
	Special Operations	319,152	4,405,650	2,686,233	42,859	2,729,092	62%	2,823,540
	Dispatch Services	205,844	2,576,058	1,574,192	144,020	1,718,212	67%	1,455,413
	<b>POLICE</b>	<b>1,860,021</b>	<b>26,228,527</b>	<b>15,898,132</b>	<b>295,408</b>	<b>16,193,540</b>	<b>62%</b>	<b>14,818,913</b>
	FIRE	951,526	11,238,402	7,163,339	303,125	7,466,464	66%	6,880,221
	<b>TOTAL PUBLIC SAFETY</b>	<b>2,811,547</b>	<b>37,466,930</b>	<b>23,061,471</b>	<b>598,533</b>	<b>23,660,004</b>	<b>63%</b>	<b>21,699,134</b>
<b>IV. TRANSFERS</b>								
	Other	104,923	1,418,558	839,385	-	839,385	59%	972,153
	<b>TOTAL TRANSFERS</b>	<b>104,923</b>	<b>1,418,558</b>	<b>839,385</b>	<b>-</b>	<b>839,385</b>	<b>59%</b>	<b>972,153</b>
	<b>TOTAL GENERAL FUND</b>	<b>4,838,118</b>	<b>66,165,597</b>	<b>39,474,120</b>	<b>2,733,766</b>	<b>42,207,887</b>	<b>64%</b>	<b>38,134,204</b>



City of Morgan Hill  
 Year to Date Expenses - Fiscal Year 2025-26  
 For the Month Ended February 28, 2026  
 67% 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
<b>SPECIAL REVENUE FUNDS</b>								
202	STREET MAINTENANCE	463	857,492	586,644	-	586,644	68%	532,549
205	PUBLIC SAFETY/SUPP.LAW	115	101,380	100,920	-	100,920	100%	100,903
206	DEVELOPMENT SERVICES FUND							
	Planning	137,128	1,733,837	1,090,363	-	1,090,363	63%	1,044,272
	Building	237,202	3,254,121	1,857,415	81,335	1,938,750	60%	1,812,653
	Engineering	135,975	1,786,271	1,012,727	-	1,012,727	57%	987,015
206	DEVELOPMENT SERVICES FUND	510,306	6,774,229	3,960,505	81,335	4,041,840	60%	3,843,940
207	LONG RANGE PLANNING	71,870	2,872,275	780,516	326,202	1,106,717	39%	808,407
215/216	CDBG	8	90	60	-	60	67%	58
225	ASSET SEIZURE	70	840	560	-	560	67%	547
229	LIGHTING AND LANDSCAPE	9,513	218,856	104,682	16,896	121,578	56%	140,465
230	COMMUNITY FACILITIES DISTRICT	1,733	24,377	16,852	-	16,852	69%	15,891
232	ENVIRONMENTAL PROGRAMS	44,286	469,415	262,600	3,362	265,961	57%	245,176
234	MOBILE HOME PARK	81	970	647	-	647	67%	635
236	HOUSING MITIGATION	133,313	2,480,440	1,257,467	1,036,020	2,293,486	92%	799,516
240	EMPLOYEE ASSISTANCE	84	21,010	2,353	-	2,353	11%	4,162
246	COUNTYWIDE SOLID WASTE PROGRAM	105,443	1,808,470	803,031	837,085	1,640,116	91%	952,151
255	HOUSING SUCCESSOR AGENCY	97,640	1,375,331	896,635	162,125	1,058,760	77%	747,481
260	PUBLIC ART	536	6,430	4,287	-	4,287	67%	9,192
<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>975,459</b>	<b>17,011,604</b>	<b>8,777,758</b>	<b>2,463,023</b>	<b>11,240,781</b>	<b>66%</b>	<b>8,201,074</b>
<b>CAPITAL PROJECT FUNDS</b>								
301	PARK DEVELOPMENT	190,255	4,256,161	1,146,334	455,414	1,601,749	38%	598,359
302	PARK MAINTENANCE	54,167	1,650,000	434,683	-	434,683	26%	435,439
303	LOCAL DRAINAGE	24,025	8,163,833	1,091,589	232,401	1,323,991	16%	3,539,047
304	LOCAL DRAIN. NON-AB1600	10,037	530,148	126,368	84,306	210,674	40%	75,590
306	AGRICULTURE & OPEN SPACE PRESERVATI	10,731	128,770	85,847	-	85,847	67%	85,438
308	STREET CIP	180,869	8,054,263	2,384,424	113,264	2,497,688	31%	3,824,545
309	TRAFFIC IMPACT	20,935	4,774,469	369,101	242,531	611,632	13%	3,177,722
315	PUBLIC SAFETY FACILITIES IMPACT	363,620	4,527,175	1,140,378	1,376,638	2,517,016	56%	5,500,786
346	PUBLIC FAC.NON AB1600	6,992	930,655	230,845	34,142	264,987	28%	45,619
347	PUBLIC FACILITIES IMPACT	75,663	1,855,069	1,024,532	105,925	1,130,457	61%	362,362
348	LIBRARY IMPACT	17,957	215,486	143,657	-	143,657	67%	1,809,077
350	UNDERGROUNDING	105	2,948,810	840	-	840	0%	128,045
360	COMM/REC CENTER IMPACT	19,096	5,564,824	389,687	158,174	547,861	10%	326,622
375	QUIMBY FEE	460,986	8,097,366	4,272,188	993,039	5,265,227	65%	1,099,325
<b>TOTAL CAPITAL PROJECTS FUNDS</b>		<b>1,435,437</b>	<b>51,697,029</b>	<b>12,840,473</b>	<b>3,795,836</b>	<b>16,636,310</b>	<b>32%</b>	<b>21,007,974</b>
<b>DEBT SERVICE FUNDS</b>								
420	CIVIC CENTER DEBT	289	294,598	260,646	-	260,646	88%	243,508
441	POLICE FACILITY BOND DEBT	383	389,293	331,853	-	331,853	85%	330,258
<b>TOTAL DEBT SERVICE FUNDS</b>		<b>673</b>	<b>683,891</b>	<b>592,499</b>	<b>-</b>	<b>592,499</b>	<b>87%</b>	<b>573,766</b>




City of Morgan Hill  
 Year to Date Expenses - Fiscal Year 2025-26  
 For the Month Ended February 28, 2026  
 67% 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
<b>ENTERPRISE FUNDS</b>								
<b>SEWER</b>								
640	WASTEWATER OPERATIONS	1,438,108	18,570,816	11,592,667	296,088	11,888,755	64%	10,943,141
641	WASTEWATER CAPITAL EXPANSION	103,160	54,898,903	1,403,064	660,487	2,063,551	4%	4,427,158
642	WASTEWATER RATE STABILIZATION	168	2,010	1,340	-	1,340	67%	1,311
643	WASTEWATER CAPITAL PROJECTS	613,246	34,316,583	3,134,564	3,313,074	6,447,638	19%	1,763,097
<b>TOTAL SEWER FUND(S)</b>		<b>2,154,681</b>	<b>107,788,312</b>	<b>16,131,636</b>	<b>4,269,648</b>	<b>20,401,284</b>	<b>19%</b>	<b>17,134,706</b>
<b>WATER</b>								
	Water Operations	1,499,926	21,663,763	12,983,694	298,734	13,282,428	61%	11,929,151
	Utility Billing	119,083	1,544,437	955,537	13,511	969,049	63%	839,039
	Water Conservation	26,117	494,608	196,886	73,087	269,973	55%	203,614
650	WATER OPERATIONS	1,645,126	23,702,807	14,136,118	385,332	14,521,450	61%	12,971,804
651	WATER CAPITAL EXPANSION	134,985	9,618,856	1,254,469	1,596,180	2,850,649	30%	694,646
652	WATER RATE STABILIZATION	125	1,500	1,000	-	1,000	67%	982
653	WATER-CAPITAL PROJECTS	432,030	28,523,123	4,426,453	5,486,547	9,913,000	35%	1,476,002
<b>TOTAL WATER FUND(S)</b>		<b>2,212,266</b>	<b>61,846,287</b>	<b>19,818,040</b>	<b>7,468,059</b>	<b>27,286,098</b>	<b>44%</b>	<b>15,143,434</b>
<b>TOTAL ENTERPRISE FUNDS</b>		<b>4,366,947</b>	<b>169,634,598</b>	<b>35,949,675</b>	<b>11,737,707</b>	<b>47,687,383</b>	<b>28%</b>	<b>32,278,140</b>
<b>INTERNAL SERVICE FUNDS</b>								
730	INFORMATION SYSTEMS	427,670	3,183,799	2,014,176	102,361	2,116,536	66%	1,503,050
740	BUILDING MAINTENANCE	98,165	1,420,189	803,325	22,937	826,262	58%	806,711
741	BUILDING REPLACEMENT	419,180	4,842,221	1,738,145	339,767	2,077,912	43%	959,274
745	CIP ADMINISTRATION	210,685	2,744,438	1,723,977	-	1,723,977	63%	1,530,993
760	UNEMPLOYMENT	-	15,000	9,321	-	9,321	62%	6,205
770	WORKERS COMPENSATION	9,296	1,007,970	773,095	-	773,095	77%	927,685
790	EQUIPMENT REPLACEMENT	182,600	1,147,077	534,398	609,491	1,143,888	100%	844,844
791	EMPLOYEE BENEFITS FUND	26,258	1,000,000	572,549	-	572,549	57%	560,342
795	GEN. LIABILITY INSURANCE	14,951	2,623,909	2,589,711	-	2,589,711	99%	2,127,915
<b>TOTAL INTERNAL SERVICE FUNDS</b>		<b>1,388,805</b>	<b>17,984,602</b>	<b>10,758,696</b>	<b>1,074,555</b>	<b>11,833,251</b>	<b>66%</b>	<b>9,267,020</b>
<b>REPORT TOTAL</b>		<b>\$ 13,005,439</b>	<b>\$ 323,177,322</b>	<b>\$ 108,393,222</b>	<b>\$ 21,804,888</b>	<b>\$ 130,198,110</b>	<b>40%</b>	<b>\$ 109,462,178</b>



