

AMENDED AGENDA



Special/Regular Meeting Agenda City Council

Rich Constantine - Mayor
Gino Borgioli - Mayor Pro Tem
John McKay - Council Member
Yvonne Martinez Beltran - Council Member
Rene Spring - Council Member

Wednesday, May 18, 2022 6:00 PM

Virtual Meeting
Link to join the meeting can be found below

VIRTUAL MEETING GUIDELINES AND PUBLIC COMMENT

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. Physical meetings will not be in the City Council Chamber until further notice. City Council meetings will be live-streamed on Channel 17, on the City's website, and on the City's Facebook page. Those members of the community that would like to participate in the meetings remotely may do so by joining the virtual meeting at: <https://bit.ly/MHCityCouncilMeeting> or by calling (669) 900-9128, then enter the webinar id: 873 3200 8380#.

Public comment may be provided in the following ways:

- Join the virtual City Council meeting via the link above, when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes (YOU MUST BE RUNNING THE MOST CURRENT VERSION OF ZOOM TO BE UNMUTED)
- Join the virtual meeting by calling the number above, dial *9 to raise your hand, and be called upon to speak for up to 3 minutes
- Send public comments in writing to the City Clerk at ccpubliccomment@morganhill.ca.gov

* Please note that comments made on Facebook are not considered public comment.

SPECIAL/REGULAR MEETING

A special meeting of the City Council is called at 6:00 p.m. for the purpose of conducting a closed session.

SPECIAL MEETING

6:00 p.m. Closed Session

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

Revised closed session language:

Conference with Legal Counsel – Existing Litigation

(Government Code § 54956.9) Tate et al., v. City of Morgan Hill, et al.

Santa Clara County Superior Court, Case No. 22CV396857

REGULAR MEETING

7:00 p.m.

PROCLAMATIONS

Proclaiming the week of May 15-21, 2022 as Public Works Week

Proclaiming the week of May 15-21, 2022 as Emergency Medical Services Week

Proclaiming Saturday, May 21, 2022 as Kids to Park Day

Proclaiming the Month of May 2022 as Older Americans Month

Proclaiming the Month of May 2022 as Asian American Pacific Islander Heritage Month

PRESENTATIONS

CITY COUNCIL REPORTS

Council Member McKay

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

This opportunity for public comment is for items that are not on the agenda. If you would like to make comments on an item that is on the agenda, please wait until we get to that item to offer your comments. Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. Public comment is intended for comments. Questions posed during public comment are not generally answered. If you have questions, please send them to the City Clerk at ccpubliccomment@morganhill.ca.gov to receive a response. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

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

Time Estimate for Consent Calendar: 1 - 10 Minutes

1. ACCEPT RESIGNATION OF PLANNING COMMISSIONER LAURA GONZALEZ-ESCOTO

Recommendation:

1. Accept Laura Gonzalez-Escoto's resignation from the Planning Commission effective immediately; and

2. Direct the City Clerk to continue recruitment efforts to fill an unexpired term ending June 2025, on the Planning Commission.

2. **ACCEPT BUTTERFIELD BOULEVARD LINEAR PARK EXTENSION PROJECT**

Recommendation:

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

3. **ADOPT RESOLUTION DETERMINING THAT CONDUCTION OF IN-PERSON MEETINGS WOULD PRESENT A PUBLIC HEALTH RISK AND CONTINUING TELECONFERENCE MEETINGS**

Recommendation:

Adopt resolution to continue holding City Council and commission meetings by teleconference.

4. **ADOPT RESOLUTION DESIGNATING THE CITY'S ENFORCEMENT AGENCY FOR REGULATING SINGLE-USE FOODWARE AS REQUIRED BY ASSEMBLY BILL 1276.**

Recommendation:

Adopt resolution designating the City's enforcement agency for regulating single-use foodware as required by Assembly Bill 1276.

5. **ADOPT ORDINANCE 2334, NEW SERIES, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF MORGAN HILL AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Recommendation:

Waive the reading, adopt Ordinance No. 2334, 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.

6. **ADOPT RESOLUTION GRANTING DELEGATION OF AUTHORITY TO FIRE CHIEF**

Recommendation:

Adopt resolution granting delegation of authority to Fire Chief George Huang to sign and submit State Surplus Property Program Eligibility Application.

7. **AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH AXON IN THE AMOUNT OF \$778,400 FOR THE POLICE COMPUTER AIDED DISPATCH AND RECORDS MANAGEMENT SYSTEM UPGRADE**

Recommendation:

Authorize the City Manager to execute and amend, when necessary, a 10-year agreement with Axon for a Computer Aided Dispatch and Records Management System subject to approval as to form by the City Attorney.

8. **APPROVE PARCEL MAP FOR SABINI COURT SUBDIVISION (APN: 773-32-013) AND RELATED SUBDIVISION IMPROVEMENTS AGREEMENT**

Recommendation:

1. Approve the Parcel Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with Strolata Properties, LLC; and
3. Authorize the recordation of the Parcel Map and Subdivision Improvements Agreement.

9. **APPROVE AN IMPROVEMENT AGREEMENT WITH THOMPSON & HARVEY BAY AREA, LLC (AU ENERGY LLC) FOR THE RAILROAD-GOYAL PROJECT (UP2019-0005)**

Recommendation:

1. Approve an Improvement Agreement with Thompson & Harvey Bay Area, LLC;
2. Authorize the City Manager to execute the Improvement Agreement; and
3. Authorize the recordation of the Improvement Agreement.

10. **APPROVE THE MAY 4, 2022 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the May 4, 2022 City Council Meeting Minutes.

PUBLIC HEARINGS

11. **ADOPT CITY COUNCIL DISTRICT MAP "NDC GREEN" OR AN ALTERNATIVE LEGALLY ACCEPTABLE MAP**

Recommendation:

1. Review and adopt an alternative redistricting map based upon the court order from May 9, 2022, directing the City Council to adopt a new legally acceptable district map; and
2. Approve an amended resolution identifying the alternative City Council District map.

Estimated Time: 45 Minutes

OTHER BUSINESS

12. REVIEW CITY MANAGER'S RECOMMENDED FISCAL YEARS (FY) 2022-23

AND 2023-2024 OPERATING BUDGET AND FY 2022-23 THROUGH 2027-28 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET

Recommendation:

Review and discuss the Recommended Budget, including community funding requests and the Impact Fee Freeze Program.

Estimated Time: 120 Minutes

FUTURE COUNCIL INITIATED AGENDA ITEMS

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

ADJOURNMENT

NOTICE

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

PUBLIC COMMENT

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

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

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

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

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

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

AMERICANS WITH DISABILITIES ACT (ADA)

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

SUSTAINABLE MORGAN HILL



Vision

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



Choose Morgan Hill

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



City Council Ongoing Priorities

- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining and Enhancing Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advancing Regional Initiatives



2022-2023 Strategic Priorities

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



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

May 18, 2022

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CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Angie Gonzalez, Council Services Assistant

APPROVED BY: City Manager

ACCEPT RESIGNATION OF PLANNING COMMISSIONER LAURA GONZALEZ-ESCOTO

RECOMMENDATION(S)

1. Accept Laura Gonzalez-Escoto's resignation from the Planning Commission effective immediately; and
2. Direct the City Clerk to continue recruitment efforts to fill an unexpired term ending June 2025, on the Planning Commission.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land
Maintaining and Enhancing Infrastructure
Supporting our Youth, Seniors, and Entire Community
Preserving and Cultivating Public Trust
Preserving our Community History
Enhancing Diversity and Inclusiveness

2022-2023 Strategic Priorities

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

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

On April 26, 2022, Laura Gonzalez-Escoto submitted her resignation from the Planning Commission effective Tuesday, April 26, 2022. The City Clerk's office has begun the recruitment efforts to fill the vacancy that has a term ending in June 2025. Staff recommends that the Council accept Ms. Gonzalez Escoto's resignation and direct the City Clerk's office to continue the recruitment efforts.

COMMUNITY ENGAGEMENT:

Involve

Recruitment efforts are underway encouraging citizens to apply for City Council appointment consideration to the Planning Commission.

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Recruitment efforts are conducted each year to appoint or reappoint commissioners as their terms expire.

FISCAL AND RESOURCE IMPACT:

There is no fiscal or resource impact associated with the actions to interview and appoint, as the recruitment and appointment process is accommodated in the Administrative Services operating budget.

CEQA (California Environmental Quality Act):

Not a project.

The appointment of commissioners is not a project, as defined in Section 15378 of the State CEQA guidelines.

CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Yat Cho, Senior Project Manager

APPROVED BY: City Manager

ACCEPT BUTTERFIELD BOULEVARD LINEAR PARK EXTENSION PROJECT

RECOMMENDATION(S)

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

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

REPORT NARRATIVE:

On September 23, 2020, the Butterfield Boulevard Linear Park Extension Project was awarded to Terramark General Engineering Contractors, Inc. in the amount of \$1,439,226 with a contingency of \$143,923. The scope of work for the project included the construction of a class I bicycle trail approximately two miles in length along Butterfield Boulevard from San Pedro Avenue to Railroad Avenue. Additional work included the relocation of curb & gutter along Butterfield Boulevard, concrete flat work, streetlight and signal pole relocation, minor water and storm drain modifications, irrigation and landscaping. With the completion of the project, a new pedestrian and bicycle trail from Railroad Avenue to San Pedro Avenue will be available for the community to enjoy (See attachment 1).

Construction on the project began in October of 2020 and was substantially completed on March 31, 2022. Three change orders were authorized in the amount of \$135,739.61 due to plan changes and unforeseen conditions (See attachment 2). The

final construction contract with Terramark General Engineering Contractors, Inc. is \$1,574,965.61. Staff recommends accepting this project as it has been completed in accordance with the plans and specifications. Additionally, staff recommends directing the City Clerk to file the Notice of Completion for the project (Attachment 3).

Following acceptance of the project, staff will prepare the required paperwork for the reimbursement of project costs attributable to the "Urban Greening" Grant the City received for the project.

COMMUNITY ENGAGEMENT:

Inform

Prior to and during construction of this project, staff have informed the community regarding the progress of this project using the media, social media, and the City's website.

ALTERNATIVE ACTIONS:

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

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

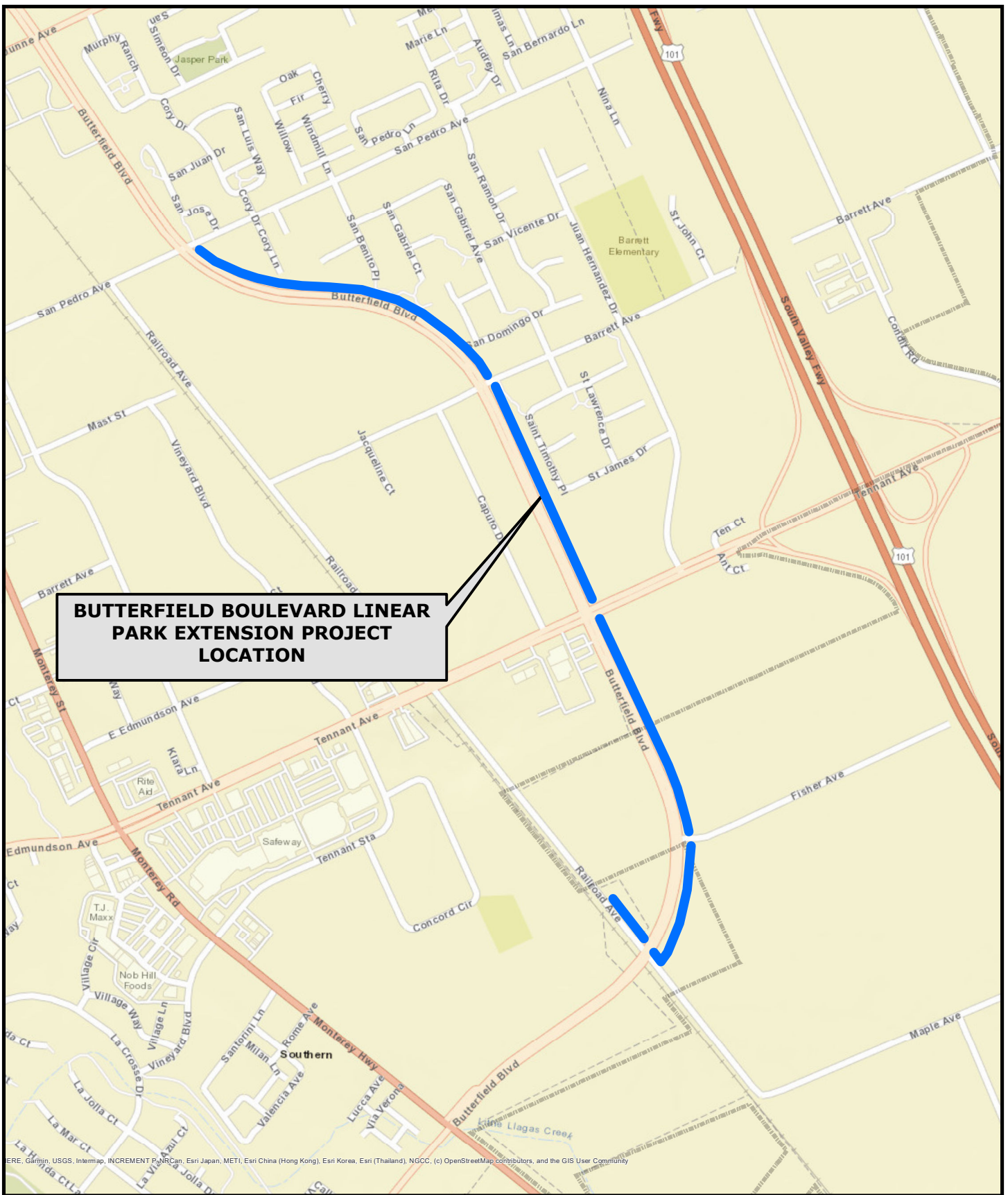
- July 19, 2017 – Adopted the Bikeways, Trails, Parks, and Recreation Master Plan.
- February 7, 2018 – Adopted resolution amending Fiscal Year 2017-18 budget to accommodate the addition of a new capital improvement project, Butterfield Connector Path Project.
- September 23, 2020 - Awarded Butterfield Boulevard Linear Park Extension Project

FISCAL AND RESOURCE IMPACT:

The final contract amount for the Butterfield Boulevard Linear Park Project is \$1,574,965.61. The project was awarded to Terramark General Engineering Contractors, Inc. in the amount of \$1,439,226 with an authorized contingency of \$143,923 (Total of \$1,583,149). The project is funded in the adopted Capital Improvement Program budget, under Project #148017, Butterfield Boulevard Linear Park Project, utilizing Park Impact Fund (301). If accepted, approximately \$1,700,000 from the "Urban Greening" grant will be reimbursed to the City for any reimburseable project costs, including but not limited to the Terramark contract, administrative and other miscellaneous costs. The grant amount will go back to the Park Impact Fund (301). Three change orders were authorized in the amount of \$135,739.61. The balance of \$8,183.39 will be returned to the Park Impact Fund (301).