**City of Morgan Hill**  
**Fund Activity Summary - Fiscal Year 2024-25**  
**For the Month Ended February 28, 2026**  
**67% 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 <sup>1</sup>	Unreserved
010	GENERAL FUND	\$ 27,063,982	\$ 31,070,069	54%	\$ 39,474,120	60%	\$ (8,404,051)	\$ 2,733,766	\$ 15,926,164
<b>TOTAL GENERAL FUND</b>		<b>\$ 27,063,982</b>	<b>\$ 31,070,069</b>	<b>54%</b>	<b>\$ 39,474,120</b>	<b>60%</b>	<b>\$ (8,404,051)</b>	<b>\$ 2,733,766</b>	<b>\$ 15,926,164</b>
202	STREET MAINTENANCE	152,931	\$ 500,403	59%	\$ 586,644	57%	\$ (86,241)	\$ -	\$ 66,690
205	PUBLIC SAFETY/SUPPL. LAW	523,410	175,505	158%	100,920	57%	74,585	-	597,995
206	DEVELOPMENT SERVICES	(987,534)	5,541,125	94%	3,960,505	58%	1,580,620	81,335	511,752
207	LONG RANGE PLANNING	1,367,092	982,959	119%	780,516	27%	202,444	326,202	1,243,334
215 / 216	CDBG	34,690	1,418	143%	60	67%	1,358	-	36,048
225	ASSET SEIZURE	107,136	2,140	131%	560	67%	1,580	-	108,716
229	LIGHTING AND LANDSCAPE	204,684	120,194	58%	104,682	48%	15,512	16,896	203,300
230	COMMUNITY FACILITIES DISTRICT	169,007	18,497	65%	16,852	69%	1,645	-	170,652
232	ENVIRONMENTAL PROGRAMS	576,223	362,328	69%	262,600	56%	99,728	3,362	672,590
234	MOBILE HOME PK RENT STAB.	87,242	5,306	217%	647	67%	4,660	-	91,902
235	SENIOR HOUSING	253,103	-	n/a	-	n/a	-	-	253,103
236	HOUSING MITIGATION	10,243,057	942,951	27%	1,257,467	51%	(314,516)	1,036,020	8,892,521
240	EMPLOYEE ASSISTANCE	63,420	4,951	1029%	2,353	11%	2,598	-	66,018
246	COUNTYWIDE SOLID WASTE	324,737	1,113,062	65%	803,031	44%	310,031	837,085	(202,317)
255	HOUSING SUCCESSOR AGENCY	3,856,660	135,088	32%	896,635	65%	(761,548)	162,125	2,932,987
260	PUBLIC ART	37,920	808	93%	4,287	67%	(3,478)	-	34,442
<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>\$ 17,013,778</b>	<b>\$ 9,906,735</b>	<b>71%</b>	<b>\$ 8,777,758</b>	<b>52%</b>	<b>\$ 1,128,977</b>	<b>\$ 2,463,023</b>	<b>\$ 15,679,732</b>
301	PARK DEV. IMPACT FUND	\$ 3,333,114	\$ 571,268	25%	\$ 1,146,334	27%	\$ (575,067)	\$ 455,414	\$ 2,302,633
302	PARK MAINTENANCE	1,896,529	35,082	3%	434,683	26%	(399,601)	-	1,496,928
303	LOCAL DRAINAGE	10,517,077	125,854	3%	1,091,589	13%	(965,735)	232,401	9,318,941
304	LOCAL DRAINAGE/NON-AB1600	1,342,166	26,490	14%	126,368	24%	(99,878)	84,306	1,157,981
306	AG. AND OPEN SPACE PRESERVATION	2,344,054	160,550	1535%	85,847	67%	74,704	-	2,418,758
308	STREET CIP	4,608,966	2,390,464	31%	2,384,424	30%	6,040	113,264	4,501,742
309	TRAFFIC IMPACT FUND	2,855,919	745,087	21%	369,101	8%	375,986	242,531	2,989,374
315	PUBLIC SAFETY FACILITIES IMPACT	(6,894,240)	773,230	14%	1,140,378	25%	(367,149)	1,376,638	(8,638,027)
346	PUBLIC FACILITIES NON-AB1600	1,921,852	36,692	140%	230,845	25%	(194,153)	34,142	1,693,556
347	PUBLIC FACILITIES IMPACT FUND	1,250,914	84,733	9%	1,024,532	55%	(939,799)	105,925	205,190
348	LIBRARY IMPACT FUND	3,540,033	398,053	18%	143,657	67%	254,396	-	3,794,429
350	UNDERGROUNDING	1,768,756	73,397	155%	840	0%	72,557	-	1,841,313
360	COMM/REC CTR IMPACT FUND	4,522,800	796,286	21%	389,687	7%	406,599	158,174	4,771,226
375	QUIMBY FEE	6,800,701	118,489	3%	4,272,188	53%	(4,153,699)	993,039	1,653,963
<b>TOTAL CAPITAL PROJECT FUNDS</b>		<b>\$ 39,808,641</b>	<b>\$ 6,335,674</b>	<b>18%</b>	<b>\$ 12,840,473</b>	<b>25%</b>	<b>\$ (6,504,800)</b>	<b>\$ 3,795,836</b>	<b>\$ 29,508,005</b>
420	CIVIC CENTER DEBT	\$ 192,703	\$ 201,231	67%	\$ 260,646	88%	\$ (59,415)	\$ 83	\$ 133,205
441	POLICE FACILITY BOND DEBT	162,288	259,656	66%	331,853	85%	(72,197)	109	89,983
<b>TOTAL DEBT SERVICE FUNDS</b>		<b>\$ 354,991</b>	<b>\$ 460,887</b>	<b>66%</b>	<b>\$ 592,499</b>	<b>87%</b>	<b>\$ (131,612)</b>	<b>\$ 191</b>	<b>\$ 223,188</b>
640	WASTEWATER OPERATIONS	\$ 3,158,106	\$ 12,399,811	67%	\$ 11,592,667	62%	\$ 807,143	296,088	3,669,161
641	WASTEWATER IMPACT FUND	22,082,658	1,977,204	6%	1,403,064	3%	574,139	660,487	21,996,311
642	WASTEWATER RATE STABILIZATION	3,295,308	66,648	72%	1,340	67%	65,308	-	3,360,616
643	WASTEWATER CAPITAL PROJECTS	23,945,613	4,432,941	29%	3,134,564	9%	1,298,377	3,313,074	21,930,916
650	WATER OPERATIONS	4,429,715	13,210,106	56%	14,136,118	60%	(926,013)	385,332	3,118,371
651	WATER IMPACT FUND	5,747,541	679,210	14%	1,254,469	13%	(575,259)	1,596,180	3,576,102
652	WATER RATE STABILIZATION	3,524,499	71,287	72%	1,000	67%	70,287	-	3,594,786
653	WATER -CAPITAL PROJECT	22,586,031	6,463,246	83%	4,426,453	16%	2,036,793	5,486,547	19,136,277
<b>TOTAL ENTERPRISE FUNDS</b>		<b>\$ 88,769,471</b>	<b>\$ 39,300,451</b>	<b>39%</b>	<b>\$ 35,949,675</b>	<b>21%</b>	<b>\$ 3,350,776</b>	<b>\$ 11,737,707</b>	<b>\$ 80,382,540</b>
730	INFORMATION SERVICES	\$ 619,218	\$ 2,025,634	67%	\$ 2,014,176	63%	\$ 11,459	\$ 102,361	\$ 528,316
740	BUILDING MAINTENANCE	346,643	854,210	67%	803,325	57%	50,884	22,937	374,590
741	BUILDING REPLACEMENT	5,024,498	705,805	31%	1,738,145	36%	(1,032,340)	339,767	3,652,391
745	CIP ENGINEERING	7,515	1,215,222	42%	1,723,977	63%	(508,755)	-	(501,240)
760	UNEMPLOYMENT	285,588	5,467	66%	9,321	62%	(3,854)	-	281,734
770	WORKERS COMPENSATION	2,338,745	446,917	37%	773,095	77%	(326,178)	30,000	1,982,567
790	EQUIPMENT REPLACEMENT	10,172,190	1,084,696	67%	534,398	47%	550,298	609,491	10,112,998
791	EMPLOYEE BENEFITS FUNDS	346,566	779,963	62%	572,549	57%	207,414	-	553,980
795	GEN. LIABILITY INSURANCE	1,149,474	1,835,811	66%	2,589,711	99%	(753,900)	-	395,574
<b>TOTAL INTERNAL SERVICE FUNDS</b>		<b>\$ 20,290,437</b>	<b>\$ 8,953,724</b>	<b>55%</b>	<b>\$ 10,758,696</b>	<b>60%</b>	<b>\$ (1,804,972)</b>	<b>\$ 1,104,555</b>	<b>\$ 17,380,910</b>

 CITY OF MORGAN HILL	<b>City of Morgan Hill</b> <b>Fund Activity Summary - Fiscal Year 2024-25</b> <b>For the Month Ended February 28, 2026</b> <b>67% of Year Complete</b>
--	---

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 <sup>1</sup>	Unreserved

**SUMMARY BY FUND TYPE**

GENERAL FUND GROUP	\$	27,063,982	\$	31,070,069	54%	\$	39,474,120	60%	\$	(8,404,051)	\$	2,733,766	\$	15,926,164
SPECIAL REVENUE GROUP		17,013,778		9,906,735	71%		8,777,758	52%		1,128,977		2,463,023		15,679,732
DEBT SERVICE GROUP		354,991		460,887	66%		592,499	87%		(131,612)		191		223,188
CAPITAL PROJECTS GROUP		39,808,641		6,335,674	18%		12,840,473	25%		(6,504,800)		3,795,836		29,508,005
ENTERPRISE GROUP		88,769,471		39,300,451	39%		35,949,675	21%		3,350,776		11,737,707		80,382,540
INTERNAL SERVICE GROUP		20,290,437		8,953,724	55%		10,758,696	60%		(1,804,972)		1,104,555		17,380,910
<b>TOTAL ALL GROUPS</b>		<b>\$ 193,301,300</b>		<b>\$ 96,027,541</b>	<b>43%</b>		<b>\$ 108,393,222</b>	<b>34%</b>		<b>\$ (12,365,682)</b>		<b>\$ 21,835,078</b>		<b>\$ 159,100,539</b>

<sup>1</sup> Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: April 1, 2026**

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

## **PROVIDE DIRECTION REGARDING COMMUNITY FUNDING REQUESTS**

### **RECOMMENDATION(S)**

1. Review applications submitted for FY 2026-27 funding cycle; and
2. Provide staff direction on funding awards to be incorporated within the City's FY 2026-27 Operating Budget.

### **COUNCIL PRIORITIES, GOALS & STRATEGIES**

#### **City Council Ongoing Priorities**

Supporting our Youth, Seniors, and Entire Community

Enhancing Diversity and Inclusiveness

#### **Strategic Priorities 2026-2027**

Economic Development and Tourism

### **REPORT NARRATIVE:**

This item was continued from the March 18, 2026, City Council meeting. The Council report and attachments to the prior report are available [here](#).

#### **New Staff Recommendation**

In addition to the options outlined in the original staff report, City staff would like the City Council to review newly proposed detailed staff recommendations on the Community Funding requests. The new recommendations outlined in this report provide an additional option for the Council to consider, which has been developed to support the short-term needs of event organizers while at the same time supporting the longer-term financial needs of the City. The detail of funding recommendations and associated data is included as Attachment 1 to this report.

#### **Key Factors Driving the New Recommendation:**

Increased Public Safety Costs. City staff recognize that increased public safety costs have created financial strain for the event organizers for events that require Police services. However, the need to have safe and secure events that meet increasingly

changing security demands is paramount to protecting our Community and protecting the City from a risk management perspective. For these reasons, the City is not proposing a reduction in security requirements at events. The City Policy on Public Safety at Special Events is included as Attachment 2. Additionally, it is recognized that increased costs associated with staff compensation have occurred with the recent updates to the Police Officers Association MOU, which have further increased costs for event organizers.

Hourly Rates for City Personnel. In light of significantly increased staffing costs associated with public safety, City staff are proposing to adjust how the City calculates event staffing charges for special events. Under this revised approach, the City would charge only the direct salary costs, both regular and overtime, paid to staff working at events. The City would not charge for fringe benefits or apply any overhead to these rates. Historically, the City has charged a fully burdened hourly rate for all staff working events, which includes fringe benefits and overhead allocation for administration and other support-related costs. While this approach is considered a best practice for full cost recovery, a significant portion of these fringe benefits and overhead costs do not represent new, incremental financial impacts to the City. Eliminating these charges would therefore not directly affect the General Fund. If approved, the new rates would be approximately 40% lower. This policy change would apply only to events that require significant City staffing, and the reduced rates would be available exclusively to events receiving community funding.

Unanticipated Cost Increases. The City recognizes increased unanticipated cost increases for the Friday Night Music Series (FNMS) have been identified after submission of their community funding request, and recognizes the need to potentially adjust funding levels for this event.

Funding Prioritization. Based on Council discussion at the previous City Council meeting, the City staff recommendation prioritizes long-term funding for events that (1) provide for the largest number of residents, (2) are open to all residents, (3) are free to attend, (4) are longstanding events, (5) have received funding for many years, and (6) received funding in FY 2025-26.

Expanded Timeline for Funding Reductions. City staff recognize that an immediate reduction of funding for events may result in events and programs being canceled. The Council previously discussed encouraging event organizers to fundraise, look for sponsors, or other alternative funding mechanisms outside of Community Funding. To balance these two considerations, this staff recommendation proposes a phased reduction in funding to support events transitioning to finding alternative options for events.

## **Staff Recommendations on Funding**

### Long Serving Events - Level 1

Events – Freedom Fest, Holiday Lights Parade and Tree Lighting, and Safe Trick or Treat

Criteria Met – High attendance, long-running, many years past funding, open to the public

Recommendations:

- Set funding levels to fully fund safety needs at updated cost levels.
- Plan to hold these funding levels even for future years.
- Support organizations in fundraising efforts to support future cost increases.

#### Long Serving Events - Level 2

Event: Friday Night Music Series

Criteria met – High attendance, long-running, open to public, serves as fundraiser for the organization

Recommendations:

- Set funding levels and adjust to meet changes in safety related costs for FY2026-27.
- Reduce funding to facility fee waiver only over next 3 years.
- Support organizations in alternative funding efforts to support cost increases.

#### Long Serving Events - Level 3

Event: Mushroom Festival

Criteria met – High attendance, long-running, serves as fundraiser for the organization

Recommendations:

- Maintain funding levels, as the proposed policy on staffing costs will result in only minor increases in Police staffing costs for the event.
- Do not increase funding levels over future years.
- Support organizations in alternative funding efforts to support cost increases.

#### Other Events and Programs Previously Funded in FY2025-26 - Level 4

Criteria met – Funded in FY 2025-26

Events/Programs: Morgan Hill Chanukah Celebration, Healthier Kids Foundation, Living Above the Influence, Open Studios, Philanthropy Nights Award Gala, Founders Dinner, Grumaza Fiestas Patrias, Poppy Jasper International Film Festival

Recommendations:

- Fund at 75% of previous year for FY2026-27 and reduce funding levels by 25% annually each year to allow time for organizations to adjust and find alternative funding.
- Support organizations in fundraising efforts to support reduced funding levels.

#### Other Events Previously Held - Level 5

Criteria met – Not funded in FY 2025-26, but previously funded in FY2024-25. Events

were held in FY 2025-26 without Community Funding.

Events: Nueva Esperanza - Holiday Posada and Nueva Esperanza - Dia De Los Muertos Altar

Recommendations:

- No funding for FY 2026-27
- Support organizations in fundraising efforts
- ALTERNATIVE OPTION: Fund consistent with Level 4 Events and Programs

#### Events Not Recommended for Funding - Level 6

South Valley Civic Theater — The requested funds are for improved lighting in the Community Playhouse. It is recommended this request is not funded from Community Funding and that the organization work with the Public Services Department to determine if this improvement should be prioritized against other Department maintenance needs. If determined to be a priority by staff and if funds are available, potentially fund from the operating budget.

Feeding Morgan Hill Program — This is a program that has not been funded in the past and is not recommended for funding.

Morgan Hill Historical Society Film Debut and Reception — The organization has rescinded its Community Promotions request.