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

The Butterfield Boulevard Linear Park Extension Project is categorically exempt from CEQA per Section 15304(b)(h) – Minor Alteration to Land, 15301(c) – Existing Facilities and 15303(e) – Construction or Conversion of Small Structures of the CEQA Guidelines.



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



CITY OF MORGAN HILL
Engineering and Utilities Division
Capital Improvement Program

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BUTTERFIELD BOULEVARD LINEAR PARK EXTENSION PROJECT



0 312.5 625 1,250 1,875 2,500
 Feet

CIP Contract Acceptance Funding Closeout Statement

Project:	Butterfield Boulevard Linear Park Extension Project		
Project No:	148017		
Date of Project Award:	23-Sep-20	Project Award Amount:	
Funding Source:	F301	Contingency Authorized:	
Date of Project Acceptance:	4-May-22	Total Authorized:	
		Actual Base Contract Spent:	

Change Orders			
	Description	Date	Council Approval Req'd? (Y/N)
C.O. #1:	Digout and Repair Subgrade, Remove and Replace section of Curb and Gutter due to Grade Issue and Additional Landscaping behind Butterfield Channel	28-May-21	N
C.O. #2:	Raise Existing Traffic Signal Pole, Additional Asphalt Concrete, Potholing, and Miscellaneous adds and deducts	8-Oct-21	N
C.O. #3:	Miscellaneous Adds and Deducts to Unit Cost, Additional Trees, and Repair of Rip Rap	31-Jan-22	N
			Total C.O.:

Additional Appropriations		
Source	Amount	Date
None		

	Total Construction Amount (Base Contract plus CO's):
Construction Fund Balance:	\$8,183.39

\$1,439,226
\$143,923
\$1,583,149
\$1,439,226

\$127,496.00
\$2,235.24
\$6,008.37
\$135,739.61

\$1,574,965.61

Recording Requested By:

When Recorded Mail To:

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

NOTICE OF COMPLETION

Civil Code §§ 8182, 8184, 9204, and 9208

NOTICE IS HEREBY GIVEN THAT:

1. The undersigned is the Owner or agent of the Project described below.
2. Owner's full name is City of Morgan Hill.
3. Owner's address is 17575 Peak Avenue, Morgan Hill, CA 95037.
4. The nature of Owner's interest in the Project is:
XX Fee ownership ___ Lessee ___ Other:
5. Construction work on the Project performed on Owner's behalf is generally described as follows: Construction of Class I Trail along Butterfield Boulevard from San Pedro Avenue to Railroad Avenue
6. The name of the original Contractor for the Project is: Terramark General Engineering Contractors, Inc.
7. The Project was completed on: March 31, 2022
8. The Project is along Butterfield Boulevard from San Pedro Avenue to Railroad Avenue

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

Date and Place

Signature

Scott Creer, City Engineer



CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Kim Mancera, Municipal Services Assistant

APPROVED BY: City Manager

ADOPT RESOLUTION DETERMINING THAT CONDUCTION OF IN-PERSON MEETINGS WOULD PRESENT A PUBLIC HEALTH RISK AND CONTINUING TELECONFERENCE MEETINGS

RECOMMENDATION(S)

Adopt resolution to continue holding City Council and commission meetings by teleconference.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Preserving and Cultivating Public Trust

REPORT NARRATIVE:

In light of the existing state of emergency and [the County Health Officer's recommendation](#), the attached Resolution has been prepared to enable all legislative bodies of the City of Morgan Hill to continue to meet remotely in accordance with AB 361. The Resolution directs all legislative bodies subject to the Brown Act, including the City Council, Planning Commission, Parks and Recreation Commission, and the Library, Culture, and Arts Commission, to continue to only meet remotely in accordance with AB 361. The Resolution also makes the necessary findings under AB 361 by finding that a state of emergency continues to exist relating to COVID-19 and this necessitates that legislative bodies continue to meet remotely. The Resolution is consistent with the County Health Officer's recommendation that legislative bodies continue to meet remotely to promote social distancing to reduce the risk of COVID-19 transmission.

COMMUNITY ENGAGEMENT:

This report serves to inform the Community of the recommendation to continue teleconferenced meetings.

ALTERNATIVE ACTIONS:

The Council could choose not to adopt the proposed resolution and continue its May 18, 2022 meeting to a date certain for an in-person meeting. All meetings of the City and its

commissions going forward would also be in-person.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Each month since October 6, 2021, the City Council has adopted a resolution determining that conducting in-person meetings would present an imminent risk to attendees' health and electing to continue conducting meetings using teleconferencing.

FISCAL AND RESOURCE IMPACT:

Continued use of teleconferencing software has a minimal fiscal impact.

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 are not projects that require environmental review.

RESOLUTION NO. 22-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DETERMINING THAT CONDUCTING IN-PERSON MEETINGS OF THE CITY COUNCIL AND ITS BOARDS AND COMMISSIONS WOULD PRESENT IMMINENT RISKS TO ATTENDEES' HEALTH, AND ELECTING TO CONTINUE CONDUCTING MEETINGS USING TELECONFERENCING IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54953(e) (AB 361)

WHEREAS, on March 4, 2020, Governor Newsom declared a state of emergency related to the COVID-19 global pandemic, a state of emergency that is ongoing; and

WHEREAS, on March 13, 2020, the City Manager in her capacity as Emergency Services Director declared a local emergency due to the spread of COVID-19, and that emergency declaration was ratified on March 18, 2020; and

WHEREAS, the City of Morgan Hill remains in a state of emergency due to the continuing spread of COVID-19; and

WHEREAS, the Centers for Disease Control and Prevention recommends physical distancing of at least six (6) feet whenever possible, avoiding crowds, and avoiding spaces that do not offer fresh air from the outdoors, particularly for people who are not fully vaccinated, or are at a higher risk of severe illness due to COVID-19; and

WHEREAS, the City's public meeting facility is indoor and not designed to ensure circulation of fresh/outdoor air, and not designed to ensure that attendees can remain six (6) feet apart; and

WHEREAS, holding in-person meetings would encourage community members to come to City facilities to participate in local government, and some of them would be at high risk of severe illness due to COVID-19; and

WHEREAS, technology exists that allows full participation from members of the public without requiring in-person attendance at a City Council meeting.

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

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

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

1. The conduct of in-person public meetings would pose imminent risks to the health of attendees.
2. Public health and safety and the public right to participate in local government are both critically important. The City of Morgan Hill is committed to balancing both by making City Council and commission meetings accessible through multiple formats and by allowing real-time public comment through teleconferencing solutions.
3. The City Council will renew these findings at least every thirty (30) days in accordance with Government Code section 54953(e) until the state of emergency related to COVID-19 has been lifted or until the City Council determines that in-person meetings no longer pose imminent risks to the health of attendees, whichever comes first.

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

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the May 18, 2022.

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

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 22-XXX, adopted by the City Council at a regular meeting held on May 18, 2022.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Chris Ghione, Public Services Director

APPROVED BY: City Manager

ADOPT RESOLUTION DESIGNATING THE CITY'S ENFORCEMENT AGENCY FOR REGULATING SINGLE-USE FOODWARE AS REQUIRED BY ASSEMBLY BILL 1276

RECOMMENDATION(S)

Adopt resolution designating the City's enforcement agency for regulating single-use foodware as required by Assembly Bill 1276.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land

REPORT NARRATIVE:

On October 5, 2021, the Governor signed Assembly Bill (AB) 1276, which beginning January 1, 2022, requires food facilities to only provide food service ware accessories (utensils, straws, stirrers, etc.) and standard condiments packaged for single use upon consumer request. Food providers may not proactively offer these items to consumers except for drive-through orders. Food ordering platforms, including third-party delivery services, must provide consumers an option to affirmatively request each accessory or standard condiment. Accessories must be provided individually and cannot be packaged together. Self-service dispensers that dispense one accessory at a time and self-serve bulk condiment dispensers are acceptable.

The legislation requires Cities to on or before June 1, 2022, authorize an enforcement agency to enforce the provisions of AB 1276 (California Public Resources Code Section 42270 - 42273). The attached resolution, consistent with the City's polystyrene ordinance, designates the Public Services Director as the enforcement agent, with the City's Environmental Services Division taking on the role of enforcing the State requirements. At this time the Division is focused on water conservation, implementing mandated storm water requirements, and implementing the City's Private Sewer Lateral Ordinance. Additionally, the Division is attempting to implement the Climate Action Plan with no additional dedicated resources. For these reasons, the Division intends to limit actions to updating the City's website and providing communications on the new state

requirements, but does not intend to actively enforce through inspections. However, should reports be made to the City, the City will respond.

COMMUNITY ENGAGEMENT:

Inform

No engagement was performed previously as this is a mandated state requirement.

However, the City intends to provide education to businesses and residents on the new requirements.

ALTERNATIVE ACTIONS:

There is no feasible alternative actions to adopting the ordinance, as it is required to meet state law. The Council could choose to provide alternative direction on City implementation of enforcement actions.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There are no prior Council actions related to this item.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with the recommended action. The Environmental Services Division has anticipated and planned for the limited required implementation within its work plan.

CEQA (California Environmental Quality Act):

Categorical Exemption

Actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment are categorically exempt.

RESOLUTION NO: XX-XXX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL AUTHORIZING THE ENFORCEMENT
OF ASSEMBLY BILL NO. 1276 PROHIBITING FOOD
FACILITIES FROM PROVIDING ANY SINGLE-USE
FOODWARE ACCESSORY OR STANDARD CONDIMENT
UNDER CERTAIN CONDITIONS**

WHEREAS, the City of Morgan Hill, is a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California (“City”); and

WHEREAS, The California State Legislature recognizes that littered plastic products have caused and continue to cause significant environmental harm and has enacted AB1276, which prohibits food facilities from providing any single-use food ware accessory or standard condiment to a consumer unless requested by the consumer; and

WHEREAS, the State of California requires Cities to on or before June 1, 2022, authorize an enforcement agency to enforce the provisions of AB1276 (California Public Resources Code Section 42270 - 42273).; and

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

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

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

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

1. Authorizes the Public Services Director and/or his/her designees to serve as\the enforcement agency for the City of Morgan Hill as required by State Law;

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

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill
at a regular meeting held on the May 18, 2022.

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

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify
that the foregoing is a true and correct copy of Resolution No.xx-xxx, adopted by the City Council
at a regular meeting held on May 18, 2022.

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

DATE: _____

MICHELLE BIGELOW , City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Kim Mancera, Municipal Services Assistant

APPROVED BY: City Manager

ADOPT ORDINANCE 2334, NEW SERIES, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF MORGAN HILL AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2334, 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.

Estimated Time: 5 Minutes

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Preserving and Cultivating Public Trust

2022-2023 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

On April 20, 2022, the City Council introduced Ordinance 2334 New Series, by the following roll call vote: Ayes: Borgioli, Constantine, Martinez Beltran, McKay, Spring; Noes: None; Abstain: None; Absent: None.

On November 17, 2021, the City Council adopted a resolution adjusting the salary schedule for Management, Professional, and Confidential Employees (Resolution No. 21-050). The resolution also includes the employees sharing of employer's CalPERS rate of 6.12% beginning with the pay period including July 1, 2022. Subsequently, on March 2, 2022, the City Council adopted Resolution No. 22-049, adding Section 20516 Cost Share to the Resolution No. 21-050 as one of the steps in the procedures required to amend the City's CalPERS contract in order to ensure that employees receive credit for their increased contributions.

The first step in the process was for the City Council to adopt a Resolution of Intention and conduct a first reading of the ordinance amending the California Public Employees

Retirement System (CalPERS) contract. The final ordinance is returning to City Council for approval of the second reading and adoption. This date cannot be earlier than twenty (20) days after adoption of the Resolution of Intention and the effective date of the ordinance will be 30 days following the date of adoption. The effective date of the CalPERS amendment to the contract will be the pay period beginning June 26, 2022.

COMMUNITY ENGAGEMENT:

Public notice was published in the local newspaper on April 8, 2022, informing the community of the proposed amendment of the CalPERS contract.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On April 20, 2022, the City Council adopted the resolution of intention and introduction of ordinance to amend the CalPERS contract.

On November 17, 2021, the City Council approved the current Management, Professional, and Confidential Employees Resolution and corresponding salary schedules.

FISCAL AND RESOURCE IMPACT:

The additional employee contribution of the CalPERS employer contribution will be incorporated in the City budget.

CEQA (California Environmental Quality Act):

Not a Project

ORDINANCE NO. 2334, NEW SERIES

**AN ORDINANCE OF THE CITY OF MORGAN HILL
AUTHORIZING AN AMENDMENT TO THE CONTRACT
BETWEEN THE CITY OF MORGAN HILL AND THE BOARD
OF ADMINISTRATION OF THE CALIFORNIA PUBLIC
EMPLOYEES' RETIREMENT SYSTEM**

**THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA DOES
ORDAIN AS FOLLOWS:**

SECTION 1: That an amendment to the contract between the City of Morgan Hill and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

SECTION 2: The City Manager or his designee is authorized, empowered, and directed to execute said amendment for and on behalf of the City of Morgan Hill.

SECTION 3: This ordinance shall take effect thirty (30) days after the date of its passage and adoption. The City Clerk is hereby directed to publish in full or summary this ordinance pursuant to §36933 of the Government Code in a newspaper of general circulation in the City of Morgan Hill.

**THE FOREGOING ORDINANCE WAS INTRODUCED AT A REGULAR MEETING OF
THE CITY COUNCIL HELD ON THE 20th DAY OF APRIL 2022, AND WAS FINALLY
ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 18th DAY OF
MAY 2022, AND SAID ORDINANCE WAS DULY PASSED AND
ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:**

PASSED AND ADOPTED by the City Council of Morgan Hill at the regular meeting held on the 18th day of May 2022 by the following vote:

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

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

MICHELLE BIGELOW, City Clerk

∞ **CERTIFICATE OF THE CITY CLERK** ∞

I, MICHELLE BIGELOW, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2334, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 18th day of May 2022.

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

DATE: _____

MICHELLE BIGELOW, City Clerk



EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Morgan Hill

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective March 1, 1964, and witnessed January 8, 1964, and as amended effective June 1, 1972, May 1, 1976, January 1, 1977, December 17, 1981, August 1, 1982, August 16, 1983, July 1, 1988, January 7, 1990, April 29, 1990, August 17, 1991, June 21, 1997, April 17, 1999, February 20, 2000, July 1, 2002, June 18, 2006 and April 19, 2020 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 17 are hereby stricken from said contract as executed effective April 19, 2020, and hereby replaced by the following paragraphs numbered 1 through 17 inclusive:
 - 1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age shall mean age 55 for classic local miscellaneous members, age 62 for new local miscellaneous members, age 50 for classic local safety members and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after March 1, 1964 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

NO ADDITIONAL EXCLUSIONS

6. The percentage of final compensation to be provided for each year of credited prior and current service for classic local miscellaneous members in employment before and not on or after June 18, 2006 shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service prior to September 30, 1975, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).
7. The percentage of final compensation to be provided for each year of credited prior and current service for classic local miscellaneous members in employment on or after June 18, 2006 shall be determined in accordance with Section 21354.4 of said Retirement Law, subject to the reduction provided therein for service prior to September 30, 1975, termination of Social Security, for members whose service has been included in Federal Social Security (2.5% at age 55 Full and Modified).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local fire member shall be determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local police member shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).

12. Public Agency elected and elects to be subject to the following optional provisions:

- a. Section 21574 (Fourth Level of 1959 Survivor Benefits).
- b. Section 20903 (Two Years Additional Service Credit) for local miscellaneous members only.
- c. Section 20042 (One-Year Final Compensation) for classic members only.
- d. Section 20965 (Credit for Unused Sick Leave).
- e. Section 21024 (Military Service Credit as Public Service) for local police members only.
- f. Section 20516 (Employees Sharing Additional Cost):

From and after April 19, 2020, 3.604% for local miscellaneous members in the Morgan Hill Police Officers' Association, Community Service Officers' Association and American Federation of State, County, and Municipal Employees; 6.120% for classic local safety members in the Morgan Hill Police Officers' Association; and 1.329% for new local safety members in the Morgan Hill Police Officers' Association.

From and after April 19, 2020 and until the effective date of this amendment to contract, 3.604% for local miscellaneous members in the Unrepresented Management group.

From and after the effective date of this amendment to contract, 6.12% for local miscellaneous members in the Unrepresented Management group.

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

13. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on August 16, 1983. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
14. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
15. Public Agency shall also contribute to said Retirement System as follows:
 - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
16. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

17. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF MORGAN HILL

BY _____
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

RESOLUTION NO. 21-050

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ADJUSTING THE SALARY SCHEDULE FOR MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES (THIS RESOLUTION RESCINDS RESOLUTION NO. 21-025)

WHEREAS, the City Manager has presented to the City Council of the City of Morgan Hill a recommended set of salary ranges and benefits for the Management, Professional, and Confidential employees; and

WHEREAS, the City Council of the City of Morgan Hill has reviewed said recommendations;

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

SECTION 1 - SALARY RANGES

- A. Effective December 26, 2021, base salaries for Groups 1-A, 1-B, 1-C, and 1-D, increase by 4%. See Salary Schedule attached as **Exhibit A**.
- B. Effective the pay period including January 1, 2023, base salaries for Groups 1-A, 1-B, 1-C, and 1-D, increase by 2%, or 2.5% if San Francisco Bay Area CPI for Urban Wage Earners and Clerical Workers for the twelve month period ending June 30 is higher than 2%. See Salary Schedule attached as **Exhibit B and Exhibit C**.
- C. Groups 1-A, 1-B, 1-C, and 1-D base salary ranges include the employee PERS contribution which is deducted from payroll (See SECTION 3, E-H.)

SECTION 2 - ESTABLISHMENT OF COMPENSATION AND JOB DESCRIPTIONS FOR GROUPS 1-A, 1-B, 1-C, and 1-D

- A. The City Manager will establish the monthly compensation for the classifications in Group 1-A. In order to attract high quality executive managers, foster job security within a professional climate, and provide the flexibility to remain competitive within the area job market, the City Manager has authority to enter into individual employment agreements with each executive manager; provided that the terms of the employment agreement do not exceed the total compensation permitted by this Resolution.

Employees listed in Group 1-A may receive a severance allowance as provided for in an individual employment agreement when they are separated in good standing from employment; provided that such separation is not for cause, or for reasons listed in Government Code 19572, or for any employee who voluntarily resigns from City service for personal reasons.

- 1. The City Manager shall establish an allowance amount, not to exceed six months' salary, which is determined to be in the best interest of the city for the following executive

City of Morgan Hill
Resolution No. 21-050
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classifications of the Group 1-A:

Assistant City Manager for Administrative Services*
Assistant City Manager for Development Services
Chief of Police
Public Services Director

**Currently Unfunded Position*

2. The City Manager shall establish an allowance amount, not to exceed three months' salary, which is determined to be in the best interest of the City for the remaining classifications of the Group 1-A.
 3. This severance allowance is in addition to any unused vacation or administrative leave pay unused at the time of separation.
- B. Each Department Director will recommend to the City Manager the proposed monthly salary to be paid to each of the employees whose classification appears in Group 1-B, 1-C, and 1-D. Upon approval of the City Manager, the monthly salary will be set within the prescribed range for each classification. The City Manager has the authority to increase the monthly compensation for employees in Group 1-B, 1-C, and 1-D, by a maximum of 10% within the prescribed range each fiscal year based on each individual employee's performance.
- C. The City will contribute 2% of an employee's base salary to a City-sponsored IRS 457 deferred compensation program of the employee's choice (ICMA or Empower).
- D. When it is proposed by the Personnel Officer that a new classification be created or an existing classification be changed, the City Manager shall submit justification for approval of that action to the City Council and if that action is approved, the City Manager will have the authority to approve new and revised job descriptions.

SECTION 3 - CONTRIBUTIONS TO THE CalPERS RETIREMENT SYSTEM, GROUPS 1-A, 1-B, 1-C, and 1-D

- A. For "Classic Members" as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA) and in the CalPERS retirement system:
1. Non-Safety (miscellaneous) employees listed in Groups 1-A, 1-B, 1-C, and 1-D will receive CalPERS retirement benefits under the 2.5% at age 55 plan.
 2. Safety (sworn) employees listed in Groups 1-A and 1-B, will receive CalPERS retirement benefits under the 3% at age 50 plan.
- B. For "New Members" as defined by PEPRA and in the CalPERS retirement system:
1. Non-Safety (miscellaneous) employees listed in Groups 1-A, 1-B, 1-C, and 1-D will receive

City of Morgan Hill
Resolution No. 21-050
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CalPERS retirement benefits under the 2.0% at 62 plan.

2. Safety (sworn) employees listed in Groups 1-A and 1-B will receive CalPERS retirement benefits under the 2.7% at age 57 plan.

C. CalPERS defines a "New Member" as:

1. A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any other California public retirement system.
2. A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system.
3. A member who established CalPERS membership prior to January 1, 2013, and who is hired by a different CalPERS employer after January 1, 2013, after a break in service of greater than six months.
4. CalPERS refers to all members that do not fit the definition of a "new member" as a "classic member."

- D. Non-Safety (miscellaneous) employees: Beginning with CalPERS rates effective July 1, 2013, the City and Non-Safety (miscellaneous) Management, Professional, and Confidential employees agreed to split future employer rate increases at a 50/50 ratio. This methodology will be used in subsequent years should CalPERS increase the Miscellaneous contribution rates.
- E. The Miscellaneous "Classic Members" shall contribute, in addition to the "Classic Members" rate of 8.0%, an additional 5.165% towards the "Classic Members" CalPERS contribution rate for FY 2021-22. The total "Classic Members" employee contribution obligation shall be 13.165%.
- F. The Miscellaneous "New Members" shall contribute, in addition to the "New Members" rate of 7.0%, an additional 5.165% towards the "New Members" CalPERS contribution rate for FY 2020-21. The total "New Members" employee contribution obligation shall be 12.165%.
- G. Effective July 1, 2022 miscellaneous employees will share the employer's CalPERS contribution rate at 6.12%. The employee's contribution towards employer's share of pension cost will be capped at 6.12%. The City and employees agree to split any rate decreases below the FY 2022-23 employer's CalPERS contribution rate of 28.77% at a 50/50 ratio.
- H. Safety (sworn) PEPRAs employees: Beginning with CalPERS rates effective July 1, 2013, at which time the City's employer contribution PEPRAs rate was 11.5%, the City and Association agreed that, beginning with CalPERS PEPRAs rates effective July 1, 2013, safety (sworn) PEPRAs employees would not pay less than 11.50% and would split future increases to the City's employer PEPRAs contribution rates, including both the normal cost and any unfunded actuarial liability at a 50/50 ratio. For example, the City's employer CalPERS safety PEPRAs obligation was 12.114% in FY 16-17 with the PEPRAs employees' obligation was at 11.50%. Therefore, City paid half of the 0.614% increase over the base year City's employer PEPRAs

City of Morgan Hill
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cost of 11.50% (equal to 0.307%) and safety PEPRAs employees paid the other half (also equal to 0.307%). This methodology has been used in each year subsequent to FY 2016-17 and will be used in future years should CalPERS increase the City's employer Safety PEPRAs contribution rates. The Safety PEPRAs employees CalPERS contributions rate for 2021-22 shall be 14.709% (13.00% employee + 1.709% of the employer share).

- I. Safety (sworn) Classic employees: Beginning December 30, 2018, the City and Safety (sworn) Management, Professional, and Confidential employees agreed, in addition to employee CalPERS rate of 9.0%, a 6.12% towards the employer's share of pension costs (i.e. the total safety (Sworn) employee contribution for FY 2019-20 shall be 15.12% (9.00% employee + 6.12% of the employer share). The total employee contribution shall remain at 15.12% for the Safety (sworn) classic employees during the term of the Morgan Hill Police Officers' Association Memorandum of Understanding (MOU), which is December 30, 2018 – December 31, 2021.

SECTION 4 - HEALTH CARE CONTRIBUTIONS AND IRS 125 PLAN, GROUPS 1-A, 1-B, 1-C, and 1-D

- A. The City will contribute to the City's medical and dental plans as follows:
 1. For employees with family coverage, up to \$2,178/month in 2022 and up to \$2,309/month in 2023.
 2. For employees with employee plus one coverage, up to \$1,662/month in 2022 and up to \$1,762/month in 2023.
 3. For employees with employee only coverage, up to \$831/month in 2022 and up to \$881/month in 2023.
 4. Employees enrolling in City health but not using the maximum amount available from the City for their premium category (employee only, employee + 1, employee + family) shall not be entitled to the surplus. Employees enrolling in plans whose cost exceeds the maximum amount available from the City for their premium category shall have the difference deducted on a pre-tax basis from their paycheck.
 5. Employees who waive medical coverage and annually provide proof of alternate medical coverage shall be entitled to a taxable health in lieu payment of six hundred ten dollars (\$610) per month.
 6. If an employee waives medical and elects dental coverage, the employee will receive the taxable health in lieu payment of six hundred ten dollars (\$610) per month but will pay the appropriate dental premium.
- B. The City will continue to provide coverage under the Concern Employee Assistance Program.
- C. The City will continue to offer an IRS Section 125 program.

SECTION 5 - GENERAL BENEFIT PROVISIONS, GROUPS 1-A, 1-B, 1-C, AND 1-D

The City will comply with the requirements of the City Personnel Rules and Regulations and the Fair Labor Standards Act governing the use of taking and reporting time off work for management employees.

City of Morgan Hill
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A. Holidays

1. The City will grant the following paid holidays to employees:

New Year's Day
Martin Luther King, Jr. Day
President's Day
Cesar Chavez Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day

One-half (1/2) day holiday to be used during the furlough period or on the last workday before the holiday.

Two floating holidays which must be used during the fiscal year.

2. Holidays are paid at a rate of eight hours of time off; employees on alternate work schedules must use additional leave balances to receive full pay on a holiday.
3. With the approval of the employee's supervisor, employees may "float" holidays to another day within the same fiscal year provided they work on the holiday.

B. Sick Leave Accrual

1. Sick Leave credit for employees will be accumulated on the basis of eight hours of sick leave per month (96 hours per year).
2. The City will, at the end of each calendar year, pay each employee twenty-five percent of the unused sick leave earned that year unless the employee requests not to receive such a payment.
3. The balance of the unused sick leave will then be accumulated on an unlimited basis.
4. Upon retirement, 100% of the employee's unused sick leave balance will be credited to the employee's retirement eligibility. This amount would then be converted into time in service and added to the employee's retirement eligibility. (Reference - City contract with CalPERS, Section 20862.8)
5. Each employee may take 16 hours of personal leave time during the fiscal year which is charged against the current year's sick leave accrual.

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6. The City Manager may negotiate establishing a leave "bank" with new employees at time of hire.

C. Vacation Leave Accrual

1. Each employee will be credited vacation on the basis of 120 hours per year for the first five years of City service. After five years of service, vacation will be credited on the basis of 160 hours per year.
2. The maximum accumulation of vacation will be no more than that earned for two years.
3. Additional vacation accrual will not be provided until the employee's vacation balance drops below the maximum accrual limit as of June 30 in any given year.
4. The City Manager may negotiate vacation accrual rates and/or establish a leave "bank" with new employees at time of hire.

D. Administrative Leave, Groups 1-A, 1-B, and 1-C

1. Employees listed in Groups 1-A, 1-B, and 1-C receive and may use up to 72 hours of administrative leave with pay per fiscal year.
2. Administrative leave time for employees in Groups 1-A, 1-B, and 1-C will be available for one additional year if not used in the fiscal year that it was initially available. If, however, the administrative leave time that was carried over to the following fiscal year is not used during the second year, it will be lost at the end of the second fiscal year. In effect, the maximum amount of administrative leave time that may be available to an employee at any given time is 144 hours.
3. Effective July 1, 2016, new employees who are hired during any month other than July, will initially receive prorated administrative leave hours of six (6) hours per month depending on date of hire and the hours will be banked at time of hire (i.e. employees hired in the month of August would receive 66 hours of administrative leave because they will be working a total of eleven (11) months in the fiscal year). All regular, full-time employees will receive 72 hours of administrative leave each fiscal year following their hire date. Part-time employees have prorated benefits and their total administrative leave hours will be prorated based on their position allocation.

E. Leave Cash Out

Employees listed in Groups 1-A, 1-B, 1-C and 1-D may cash out up to 120 hours of accrued vacation, administrative leave, or a combination of the two, per calendar year. Employees must make an irrevocable election by December 1 of each year for the following calendar year stating their intent to cash out and the eligible number of hours. If employees do not request payment of the elected cash amount by November 1 of each year, Payroll will automatically cash out the amount designated by the employee on or after the pay period including November 1st.

City of Morgan Hill
Resolution No. 21-050
Page 7 of 13

F. Bereavement Leave

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

Special circumstances beyond this definition may be considered on a case-by-case basis and must be approved by the City Manager. This leave will not affect the twenty-five percent cash out of sick leave for the same calendar year.