#### **Other Staff Recommendations**

City staff recommend efforts to further reduce Community Funding levels in future years above what is noted in the attached recommendation. To accomplish this, it is recommended that the following policy and direction be provided by the Council:

- No new Community Funding Requests shall be accepted for future fiscal years until the City's budget shortfall is eliminated.
- Event organizers receiving Community Funding shall not be allowed to expand the size, footprint, or make modifications to events that expand the City support needs for the events.
- City staff shall utilize existing available resources to support alternative funding efforts. This would primarily involve communication support from Parks and Recreation, Economic Development, and the Communications Divisions. While this support is not specifically defined at this time, the key component would be the City utilizing communication resources to support fundraising and volunteer efforts for the organizations or assist in facilitating the use of shared resources between organizations.
- The City shall work with organizers of major events to identify cost-reductions on both event organizer and City sides that do not compromise public safety. This will include major event organizers providing detailed financial reporting on events.
- Requests for future funding shall not be guaranteed, and the City staff shall return annually with updated funding requests. Depending upon the fiscal

condition of the General Fund, further reductions or complete elimination of funding may be recommended.

### **Other Notes**

Attachment 3 has been provided at the request of the City Council for additional background information on costs related to specific events. Attachment 4 provides clarification on attendance numbers for the Freedom Fest events.

### **COMMUNITY ENGAGEMENT:**

The Community Promotion Funding Request Applications were sent via email to organizations that applied for or received Council support for events, fee waivers/facility use, or for partnership program support. Additionally, the application was posted to the City's website on the Community Funding and Partners page as well as a Newsflash on the homepage. Event organizers were emailed following the continuance of this item to inform them of the new Council meeting date to discuss the item.

### **ALTERNATIVE ACTIONS:**

In addition to this updated staff recommendation, the original alternative options for Council consideration are outlined in the original staff report and its Attachment 1 located [here](#).

The City Council could choose to award Community Funding at lower levels as previously outlined in the previous staff report.

### **PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

This item was continued from the March 18, 2026 City Council meeting. Annually, the City Council makes decisions to provide funding to support non-profit community events that benefit the entire community. In November 2021, City Council adopted Council Policy (CP-21-02) Council Funding Requests.

### **FISCAL AND RESOURCE IMPACT:**

Community Funding has historically been budgeted within the City Council's budget, in the General Fund (010). Requests for FY 2026-27 total \$458,651. Funding of \$180,000 annually is included in the General Fund Forecast. This staff recommendation would require additional annual expenditures as follows:

FY 2026-27 - \$122,447

FY 2027-28 - \$104,051

FY 2028-29 - \$85,656; and \$73,760 per year thereafter.

A budget amendment for FY 2025-26 is not needed as general funding savings will be used. For future years, the City will provide funding in the Recommended Budget.

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

Council funding ultimately supports events held on public property. The support and permitting of the City to allow these events is categorically exempt under Class 1 Existing facilities, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

FY26-27 Community Funding Requests and Funding Options																
Organization Name	Event/Program Name	Event Date	Use of Funds	Estimated Attendance (per application)	FY24-25 Allocation	FY25-26 Allocation	FY26-27 Request - (Option 5, Full Funding)	Cost Updates for new Cost Estimates	New Phased Reduction Recommendation on FY2026/27	New Phased Reduction Recommendation on FY2027/28	New Phased Reduction Recommendation on FY2028/29	New Phased Reduction Recommendation on FY2029/30	Funding Type	New Event	Years Received	Notes
<b>Long Serving Events - Level 1</b>																
Independence Day Celebrations, Inc	<a href="#">Freedom Fest</a>	7/3 and 7/4/2026	Funds will be used for police services, additional security guards, security cameras, water walls, and safety and security components of the Patriotic Sing, Family Music Fest, Freedom Run, Car Show, Parade, and Fireworks.	90,000-100,000 total, 75,000 single day	70,000	143,000	194,500	157,500	157,500	157,500	157,500	157,500	Funding	No	10+	Changes for Reducing Overhead Staff Costs - Previous Estimate \$95,000, reduced to \$58,000.
Morgan Hill Downtown Association	<a href="#">Safe Trick or Treat</a>	10/31/2026	Fees related to City services and permitting (street closure, portable bathrooms, police/security, candy, posters) for the annual Safe Trick or Treat event.	5000	14,000	9,000	9,000	8,500	8,500	8,500	8,500	8,500	Funding	No	10+	
Morgan Hill Downtown Association	<a href="#">Holiday Tree</a>	12/1/2026	Funding for the Holiday Tree at the Community and Cultural Center at the corner of Dunne Avenue and Monterey Road.	5000	6,800	6,000	6,000	6,000	6,000	6,000	6,000	6,000	Funding	No	10+	
Morgan Hill Kiwanis	<a href="#">Holiday Lights Parade</a>	12/5/2026	Funding will be used to pay for expenses incurred in putting on Holiday Lights Parade. Expected expenses include City permit, police and city maintenance charges, road closure plans and expenses, sound system, security expenses and medical support for the Morgan Hill Holiday Lights Parade.	7000	27,500	41,000	50,000	45,000	45,000	45,000	45,000	45,000	Funding	No	10+	Changes for Reducing Overhead Staff Costs - Previous Cost \$9,500, new cost \$11,500 (includes updated staffing costs). Increased request covers increased cost.
<b>Long Serving Events - Level 2</b>																
Morgan Hill Chamber of Commerce	<a href="#">Friday Night Music Series</a>	6/12-8/8/26, plus Cultural Event on 5/17/26	Funds will be used to cover fees for the use of the Amphitheater and Madrone Room at the Morgan Hill Community and Cultural Center for the Friday Night Music Series (6/12-8/8) and the Cultural Event (5/17)	16,500-22,000 total, 1500-2000 per event	25,000	25,000	25,260	38,260	38,260	31,760	25,260	25,260	Fee Wavier	No	6+	Changes for Reducing Overhead Staff Costs - Previous Cost \$5,500, new cost \$18,500 (includes updated staffing costs)
<b>Long Serving Events - Level 3</b>																
Morgan Hill Mushroom Festival	<a href="#">Morgan Hill Mushroom Festival</a>	5/29, 5/30/2027	Funding will be used for facility rental and City services include Police Services for the Morgan Hill Mushroom Festival.	14,000 +/- total, 6,000-7,000 single day	8,025	11,500	75,000	11,500	11,500	11,500	11,500	11,500	Funding and Fee Waiver	No	2+	Changes for Reducing Overhead Staff Costs - Previous Cost \$54,500, new cost \$56,500 (includes updated staffing costs).
<b>Other Events and Programs Previously Funded in FY2025/26 - Level 4</b>																
Chabad Jewish Center	<a href="#">Morgan Hill Chanukah Celebration</a>	12/6/2026	Funds will be used to assist with paying the City fees and permits, the live band, the children's entertainer (led juggler etc.), crafts, and food at the Morgan Hill Chanukah Celebration planned at the Morgan Hill Community and Cultural Center.	340	2,500	2,500	6,000	6,000	1,875	1,250	625	0	Funding	No	4+	Reduced to 75% for FY2026/27 then reduced by 25 annually.
Healthier Kids Foundation	<a href="#">VisionFirst, HearingFirst, DentalFirst, and My HealthFirst Programs</a>	July 2026-June 2027	Funding will be used for vision, dental, hearing screenings and My HealthFirst screenings; as well as the care coordination for children who screen out of range to ensure that they receive the care needed. For example, if a child at Los Pasos Elementary School was screened for vision, hearing, and dental, and screened out of range for vision, his or her parents would receive case management from our care navigation team to ensure the child has health insurance, a vision home, and receives a complete eye exam and/or the vision care they need.	2,600 total, 250 per day.	26,000	26,000	42,000	42,000	19,500	13,000	6,500	0	Funding	No	12+	Reduced to 75% for FY2026/27 then reduced by 25 annually.
Living Above The Influence (LATI)	<a href="#">LATI Community Event (Resource Fair)</a>	10/10/2026	LATI is requesting to use the amphetheater area for the Living Under the Influence event at the Morgan Hill Community and Cultural Center.	150+ single day	3,480	3,480	3,785	3,785	2,610	1,740	870	0	Facility Fee Waiver	No	4+	Reduced to 75% for FY2026/27 then reduced by 25 annually.
Morgan Hill Community Foundation	<a href="#">Open Studios</a>	10/24 and 10/25/2026	Funds will be used for the graphic design and full color printing of the brochures for the Open Studios event held in Morgan Hill and Santa Clara County.	350 total, 150-200 per day	1,250	1,250	2,700	2,700	938	625	313	0	Funding	No	3+	Reduced to 75% for FY2026/27 then reduced by 25 annually.
Morgan Hill Community Foundation	<a href="#">Philanthropy Night Awards Gala</a>	11/14/2026	The funds will be used to cover facility rental expenses for the Morgan Hill Community and Cultural Center. This annual event provides recognition to individuals who have been nominated by their nonprofit organizations for their dedication to, and valuable impacts on, the charitable missions of their organizations for the betterment of the people and quality of life in our local community.	220	4,528	4,528	4,528	4,528	3,396	2,264	1,132	0	Facility Fee Waiver	No	8+	Reduced to 75% for FY2026/27 then reduced by 25 annually.
Morgan Hill Historical Society	<a href="#">Founders Dinner</a>	9/18/2026	Funding will be used to cover space rental, caterer, live music, printing and mailing expenses connected with the Founders Dinner event at the Morgan Hill Community and Cultural Center.	200	2,624	2,624	5,000	5,000	1,968	1,312	656	0	Funding and Fee Waiver	No	3+	Reduced to 75% for FY2026/27 then reduced by 25 annually.

FY26-27 Community Funding Requests and Funding Options																
Organization Name	Event/Program Name	Event Date	Use of Funds	Estimated Attendance (per application)	FY24-25 Allocation	FY25-26 Allocation	FY26-27 Request - (Option 5, Full Funding)	Reduction for Reduced PD Costs New Need	New Phased Reduction Recommendation on FY2026/27	New Phased Reduction Recommendation on FY2027/28	New Phased Reduction Recommendation on FY2028/29	New Phased Reduction Recommendation on FY2029/30	Funding Type	New Event	Years Received	Notes
<b>Other Events and Programs Previously Funded in FY2025/26 - Level 4 (Continued from previous page)</b>																
Sentinel Soccer Club	<a href="#">Grumaza Fiestas Patrias</a>	9/13/2026	Funds will be used to rent the park area, secure the required event insurance, rent a stage and portable restrooms, and retain entertainment - including mariachis, folkloric and Aztec dancers, local musicians, and other performers. Funding will also support event promotion and advertising to ensure broad community awareness and participation for the Fiestas Patrias event.	300	3,500	3,500	4,500	4,500	2,625	1,750	875	0	Funding	No	4+	Reduced to 75% for FY2026/27 then reduced by 25 annually.
Poppy Jasper International Film Festival	<a href="#">Poppy Jasper International Film Festival</a>	4/8/27-4/15/27	If awarded, the City of Morgan Hill Community Funding grant of \$7,000 will be allocated directly to Morgan Hill-based Festival Week programming and downtown activation. \$4,000 toward the facility rental at the Morgan Hill Community and Cultural Center Playhouse and \$3,000 toward production and installation of banners in the downtown.	4000 total, 500 single day	3,700	3,700	7,000	7,000	2,775	1,850	925	0	Funding and Fee Waiver	No	3+	Reduced to 75% for FY2026/27 then reduced by 25 annually.
<b>Other Events Previously Held - Level 5</b>																
CARAS	<a href="#">Nueva Esperanza - 6th Annual Morgan Hill Dia De Los Muertos Altar</a>	10/24/2026	The funding will be used for the venue at the Morgan Hill Community and Cultural Center, deposit for the event, sound equipment such as speakers, entertainment, DJ/band, food, drinks, supplies, dessert, health permit, posters, advertising, activity supplies, prizes, decorations, flyers, banners	300	3,100	0	3,100	3,100	0	0	0	0	Funding and Fee Waiver	No	2+, but not received in FY2025/26.	Not recommended as ran without funding for FY2025/26
CARAS	<a href="#">Nueva Esperanza - 7th Annual Holiday Posada</a>	12/6/2026	The funding will be used for the venue at the Morgan Hill Community and Cultural Center, deposit for the event, sound equipment such as speakers, live entertainment, DJ, mariachi, band, song books, baile folklorico, lights, food for attendees, drinks, desserts, activity supplies, prizes, pinatas, posters, advertising, decorations, flyers, banners	400	5,000	0	5,000	5,000	0	0	0	0	Funding and Fee Waiver	No	2+, but not received in FY2025/26.	Not recommended as ran without funding for FY2025/26
<b>Events Not Recommended for Funding - Level 6</b>																
South Valley Civic Theatre	<a href="#">SVCT and Limelight Theater Productions</a>	July 2026-June 2027	As the resident theater company at the Morgan Hill Community Playhouse, we are always looking to find ways to improve that facility and our productions in it. One of the most significant expenses of that facility is the use of theatrical lighting. SVCT would like to begin the transition to LED for the instruments we own by deploying the retrofit package. We have over a dozen lights that can be retrofitted at a cost of roughly \$750 each. While this will then cost over \$9000, we can do these over time. We are requesting a grant of \$5000 to begin the transition. We will also work with City staff to explore options for the many lighting instruments owned by the city.	6500 across 7 productions, 150 at playhouse, 45 at Limelight	3,000	3,000	5,000	5,000	0	0	0	0	Funding	No	6+	Do not fund from Community Promotions, work with Parks and Recreation Division to fund from facility maintenance if priority is needed. Evaluate cost savings from reductions.
Morgan Hill Historical Society	<a href="#">Film Debut and Reception</a>	7/3/2026	Funding will cover fees for the rental of the playhouse at the Morgan Hill Community and Cultural Center and service/security personnel required by the contract.	150	504	504	528	0	0	0	0	0	Facility Fee Waiver	No	3+	Request rescinded.
Morgan Hill Community Foundation	<a href="#">Feeding Morgan Hill</a>	July 2026-June 2027	Funds would be used for food collection bins and labeling 15 bins (2,250), as well as funding for a video (7,500).	unknown	0	0	9,750	9,750	0	0	0	0	Funding	Yes	0	New program.
<b>Totals</b>					<b>210,511</b>	<b>286,586</b>	<b>458,651</b>	<b>365,123</b>	<b>302,447</b>	<b>284,051</b>	<b>265,656</b>	<b>253,760</b>				
									<b>122,447</b>	<b>104,051</b>	<b>85,656</b>	<b>73,760</b>				
<b>Additional Budget Allocation Needed to Fund</b>																

# CITY OF MORGAN HILL

## ADMINISTRATIVE POLICIES AND PROCEDURES

*IX-001*

**SUBJECT:** PUBLIC SAFETY SERVICES AT SPECIAL EVENTS

**EFFECTIVE DATE:** MARCH 1, 2005  
REVISED: JULY 29, 2008  
REVISED: AUGUST 22, 2024

**ORIGINATING DEPARTMENT:** POLICE DEPARTMENT

---

### 1. PURPOSE AND INTENT

The City of Morgan Hill (hereinafter "City") provides scheduled police services for certain events such as parades and special events pursuant to a permit process and recovers the cost of providing public safety services for said events from the sponsors. The purpose of this policy is to establish a similar procedure for requesting and receiving scheduled public safety services on a cost recovery basis for school related events or private events occurring on private property or public property within the City that do not fall under the special event permit requirements.