G. Professional Development

It shall be the philosophy of the City to encourage employees to attend classes, seminars, conferences, etc. which will enable the employee to develop professionally. Such attendance must be approved by the Department Director or the City Manager. The City may request employees who complete such a course to report or train other employees in the skills they have attained.

1. Tuition Reimbursement Program

Employees are eligible to receive tuition reimbursement of up to \$3,000 per fiscal year for the cost of books and tuition for classes or courses beneficial to the employee's career development. All classes must be approved in advance by the Department Director or City Manager. Reimbursement will take place upon a successful completion or passing of the course.

2. Membership Dues

For employees listed in Groups 1-A and 1-B, the City shall provide a personal membership dues reimbursement of up to \$1,200 per fiscal year for costs associated with joining and participating in Morgan Hill community service organizations such as Rotary or Kiwanis. Reimbursement of membership dues for community service organizations requires the prior approval by the Department Director or the City Manager.

H. Life and Disability Insurance

The City shall pay the premiums for short-term disability, long-term disability, and life insurance plans.

1. Life insurance levels shall be as follows for the employees listed in Section 1:

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Group 1-A	\$250,000
Group 1-B	\$150,000
Group 1-C	\$100,000
Group 1-D	\$100,000

This amount decreases when the employee reaches age 65, 70, and 75. The Life Insurance benefit will be paid to the employee's beneficiary upon the death of the employee as outlined in the program documents.

2. Short-term disability coverage for employees shall be at the maximum rate of \$1,384 per week based on 66⅔% of the actual weekly salary after an eight-day elimination period.
3. Long-term disability coverage for employees shall be at the maximum rate of \$6,000 per month based on 66⅔% of the actual monthly salary after a 60-day elimination period.

I. Retirement Medical Plan

Upon retirement, employees may continue enrollment in the medical insurance plans provided by CalPERS without an interruption of coverage. Such enrollment will be contingent upon the employee meeting the requirements of the medical plans provided by CalPERS and paying the monthly premium to CalPERS at the employee's expense. It will be the employee's responsibility to make sure the insurance premium is paid to CalPERS before the due date. Failure to do so will result in the employee being terminated from their medical coverage.

J. Special Assignment Pay

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

K. Employee Uniform Allowance

Safety employees in Groups 1-A and 1-B will be eligible for the following uniform allowance:

Chief of Police and Police Captain:	\$1,400
Police Support Services Manager:	\$810

L. Work Schedule

The City Manager will establish the standard work schedule for employees. Based on the needs of the City, the City Manager may at his/her discretion, change the work schedules of

City of Morgan Hill
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employees at any time.

M. Auto Allowance

The City Manager may establish a monthly allowance for selected employees listed in Groups 1-A and 1-B who use their personal vehicles on City business. Based on the needs of the City, the City Manager may, at his/her discretion, change the auto allowance of employees at any time. The current monthly allowance range is \$225 - \$325.

N. Cell Phone Allowance

The City Manager may establish a monthly allowance for selected employees who use their personal cell phones on City business. Based on the needs of the City, the City Manager may, at his/her discretion, change the cell phone allowance of employees at any time. The current monthly allowance is established in Administrative Policy III019.

O. Bilingual Pay

Employees identified by the City Manager/Department Head to use another language in their work and who are certified by the process described below shall receive the following compensation:

- a. Employees shall receive a monthly stipend of \$150.
- b. The Certification process shall be completed by a provided contractor by Human Resources or a 3 person panel (established by Human Resources) to determine conversational competence. Employees shall be subject to recertification every 2 years unless waived by City.
- c. An eligible employee may request to be tested for bilingual certification at any time and the test shall occur within a reasonable amount of time.

SECTION 6-EFFECTIVE DATE

This resolution shall be effective December 26, 2021. Compensation shall be made available to only those employees covered by this section who are still employed as a Management, Professional, or Confidential employee with the City as of the effective date of this agreement. As of the effective date of this Resolution, Resolution No. 21-025 shall be superseded and rescinded.

City of Morgan Hill
Resolution No. 21-050
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PASSED, APPROVED, AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 17th day of November 2021 by the following vote:

AYES:	COUNCIL MEMBERS:	Borgioli, Constantine, Martinez Beltran, McKay, Spring
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:

DocuSigned by:
Rich Constantine
02EAF5B057884E7

RICH CONSTANTINE, Mayor

ATTEST:

DocuSigned by:
Michelle Bigelow
C0FCB7EABA7C4C8

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. 21-050 adopted by the City Council at the meeting held on the 17th day of November 2021.

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

DATE: 11/18/2021

DocuSigned by:
Michelle Bigelow
C0FCB7EABA7C4C8

MICHELLE BIGELOW, City Clerk

City of Morgan Hill
Resolution No. 21-050
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EXHIBIT A

CITY OF MORGAN HILL MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEE GROUP SALARY SCHEDULE

Effective: December 26, 2021

* Currently Unfunded Positions

Job Classification	Bottom of Range	Top of Range Monthly
Group 1-A: Executive Management		
Assistant City Manager for Administrative Services *	\$15,495	\$20,361
Assistant City Manager for Development Services	\$15,495	\$20,361
Chief of Police	\$15,495	\$20,361
Public Services Director	\$15,495	\$20,361
Community Services Director *	\$14,760	\$19,436
Development Services Director	\$14,760	\$19,436
Economic Development Director	\$14,760	\$19,436
Engineering and Utilities Director *	\$14,760	\$19,436
Finance Director	\$14,760	\$19,436
Housing Director	\$14,760	\$19,436
Communications and Engagement Director	\$12,736	\$16,736
Human Resources Director	\$12,736	\$16,736
Information Technology Director	\$12,736	\$16,736
Group 1-B: Middle Management		
Police Captain	\$12,989	\$17,066
Building Official	\$12,736	\$16,736
Deputy Director for Engineering	\$12,736	\$16,736
Deputy Director for Utilities Services	\$12,736	\$16,736
Housing Manager*	\$12,736	\$16,736
Planning Manager *	\$12,736	\$16,736
Program Administrator	\$12,736	\$16,736
Assistant City Attorney	\$11,934	\$15,655
Assistant to the City Manager *	\$11,934	\$15,655
City Clerk	\$11,934	\$15,655
Economic Development Manager*	\$11,259	\$14,769
Environmental Services Administrator	\$11,259	\$14,769
Principal Planner	\$11,259	\$14,769
Senior Civil Engineer	\$11,259	\$14,769
Senior Project Manager	\$11,259	\$14,769
Budget Manager	\$10,411	\$13,693
Building Manager *	\$10,411	\$13,693
Communications and Engagement Manager *	\$10,411	\$13,693
Community Services Manager *	\$10,411	\$13,693
Environmental Services Manager	\$10,411	\$13,693
Information Services Manager *	\$10,411	\$13,693
Maintenance Manager	\$10,411	\$13,693
Police Support Services Manager	\$10,411	\$13,693
Recreation Manager	\$10,411	\$13,693
Supervising Civil Engineer	\$10,411	\$13,693
Utility Systems Manager	\$10,411	\$13,693
Accounting Manager *	\$9,691	\$12,739
Financial and Policy Analyst *	\$9,691	\$12,739
Police Administrative Manager	\$9,691	\$12,739
Public Services Administrative Manager	\$9,691	\$12,739
Senior Planner	\$9,691	\$12,739
Community Services Supervisor	\$8,780	\$11,203
Council Services and Records Manager *	\$8,780	\$11,203
Deputy City Attorney *	\$8,780	\$11,203
Economic Development Coordinator	\$8,780	\$11,203
Emergency Services Coordinator	\$8,780	\$11,203
GIS / Land Use Data Administrator	\$8,780	\$11,203
Maintenance Services Coordinator	\$8,780	\$11,203
Older Adult Services Supervisor	\$8,780	\$11,203
Programmer Analyst	\$8,780	\$11,203
Senior Human Resources Analyst	\$8,780	\$11,203
Risk Management Analyst (.50 FTE)	\$4,185	\$5,491
Group 1-C: Confidential Exempt		
Administrative Analyst	\$8,369	\$10,982
Legal Specialist	\$7,530	\$9,907
Group 1-D: Confidential Non-Exempt		
Accounting Technician	\$6,676	\$8,761
Human Resources Technician	\$6,676	\$8,761
Human Resources Assistant *	\$5,228	\$6,839

***Monthly figures are rounded to the nearest \$1.00

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EXHIBIT B

CITY OF MORGAN HILL MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEE GROUP SALARY SCHEDULE

CPI below 2% Increase is 2%
Effective: December 25, 2022

* Currently Unfunded Positions

Job Classification	Bottom of Range	Top of Range Monthly
Group 1-A: Executive Management		
Assistant City Manager for Administrative Services *	\$15,805	\$20,768
Assistant City Manager for Development Services	\$15,805	\$20,768
Chief of Police	\$15,805	\$20,768
Public Services Director	\$15,805	\$20,768
Community Services Director *	\$15,055	\$19,825
Development Services Director	\$15,055	\$19,825
Economic Development Director	\$15,055	\$19,825
Engineering and Utilities Director *	\$15,055	\$19,825
Finance Director	\$15,055	\$19,825
Housing Director	\$15,055	\$19,825
Communications and Engagement Director	\$12,991	\$17,071
Human Resources Director	\$12,991	\$17,071
Information Technology Director	\$12,991	\$17,071
Group 1-B: Middle Management		
Police Captain	\$13,249	\$17,408
Building Official	\$12,991	\$17,071
Deputy Director for Engineering	\$12,991	\$17,071
Deputy Director for Utilities Services	\$12,991	\$17,071
Housing Manager *	\$12,991	\$17,071
Planning Manager *	\$12,991	\$17,071
Program Administrator	\$12,991	\$17,071
Assistant City Attorney	\$12,173	\$15,968
Assistant to the City Manager *	\$12,173	\$15,968
City Clerk	\$12,173	\$15,968
Economic Development Manager *	\$11,485	\$15,065
Environmental Services Administrator	\$11,485	\$15,065
Principal Planner	\$11,485	\$15,065
Senior Civil Engineer	\$11,485	\$15,065
Senior Project Manager	\$11,485	\$15,065
Budget Manager	\$10,620	\$13,967
Building Manager *	\$10,620	\$13,967
Communications and Engagement Manager *	\$10,620	\$13,967
Community Services Manager *	\$10,620	\$13,967
Environmental Services Manager	\$10,620	\$13,967
Information Services Manager *	\$10,620	\$13,967
Maintenance Manager	\$10,620	\$13,967
Police Support Services Manager	\$10,620	\$13,967
Recreation Manager	\$10,620	\$13,967
Supervising Civil Engineer	\$10,620	\$13,967
Utility Systems Manager	\$10,620	\$13,967
Accounting Manager *	\$9,885	\$12,993
Financial and Policy Analyst *	\$9,885	\$12,993
Police Administrative Manager	\$9,885	\$12,993
Public Services Administrative Manager	\$9,885	\$12,993
Senior Planner	\$9,885	\$12,993
Community Services Supervisor	\$8,956	\$11,427
Council Services and Records Manager *	\$8,956	\$11,427
Deputy City Attorney *	\$8,956	\$11,427
Economic Development Coordinator	\$8,956	\$11,427
Emergency Services Coordinator	\$8,956	\$11,427
GIS / Land Use Data Administrator	\$8,956	\$11,427
Maintenance Services Coordinator	\$8,956	\$11,427
Older Adult Services Supervisor	\$8,956	\$11,427
Programmer Analyst	\$8,956	\$11,427
Senior Human Resources Analyst	\$8,956	\$11,427
Risk Management Analyst (.50 FTE)	\$4,269	\$5,601
Group 1-C: Confidential Exempt		
Administrative Analyst	\$8,536	\$11,201
Legal Specialist	\$7,680	\$10,105
Group 1-D: Confidential Non-Exempt		
Accounting Technician	\$6,810	\$8,936
Human Resources Technician	\$6,810	\$8,936
Human Resources Assistant *	\$5,333	\$6,976

***Monthly figures are rounded to the nearest \$1.00

City of Morgan Hill
Resolution No. 21-050
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EXHIBIT C

CITY OF MORGAN HILL MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEE GROUP SALARY SCHEDULE

CPI more than 2% Increase is 2.5%
Effective: December 25, 2022

* Currently Unfunded Positions

Job Classification	Bottom of Range	Top of Range Monthly
Group 1-A: Executive Management		
Assistant City Manager for Administrative Services *	\$15,882	\$20,870
Assistant City Manager for Development Services	\$15,882	\$20,870
Chief of Police	\$15,882	\$20,870
Public Services Director	\$15,882	\$20,870
Community Services Director *	\$15,129	\$19,922
Development Services Director	\$15,129	\$19,922
Economic Development Director	\$15,129	\$19,922
Engineering and Utilities Director *	\$15,129	\$19,922
Finance Director	\$15,129	\$19,922
Housing Director	\$15,129	\$19,922
Communications and Engagement Director	\$13,055	\$17,155
Human Resources Director	\$13,055	\$17,155
Information Technology Director	\$13,055	\$17,155
Group 1-B: Middle Management		
Police Captain	\$13,313	\$17,493
Building Official	\$13,055	\$17,155
Deputy Director for Engineering	\$13,055	\$17,155
Deputy Director for Utilities Services	\$13,055	\$17,155
Housing Manager *	\$13,055	\$17,155
Planning Manager *	\$13,055	\$17,155
Program Administrator	\$13,055	\$17,155
Assistant City Attorney	\$12,232	\$16,046
Assistant to the City Manager *	\$12,232	\$16,046
City Clerk	\$12,233	\$16,046
Economic Development Manager *	\$11,541	\$15,138
Environmental Services Administrator	\$11,541	\$15,138
Principal Planner	\$11,541	\$15,138
Senior Civil Engineer	\$11,541	\$15,138
Senior Project Manager	\$11,541	\$15,138
Budget Manager	\$10,672	\$14,036
Building Manager *	\$10,672	\$14,036
Communications and Engagement Manager *	\$10,672	\$14,036
Community Services Manager *	\$10,672	\$14,036
Environmental Services Manager	\$10,672	\$14,036
Information Services Manager *	\$10,672	\$14,036
Maintenance Manager	\$10,672	\$14,036
Police Support Services Manager	\$10,672	\$14,036
Recreation Manager	\$10,672	\$14,036
Supervising Civil Engineer	\$10,672	\$14,036
Utility Systems Manager	\$10,672	\$14,036
Accounting Manager *	\$9,934	\$13,057
Financial and Policy Analyst *	\$9,934	\$13,057
Police Administrative Manager	\$9,934	\$13,057
Public Services Administrative Manager	\$9,934	\$13,057
Senior Planner	\$9,934	\$13,057
Community Services Supervisor	\$8,999	\$11,483
Council Services and Records Manager *	\$8,999	\$11,483
Deputy City Attorney *	\$8,999	\$11,483
Economic Development Coordinator	\$8,999	\$11,483
Emergency Services Coordinator	\$8,999	\$11,483
GIS / Land Use Data Administrator	\$8,999	\$11,483
Maintenance Services Coordinator	\$8,999	\$11,483
Older Adult Services Supervisor	\$8,999	\$11,483
Programmer Analyst	\$8,999	\$11,483
Senior Human Resources Analyst	\$8,999	\$11,483
Risk Management Analyst (.50 FTE)	\$4,290	\$5,629
Group 1-C: Confidential Exempt		
Administrative Analyst	\$8,578	\$11,256
Legal Specialist	\$7,718	\$10,155
Group 1-D: Confidential Non-Exempt		
Accounting Technician	\$6,843	\$8,980
Human Resources Technician	\$6,843	\$8,980
Human Resources Assistant *	\$5,359	\$7,010

***Monthly figures are rounded to the nearest \$1.00



CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Dwight Good, Assistant Chief

APPROVED BY: City Manager

ADOPT RESOLUTION GRANTING DELEGATION OF AUTHORITY TO FIRE CHIEF

RECOMMENDATION(S)

Adopt resolution granting delegation of authority to Fire Chief George Huang to sign and submit State Surplus Property Program Eligibility Application.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Preserving and Cultivating Public Trust

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Fire Services Standards of Coverage

Public Safety Master Plan

REPORT NARRATIVE:

The purpose of this action is to authorize the Fire Chief to complete and submit a State Surplus Property Program Eligibility Application for the purposes of obtaining certification from the California Department of General Service, Office of Fleet Management to accept surplus state property as a "Public Agencies Donee." Once certified, the City can acquire surplus property through the auspices of the California State Agency for Surplus property.