### 2. POLICY

It is the policy of the City of Morgan Hill to provide Public Safety services to special events occurring within the City of Morgan Hill, or outside city limits when requested by outside Public Safety agencies, when such services are in the best interest of the City and public and when necessary to maintain order.

### 3. DEFINITIONS

- A. "Private Event" means an event that is hosted by a business or community member on private property in the City.
- B. "School Related Event" includes but is not limited to an athletic event such as a football, basketball, or baseball game and any other social gathering such as a dance, fundraiser, or graduation on school property located in the City.
- C. "Private Property" means the ownership of property by private parties.
- D. "Public Property" means the ownership of property by the government or its agency.
- E. "Special Event" means a non-routine activity within a community that brings together people, places a strain on community resources, requires special permits or additional planning, preparation, and mitigation.

- F. “Major Event” means any event with more than 2,500 attendees. Major Events may require certain police staffing recommendations and additional requirements for the event promoter.
- G. Special Events Coordinators
  - a) “Special Event Coordinator” is the City representative that receives, and issues permits on behalf of the City Manager. The Special Events Coordinator has been designated as the Community Services Coordinator within the Public Services Department.
  - b) “Police Department Coordinator” is the Police Sergeant designated by the Chief of Police to evaluate permit requests and plans for special events that may require police services. The Sergeant has specialized training in planning for Special Event Safety.
- H. “Public Safety” is defined as Morgan Hill Police Department, Morgan Hill Fire Department, Santa Clara County Emergency Medical Services, and Morgan Hill Public Services Department.
- I. “Paid Contract Detail” means an organization or person contracts with the City of Morgan Hill for public safety services at a public (non-City sponsored) or private function.

#### **4. GUIDELINES FOR PROVISION OF POLICE SERVICES**

The provision of the police services pursuant to this policy shall be at the sole discretion of the Police Chief or his/her designee. The safety and well-being of the community are paramount and the availability of adequate resources to respond to the needs of the community take precedence over the provision of police services for events under this policy.

Any individual or entity seeking police services for a special event or major event under this policy must submit a Special Event Permit Application to the Special Events Coordinator, who will screen and route the completed application to the Police Department Coordinator and other City Departments.

Permit applications shall be submitted to the Special Events Coordinator:

- A. 6 months in advance of a major event for 2,500+ attendees or closure of an arterial roadway
- B. 4 months in advance of a special event with less than 2,500 attendees.

The Police Department Coordinator sets time aside, not to exceed 20 hours, to complete all the tasks related to the event, including the review/approval of the application and arranging staffing for the event. Those needing extra help in planning the event by the Police Department Coordinator, as determined by the organizer or by the City, should submit applications 12-18 months in advance. All applications needing more time than 20 hours allotted from “Police Department Coordinator”

will be billed accordingly at the Sergeant's fully burdened hourly rate.

It is recommended and encouraged for organizers to start planning far enough in advance to prevent disruption to the police department's operations.

Permits must be approved by Public Safety Departments no less than 30 days prior to the event. Organizers must have proof of service agreements with security vendors or other official documents to public safety departments showing requirements have been secured.

Upon receipt of a completed permit application for police services from the Special Events Coordinator, the police department will work with the applicant to determine the appropriate level of service for the event. To determine the appropriate level(s) of public safety services for the event, the Police Department Coordinator evaluates operational, logistic, tactical, and administrative factors including, but not limited to:

1. Operational

- a) Nature and duration of the event;
- b) Location and suitability of the event venue;
- c) History of the event or similar events, locally or regionally;
- d) The number of events occurring at the same time in the city;
- e) The expected number of individuals attending the event to include volunteers, employees, guests, spectators, security, and others; whether on-site or day-of ticket sales are occurring; a Police Department coordinator approved method of accurate counting of attendance and tracking of ingress and egress to provide attendance numbers throughout the event;
- f) Ensuring the rest of the city receives essential public safety services without being impacted

2. Logistical

- a) Impact on surrounding neighborhoods, including whether there will be street closures, disruption of traffic flow, rerouting of public services traffic, emergency traffic, parking impacts, and/or pedestrian traffic on surrounding roadways
- b) The need for traffic control or, aftereffects of hosting an event such as the likelihood of driving under the influence incidents which may require additional enforcement costs
- c) Fencing (event perimeter, police command post, privacy screening)
- d) Camera coverage and access
- e) Whether alcohol will be served, sold or consumed at the event, including the number of alcohol booths and time restrictions

3. Tactical

- a) Comprehensive threat assessment, including any known or potential threats, or history of threats, to either the host of the event or the attendees, including dignitaries who may be in attendance;
- b) Potential for a mass casualty incident, protestors, hate crimes, natural disasters and other special events in the region

4. Administrative

- a) Whether the applicant has, or has had, any outstanding invoices or late payments for a prior provision of police services under this Policy;

- b) Whether the applicant has had any adverse actions noted in previous after-action reports that were not satisfactorily addressed;
- c) Any other public safety considerations; and
- d) If the applicant seeks police services on a recurring basis, the Police Chief may require a separate contract between the City of Morgan Hill and the applicant for the provision of reoccurring police services, for example officers working for Levi Stadium under Santa Clara Police Department or for the Morgan Hill Unified School District School Resource Officer.

## 5. GENERAL STAFFING GUIDELINES

The Police Department Coordinator uses the following guidelines when planning for special events:

Police:

- A. (1) officer per 250-500 attendees (major events); however, can be adjusted depending on type of event, risk factors, threat assessment or special needs of the event.
  - 1. Risk factors can include but are not limited to traffic control, alcohol presence, civil unrest, ingress/egress controls, mutual aid staging areas, resource challenges such as department staffing or ambulance shortages, other events in region, threat assessments, crowd control measures, scale, duration of event, etc.
- B. (4+) officers require a supervisor
  - 1. (2+) supervisors and any more than (8) officers require a Captain.

Fire:

- A. Major events may require a Morgan Hill Fire Battalion Chief to be present at the Command Post to manage medical responses
- B. Additional Fire Fighter/EMTs as required by Morgan Hill Fire Department

Medical:

- A. Event promoters may be required to provide a dedicated ambulance to be present at the event depending on availability of ambulances in the County.
- B. Additional paramedics/EMTs may be required by Santa Clara County medical provider depending on demand in rest of the County.

Other Staffing:

- A. Staffing Capacity: The Morgan Hill Police Department, when fully staffed, can only provide 35% of its sworn workforce for special events. If more officers are required, additional police resources will be sought from other Public Safety agencies.
- B. Alcohol Staffing: Standard staffing for functions and events with alcohol is a

minimum of two (2) officers. This requirement may be modified or waived for functions with fewer than 50 attendees, provided the event is not open to the public, is not selling tickets at the door, nor is being held on the City of Morgan Hill property.

- C. Crowd managers: (1 per 250 attendees) responsible for establishment of emergency plan for evacuation, who maintain clear paths of egress and ensure that the facility does not exceed its occupant load limit. Per California Fire Code, Title 24, Part 9—Chapter 4, Section 403.11.3.1 through 403.11.3.3.

The Police Department Coordinator may modify these standard(s) based on the evaluation of operational, logistic, tactical, and administrative factors of the event.

## **6. PRE-EVENT PLANNING FOR MAJOR EVENTS**

- A. The Police Department Coordinator will:
  - 1. Review and complete “Special Events Permit Application Department Review form/checklist,” and provide to event organizer
  - 2. Ensure all special events have an identified command post, mutual aid area, and medical collection point area
  - 3. Determine a location for the Unified Command Post (should be located outside of the event footprint)
  - 4. Review previous After-Action Reports
  - 5. Review previous Operations Plans
  - 6. Complete MHPD Threat Assessment
  - 7. Submit a Threat Assessment request to the Northern California Regional Intelligence Center (NCRIC)
  - 8. Conduct pre-meetings with City Staff (Public Services)
  - 9. Coordinate with Morgan Hill Fire to discuss Incident Action Plan, treatment, triage, and transport areas
  - 10. Coordinate with Morgan Hill Fire Battalion Chief to determine staffing model
  - 11. Coordinate with Santa Clara County Emergency Medical Services to discuss staffing model
  - 12. Coordinate with Santa Clara County Emergency Medical Services to obtain medical resources (Volunteer unit/Disaster Medical Support Unit)
  - 13. Conduct a tabletop discussion with assigned personnel (strongly encouraged)
  - 14. Meet with event promoters to discuss needs and review their Incident Action Plan
  - 15. Meet/confer with event security, verify guard cards
  - 16. Conduct a site survey of the event venue and identify/address safety concerns
  - 17. Utilize/Stage Rescue Vehicle (Bearcat)
  - 18. Designate SB Law Radio Channel
  - 19. Draft and distribute an Operational Plan to assigned personnel

20. Plan for demobilization of Command Post (ex. Mobile Command Vehicle takedown/transport)
21. Provide the Santa Clara County Mutual Aid Coordinator with a copy of the Operational Order (Morgan Hill Fire, Santa Clara County EMS)
22. Consider social media messaging to address traffic concerns and potential safety issues
23. Invite outside agencies to attend event: Parole, Probation, Alcohol Beverage Control, South County Youth Task Force, etc.

## **7. SUPERVISOR RESPONSIBILITIES DURING THE EVENT**

- a) Provide two Operational briefings, 1) to assigned police/fire personnel and 2) to organization staff/volunteers, security leads.
- b) Meet with event promoters to receive current situation report.
- c) Meet with the event security supervisor and ensure radio communications are available
- d) Ensure an event supervisor is present at the Command Post
- e) Conduct a site survey of the premises and assess safety issues
- f) Coordinate de-mobilization of Command Post, support vehicles and equipment

## **8. POST-EVENT RESPONSIBILITIES FOR ALL EVENTS**

- a) Disseminate After-Action reports to all involved personnel.
- b) Review After-Action reports and complete overall After-Action report
- c) Coordinate a debrief with the internal event planning team to critique the event
- d) Police Department Coordinator or designee should complete an After-Action report within 30 days of the event that encapsulates all issues, concerns, and critiques, including:
  - Successes/Strengths
  - Improvements/Weaknesses
  - Did the event promoter provide all the pre-event requirements?
  - Were there any noted safety concerns/violations?
  - What crowd control measures were utilized (if appropriate)?
  - Are there any equipment or operational needs that are required in the future?

## 9. EVENT PROMOTER REQUIREMENTS CHECKLIST

The Police Department Coordinator may, based on the evaluation of operational, logistical, tactical, and administrative factors, require the event promoter to provide the following:

### Operational

- Organizers/volunteers to attend Stop the Bleed Training
- Licensed private security (experience with events of similar size and type)
- Organizer's Incident Action Plan and Rules and Policies for the event
- Traffic Plan/Traffic control company/ Traffic control to be coordinated by event promoter. Impacts on surrounding area needs to be addressed.
- Metal detectors, counters and wands at all ingress/egress points
- Private security wearing department approved uniform with security markings (1 per 250), list with names & photos of guards and staff schedule (all guards required to sign in at Police Department Command Post)
- Explosive detection K9 (1 hour prior to start of event to 30 min from when event concludes)
- Crowd control managers in distinguishable shirts 1 per 250
- Emergency exits are to be clearly marked with letters or numbers
- Plan for impacted areas/neighborhoods, including whether there will be street closures, disruption of traffic flow, rerouting of public services traffic, emergency traffic, parking impacts, and/or pedestrian traffic on surrounding roadways
- The need for traffic control or, aftereffects of hosting an event such as the likelihood of driving under the influence incidents which may require additional enforcement costs
- Cameras are required at ingress/egress points and high-density areas with PD access.