COMMUNITY ENGAGEMENT:

Inform

This staff report will serve to inform the community of the Fire Department's intention to become eligible to receive surplus state property.

ALTERNATIVE ACTIONS:

Council may elect not to grant the Delegation of Authority. However, the Fire Department will be unable to accept surplus state property without this Delegation of Authority.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

There are no fiscal impacts associated with this action.

CEQA (California Environmental Quality Act):

Not a Project

The creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment.

RESOLUTION NO. 22-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DELEGATING AUTHORITY TO THE FIRE CHIEF TO ACQUIRE SURPLUS PROPERTY THROUGH THE AUSPICES OF THE CALIFORNIA STATE AGENCY FOR SURPLUS PROPERTY AND ACCEPT RESPONSIBILITY FOR PAYMENT OF INCIDENTAL FEES BY THE SURPLUS PROPERTY AGENCY.

WHEREAS, the City of Morgan Hill Fire Department (Agency) desires certification from the California Department of General Service, Office of Fleet Management to accept surplus state property as a “Public Agencies Donee,” and;

WHEREAS, the California Department of General Service, Office of Fleet Management requires a Resolution by the Governing Body authorizing the Fire Chief to sign and submit various application documents for certification as a “Public Agencies Donee;”

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Morgan Hill does hereby delegate to the Fire Chief authority to sign and submit various application documents to the California Department of General Service, Office of Fleet Management on behalf of the Agency, for the purposes of obtaining certification as a “Public Agencies Donee;” and

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 18th day of May 2022.

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

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 22-XXX, adopted by the City Council at a regular meeting held on May 18, 2022.

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

DATE: _____

MICHELLE BIGELOW, City Clerk

Organization Name	Email	Phone Number	Fax Number
Morgan Hill Fire Department	dwight.good@fire.ca.gov	(408) 472-1605	(408) 779-1679
Address	City	State	Zip Code
15670 Monterey Road	Morgan Hill	CA	95037

RESOLUTION

"BE IT RESOLVED by the Governing Board, and hereby ordered that the official(s) and or employee(s) whose name(s), title(s), and signature(s) are listed below shall be and is (are) hereby authorized as our representative(s) to acquire surplus property through the auspices of the California State Agency for Surplus property and accept responsibility for payment of incidental fees by the surplus property agency under the Terms and Conditions accompanying this form or listed on the reserve side of this form."

Name	Title	Signature*	Email
George Huang	Fire Chief		george.huang@fire.ca.gov

*All signatures must be in original form. No copied or stamped signatures.

Date Resolution was PASSED and ADOPTED

Number of AYES	Number of NOES	Number of ABSENT

☐ By checking this box, I do hereby certify that the foregoing is a full, true, and correct resolution adopted by the Governing Board of the above named organization at the meeting thereof held at its regular place of meeting on the date and by the vote above stated, a copy of said resolution is on file in the principal office of the Governing Board.

Governing Board Name Morgan Hill City Council	Signed By
Signature	Date

STATE AGENCIES ONLY

Date Authorized	State Billing Code	
Chief Administrative Officer Name	Title	Signature

Item # 6

AGENDA DATE: 05/18/2022
SUPPLEMENT # 1

From: D. Muirhead <[REDACTED]>
Sent: Monday, May 16, 2022 9:06 AM
To: CC Public Comment <CCPublicComment@morganhill.ca.gov>
Subject: [EXTERNAL] comment City Council May 18 #6 Delegation to Fire Chief

Greeting Morgan Hill City Council, City Staff, and Residents,

Comment for the Morgan Hill City Council meeting on May 18, 2022
#6 Delegation of authority to Fire Chief George Huang

The "Community Engagement: Inform" missed the opportunity to provide useful information, which would be to describe the kinds of property which might be received rather than the accurate but useless process comment of the intention to become eligible to receive surplus state property.

Similar to Federal Surplus processes, State Surplus property may include tools, equipment, land, vehicles, computers, furniture, etc. This Resolution will give the Department an ability to pursue the acquisition of State Surplus property as it becomes available.

Thank you for your consideration, Doug Muirhead, Morgan Hill

WARNING: This message is from an external user. Confidential information such as social security numbers, credit card numbers, bank routing numbers, gift card 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: May 18, 2022

PREPARED BY:

Mario Ramirez, Police Captain

APPROVED BY: City Manager

AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH AXON IN THE AMOUNT OF \$778,400 FOR THE POLICE COMPUTER AIDED DISPATCH AND RECORDS MANAGEMENT SYSTEM UPGRADE

RECOMMENDATION(S)

Authorize the City Manager to execute and amend, when necessary, a 10-year agreement with Axon for a Computer Aided Dispatch and Records Management System subject to approval as to form by the City Attorney.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Maintaining and Enhancing Infrastructure

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Fiscal Sustainability

Guiding Documents

Public Safety Master Plan

REPORT NARRATIVE:

Background

In the early 1990s, the Morgan Hill Police Department entered into an informal agreement with Executive Information Systems (EIS) as a beta site for Computer Aided Dispatch/Report Management System (CAD/RMS). EIS is the CAD/RMS provider for one other city on the west coast and predominately serves the east coast. While the Police Department has had the same CAD/RMS vendor for 30 years, the company is small, provides limited customer support, and is unable to keep pace with rapidly changing technologies as well as mandated state reporting requirements via e-portals for law enforcement. EIS does not have an ecosystem of technologies that are compatible, resulting in many one-time fees of \$5,000 or more for each integration into

their system, such as:

- evidence
- servers
- internal affairs investigation software
- training software

Current Challenges

The Police Department's current CAD/RMS, EIS, is no longer meeting the functional needs of the Department. Two years ago, EIS was acquired by Hanover. Since then, their customer service has deteriorated, leaving technical failures unresolved for months, which negatively and disproportionately impacts our Information Technology team. Furthermore, the Police Department was recently notified by EIS that they would no longer be supporting their CAD software, requiring us to switch to new CAD software through their sister company, Smart Cop, resulting in additional costs.

Systemwide, EIS has compatibility issues with Windows 10. As a result, consoles cannot be properly upgraded and Dispatch's command key functionality does not operate. Moreover, this has disrupted the property and evidence workflows as the barcode scanner purchased just a few years ago through EIS is no longer working. The Police Department experiences a constant slow down of software performance during the afternoon hours, which affects the efficiency of our records team. The lack of functionality combined with the extremely slow repair process has placed the Police Department in a very vulnerable position, in which system failures have become the norm.

Daily Operational Needs:

Daily operational needs for a CAD/RMS include dispatch, mapping, mobile computers, booking, evidence, and report writing. Emergency dispatching is a dynamic and demanding task, all of which is done under critical circumstances. Dispatchers rely upon their CAD system to be intuitive, reliable, and responsive as they take calls, complete incident entries, and assign and track resources. EIS provides the basic functionality for these tasks, but there are significant challenges related to incident handling, unit recommendations and dispatch.

Mapping is a significant pain point in EIS, affecting both Dispatch and Patrol, and has been rendered ineffective. Both disciplines routinely use alternative applications for mapping needs. Mobile computers, available in the public safety environment for more than 30 years, allow officers to stay on the street longer because they have the resources they need inside their mobile unit. This provides better enforcement and delivery of services to the community. Mobile computers also make departments more efficient by electronically collecting and managing the officers' data, rather than relying on dispatchers to process officer information. There has been major growth in hardware and software over the last ten years. Currently, EIS provides only basic functions such as changing unit status, sending messages, and retrieving state queries. Today, far greater applications are now available, including GPS, enhanced mapping, and the

ability to write reports and submit them from the field. These newer applications enhance efficiency and allow officers to remain in their patrol vehicles and in the community, rather than returning to the police station to write a report.

Finally, EIS's barcode scanner is not compatible with Microsoft and has been decommissioned/replaced with a smartphone at EIS' recommendation.

Strategic, Administrative, Operational, and Tactical Decision Making:

To take a data-driven approach to reducing crime and enhancing public safety, the agency must be able to measure performance properly and accurately, capture statistical data, and monitor deviations. A robust CAD/RMS is the backbone of the Department and should be relied upon to inform command staff for decision making in the following areas: strategic (the ability to collect, conceptualize, analyze, interpret, and prepare police data to evaluate deployment models, police responses, and problem-solving efforts), administrative (customized reports for program management, presentation of crime statistics and establishing benchmarks, and accessing crime data for formal crime analysis), operational (includes various crime data points, calls for service information, arrest data, individual and team workload studies, beat workload evaluations, police accountability, and transparency), and tactical (critical decision making, access to the most up-to-date and relevant information). EIS is not equipped to support these needs. Police team members have been creative, developed work-arounds or relied upon third-party software to retrieve and disseminate this critical data to the Department.

Cyber Security:

An application on a virtual platform is on-premise and resides on the City's infrastructure. Our current CAD/RMS system with EIS uses a virtual platform, requiring on-premise infrastructure. It requires licensing, servers, databases, networking infrastructure, back-up software, integrations, and ongoing maintenance. A Software as a Service (SaaS) resides off-premise and off the City's infrastructure. Axon provides a SaaS solution for their CAD/RMS systems.

The City's current IT Department is lean and operates based on business hours.

Furthermore, critical applications require a reliable ecosystem with on-demand support if required. Strategically, SaaS provides high availability, business continuity, and disaster recovery. SaaS allows for ease of scalability and upgrades with no disruption.

Additionally, SaaS ensures the Police Department is compliant with our Criminal Justice Information System (CJIS) and California Law Enforcement Telecommunications System (CLETS) requirements as well as transfers the cybersecurity risk associated with the application outside of the City's infrastructure.

Proposal

The Police Department needs a viable solution to its current challenges with its CAD/RMS vendor, EIS. The Department seeks to purchase a new CAD/RMS specifically to eliminate currently redundant processes, consolidate workflow(s), integrate NextGen 911 technology, capture ongoing statistical data, accurately measure performance, better equip first responders with relevant information, free up resources,

enhance internal cross-training, improve security, and have a cloud-based solution that reduces IT support.

Axon would provide us with such a solution. Axon is the Department's vendor for body-worn cameras and Tasers. As a SaaS provider, Axon's ability to update systems remotely removes a large portion of the needed IT support and infrastructure that has created extended delays in implementing updates as they are released for our current CAD/RMS systems. A cloud-based product will continue to advance throughout the contract, keeping the police department on pace with current technology. Axon provides the added benefit of already working with our current platforms, which will optimize staff time and efficiencies.

Based on our current use of Axon technology, and our anticipated adoption of the Officer Safety Plan 7 (OPS 7), Axon is interested in working with us on CAD/RMS implementation over the next two years.

Axon Standards tracks all use of force, complaints, and vehicle collisions. Additionally, Axon Standards has an early intervention feature that will notify the Police Department if an officer requires additional training. As part of the Axon CAD/RMS, the City would also be getting Axon Standards. This will help the City address officer behavior sooner, reducing the number of complaints and use of force incidents through additional training. Axon Standards will also help the City in implementing best practices, which will decrease litigation complaints to the Police Department. Other potential benefits of being connected to the Axon network include:

- A reduction in the number of false complaints/allegations
- Decreased use of force and increased quality of evidence gathered
- Enhanced public trust creates safer communities at a lower cost
- Decreased litigation and increased cost savings
- Expedited pleas and associated cost savings
- Technology infrastructure savings
- Allows agencies to securely store and track any digital evidence, including videos, photos, reports, and download logs from tasers.
- Turns geospatial multi-media evidence, such as GPS tagged video, into visual dashboards with tactical maps and full click-through to underlying video data.
- CAD/RMS Integration
- The addition of CAD and RMS in the Axon product environment sets them entirely apart from any other Law Enforcement vendor.

Additionally, as part of this year's budget, the Police Department has asked for an increase in Axon funds to help pay for Axon OSP. OSP includes RMS licenses as part of the bundle, whether or not the City has Axon CAD/RMS, which led staff to begin researching Axon's new CAD/RMS technology as it meets the City's goals of implementing technology that works across all applications. This system is being designed to work with the current technologies the City has already implemented to improve overall efficiencies, and fully leverage the technology the City employs.

Axon is a sole source vendor, as it is the only company that manufactures Tasers and is the only company that has integrated Tasers and body-worn cameras with the rest of their technological platform with a CAD/ RMS system. Also, as a sole source vendor, the majority of this contract is extending or renegotiating existing contracts for support of equipment the City has already purchased.

As early adopters, the City would have greater influence over the product as it advances and will receive discounted pricing. Based on the quotes received, going into the contract now and implementing this change over the next two years will realize additional cost savings and remove the need for an anticipated CAD/RMS replacement.

COMMUNITY ENGAGEMENT:

This staff report serves to inform the community of the City's desire to enter into a 10-year Agreement with Axon for a police CAD/RMS upgrade.

ALTERNATIVE ACTIONS:

Council could direct staff to seek and contract with an alternative CAD/RMS provider; however, this will likely result in additional costs to ensure integration with our current Axon equipment, such as our Tasers, and body worn cameras.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Council has approved multiple purchase contracts with Axon for police equipment, such as Tasers, body worn cameras, cloud storage.

FISCAL AND RESOURCE IMPACT:

The total cost of the CAD/RMS licensing contract over the 10-year term is \$778,400, which includes one-time implementation cost of \$410,000 and an annual licensing fee of \$36,840. In comparison, continuing with EIS and factoring in our yearly cost for CAD/RMS over the same 10-year period is estimated at \$600,000. In addition, first billing won't start until the new system goes live.

There's sufficient funding available in the current year budget for the one-time implementation cost. Future funding for the annual licensing fee will be programmed in the budget process.

CEQA (California Environmental Quality Act):

Not a Project.

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

Non-Binding Budgetary Estimate



Axon Enterprise, Inc.
 17800 N 85th St.
 Scottsdale, Arizona 85255
 United States
 VAT: 86-0741227
 Domestic: (800) 978-2737
 International: +1.800.978.2737

Q-391679-44680.976WA

Issued: 04/29/2022

Quote Expiration: 06/20/2022

Estimated Contract Start Date: 06/15/2025

Account Number: 107493

Payment Terms: N30

Delivery Method: Fedex - Ground

SHIP TO	BILL TO
Business;Delivery;Invoice-16200 Vineyard Blvd 16200 Vineyard Blvd Morgan Hill, CA 95037-7164 USA	Morgan Hill Police Department - CA 16200 Vineyard Blvd Morgan Hill, CA 95037-7164 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Will Alexander Phone: Email: walexander@axon.com Fax:	Phone: (408) 779-2101 Email: mario.ramirez@morganhill.ca.gov Fax:

Quote Summary

Program Length	120 Months
TOTAL COST	\$778,400.00
ESTIMATED TOTAL W/ TAX	\$778,400.00

Discount Summary

Average Savings Per Year	(\$19,708.00)
TOTAL SAVINGS	(\$197,080.00)

Payment Summary

Date	Subtotal	Tax	Total
Jun 2025	\$86,840.00	\$0.00	\$86,840.00
Jun 2026	\$76,840.00	\$0.00	\$76,840.00
Jun 2027	\$76,840.00	\$0.00	\$76,840.00
Jun 2028	\$76,840.00	\$0.00	\$76,840.00
Jun 2029	\$76,840.00	\$0.00	\$76,840.00
Jun 2030	\$76,840.00	\$0.00	\$76,840.00
Jun 2031	\$76,840.00	\$0.00	\$76,840.00
Jun 2032	\$76,840.00	\$0.00	\$76,840.00
Jun 2033	\$76,840.00	\$0.00	\$76,840.00
Jun 2034	\$76,840.00	\$0.00	\$76,840.00
Total	\$778,400.00	\$0.00	\$778,400.00

Quote Unbundled Price:	\$581,320.00
Quote List Price:	\$581,320.00
Quote Subtotal:	\$778,400.00

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
A la Carte Software									
50300	AXON DISPATCH LICENSE	61	120		\$50.00	\$50.00	\$366,000.00	\$0.00	\$366,000.00
50300	AXON DISPATCH LICENSE	4	120		\$50.00	\$5.00	\$2,400.00	\$0.00	\$2,400.00
50300	AXON DISPATCH LICENSE	5	120		\$50.00	\$0.00	\$0.00	\$0.00	\$0.00
73891	RECORDS LICENSE, NON-SWORN	9	120		\$29.00	\$0.00	\$0.00	\$0.00	\$0.00
A la Carte Services									
73896	STANDARDS SERVICE, BASIC	1			\$10,000.00	\$10,000.00	\$10,000.00	\$0.00	\$10,000.00
85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	120		\$500.00	\$1,666.67	\$200,000.00	\$0.00	\$200,000.00
85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	120		\$500.00	\$1,666.67	\$200,000.00	\$0.00	\$200,000.00
Total							\$778,400.00	\$0.00	\$778,400.00

Delivery Schedule

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
A la Carte	50300	AXON DISPATCH LICENSE	61	06/15/2025	06/14/2035
A la Carte	50300	AXON DISPATCH LICENSE	4	06/15/2025	06/14/2035
A la Carte	50300	AXON DISPATCH LICENSE	5	06/15/2025	06/14/2035
A la Carte	73891	RECORDS LICENSE, NON-SWORN	9	06/15/2025	06/14/2035

Services

Bundle	Item	Description	QTY
A la Carte	73896	STANDARDS SERVICE, BASIC	1
A la Carte	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1
A la Carte	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1

Payment Details

Jun 2025						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 1	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 1	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 1	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00
Year 1	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 1	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Invoice Upon Fulfillment	73896	STANDARDS SERVICE, BASIC	1	\$10,000.00	\$0.00	\$10,000.00
Total				\$86,840.00	\$0.00	\$86,840.00

Jun 2026						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 2	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 2	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 2	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 2	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00
Year 2	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 2	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Total				\$76,840.00	\$0.00	\$76,840.00

Jun 2027						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 3	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 3	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 3	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 3	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00
Year 3	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 3	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Total				\$76,840.00	\$0.00	\$76,840.00

Jun 2028						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 4	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 4	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 4	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 4	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00
Year 4	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 4	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Total				\$76,840.00	\$0.00	\$76,840.00

Non-Binding Budgetary Estimate

Jun 2029						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 5	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 5	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 5	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 5	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00
Year 5	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 5	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Total				\$76,840.00	\$0.00	\$76,840.00

Jun 2030						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 6	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 6	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 6	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 6	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00
Year 6	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 6	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Total				\$76,840.00	\$0.00	\$76,840.00

Jun 2031						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 7	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 7	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 7	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 7	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00
Year 7	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 7	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Total				\$76,840.00	\$0.00	\$76,840.00

Jun 2032						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 8	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 8	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 8	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 8	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00
Year 8	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 8	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Total				\$76,840.00	\$0.00	\$76,840.00

Jun 2033						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 9	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 9	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 9	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 9	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00

Non-Binding Budgetary Estimate

Jun 2033						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 9	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 9	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Total				\$76,840.00	\$0.00	\$76,840.00

Jun 2034						
Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 10	50300	AXON DISPATCH LICENSE	61	\$36,600.00	\$0.00	\$36,600.00
Year 10	50300	AXON DISPATCH LICENSE	4	\$240.00	\$0.00	\$240.00
Year 10	50300	AXON DISPATCH LICENSE	5	\$0.00	\$0.00	\$0.00
Year 10	73891	RECORDS LICENSE, NON-SWORN	9	\$0.00	\$0.00	\$0.00
Year 10	85157	PROFESSIONAL SERVICES MILESTONE PAYMENT: RECORDS	1	\$20,000.00	\$0.00	\$20,000.00
Year 10	85159	PROFESSIONAL SERVICES MILESTONE PAYMENT: DISPATCH	1	\$20,000.00	\$0.00	\$20,000.00
Total				\$76,840.00	\$0.00	\$76,840.00

Non-Binding Budgetary Estimate

This Rough Order of Magnitude estimate is being provided for budgetary and planning purposes only. It is non-binding and is not considered a contractable offer for sale of Axon goods or services.

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.



Item # 7

AGENDA DATE: 05/18/2022
SUPPLEMENT # 1

From: D. Muirhead <[REDACTED]>

Sent: Monday, May 16, 2022 9:20 AM

To: CC Public Comment <CCPublicComment@morganhill.ca.gov>

Subject: [EXTERNAL] comment City Council May 18 #7 Computer Aided Dispatch + Records Management

Greetings Morgan Hill City Council, City Staff, and Residents,

Comment for the Morgan Hill Council meeting on May 18, 2022

#7 10-yr agreement for Computer Aided Dispatch

and Records Management System

I am not sure how much of the extensive report by Police Captain Ramirez would be understood by those not in law enforcement or the Community Law Enforcement Foundation (CLEF). I do appreciate the attempt. Just what is Officer Safety Plan 7 (OPS 7)?

The Officer Safety Plan will ensure the police department receives new equipment, such as the Tasers, body-worn cameras, and vehicle cameras, during the contract's life with Axon. Those items included:

- Taser 7 CEW
- Taser Dock
- Training Cartridges
- Duty Cartridges
- Axon Body Camera 3 (Body 3)
- Unlimited BWC storage
- Camera Hardware upgrades every 2.5 years

While we have been at the forefront of incorporating new technology as an agency, this has come with lessons learned. One major takeaway is that new technologies can lead to inefficiencies if they are not compatible or well-supported. As we work to create more efficient and accurate records and streamline processes to get officers back in the field, Axon has become the clear leader in creating a complete technology environment for law enforcement that works in concert to improve officer safety and performance both in the field. The Officer Safety Plan provides us with a platform that ensures we continue implementing the best technology practices.

I will comment on some process issues.

- Most troubling is the length of time, as problems compounded and lingered, before action was taken and this proposal crafted.

EIS is no longer a viable option in providing CAD/ RMS. As we began speaking with Axon regarding the Officer Safety Plan, we learned of their CAD/ RMS system and integrating our CAD/ RMS with Axon would be the best option.

- Software as a Service (SaaS) is the current solution du jour. Off-site and out of sight with attendant loss of local control. Remote updates are great until they fail (ticketing systems of airlines make the news often as an example).
- How will you structure your participation as early adopters? You will have to use new versions of products, taking staff time, and not in a way that risks operational impairment.

As outlined in the staff report, the City would have greater influence over the product as it advances as an early adopter. This will ensure we do not have any risks of functional impairments because we will be able to ensure the system is functioning properly during the system buildout.

- You may have a good working relationship with Axon. But this is sole-source and a long (10 year) timeframe without any comparative investigation (ALTERNATIVE ACTIONS: Council could direct staff to seek and contract with an alternative CAD/RMS provider; however, this will likely result in additional costs to ensure integration with our current Axon equipment, such as our Tasers, and body worn cameras.)

If we were to contract with another CAD/RMS provider, we would have to pay for the professional services. Additionally, we would also have to pay for an interface with Axon to convert all of our Body-worn camera data and taser data. This would include upfront costs and a yearly cost, which would be counterintuitive to the Council's 2022-2023 Strategic priorities of fiscal sustainability. Finally, Axon anticipates cost increases at around 4% per year for services not included in an ongoing contract. We can keep ongoing costs low for better fiscal sustainability by entering into a long-term contract.

Thank you for your consideration, Doug Muirhead, Morgan Hill

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CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Charlie Ha, Supervising Civil Engineer

APPROVED BY: City Manager

APPROVE PARCEL MAP FOR SABINI COURT SUBDIVISION (APN: 773-32-013) AND RELATED SUBDIVISION IMPROVEMENTS AGREEMENT

RECOMMENDATION(S)

1. Approve the Parcel Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with Strolata Properties, LLC; and
3. Authorize the recordation of the Parcel Map and Subdivision Improvements Agreement.

Estimated Time: NA

COUNCIL PRIORITIES, GOALS & STRATEGIES

2022-2023 Strategic Priorities

Economic Development

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

Sabini Court is a 4-lot residential subdivision located at the end of Sabini Court (see Attachment 1).

The developer, Strolata Properties, LLC, has completed all the conditions of the project's Tentative Parcel Map which was administratively approved by the Development Services Director on June 16, 2020. The City Council is required to approve the Parcel Map (Attachment 2) if it conforms to all the requirements of the Subdivision Map Act, and any conditions of approval for the Tentative Parcel Map.

The developer has furnished the City with the necessary documents to complete the processing of the Parcel Map and has made provisions to provide the City with the required fees, security, and insurance prior to recordation of the Parcel Map. The Parcel Map conforms to the requirements of the Subdivision Map Act, and conditions of approval have been met. Staff recommends that City Council approve the Parcel Map

and authorize the City Manager to sign a Subdivision Improvements Agreement (Attachment 3) pending review and approval by the City Attorney.

COMMUNITY ENGAGEMENT:

Inform

On June 16, 2020, the Development Services Department considered the Tentative Map application at the close of a duly noticed 10-day public comment period. Residents within a 300-foot radius were invited to review and provide comments on the project.

ALTERNATIVE ACTIONS:

There is no feasible alternative action as the Developer has met the requirements of the Tentative Parcel Map conditions to file for a Parcel Map.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

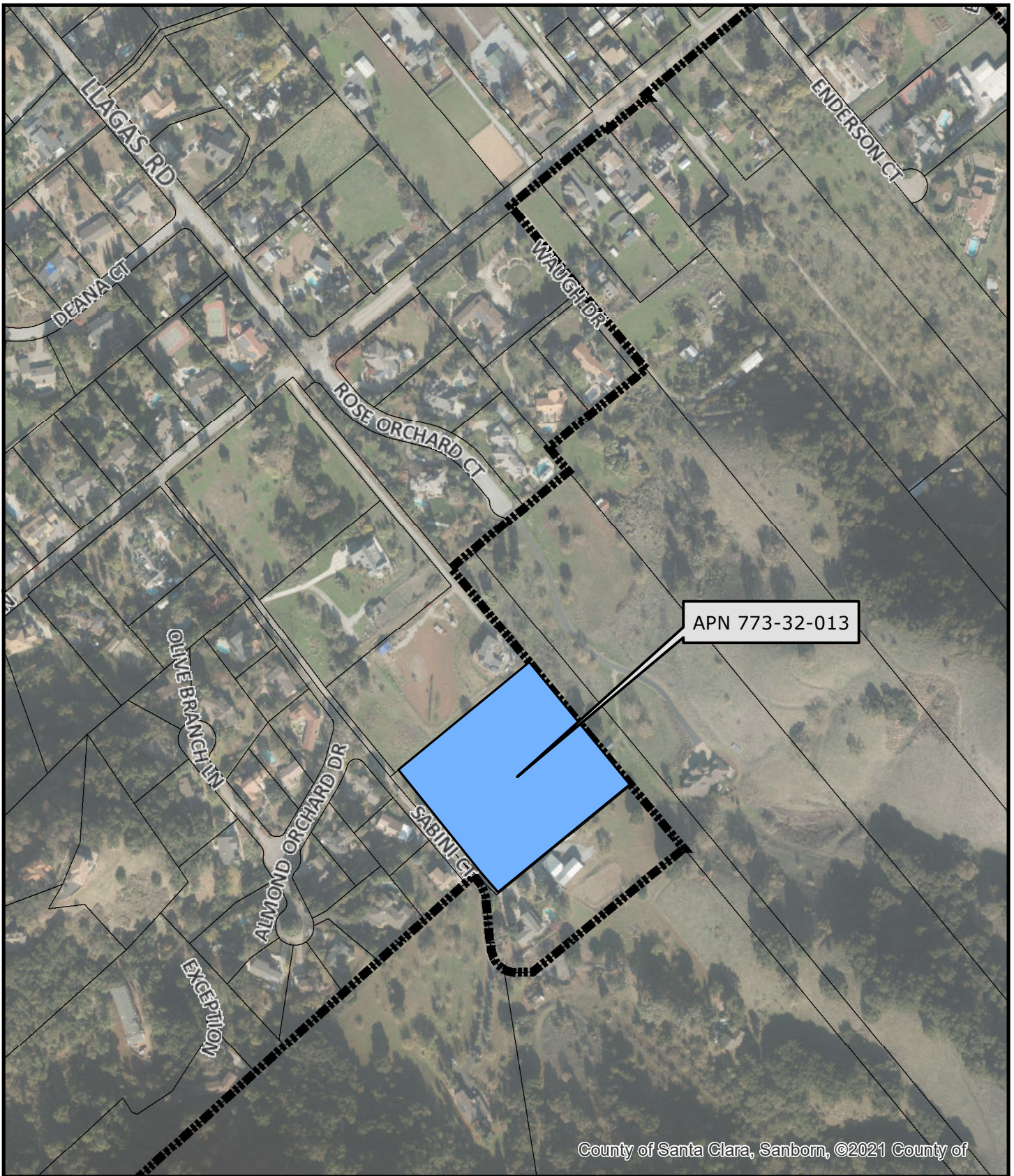
There were no prior City Council and Commission actions on the project.