### Logistical

- Perimeter fencing
- Perimeter fencing with privacy screening around the Police Department's Command Post
- Video camera trailers (positioned at ingress/egress and high-density areas)
- Barricades/water walls/K-Rails
- Generator for Mobile Command Vehicle (specs will be provided)
- Radios or form of communication provided to all security and volunteers
- Medical throw kits 1 per 150 attendees (volunteer, vendors, police, performers, etc. count as attendees) Each kit will consist of:
  - (1) CAT Tourniquet
  - (1) 6-inch Emergency Trauma Dressing
  - (2) Wound Packing Gauze
  - (2) Pair, Nitrile Gloves (Large)
  - (1) Trauma Shear
  - (1) Emergency Survival Blanket
  - (1) Permanent Marker

- (1) Instruction Card

Administrative

- One hour briefing time prior to event (major events 2,500 +)
- Threat assessment questionnaire in permit application
- Ticket sales information provided to Police Department coordinator (pre-event – post-event)
- Meal reimbursement for assigned personnel working over mealtimes 8am, 12pm, 5pm, 10pm, and 3am for shifts longer than 4 hours.
- Staff requirements: (add rank and hours of staff to include briefing time prior to event, officers, dispatch, cadets, multi-service officers, fire personnel, medical personnel)

## **10. ORDINANCE**

### **(Morgan Hill Municipal Code (MHMC) § 12.16.020.)**

City of Morgan Hill Special Event Application ([www.morganhill.ca.gov/239/Special-Event-Permits](http://www.morganhill.ca.gov/239/Special-Event-Permits)): it is unlawful for any person to conduct a meeting, assembly, parade, procession or any similar display of any kind, or to use a sound amplifying system, or to serve and/or sell alcohol, or cause or permit the same upon any public street, alley, park, dedicated open space, or any other public building or grounds in the city unless there has first been obtained from the city manager a special event permit to do so, and such permit shall be carried by the person heading or leading such activity.

#### **12.16.110 - Interference.**

No person shall join or participate in a special event or activity without the consent of the permittee, nor in any manner interfere with its progress or orderly conduct.

#### **12.16.130 - Violation.**

It is unlawful for any person to violate any provision of this chapter or to fail to follow any of the prescribed terms under which the permit is issued.

#### **12.16.030 - Permit—Required—Exemptions.**

- A. The provisions of this chapter shall not apply to:
- B. Meetings, parades and other events subject to this chapter, where the total anticipated attendance, counting all persons present, including spectators, can reasonably be expected to be less than fifty persons;
- C. Funeral processions;
- D. Students of the schools going to and from classes or when constituting a part of their educational activities under the immediate direction and supervision of the proper school authorities; or
- E. A governmental agency within the scope of its functions.

## **11. COST RECOVERY FOR PUBLIC SAFETY SERVICES**

It is the policy of the City of Morgan Hill to recover city expenses for services provided at special events. Requirements for police services and fire under this policy will be provided on an overtime basis only. The City will charge the applicant a fee to recover the actual cost of providing the requested services based on the established overtime hourly rate for the assigned police and fire personnel plus an administrative fee.

An estimate of the cost for police and fire services will be provided to the applicant within 10 business days after the Special Event Permit has been completed, submitted, and a meeting has been completed between the organizer and Police Department Coordinator.

All applicants must pay a deposit equal to 50% of the estimated cost of the public safety services at least 30 days before the date of the event. Deposits must be paid by check payable to the City of Morgan Hill.

An additional fee may be assessed to the applicant if a Police Services Application is submitted after the required time before the event.

The Special Event Coordinator will forward a copy of the contract and any other documents to Finance with the Police and Fire Department billing codes and the Division Captain and Battalion Chief, respectively, will review and approve invoice prior to billing.

## 12. CANCELLATION/ REFUND

### Cancellation by City:

As noted above, the safety and well-being of the community take precedence over the provision of police services for a private event under this policy. As such, the City shall have the right to cancel the provision of police services under this policy, up to and including the day of the event, in the event of an emergency, due to lack of staffing, or for any other reason as determined by the Chief of Police or their designee. The applicant will receive a full refund of the deposit paid in the event of a cancellation by the City.

### Cancellation by Applicant:

If a request for police services is canceled **at least 96 hours** before the event, the applicant will receive a refund of the deposit paid minus any administrative costs incurred by the City for processing the application and arranging for the provision of police services.

PLEASE NOTE: applicants that cancel a request for police services less than 96 hours before the event may be required to pay two (2) hours of overtime pay for each officer scheduled for the event. This amount will be deducted from any deposit and invoiced if the deposit amount is not sufficient to cover the amount of overtime pay due. Please contact the Morgan Hill Police Department for more information about the two (2) hours required overtime pay.

### 13. FINAL INVOICE

After the event, the city will provide the applicant with a final itemized invoice showing the total amount owed. The deposit paid will be credited towards the final amount owed.

Final payment must be made by check within ten (10) business days after the date of the invoice.

Checks shall be payable to the City of Morgan Hill.

If final payment is not made within ten (10) business days after the date of the invoice, the City will take steps available under the law to collect payment, including but not limited to initiating a collection action against the applicant.

If you have questions about this policy or obtaining police services for a school or private event, you may contact the Special Operations Sergeant.

**APPROVED:**

  
\_\_\_\_\_  
CHRISTINA TURNER, CITY MANAGER

8/22/24  
\_\_\_\_\_  
DATE

**Council Requested Background Information on Largest Events**

Organization Name	Event/Program Name	Event Date	Estimated Attendance (per funding application) for FY26-27	Estimated Attendance (per SEP application) for FY26-27	Estimated Cost for Police Services FY24-25 Event	City Permit Fee	Estimated Costs for Police Services FY25-26 Event	City Permit Fee	Estimated Cost for Police Services FY26-27 Event	City Permit Fee
Independence Day Celebrations, Inc	<a href="#">Freedom Fest</a>	7/3 and 7/4/2026	75,000 single day   90,000-100,000 total (over two days)	Parade application states 8,000 attendance; Street Dance says 4,000; Fireworks says 5,000 for a total 17,000 attendance over two days	\$54,207.82 <i>Actual \$48,241</i>	\$893 + \$500 refundable maintenance Deposit	\$58,357.08 <i>Actual \$53,500</i>	\$929 + \$500 refundable maintenance Deposit	Fully Burdened \$94,831.61 <i>Newly Proposed \$58,000</i>	\$944 + \$500 refundable maintenance Deposit
Morgan Hill Chamber of Commerce	<a href="#">Friday Night Music Series</a>	6/12-8/21/26	1,500-2,000 each week   16,500-22,000 total	1,500 to 2,000	\$4,549.44 <i>Actual \$4,505.91</i>	\$893 + \$500 refundable maintenance Deposit	\$5,531.76 <i>Actual \$4,354.66</i>	\$929 + \$500 refundable maintenance Deposit	Fully Burdened \$30,997.22 (\$2,695.41 per week, three weeks at \$4,043.12) <i>Newly Proposed \$18,500</i>	\$944 + \$500 refundable maintenance Deposit
	and Cultural Event on 5/17		500 total						0.00	\$944 + \$500 refundable maintenance Deposit
Morgan Hill Kiwanis	<a href="#">Holiday Lights Parade</a>	12/5/2026	7,000	Have not submitted their SEP application yet. Due in June.	\$8,857.48 <i>Actual \$8,205.71</i>	\$893 + \$500 refundable maintenance Deposit	\$9,351.96 <i>Actual \$10,861</i>	\$929 + \$500 refundable maintenance Deposit	<i>Newly Proposed \$11,500</i>	\$944 + \$500 refundable maintenance Deposit
Morgan Hill Mushroom Festival	<a href="#">Morgan Hill Mushroom Festival</a>	5/29, 5/30/2027	6,000-7,000 single day   14,000 +/- total	4,000-6,000 total for two days 15,000 (numbers for 2025)  Application not submitted - due in November of 2026	\$57,900 <i>Actual \$53,972.15</i>	\$929 + \$500 refundable maintenance Deposit	Fully Burdened \$82,917.79 <i>Newly Proposed \$56,500</i>	\$944 + \$500 refundable maintenance Deposit	2027 Fees unknown at this time, as this would be for the event in May 2027	2027 Fees unknown at this time, as this would be for the event in May 2027

**From:** [Matthew Stein](#)  
**To:** [Nichole Martin](#)  
**Cc:** [Chris Ghione](#)  
**Subject:** [EXTERNAL] Re: Question about Attendance  
**Date:** Thursday, March 26, 2026 4:23:19 PM

---

Hi Nichole,

Hi Nichole,

Apologies for the delay, have been traveling and thus behind on personal emails. There is a distinction between net reach which is used for sponsorships and measuring economic impact compared to security numbers. When someone attends two different events, we actually count them as two attendance numbers as we submit separate permits and sell sponsorships for each distinctive event. These distinctive events each have their own ability to make an economic impact on the city and have value to the sponsors. For instance signage during the car cruise which focuses on our presenting sponsor for that event is The Ford Store is separate than the signage for the parade which is presented by MeriWest. Even though the same person sees both signs, they get two touch points by the sponsors. I hope this makes sense.

Now the details:

Patriotic Sing: 1,200 in-person and another ~800 virtually

Family Music Fest: We have been told that we see a pretty clean turn-over between the first half of the night (younger families) and second half (teenagers and older families). Thus while for security purposes we know we have no more than 4,000 there at any given time we believe we get roughly 8,000 over the course of the festival.

Freedom Run: We have ~1,500 runners and we estimate roughly 750 cheer squad family members.

Car Cruise: This attendance is shared with parade but since it receives its own eyeballs from an impact perspective we count it as its own attendance of roughly 10,000 including the participants (aka the drivers and passengers of the cars)

Parade: Same as Car Cruise but again unique event so we count the same audience. We also need to include the approximate 14,000 that we get on the virtual broadcast for this event and car cruise not just live but over the course of the next few months (interestingly we are still getting views now from last year). We also need to add the participants (aka the people who are actually in the parade) which believe it or not is over 2,000.

Car Show: Same audience as cruise/parade but they are now moving to downtown to see the cars and have economic impact when they eat in restaurants etc and thus its own unique attendance number. We estimate this to be roughly 2,000

Fireworks: While we know this is 5,000 inside the festival grounds, we also know (as police tell us often) that people watch the parade from around town. From overpasses, parks and their own front yards. We estimate this as another 9,000.

That net total of attendance for all events combined is I believe 65,000+. Yes we probably

were a little generous when we shared 70,000 during city council (I believe we have used that same marketing number for many years before we re-adjusted to more reasonable numbers such as estimating fireworks at 10,000 back in 2021 and 2022) and I will ensure we correct this in all future submissions.

Thank you for catching this and bringing it to our attention.

Matthew

On Mar 25, 2026, at 11:02 AM, Nichole Martin <nichole.martin@morganhill.ca.gov> wrote:

Hi Matthew,

I hope all is well! I wanted to reach out with a question about attendance as we're putting together some information for the City Council. The anticipated attendance numbers in the application for community funding and the permit application are very different. Can you please let me know which numbers are accurate?

**Community Funding App:**

- Anticipated Single Day Attendance: 75,000
- Anticipated Total Attendance: 90,000-100,000

**Special Event Permit App:**

- Anticipated Attendance for FMF: 4,000
- Anticipated Attendance for Parade: 8,000
- Anticipated Attendance for Fireworks: 5,000

Please let me know if you want to discuss further. Thank you!

**Nichole Martin**

Community Services Supervisor

**City of Morgan Hill**

Public Services Department

17575 Peak Avenue, Morgan Hill, CA 95037

**P:** 408.310.4694

[nichole.martin@morganhill.ca.gov](mailto:nichole.martin@morganhill.ca.gov)

[morganhill.ca.gov](http://morganhill.ca.gov) | [facebook](#) | [twitter](#)

**Upcoming Out of Office:**

March 31, 2026

April 23-24, 2026

## Disclaimer

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

This email has been scanned for viruses and malware, and may have been automatically archived by Mimecast, a leader in email security and cyber resilience. Mimecast integrates email defenses with brand protection, security awareness training, web security, compliance and other essential capabilities. Mimecast helps protect large and small organizations from malicious activity, human error and technology failure; and to lead the movement toward building a more resilient world. To find out more, visit our website.

**WARNING:** This message is from an external user. Confidential information such as social security numbers, credit card numbers, bank routing numbers, wire transfer information and other personally identifiable information should not be transmitted to this user. For question, please contact the Morgan Hill IT Department by opening a new helpdesk request online or call 408-909-0055.



## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: April 1, 2026**

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

### **ADOPT RESOLUTIONS CALLING FOR A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026, CONSOLIDATING ELECTION SERVICES WITH THE COUNTY OF SANTA CLARA REGISTRAR OF VOTERS, AND PLACING A MEASURE ON THE BALLOT TO CHANGE THE ELECTIVE CITY TREASURER POSITION TO AN APPOINTIVE POSITION.**

#### **RECOMMENDATION(S)**

1. Adopt Resolution A calling for a General Municipal Election to be held on Tuesday, November 3, 2026, to elect a Mayor, one Council Member from District B, and one Council Member from District D;
2. Adopt Resolution B requesting the services of the Board of Supervisors of the County of Santa Clara and the Registrar of Voters Office - and the Consolidation of the Election; and
3. Adopt Resolution C placing a measure on the ballot to change the elective City Treasurer Position to an appointive position.