FISCAL AND RESOURCE IMPACT:

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

CEQA (California Environmental Quality Act):

This project is categorically exempt from the California Environmental Quality Act Section 15135 - Minor Land Divisions and Class 3 Section 15303 - New Construction.



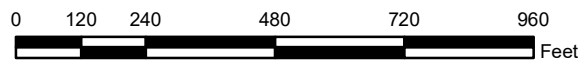
County of Santa Clara, Sanborn, ©2021 County of



CITY OF MORGAN HILL
Engineering and Utilities Department
Land Development Engineering Division

Document Path: G:\R-14\PROJ\GIS\John\Samantha_Sabini.mxd

SITE MAP SABINI COURT



OWNERS’ STATEMENT

THE UNDERSIGNED HEREBY STATE THAT THEY ARE THE OWNERS OF OR HAVE SOME RIGHT, TITLE, OR INTEREST IN AND TO THE REAL PROPERTY SHOWN ON THE SUBDIVISION WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS PARCEL MAP, CONSISTING OF TWO (2) SHEETS, THIS STATEMENT BEING ON SHEET ONE (1) THEREOF; THAT THEY ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID REAL PROPERTY; THAT THEY HAVE CAUSED THIS MAP TO BE PREPARED FOR RECORD, AND DO CONSENT TO THE MAKING AND FILING OF THIS MAP.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED IN FEE FOR PUBLIC PURPOSES:
THE STREETS TO THE CITY OF MORGAN HILL, NOT HERETOFORE EXISTING AND DESIGNATED AS "ROSE ORCHARD PLACE" AND "SABINI COURT", AS SHOWN ON THIS MAP. SAID DEDICATION AND OFFER OF DEDICATION ARE FOR ANY AND ALL PUBLIC USES UNDER, UPON, AND OVER SAID STREETS.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES:
EASEMENTS TO THE CITY OF MORGAN HILL, FOR ANY AND ALL PUBLIC SERVICES FACILITIES INCLUDING, BUT NOT LIMITED TO SIDEWALKS, POLES, WIRES AND CONDUITS FOR ELECTRICAL, TELEPHONE, TELEVISION, GAS, STORM, SANITARY AND WATER SERVICES, AND ALL APPURTENANCES THERETO UNDER, UPON, OR OVER THE LAND DESIGNATED AS "PUBLIC SERVICE EASEMENT" (PSE) ON THIS MAP.

ALL THE ABOVE DESCRIBED STREETS AND EASEMENTS SHALL BE KEPT FREE OF BUILDINGS, EXCEPT LAWFUL UNSUPPORTED ROOF OVERHANGS, AND OBSTRUCTIONS THAT DO NOT IMPAIR THE USE OF OR ARE INCONSISTENT WITH THE PURPOSES OF THE STREET OR EASEMENT.

THE HEREIN DESCRIBED OFFERS OF DEDICATION TO THE CITY OF MORGAN HILL ARE TO BE ACCEPTED ONLY WHEN THE CITY COUNCIL OF THE CITY OF MORGAN HILL OR ITS SUCCESSOR AGENCY ADOPTS AND RECORDS IN THE OFFICE OF THE RECORDER OF SANTA CLARA COUNTY A RESOLUTION ACCEPTING SAID STREETS OR EASEMENTS. UNTIL SAID RESOLUTION(S) ARE RECORDED, ALL STREETS AND EASEMENTS ENCOMPASSED WITHIN SUCH OFFERS OF DEDICATION SHALL BE MAINTAINED BY THE OWNER DURING ANY REQUIRED WARRANTY PERIOD AND THEREAFTER BY THE OWNER(S) OF THE LOTS OR PARCELS IN THE SUBDIVISION. THE CITY OF MORGAN HILL SHALL NOT BE RESPONSIBLE FOR MAINTENANCE AND SHALL INCUR NO LIABILITY WITH RESPECT TO SUCH OFFERED STREETS AND EASEMENTS OR ANY IMPROVEMENT THEREON. ALL DEDICATED RIGHT-OF-WAY AND EASEMENTS NOT ACCEPTED FOR MAINTENANCE BY THE CITY OR OTHER PUBLIC AGENCY SHALL BE MAINTAINED BY THE OWNER(S) OF THE LOTS OR PARCELS IN THE SUBDIVISION.

OWNERS: STROLATA PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____ BY: _____
NAME: _____ NAME: _____
TITLE: _____ TITLE: _____

OWNER ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA }
COUNTY OF _____}ss.

ON _____, 2022, BEFORE ME, _____, A NOTARY PUBLIC,

PERSONALLY APPEARED _____
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.
NOTARY’S SIGNATURE: _____
NAME OF NOTARY (PLEASE PRINT): _____
PRINCIPAL COUNTY OF BUSINESS: _____
MY COMMISSION NUMBER: _____
MY COMMISSION EXPIRES: _____

OWNER ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA }
COUNTY OF _____}ss.

ON _____, 2022, BEFORE ME, _____, A NOTARY PUBLIC,

PERSONALLY APPEARED _____
WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.
NOTARY’S SIGNATURE: _____
NAME OF NOTARY (PLEASE PRINT): _____
PRINCIPAL COUNTY OF BUSINESS: _____
MY COMMISSION NUMBER: _____
MY COMMISSION EXPIRES: _____

SURVEYOR’S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED ON A FIELD SURVEY IN CONFORMANCE WITH THE LAND SURVEYORS ACT AND THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF STROLATA PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, COMPLETED AUGUST 27, 2019. I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE MAY 2024, AND THAT THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY.

DATE: _____
BRYAN PIERCE
PLS NO. 8859



CITY SURVEYOR’S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS PARCEL MAP AND THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.

DATE: _____
JOHN K. KING
ACTING CITY SURVEYOR
PLS NO. 6809
HANNA AND BRUNETTI



NOTES

- 1.) THE DISTINCTIVE SYMBOL LINE INDICATES THE BOUNDARIES OF THE LAND SUBDIVIDED BY THIS PARCEL MAP.
- 2.) THE AREA WITHIN THE DISTINCTIVE SYMBOL LINE IS 4.48 ACRES, MORE OR LESS.
- 3.) ALL DISTANCES AND DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.

CITY ENGINEER’S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS PARCEL MAP AND THAT THE SUBDIVISION AS SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP (IF ANY) AND ANY APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT, AS AMENDED, AND OF ANY LOCAL ORDINANCE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH.

DATE: _____



SCOTT C. CREER
CITY ENGINEER
CITY OF MORGAN HILL, CALIFORNIA
RCE NO. 58879

CERTIFICATE OF ACCEPTANCE

PURSUANT TO RESOLUTION NO. 5059, I HEREBY ACCEPT ON BEHALF OF THE PUBLIC, SUBJECT TO THEIR IMPROVEMENTS, IN ACCORDANCE WITH CITY STANDARDS, THE STREETS, NOT HERETOFORE EXISTING AND DESIGNATED AS "SABINI COURT" AND "ROSE ORCHARD PLACE", AND THE "PUBLIC SERVICE EASEMENT" (PSE), OFFERED FOR DEDICATION FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF THE OFFER OF DEDICATION.

RECOMMENDED FOR APPROVAL:

SCOTT C. CREER
CITY ENGINEER
CITY OF MORGAN HILL
RCE NO. 58879

CHRISTINA TURNER
CITY MANAGER
CITY OF MORGAN HILL

DATE: _____ DATE: _____



RECORDER’S STATEMENT

FILE NO. _____ FEE \$ _____ PAID. ACCEPTED FOR RECORD
AND FILED IN BOOK _____ OF MAPS AT PAGES _____, SANTA CLARA
COUNTY RECORDS, THIS _____ DAY OF _____, 20__ AT _____ M.,
AT THE REQUEST OF CHICAGO TITLE COMPANY
REGINA ALCOMENDRAS, RECORDER
SANTA CLARA COUNTY, CALIFORNIA BY _____ DEPUTY

PARCEL MAP
SABINI COURT

CITY OF MORGAN HILL
SANTA CLARA COUNTY, CALIFORNIA

A SUBDIVISION OF "PARCEL 1" AS SHOWN ON THE PARCEL MAP
FILED NOVEMBER 10, 1972, IN BOOK 312 OF MAPS, AT PAGE 1,
RECORDS OF SANTA CLARA COUNTY, CALIFORNIA

Prepared By:
RUGGERI—JENSEN—AZAR
8055 Camino Arroyo, Gilroy, CA 95020
MAY 2022

JOB #172024

SHEET 1 OF 2 SHEETS

RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

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

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

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

SUBDIVISION IMPROVEMENTS AGREEMENT

STROLATA PROPERTIES, LLC

SABINI COURT

This Subdivision Improvements Agreement ("Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and **STROLATA PROPERTIES, LLC**, a limited liability company ("Subdivider"), is entered into this _____ day of _____, 2022. City and Subdivider hereby acknowledge the following:

1. Subdivider has filed a Tentative Subdivision Map and supporting documents for the subdivision known as SABINI COURT ("Map").
2. City desires, as part of the conditions of approval ("Conditions") of the Final Tract Map or Parcel Map ("Final Map"), that certain improvements be installed by Subdivider ("Improvements") as shown on the City Engineer approved and signed Subdivision Improvement Plans entitled "Improvement Plans for SABINI COURT ("Plans").
3. Subdivider has been unable to complete, prior to filing of the Final Map, all of the improvements required by City to the satisfaction of the City Engineer.
4. Subdivider is required by the terms of the Morgan Hill Municipal Code ("Municipal Code"), to improve all streets, highways, or public areas which are part of the development, including but not limited to necessary paving, curbs, sidewalks, catch basins, water mains, culverts, storm drains, and sanitary sewers, in accordance with the plans and specifications on file with the City Engineer and to post certain securities to secure the completion of the Improvements.
5. To assure City that Subdivider will construct, install and complete all Improvements required for the Subdivision, the parties have entered into this Agreement.

6. This Agreement is executed pursuant to California Government Code Section 66410 et seq., and Chapter 17.32 of the Municipal Code in order to provide for the manner in which Improvements shall be constructed and completed.

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

Section 1. Incorporation by Reference

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

Section 2. Construction of Improvements

(a) Subdivider shall construct to the approval of City, and as provided for in the Conditions, the Improvements as shown fully executed in the Plans entitled "Improvement Plans for SABINI COURT".

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

(c) Survey Monumentation:

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

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

Section 3. Modification of Plans

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

Section 4. Security

(a) Pursuant to California Government Code Section 66499.3(a), and the Municipal Code, Subdivider shall, concurrently with the execution hereof, furnish a surety bond in an amount equal to at

least one hundred percent (100%) of the estimated construction cost of the Improvements as security guaranteeing the faithful performance of the Improvements and this Agreement ("Performance Bond").

Improvements and the City Engineer's Estimated Costs of Improvements as of AUGUST 2020 are attached hereto as Exhibit "A".

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

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

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

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

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

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

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

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

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

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

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

Section 5. Inspections

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

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

Section 6. Timing of Performance

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

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

Section 7. Work Performance and Warranty

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

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

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

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

(e) Subdivider warrants that: (1) it has investigated the work to be performed under this agreement, (2) it has investigated the site of the work and is aware of all conditions there; and (3) it

understands the difficulties and restrictions of the work under this Agreement. Should Subdivider discover any conditions materially differing from those inherent in the Improvements or work or as represented by City, it shall immediately inform City and shall not proceed, except at Subdivider's risk, until written instructions are received from City.

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

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

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

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

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

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

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

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

Section 9. Indemnity

Subdivider hereby agrees to save harmless and indemnify, including, without limitation, City's defense costs (including reasonable attorney's fees), from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of any injuries or damages sustained by any person or property resulting or arising, or alleged to have resulted or arisen, from Subdivider or Subdivider's contractors, subcontractors, agents, or employees activities, omissions or operations pursuant to this

Agreement. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, Subdivider will defend City, (at City's request and with counsel satisfactory to City) and will indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise.

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

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

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

Section 10. Insurance

Concurrent with the execution of this Agreement, Subdivider is required to procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of Subdivider and its Subcontractors relating to or arising from the performance of work associated with the Improvements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by the City. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by City. If the Subdivider will utilize the services of a General Contractor to perform all of the work associated with the Improvements, then Subdivider may opt to have all coverages provided by Subdivider's General Contractor, provided that a written contract is executed between Subdivider and the General Contractor whereby the written contract specifically required General Contractor to fulfill all of the City insurance requirements as outlined in this Agreement, including all endorsements in favor of the City. Verification of the written contract must be provided to City upon request. If Subdivider fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement City shall issue a stop work order, or terminate the Agreement for default. Subdivider further understands that the City reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to Subdivider, at any time as deemed necessary to protect the interests of the City.

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

- (1) **Commercial General Liability Insurance ("CGL"):** Subdivider shall maintain CGL and shall include coverage for liability arising from Subdivider's or its Subcontractor's acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) five million dollars (\$5,000,000.00) combined single limit each occurrence and either a general aggregate limit of ten million dollars (\$10,000,000.00) or a general aggregate limit of five million dollars (\$5,000,000) as applied on a "per project"

or “per location” basis, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater. Further, if CGL coverage is being provided by Subdivider’s General Contractor pursuant to Section 10, General Contractor may elect to insure the CGL exposures under an “Owners and Contractors Protective Liability Policy (OCP)” on which the City is included as an additional insured.

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

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

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

(2) **Workers’ Compensation Insurance and Employer’s Liability:** Subdivider shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers’ Compensation Insurance and Safety Act and provide protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater. If Subdivider is self-insured, Subdivider must provide its Certificate of Permission to Self-Insure, duly authorized by the State of California Department of Industrial Relations.