#### **COUNCIL PRIORITIES, GOALS & STRATEGIES**

##### **City Council Ongoing Priorities**

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

Enhancing Diversity and Inclusiveness

##### **Strategic Priorities 2026-2027**

Fiscal Sustainability

#### **REPORT NARRATIVE:**

##### **Calling for the November 3, 2026, General Election**

Pursuant to Election Code § 10002, the attached Resolution “A” calls for a General Municipal Election to be held on Tuesday, November 3, 2026, to elect a Mayor, one Council Member from District B, and one Council Member from District D, all for four-year terms.

Resolution "B" requests the Board of Supervisors of the County of Santa Clara to consolidate a general municipal election to be held on Tuesday, November 3, 2026, with the gubernatorial statewide general election to be held on the same date pursuant to § 10403 of the Elections Code.

Section 5 of Resolution "B", Candidates' Statements, establishes a 200-word limitation for the Candidates' Statements. Per City Council Resolution No. 16-005, Section 6 of Resolution B provides that candidates pay half the estimated costs to submit a "Candidate Statement." The Santa Clara County Registrar of Voters Office has not yet provided Candidate Statement estimates.

Resolution "C" would place a measure on the November 3, 2026, ballot asking voters whether they wish to change the elective treasurer position to an appointive one.

The City Council typically certifies the general municipal election results in the second week of December following the election.

### **Treasurer Background**

On June 5, 2024, the Council directed staff to bring forward, in the Spring of 2026, a measure changing the Treasurer from an elected to an appointed position for the 2026 election. State law requires all general law cities, like the City of Morgan Hill, to have a City Treasurer. The position may be appointed or elected. In the City of Morgan Hill, the City Treasurer is elected to a four-year term by the voters. Pursuant to Government Code Section 36502, there are three qualifications for the position of elected treasurer: 1) the individual must be a resident of the city, 2) the individual must be registered to vote in the city, and 3) the individual must be at least 18 years old. For elected positions, there are no minimum educational or professional requirements. In the City of Morgan Hill, the City Treasurer position has been elected since the City's incorporation in 1906. Government Code §36508 provides that each City Council may place the question on the ballot as to whether the City Treasurer should be an appointed office.

The current City Treasurer's term ends in December 2028. If the Council were to place this measure on the November 2026 ballot, and it passed, the incumbent would remain in office until they either resigned or until the end of their term in 2028. If the City Council would like to change the City Treasurer position from elected to appointed, staff recommends placing the measure on the ballot in November 2026, at the mid-term of the Treasurer's term, so it does not conflict with candidates running for the Treasurer seat. The Treasurer Appointment would not be effective until 2028.

The majority of California cities have appointed City Treasurers. In Santa Clara County, only one of the fifteen cities (Morgan Hill) has an elected city treasurer. Currently, the City's elected Treasurer reviews and signs off on the monthly investment report prepared by the Finance Department.

California Government Code § 41001 outlines the City Treasurer's responsibilities, including the collection of City taxes and license fees, depositing revenue into bank

accounts, and making payments to creditors. Most of these duties are currently delegated to the Finance Director. Effective financial management requires professional skills and expertise in areas such as electronic banking, municipal fund accounting, government reporting requirements, investment regulations, and debt management. Today's professional staff, independent audits, and internal accounting controls provide the necessary oversight and control of the City's finances.

Proponents of converting the City Treasurer position to an appointed position may argue that hiring professionals to handle taxpayers' money is more prudent because the City Council can establish minimum job qualifications for the position, and the City Manager can hold the individual accountable. To this end, the applicant pool would not be limited to current residents.

Opponents of converting the City Treasurer's office to an appointed position may argue that public oversight and checks and balances would be lost without the electoral process and the residency requirement.

Here are some additional reasons why a city might prefer one method over the other:

#### Appointing a City Treasurer:

- City Treasurer roles have become increasingly technical, demanding certain skills, experience, and reliability. These responsibilities differ from those of other elected positions, whose primary responsibility is policymaking.
- The California Government Code does not allow qualification criteria (beyond residency in the city) to be established for elective offices.
- Cities can set qualification criteria for appointed positions, requiring applicants to demonstrate the requisite skills.
- City Councils and City Managers are readily able and accustomed to selecting and holding appointed city positions accountable.
- Experience statewide has shown that unqualified and/or unreliable City Clerks and City Treasurers can be disruptive and damaging to local government operations.
- Cost savings of approximately \$15,000 every four years in election costs.
- Annual personnel cost savings of approximately \$40,000/year from the elimination of the elected City Treasurer position.
- No additional cost as the Finance Director would serve in this capacity.

#### Electing a City Treasurer:

- Elected officials are directly accountable to the voters, and a process for voters to remove a person from office has been established in the state government code.
- Elected officials are directly elected by the voters without control or influence from City Councils or City Managers.
- Encourages competition.

**COMMUNITY ENGAGEMENT:**

This report serves to inform the Community of the election resolutions and potential ballot measure related to the Elected Treasurer.

**ALTERNATIVE ACTIONS:**

The City Council may choose not to adopt Resolution C, placing the Appointive Treasurer measure on the November 3, 2026, ballot.

**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

- On December 6, 2023, Council Member Librers requested a discussion on appointing vs. electing the City Treasurer.
- At the February 21, 2024, Council meeting, Council Member Librers requested a discussion on whether term limits should be put in place for the City Treasurer should the position remain elected.
- On June 5, 2024, the City Council directed staff to bring forward, in the Spring of 2026, a measure changing the Treasurer from elected to appointed for the 2026 election.

**FISCAL AND RESOURCE IMPACT:**

Should the City Council move forward with placing a measure on the ballot, the estimated cost is \$82,000 per ballot measure.

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

Not a Project.

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

**RESOLUTION “A”**

**RESOLUTION NO. 26-XXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, CALLING, AND GIVING NOTICE FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES**

**WHEREAS**, under the provisions of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on Tuesday, November 3, 2026, for the election of Municipal Officers.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:**

**SECTION 1.** Pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Morgan Hill, California, on Tuesday, November 3, 2026, a General Municipal Election for the purpose of electing a Mayor for the full term of four-years, a Member of the City Council from District “B”, and a Member of the City Council from District “D” for the full terms of four-years.

**SECTION 2.** That the ballots to be used at the election shall be in form and content as required by law.

**SECTION 3.** That the City Clerk is authorized, instructed, and directed to coordinate with the Registrar of Voters of the County of Santa Clara to procure and furnish any and all official ballots, notices, printed matter, and all supplies, equipment, and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

**SECTION 4.** That the polls for the election shall be open at seven o’clock a.m. of the day of the election and shall remain open continuously from that time until eight o’clock p.m. of the same day when the polls shall be closed, pursuant to Election Code § 10242, except as provided in § 14401 of the Elections Code of the State of California.

**SECTION 5.** That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

**SECTION 6.** That notice of the time and place of holding the election is given, and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form, and manner as required by law.

**SECTION 7.** The City Council authorizes the City Clerk to administer said election, and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

**SECTION 8.** That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

**PASSED AND ADOPTED** by the City Council of Morgan Hill at a Regular Meeting held on the 1<sup>st</sup> day of April 2026 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.26-XXX, adopted by the City Council at the meeting held on April 1, 2026.

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

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
**MICHELLE BIGELOW, City Clerk**

**RESOLUTION “B”**

**RESOLUTION NO. 26-XXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CLARA TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026, WITH THE GUBERNATORIAL STATEWIDE GENERAL ELECTION TO BE HELD ON THE SAME DATE PURSUANT TO § 10403 OF THE ELECTIONS CODE**

**WHEREAS**, the City Council of the City of Morgan Hill called a General Municipal Election to be held on Tuesday, November 3, 2026, for the purpose of the election of a Mayor, a Member of the City Council from District “B”, and a Member of the City Council from District “B”, and;

**WHEREAS**, it is desirable that the General Municipal Election be consolidated with the statewide Gubernatorial General Election to be held on the same date and that within the city the precincts, polling places and election officers of the two elections be the same, and that the Registrar of Voters Office of the County of Santa Clara canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:**

**SECTION 1.** That pursuant to the requirements of §10403 of the Elections Code, the Board of Supervisors of the County of Santa Clara is hereby requested to consent and agree to the consolidation of a General Municipal Election with the statewide Gubernatorial General Election on Tuesday, November 3, 2026, for the purpose of the election of a Mayor, a Member of the City Council from District B, and a Member of the City Council from District D.

**SECTION 2.** That the Board of Supervisors of the County of Santa Clara is requested to issue instructions to the Registrar of Voters Office to take any and all steps necessary for the holding of the consolidated election.

**SECTION 3.** That the Registrar of Voters of the County of Santa Clara is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide/general election.

**SECTION 4.** That the City of Morgan Hill recognizes that additional costs will be incurred by the County of Santa Clara by reason of this consolidation and agrees to reimburse the County for any costs.

**SECTION 5. Candidate Statements.** Candidates shall not be permitted to submit materials other than the Candidate Statement with the sample ballot and voter’s pamphlet. The Candidate Statement shall be two hundred (200) words or less.

**SECTION 6. Candidate Statement Fee.** Pursuant to City Council Resolution No. 16-005, adopted January 20, 2016, candidates will be required to pay half of the costs charged by the Santa Clara County Registrar of Voters Office to submit and publish a Candidate Statement at the time the Candidate Statement is filed with the City Clerk.

**SECTION 7.** That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the Registrar of Voters Office of the County of Santa Clara.

**SECTION 8.** That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Morgan Hill at a regular meeting held on the 1<sup>st</sup> day of April 2026.

**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. 64-XXX, adopted by the City Council at a regular meeting held on April 1, 2026.

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

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
**MICHELLE BIGELOW, City Clerk**

**RESOLUTION “C”**

**RESOLUTION NO. 26-XXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, SUBMITTING TO THE VOTERS AT THE NOVEMBER 3, 2026, GENERAL MUNICIPAL ELECTION, A BALLOT MEASURE SEEKING APPROVAL TO CHANGE THE ELECTED CITY TREASURER TO AN APPOINTED POSITION**

**WHEREAS**, a General Municipal Election will be called and to be held in the City of Morgan Hill, California, on Tuesday, November 3, 2026; and,

**WHEREAS**, it is desirable that the General Municipal Election be consolidated with the statewide Gubernatorial General Election to be held on the same date and that within the city the precincts, polling places and election officers of the two elections be the same, and that the Registrar of Voters Office of the County of Santa Clara canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election;

**WHEREAS**, Morgan Hill’s elected City Treasurer position was established at the time of the City’s incorporation in 1906; and,

**WHEREAS**, over time, the duties and requirements of this position have changed; and,

**WHEREAS**, in a majority of California cities, this position is appointed, not elected; and,

**WHEREAS**, on June 5, 2024, the City Council met and considered a staff report pertaining to the issues of changing the elected City Treasurer office to an appointed position; and,

**WHEREAS**, during the City Council meeting, the Council directed staff to move forward with placing the issue before the voters in the spring of 2026; and,

**WHEREAS**, Government Code section 36508 provides that the City Council may place the question on the ballot where the City Treasurer should be an appointive office.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, DOES RESOLVE AS FOLLOWS:**

**SECTION 1.** Pursuant to the requirements of the State of California, at the General Municipal Election on Tuesday, November 3, 2026, the following question shall be submitted to the voters:

Shall the office of the City Treasurer be appointive?	<b>YES</b>
---	------------

	NO
--	----

;and

**SECTION 2.** If the voters approve converting this elected office into an appointed position, the appointment becomes effective upon the earlier of either a vacancy or the end of the current term of office (i.e., December 2028)

**SECTION 3.** That the text of the ordinance is attached to this resolution as Attachment A.

**SECTION 4.** The ballots to be used at the election shall be in the form and content as required by law.

**SECTION 5.** That pursuant to the requirements of §10403 of the Elections Code, the Board of Supervisors of the County of Santa Clara is hereby requested to consent and agree to the consolidation of a General Municipal Election with the statewide Gubernatorial General Election on Tuesday, November 3, 2026, for the purpose of the election of a Mayor, a Member of the City Council from District B, and a Member of the City Council from District D.

**SECTION 6.** That the Board of Supervisors of the County of Santa Clara is requested to issue instructions to the Registrar of Voters Office to take any and all steps necessary for the holding of the consolidated election.

**SECTION 7.** That the Registrar of Voters of the County of Santa Clara is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide/general election.

**SECTION 8.** That the City of Morgan Hill recognizes that additional costs will be incurred by the County of Santa Clara by reason of this consolidation and agrees to reimburse the County for any costs.

**SECTION 9.** The election on this measure shall be held, voting precincts designated, ballots be printed, polls opened and closed, ballots counted and returned, returns canvassed, the returns made, and result ascertained and determined, and all other proceedings conducted in connection with the election, under the regulations of the Registrar of Voters of Santa Clara County, in accordance with the provisions of the law governing general municipal elections in general law cities.

**SECTION 10.** The City Council authorizes all members of the City Council to file written argument(s) In Favor of or Against the measure described in Section 1 above, not exceeding 300 words, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California.

**SECTION 11.** An argument for or against the measure shall not exceed 300 words in length. If more than one argument is submitted for the measure or more than one argument against the measure, the City Clerk shall select the argument to be included with the ballot materials. The arguments may be changed or withdrawn until and including the date fixed by the City Clerk, after which no arguments for or against the measure may be submitted to the City Clerk.

**SECTION 12.** The primary arguments for and against the measure shall be submitted to the City Clerk by five p.m. on August 6, 2026, to meet the deadline established by the Santa Clara County Registrar of Voters for primary arguments. The arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the Form of Statement to Be Filed by Author(s) of the Argument to be provided by the City Clerk.

**SECTION 13.** In accordance with Elections Code section 9285(b), the City of Morgan Hill hereby authorizes the filing of rebuttal arguments as set forth below and in accordance with state law.

The elections official shall send a copy of an argument in favor of the proposition to the authors of any argument against the measure and a copy of an argument against the measure to the authors of any argument in favor of the measure immediately upon receiving the arguments.

The author, or a majority of the authors, of any argument relating to the measure may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument.

A rebuttal argument may not be signed by more than five authors.

The rebuttal arguments shall be filed with the City Clerk, signed with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers, by five p.m. on August 13, 2026, to meet the deadline established by the Santa Clara County Registrar of Voters for rebuttal arguments. The rebuttal arguments shall be accompanied by the Form of Statement to be provided by the City Clerk and to be filed by the author(s) of the argument.

Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

**SECTION 14.** The City Attorney shall prepare an impartial analysis of the measure.

**SECTION 15.** That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

**SECTION 16.** If, at the election, a majority (50% plus 1) of the votes cast on the measure are in favor of the measure, then the measure shall be deemed to have been accepted and approved by the votes upon the date that the City of Morgan Hill declares the vote and shall go into effect ten (10) days after that date, pursuant to Section 9217 of the Elections Code.

**SECTION 17.** That notice of the time and place of holding the election is given, and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election in time, form, and manner as required by law.

**SECTION 17.** That the City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original Resolutions.

**PASSED AND ADOPTED** by the City Council of the City of Morgan Hill at a regular meeting held on the 1<sup>st</sup> day of April 1, 2026, by the following vote:

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

**∞ 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. 26-xxx, adopted by the City Council at a Regular Meeting held on April 1, 2026.

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

**DATE:** \_\_\_\_\_

\_\_\_\_\_  
**MICHELLE BIGELOW, City Clerk**

ATTACHMENT A

**ORDINANCE NO. \_\_\_\_\_, NEW SERIES**

**AN ORDINANCE OF THE CITY OF MORGAN HILL  
AUTHORIZING THE CITY MANAGER TO APPOINT THE  
CITY TREASURER**

**THE PEOPLE OF THE CITY OF MORGAN HILL DO ORDAIN AS FOLLOWS:**

**SECTION 1:** At the expiration of the existing term of the City Treasurer of the City of Morgan Hill, the City Manager shall appoint the City Treasurer on the basis of their experience and ability. The City Treasurer shall hold office at the pleasure of the City Manager.

**SECTION 2.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 3.** Effective Date; Posting. This ordinance shall take effect on the 31st day after the certification of the election results.

**RESOLUTION NO. 16-005**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
MORGAN HILL ADOPTING REGULATIONS FOR  
CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO  
CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS  
FOR GENERAL MUNICIPAL ELECTIONS**

WHEREAS, Section 13307 of the California Elections Code provides that the governing body of a local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including the costs thereof.

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

Section 1. Recitals. The City Council does hereby find, determine and resolve that the foregoing recital is true and correct.

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

a. That the City Clerk shall advise all candidates for nonpartisan elected office of the County of Santa Clara's Registrar of Voters' ("Registrar") guidelines regarding candidate statements of qualifications as described in the Registrar's Gubernatorial General Election Candidate Guide, as amended each election cycle.

b. That the City Clerk shall provide each candidate with the estimated cost of printing, handling, translating, and mailing of the candidate statement (the "Costs") as such are determined by the Registrar. Based on the estimate of the Costs provided by the Registrar, the City will require candidates to pay half of the estimate of the Costs at the time the candidate statement is filed with the City elections official. As the estimate of the Costs is subject to change based on the actual costs determined after the election, the City will, on a pro rata basis, bill the candidate for the additional actual expense or refund any excess paid depending on the final actual Costs. In the event of underpayment, the candidate will be required to pay the balance of the Costs incurred within 30 days of the election. In the event of overpayment, the City will prorate the excess amount among the candidates and refund the excess amount paid within 30 days of the election.

1. Candidates that claim to be indigent shall submit an application for a waiver of the Costs, consisting of a Waiver of Candidate Statement Deposit Form, Statement of Financial Worth Form, and a copy of their most recent federal income tax report, to the City Clerk to determine eligibility. The City Clerk shall make a determination of finding regarding the candidate's indigence. The extremely low category of the guidelines established by the federal Housing and Urban Development Department for Santa Clara County is to be used to determine eligibility. If a candidate is determined to be indigent, the City shall bear the full Costs. If it is determined that a candidate is not indigent, the candidate shall, within three days of the notification, excluding Saturdays, Sundays, and state/City holidays, withdraw the candidate statement or pay the requisite fee. If the candidate fails to respond with the time prescribed, the City shall not be obligated to print and mail the candidate statement.

2. The estimate of the Costs includes any translation required by the Federal Voting Rights Act of 1965 and any other applicable federal or state laws. The candidate will be required to pay for the

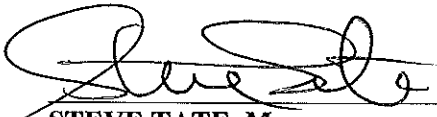
cost of translating the candidate statement into any foreign language that is not required pursuant to the Federal Voting Rights Act of 1965 and any other applicable federal or state laws, but is requested as an option by the candidate.

c. That the City Clerk is directed to provide each candidate a copy of this Resolution with the Candidate Information and Nomination Packet at the time nomination papers are taken out.

Section 3. The provisions of any existing Resolution as heretofore adopted by the City Council that are in conflict with the provisions of this Resolution are hereby repealed This Resolution shall take effect immediately upon adoption and shall apply at the next ensuing municipal election and at each municipal election after that time.

**PASSED AND ADOPTED** by the City Council of Morgan Hill at a Regular Meeting held on the 20<sup>th</sup> day of January, 2016 by the following vote:

<b>AYES:</b>	<b>COUNCIL MEMBERS:</b>	<b>Larry Carr, Rich Constantine, Marilyn Librers Gordon Siebert, Steve Tate</b>
<b>NOES:</b>	<b>COUNCIL MEMBERS:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>COUNCIL MEMBERS:</b>	<b>None</b>
<b>ABSENT:</b>	<b>COUNCIL MEMBERS:</b>	<b>None</b>

  
\_\_\_\_\_  
**STEVE TATE, Mayor**

**ATTEST:**

  
\_\_\_\_\_  
**IRMA TORREZ, City Clerk**


**DATE:** 2/2/2016

**∞ CERTIFICATION ∞**

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 16-005, adopted by the City Council at the meeting held on January 20, 2016.

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

**DATE:** 2/2/2016

  
\_\_\_\_\_  
**IRMA TORREZ, City Clerk**



## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: April 1, 2026**

**PREPARED BY:**

John Lang, Housing and Economic Mobility Director

**APPROVED BY:** City Manager

### **AUTHORIZE THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE EXISTING LOAN AGREEMENT WITH EDEN HOUSING AND A GRANT AGREEMENT CONTRIBUTING \$800,000 FROM THE HOUSING MITIGATION FUND FOR CAPITAL IMPROVEMENTS AT THE SKEELS PROJECT-17305 MONTEREY ROAD**

#### **RECOMMENDATION(S)**

1. Authorize the City Manager to negotiate and execute, subject to City Attorney review, an amendment to the existing loan for the Skeels Project, extending the term by 20 years and allowing future surplus cash to be retained in a replacement reserve account for ongoing capital improvements; and
2. Authorize the City Manager to negotiate and execute, subject to City Attorney review, a grant agreement with Eden Housing in an amount not to exceed \$800,000 from the Housing Mitigation Fund (Fund 236) for capital improvements, including roof replacement, water and sewer line upgrades, and new showers.

#### **COUNCIL PRIORITIES, GOALS & STRATEGIES**

##### **City Council Ongoing Priorities**

Supporting our Youth, Seniors, and Entire Community

Enhancing Diversity and Inclusiveness

##### **Strategic Priorities 2026-2027**

Affordable Housing and Homelessness

##### **Guiding Documents**

Morgan Hill 2035 General Plan

#### **REPORT NARRATIVE:**

The Skeels Building, located on the northwest corner of Monterey Road and 3rd Street, is a 6,999 Square Foot mixed-use building with 13 single-room occupancy resident units above a restaurant space that houses Ladera Grill. The property is owned by the City of Morgan Hill Housing Program with a long-term ground lease with Eden Housing. This project is a vital part of Downtown's business district, providing workforce housing in the form of 13 affordable single-room occupancy (SRO) units situated above the Ladera

Grill restaurant.

The Skeels project provides valuable housing for our residents living on fixed incomes or with lower incomes. However, because the project is smaller in unit size with only 13 units at very low income, the amount of operating revenue available to support large capital improvements is very limited. In the last couple of years, there have been sewer pipe failures that have impacted both the residents at Skeels Apartments and Ladera Grill. While repairs have been made, long-term solutions are necessary.

Eden Housing has conducted reviews of the capital improvements necessary for a building that is over 30 years old. Immediate capital improvement projects include:

- Roof repair or replacement
- Mechanical system upgrades
- Sewer system rehabilitation
- Interior unit upgrades

The cost of these improvements is estimated to be approximately \$800,000. Eden Housing has pursued several external funding sources to finance these repairs, including applications for Low-Income Housing Tax Credits (LIHTC) and funding through the County of Santa Clara Office of Supportive Housing, including Measure A funding. However, Eden Housing has not been successful in securing funding through these sources.

Due to the property's limited revenue and aging infrastructure, additional public investment is needed to preserve the long-term viability of the property. Rehabilitating existing affordable housing is also significantly less costly than developing new affordable housing units.

## **BACKGROUND**

On March 17, 1995, the former Morgan Hill Redevelopment Agency (RDA) executed a \$300,000 loan with South County Housing Corporation to support the development of the Skeels project, a mixed-use project that includes commercial space (Ladera Grill) and 13 single-room occupancy resident units.

In April 2006, the loan was restated to establish a new repayment obligation, including principal payments and surplus cash generated from the property, with full repayment due upon certain triggering events, such as refinancing or loan maturity. The current loan maturity date is April 13, 2026. As of December 31, 2025, the outstanding balance is \$226,480, consisting of \$138,331 in principal and \$88,149 in accrued interest.

Following the dissolution of South County Housing in 2015, the management of the Skeels property was transferred to Eden Housing on July 6, 2015. For the past decade, Eden has managed the property well and continues to comply with affordability restrictions under the regulatory agreement.

## STAFF RECOMMENDATION

1. **Extending the City Loan by 20 Years.** Loan extensions are a common preservation tool used by cities to support aging affordable housing properties that have limited operating revenue. Extending the loan will help ensure the continued affordability of the property and provide Eden Housing with more financial flexibility needed to complete necessary capital improvements. The extension would also support continued operation of the ground-floor commercial tenant, Ladera Grill, which contributes to the economic vitality of the downtown area.
2. **Allow Future Surplus Cash to Remain with the Property**  
Under the current loan structure, any surplus cash generated by the property would normally be applied annually toward repayment of the City loan. In prior years, Council approved Eden Housing to retain surplus cash to support operational needs. Staff recommends amending the loan language to apply any future annual surplus cash to remain with the property and be deposited into a replacement reserve account. This approach will allow the property to build reserves to address future capital needs, reducing the likelihood of additional emergency repair requests and supporting the long-term financial stability of the property.
3. **Provide \$800,000 in rehabilitation Grant Funding**  
Staff recommends that the City Council authorize the City Manager to negotiate and execute up to \$800,000 in one-time funding from the City's Housing Mitigation Fund (Fund 236) to support capital improvements at the Skeels property. These funds would be used to complete critical repairs and upgrades, including roof replacement, mechanical system improvements, structural repairs, and interior unit improvements. Without this investment, the property may face deterioration, impacts to residents and to Ladera Grill that could ultimately increase costs, threatening the long-term stability of this important affordable housing resource and commercial space.

## CONCLUSION

The recommendations represent common affordable housing preservation strategies used by cities to stabilize older affordable housing developments with aging infrastructure and limited operating revenue. Preserving existing affordable housing developments such as the Skeels project is an important component of the City's housing strategy, as deeply affordable units are difficult and costly to replace once lost. The City's housing policy towards multifamily housing partnerships emphasizes stewardship of public investments to ensure re-investments in quality, long-term housing stock. The recommendations are also consistent with the City of Morgan Hill's Housing Element, which addresses housing needs for residents at all income levels.

## COMMUNITY ENGAGEMENT:

Inform

This report is intended to inform the Morgan Hill community.

**ALTERNATIVE ACTIONS:**

As an alternative action to the staff recommendation, the City Council may decide not to approve the loan amendment extending the term of the loan, which would require Eden Housing to pay the loan off in full, reducing any immediate likelihood of addressing the capital improvements.

The City Council may also decide not to approve the grant agreement for capital improvements for the Skeels Building on City-owned land. In this circumstance, the City would compromise the financial viability of the rehabilitation projects, resulting in continued plumbing failures to residential and commercial tenants.

**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

The City Council has taken several actions over the years to support the preservation and rehabilitation of the Skeels property.

Key actions include:

- December 5, 2018 – City Council approved Eden Housing’s request to pursue Low-Income Housing Tax Credit (LIHTC) financing and tax-exempt bonds to rehabilitate both the Skeels and Villa Ciolino affordable housing communities.
- February 16, 2022 – City Council approved Eden Housing’s request to waive 2020 surplus cash payments from both Skeels and Villa Ciolino to allow those funds to be redirected toward rehabilitation work.
- April 5, 2023 – City Council adopted Resolution No.23-014 supporting Eden Housing’s application for LIHTC financing and tax-exempt bonds to support rehabilitation of the Skeels and Villa Ciolino properties.

**FISCAL AND RESOURCE IMPACT:**

With execution of the loan amendment, the City’s Housing Fund (255) will receive approximately \$3,000 less each Fiscal Year with the interest and residual receipts (known as surplus cash) being re-allocated back into the project.

The execution of a grant agreement for the Capital Improvements will be funded through the Housing Mitigation Fund 236 in an amount not to exceed \$800,000.

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

These projects are Categorically Exempt pursuant to Section 15301 of CEQA Guidelines as proposed repairs, maintenance and minor alteration of existing facilities involving no expansion of existing use will not have a significant effect on the environment.

## **CITY COUNCIL STAFF REPORT**

### **MEETING DATE: April 1, 2026**

**PREPARED BY:**

Dat Nguyen, Finance Director  
Monica Delgado, Budget Manager  
Christina Turner, City Manager

**APPROVED BY:** City Manager

## **CONTINUED DISCUSSION OF FISCAL SUSTAINABILITY**

### **RECOMMENDATION(S)**

Receive the report on revenue enhancement and cost-containment strategies to be incorporated into the upcoming biennial budget and review the proposed next steps for evaluating potential revenue measures for a November 2028 ballot.

### **COUNCIL PRIORITIES, GOALS & STRATEGIES**

#### **City Council Ongoing Priorities**

Preserving and Cultivating Public Trust

#### **Strategic Priorities 2026-2027**

Fiscal Sustainability

### **REPORT NARRATIVE:**

As part of ongoing budget discussions, the City Council has identified the need to address the City's structural deficit through a combination of expenditure reductions, cost-containment strategies, and potential revenue enhancements. This report previews items to be included in the upcoming budget and outlines next steps to evaluate a potential tax measure for November 2028.

### **Upcoming Biennial Budget**

Staff will be incorporating the following strategies into the FY 2026–2028 Biennial Budget to mitigate the projected deficit:

#### General Fund Revenue Strategies:

- Continue evaluating non-tax fee increases (e.g. recreation, public safety, other)
- Implement administrative charges to the Development Services Fund for general support services per the Updated Development Fee Study (\$200K)
- Following the Corporation Yard Fair Market Rent Analysis, implement a rental fee to Enterprise Funds for use of the Public Works Corporation Yard (\$300K)
- Implement economic development strategies (amend General Plan and Zoning)

Code to support hotel and auto use along Tennant Avenue and Monterey Corridor)

- Actively pursue grant funding opportunities

#### General Fund Expenditure Reductions and Cost-Containment Strategies:

- Reduce temporary staffing and overtime costs (\$125K)
- Reduce non-personnel costs, including supplies and contract services (\$80K)
- Implement solar project to reduce long-term energy costs (\$500K)
- Defer non-essential building maintenance (\$525K)
- Reduce CalFire contract staffing costs through personnel management
- Continue strategic hiring freezes and conservative spending practices

These actions represent continued steps toward reducing the structural imbalance; however, they do not fully eliminate the long-term gap. Based on current economic conditions and the City's General Fund reserve, the City will not drop below its minimum reserve level of 15% until FY 2029-30, as such, significant service reductions are not recommended at this time.

#### **Next Steps for Potential 2028 Revenue Measure**

##### Continue Community Engagement and Outreach

Timeline: Now – November 2028

- Conduct workshops and facilitate Community discussions to prioritize strategies for closing the budget gap
- Gather input and report findings to the City Council

##### Service Level Evaluation (Absent New Revenue Measure)

Timeline: Now – June 2028

- Evaluate service priorities
- Develop service reduction scenarios aligned with varying funding levels
- Assess operational, Community, and fiscal impacts of reductions
- Present service level options to the City Council to inform policy direction

##### Evaluate Revenue Enhancement Measures

Timeline: April 2026 – December 2027

- Engage a political strategist and polling firm to evaluate options, develop a strategy, and poll the Community
- Identify legally viable revenue measures (e.g., sales tax, utility user tax, parcel tax, transient occupancy tax increases)

- Analyze the economic and Community impact of each revenue option, including potential phasing and sunset provisions

#### Prepare Ballot Measure (if applicable)

Timeline: January 2028 – June 2028

- Draft ordinance/resolution language
- Ensure compliance with legal notice and election requirements
- Develop a public education and outreach plan for potential ballot measure

The strategies to be included in the upcoming biennial budget reflect immediate actions to contain costs and enhance revenues where feasible. However, addressing the City's long-term structural deficit will likely require broader policy decisions, including consideration of a future revenue measure.

If the City Council decides not to place a measure on the November 2028 ballot, or if a measure is unsuccessful, the City will need to implement significant cost reductions in the future. Attachment 1 outlines potential future service reductions identified in the Balancing Act simulation, along with approximate dollar amounts. This information is intended to provide examples of potential reduction scenarios that may need to be considered in future years.

#### **COMMUNITY ENGAGEMENT:**

Consult

This report continues the discussion of fiscal sustainability.

#### **ALTERNATIVE ACTIONS:**

The City Council may look to provide staff with further direction on revenue enhancement and cost-containment strategies.

#### **PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

This report continues the discussion of fiscal sustainability from the March 4, 2026 City Council meeting and the February 6, 2026 City Council Goal Setting Workshop.

#### **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.

## Potential Future Service Reductions

March 2026

\*This information is intended to provide examples of potential reduction scenarios that may need to be considered in future years.

Category	Subcategory	Question	More Information	Amount
Administration and Support	Administration and Support Services	<p><b>Moderate Impact</b></p> <p>Eliminate one full-time position and part-time temporary staff in the Administrative Services and Support Team to reduce costs</p>	<p>This would delay some internal support service functions - such as staff report reviews, fiscal processing, and administrative coordination - and may slow responses to public inquiries or community engagement activities.</p>	<p><b>\$300,000</b></p>
		<p><b>Major Impact</b></p> <p>Reduce administrative capacity across multiple divisions, which could limit community engagement, business support, and internal service functions</p>	<p>This may result in slower financial and legal processing, reduced community and economic development outreach, and longer response times to both staff and public requests.</p>	<p><b>\$600,000</b></p>
Administration and Support	Community Funding	<p><b>Moderate Impact</b></p> <p>Eliminate all community funding except for the annual Freedom Fest, Fourth of July event</p>	<p>All community funding would be eliminated, such as Holiday Lights and Parade, Safe Trick-or-Treat, Healthier Kids, Friday Night Music Series and other events and programs, except for the Freedom Fest (Fourth of July celebration). It is likely these events/activities would no longer occur without this funding.</p>	<p><b>\$100,000</b></p>
		<p><b>Major Impact</b></p> <p>Eliminate all community funding to reduce costs</p>	<p>This would eliminate funding for all community events/activities, including Freedom Fest (Fourth of July celebration), Holiday Lights and Parade, Safe Trick-or-Treat, Healthier Kids, and the Friday Night Music Series. It is likely these events/activities would no longer occur without this funding.</p>	<p><b>\$240,000</b></p>

## Potential Future Service Reductions

March 2026

\*This information is intended to provide examples of potential reduction scenarios that may need to be considered in future years.

Category	Subcategory	Question	More Information	Amount
<b>Administration and Support</b>	PBID	Eliminate the Property-Based Improvement District (PBID), which is funded by downtown property owners and businesses to support enhanced beautification and public safety efforts. PBID resources help maintain clean and attractive public spaces, landscaping, lighting, trash removal, and safety measures. The City contributes about \$140,000 annually, and eliminating the PBID would also mean the loss of roughly an additional \$145,000 in private investment dedicated to these services.	The Morgan Hill Property-Based Improvement District (MHPBID) is an assessment district established by the downtown property owners to fund specific improvements and services in the downtown area. The goal is to enhance the downtown area's safety, cleanliness, and economic viability.	<b>\$140,000</b>
<b>City Hall Operations</b>	Employee Furlough and City Hall Closure	Furlough employees (subject to labor negotiations) by closing City Hall every other Friday to lower costs, noting that Police and Fire services will continue operating 24/7	This would close City Hall every other Friday to reduce operating costs by approximately \$600,000 annually. In-person public counters would be closed on alternating Fridays. This may lead to slower administrative processing, fewer opportunities for in-person appointments, and delayed responses to public inquiries, including permit intake, plan review coordination, Utility Billing, and Development Services customer support. Police and Fire services would continue operating 24/7 with no impact.	<b>\$600,000</b>
<b>Fire</b>	Fire Services	<b>Moderate Impact</b> Reduce fire engine staffing on one fire engine from a three person team to a two person team to save costs	Reducing from a three-person engine crew to a two-person squad would lower costs but could delay response times for non-medical emergencies.	<b>\$700,000</b>
		<b>Major Impact</b> Close one fire station to reduce costs	Closing a fire station would lower costs but increase response times for both medical and non-medical emergencies citywide. The City currently operates three fire stations strategically located throughout the Community.	<b>\$2,100,000</b>

## Potential Future Service Reductions

March 2026

\*This information is intended to provide examples of potential reduction scenarios that may need to be considered in future years.

Category	Subcategory	Question	More Information	Amount
Police	Operations	<b>Moderate Impact</b> Reduce or eliminate specialized programs such as animal services and the City's participation in school and County Auto Theft Task Force programs	Reducing 3 full-time positions would eliminate animal services, potentially reduce school resource officer and County Task Force participation, and could result in loss of related grant funding.	<b>\$200,000</b>
		<b>Major Impact</b> Reduce overall police staffing and eliminate the Traffic Team, which focuses on traffic safety and enforcement	Reducing 5 full-time positions could lead to slower police and investigation response times and fewer proactive traffic enforcement and investigation activities.	<b>\$750,000</b>
Public Services	Downtown Maintenance	<b>Moderate Impact</b> Reduce Downtown maintenance services	This scenario would reduce landscaping, irrigation, and litter collection throughout Downtown, including parks, Third Street, Depot Street, and Monterey Road planters. It would also eliminate regular cleaning of the parking structure and close the Railroad Park restroom, resulting in a less maintained and less welcoming Downtown environment.	<b>\$115,000</b>
		<b>Major Impact</b> Close the Downtown Railroad Park and Parking Structure	This scenario would close the Downtown Railroad Park and Parking Structure. The City would seek a private operator to run the structure and charge for parking; if no operator is found, the facility would remain closed.	<b>\$260,000</b>

## Potential Future Service Reductions

March 2026

\*This information is intended to provide examples of potential reduction scenarios that may need to be considered in future years.

Category	Subcategory	Question	More Information	Amount
Public Services	Parks and Open Space	<p><b>Moderate Impact</b></p> <p>Reduce most park maintenance, turning grass areas into dirt and reducing overall park upkeep</p>	<p>This scenario would significantly reduce park and open space maintenance throughout Morgan Hill. With park maintenance already operating near minimum safety standards, these reductions would fundamentally change how parks look and feel—shifting from well-maintained, active community spaces to more primitive open areas.</p>	<b>\$400,000</b>
		<p><b>Major Impact</b></p> <p>Eliminate all playground operations, making park play areas inaccessible to the public</p>	<p>By closing City playgrounds, additional cost savings would be achieved beyond the initial reduction scenario. This would close playgrounds at Community Park (including the Magical Bridge Playground), Paradise Park, Nordstrom Park, Jackson Park, Galvan Park, and Diana Park. Playgrounds would be closed and inaccessible to use.</p>	<b>\$500,000</b>
Public Services	Recreation and Community Services	<p><b>Moderate Impact</b></p> <p>Reduce subsidies for certain recreation programs by raising fees</p>	<p>Continue adjusting membership, program, and rental fees at recreation facilities to better cover operating costs.</p>	<b>\$120,000</b>
		<p><b>Major Impact</b></p> <p>Eliminate all Community Services program funding within the Recreation Division</p>	<p>This would remove all funding for Community Services, ending low-cost and free programs that support seniors, teens, youth, commissions, and volunteers across the City. This will result in closure of the Senior and Teen Centers and elimination of the Parks and Recreation Commission and Library, Culture, and Arts Commission, as well as the Youth Action Council.</p>	<b>\$330,000</b>

## Potential Future Service Reductions

March 2026

\*This information is intended to provide examples of potential reduction scenarios that may need to be considered in future years.

Category	Subcategory	Question	More Information	Amount
<b>Public Services</b>	Streets, Storm Drain, and Public Right of Way Maintenance	Reduce street, storm drain, and public right-of-way maintenance services	Eliminates contracted maintenance for landscaped medians, graffiti removal, and illegal dumping cleanup, while retaining full-time staff for storm and emergency response. Residents would see more weeds, litter, and graffiti in public areas.	<b>\$190,000</b>