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

(4) **Pollution (Environmental) Liability:** The performance of Subdivider’s work or service under this Agreement involves handling of hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials. Subdivider shall procure and maintain Pollution Liability covering the Subdivider’s liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

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

(1) **ALL Policies:**

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

(2) **ALL Policies except Workers Compensation:**

a. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds.

b. "Primary and Non-Contributing" - Insurance shall be primary non-contributing.

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

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

(e) **Certificates.** Subdivider shall furnish City with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the Subdivider's agreement with the City shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days' notice by the insurer to City, unless due to non-payment of premiums, in which case ten (10) days written notice must be made to City. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

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

Section 11. Permits and Requisite Fees

(a) Subdivider shall pay all current fee obligations in the total amount of **\$294,604** due under City Resolution No. 5592, as amended, in accordance with the Department of Public Work fee schedule, as follows:

(1) **\$ 133,392** payable at the time of recording of the Final Map, and

(2) **\$161,212** payable on a pro-rata basis for each individual lot in the Subdivision prior to final inspection of each and every residence.

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

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

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

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

Section 12. On-Site Supervision

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

Section 13. Waiver

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

Section 14. Notices. All notices shall be personally delivered or mailed, via first class mail to the below listed addresses. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

a. Address of Subdivider is as follows:

Strolata Properties, LLC c/o Paul Latala
999 Franquette Avenue
San Jose, CA 95125

b. Address of City is as follows:

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

With a copy to:

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

Section 15. Noncompliance

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

Section 16. Notice of Breach and/or Default

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

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

Section 17. Performance by Surety or City

- (a) In the event of a material breach and/or default by Subdivider, Subdivider's surety shall have the duty to take over and complete the Improvements.
- (b) If the surety, within a reasonable time after receiving notice of Subdivider's default does not provide City written notice to take over the performance of this Agreement or if the surety does not commence performance thereof within the time specified in such notice to City, City may take over the construction of the Improvements and prosecute the same to completion, by contract or by any method City may deem advisable, on behalf and at the expense of Subdivider, and Subdivider's surety shall be liable to City for any excess cost or damages incurred by City thereby. In such event, City, without liability for so doing, may take possession of and utilize such materials, appliances, and other property belonging to Subdivider as may be on the work site(s) and necessary therefore to complete the Improvements.

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

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

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

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

Section 18. Successors in Interest

This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties. It shall be recorded in the Office of the Recorder of Santa Clara County concurrently with the Final Map of the Subdivision and shall constitute a covenant running with the land and an equitable servitude upon the real property within the Subdivision. It shall be the responsibility of City to cause the executed Agreement to be recorded.

Section 19. Effective Date

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

Section 20. Amendment of Agreement

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

Section 21. Execution

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

Section 22. Non-Liability of Officials and Employees of the City.

No official or employee of City shall be personally liable for any default or liability under this Agreement.

Section 23. Law to Govern: Venue

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

Section 24. Limitations Upon Subcontracting and Assignment.

Neither this Agreement or any portion shall be assigned by Subdivider without prior written consent of City.

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Section 25. Miscellaneous

(a) Compliance with Law: Subdivider shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

(b) Non-Discrimination. Subdivider covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, ancestry, or sexual orientation in any activity pursuant to this Agreement.

(c) Conflict of Interest and Reporting. Subdivider shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

(d) Time of Essence. Time is of the essence in the performance of this Agreement.

(e) Interpretation. This Agreement shall be interpreted as though prepared by both parties.

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

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

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

CITY OF MORGAN HILL

By:

Christina J. Turner, City Manager

Date: _____

ATTEST:

By:

Michelle Bigelow, City Clerk

Date: _____

APPROVED AS TO FORM:

By:

Donald A. Larkin, City Attorney

Date: _____

"SUBDIVIDER"

STROLATA PROPERTIES, LLC

By:

Print Name and Title *Paul Latala - member*
(If Corporation, must be Chairperson of the Board, President, or Vice President)

Date: _____

By:

Print Name and Title
(If Corporation, must be Secretary, Assistant Secretary, CFO, or Assistant Treasurer)

Date: _____

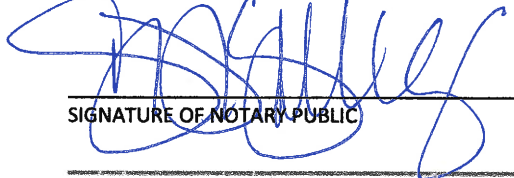
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

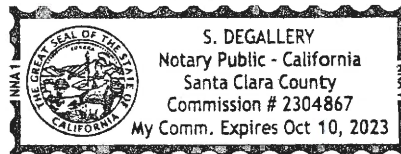
State of California
County of Santa Clara

On April 1, 2022 2022, before me, S. DeGallery, a Notary Public in and for said County and State, personally appeared Paul Andrew Latzla proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.


SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

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

State of California
County of Santa Clara

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT "A"

IMPROVEMENTS AND

ESTIMATED COSTS OF IMPROVEMENTS

AS OF 8/1/2020

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
F. PUBLIC IMPROVEMENTS					
1.	Remove Existing AC Pavement	7,960	SF	\$5.00	\$39,800
2.	Street Fine Grading (to R/W)	26,520	SF	\$1.00	\$26,520
3.	AC Pavement Sabini Ct. Frontage and Rose Orchard Pl.	26,520	SF	\$8.00	\$212,160
4.	Asphalt Overlay & Repair, Sabini Ct offsite	15,605	SF	\$2.00	\$31,210
5.	Remove and Replace Existing offsite Inlet	1	EA	\$5,000.00	\$5,000
6.	Replace Existing Offsite 12" SD with 18" RCP	30	LF	\$80.00	\$2,400
7.	6" PVC SS Main	300	LF	\$40.00	\$12,000
8.	4" Service Laterals	4	EA	\$1,000.00	\$4,000
9.	Manhole (less than 10' deep)	3	EA	\$4,500.00	\$13,500
10.	8" Water Sabini Ct to Rose Orchard Ct	1,255	LF	\$60.00	\$75,300
11.	1.5" Water Service with 1" Meter	4	EA	\$1,600.00	\$6,400
12.	Fire Hydrant (incl. lateral, valves, etc.)	1	EA	\$5,000.00	\$5,000
13.	ARV	1	EA	\$5,000.00	\$5,000
14.	Signing and Striping	1	LS	\$7,500.00	\$7,500
15.	Monuments	4	EA	\$1,000.00	\$4,000
16.	Electroliers	2	EA	\$2,500.00	\$5,000
17.	Rule 20 Overhead Utility Undergrounding		LS	NIC	NIC
Sub-Total Miscellaneous:					\$454,790

PERFORMANCE BOND
(100% of Engineer's Estimate)

Bond No.:

1001148283

Premium: \$9,096.00 / 2-Year
Term Fully Earned

Whereas, the City Council of the City of Morgan Hill, State of California, and **STROLATA PROPERTIES, LLC** (hereinafter designated as "principal") have entered into a Subdivision Improvements Agreement:

STROLATA PROPERTIES, LLC
SABINI COURT

whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 2022, and identified as project **SABINI COURT**, is hereby referred to and made a part hereof; and

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

Now, therefore, we, the principal and American Contractors Indemnity Company, as surety, are held and firmly bound unto the City of Morgan Hill hereinafter called ("City"), in the penal sum of **four hundred fifty four thousand seven hundred ninety dollars (\$454,790)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The Surety's office is located at 801 S. Figueroa Street, Suite 700
Los Angeles, California 90017,

Telephone No. (310) 649-0990; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number are as follows:

License No.:	<u>Performance Bonding Surety & Insurance Brokerage</u> <u>License # 0198731</u>
Address:	<u>15901 Red Hill Avenue, Suite 100</u> <u>Tustin, California 92780</u>
Telephone No.:	<u>(714) 505-7011</u>

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

Name of non-resident

N/A

Performance Bond Page 1 of 4
Version July 2017

Non-resident agent's address:	office	N/A
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Telephone	
No.:	N/A

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

Strolata Properties, LLC

Principal

By: _____

Performance Bond Page 2 of 4
Version July 2017

By:

Erik Johansson, Attorney-in Fact



By:

Erik Kent Johansson, California Resident Agent
License # 0E11679

By:

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

APPROVED:

Scott Creer, City Engineer

Date:

APPROVED AS TO FORM:

By:

Donald A. Larkin, City Attorney

Date:

(Acknowledgment on following page.)

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

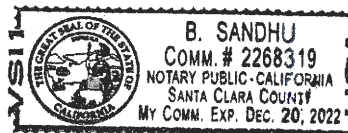
State of **California**
County of **Santa Clara**

On April 18th, 2022, before me, B. SANDHU a Notary Public in and for said County and State, personally appeared PAUL A. LATALA proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

B. Sandhu
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

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

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

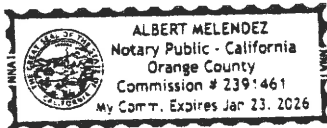
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange }

On APR 14 2022, before me, Albert Melendez, Notary Public,
personally appeared Erik Johansson

who proved to me on the basis of satisfactory evidence to be the person(X) whose name(X) is/~~are~~
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same
in his/~~her/their~~ authorized capacity(Xs), and that by his/~~her/their~~ signature(X) on the instrument
the person(X), or the entity upon behalf of which the person(X) acted, executed the instrument.

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



WITNESS my hand and official seal.

SIGNATURE _____

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

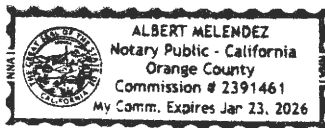
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange }

On APR 14 2022, before me, Albert Melendez, Notary Public,
personally appeared Erik Kent Johansson

who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~
subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same
in his/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(~~s~~) on the instrument
the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

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



WITNESS my hand and official seal.

SIGNATURE _____

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____



**TOKIO MARINE
HCC**

**POWER OF ATTORNEY
AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY**

KNOW ALL MEN BY THESE PRESENTS: That American Contractors Indemnity Company, a California corporation, Texas Bonding Company, an assumed name of American Contractors Indemnity Company, United States Surety Company, a Maryland corporation and U.S. Specialty Insurance Company, a Texas corporation (collectively, the "Companies"), do by these presents make, constitute and appoint:

Erik Johansson, Frances Lefler, James W. Johnson, Jennifer Anaya, Melissa Lopez,
Christina Johnson or Christina Rogers of Tustin, California

its true and lawful Attorney(s)-in-fact, each in their separate capacity if more than one is named above, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed** ***** Thirty Million and 00/100 ***** Dollars (***\$30,000,000.00***). This Power of Attorney shall expire without further action on **January 31st, 2024**. This Power of Attorney is granted under and by authority of the following resolutions adopted by the Boards of Directors of the Companies:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings, including any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts, and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, The Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this **23rd day of September, 2021**.

**AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY**

State of California
County of Los Angeles



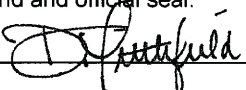
By: 
Daniel P. Aguilar, Vice President

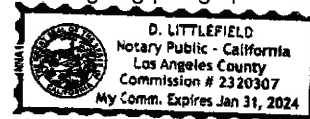
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

On this 23rd day of September, 2021, before me, D. Littlefield, a notary public, personally appeared Daniel P. Aguilar, Vice President of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature  (seal)



I, Kio Lo, Assistant Secretary of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the seals of said Companies at Los Angeles, California this 14th day of April, 2022.

Corporate Seals
Bond No. 1001148283
Agency No. 19261 - PDF POA




Kio Lo, Assistant Secretary



**TOKIO MARINE
HCC**

Surety Group
801 S. Figueroa Street Suite 700
Los Angeles, CA 90017 USA
Tel: 310-649-0990

SURETY BOND SEAL ADDENDUM

AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

In response to the logistical issues associated with the Covid-19 pandemic, American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company, (individually, the "Company" and collectively, the "Companies") have authorized the Attorneys-in-Fact named on the Power of Attorney attached hereto and incorporated herein by reference to affix the Companies' seal to any bond executed on behalf of the Companies by any such Attorney-in-Fact by attaching this Addendum to said bond.

To the extent this Addendum is attached to a bond that is executed on behalf of any of the Companies by such Attorney-in-Fact, each Company hereby agrees that the seal below shall be deemed affixed to said bond to the same extent as if its raised corporate seal was physically affixed to the face of the bond.

Dated this 1st day of April 2020.

American Contractors Indemnity Company, Texas Bonding Company,
United States Surety Company and U.S. Specialty Insurance Company



By: 

Frank Mester, Vice President

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

Bond No.:

1001148283

Premium: Included in Cost of
the Performance Bond

Whereas, the City Council of the City of Morgan Hill, State of California, and **STROLATA PROPERTIES, LLC** (hereinafter designated as "the principal") have entered into a Subdivision Improvements Agreement:

STROLATA PROPERTIES, LLC
SABINI COURT

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated _____, 2022, and identified as project **SABINI COURT**, is hereby referred to and made a part hereof; and

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

Now, therefore, the principal and the undersigned as corporate surety, and their successors and assigns are held firmly bound unto the City of Morgan Hill and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the agreement and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of **four hundred fifty four thousand seven hundred ninety dollars (\$454,790)**, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City of Morgan Hill in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

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

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

The Surety's office is located at 801 S. Figueroa Street, Suite 700
Los Angeles, California 90017,

Telephone No. (310) 649-0990; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number as follows:

License No.: Performance Bonding Surety & Insurance Brokerage
License # 0198731
Address: 15901 Red Hill Avenue, Suite 100
Tustin, California 92780
Telephone No.: (714) 505-7011

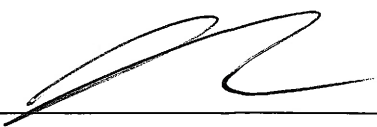
The following non-resident agent, if any, for the Surety is a party to the transaction:

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

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

Executed this 14th day of April 20 22.

Strolata Properties, LLC
Principal

By: 



American Contractors Indemnity Company
Surety

By: 
Erik Johansson, Attorney-in Fact



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

Page 101 of 303

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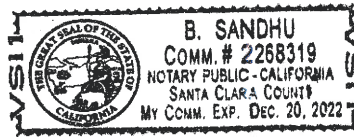
State of **California**
County of **Santa Clara**

On April 18th 2022, before me, B. SANDHU a Notary Public in and for said County and State, personally appeared PAUL A. LATALA proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

B. Sandhu
SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

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

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

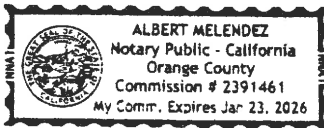
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange }

On APR 14 2022, before me, Albert Melendez, Notary Public,
personally appeared Erik Johansson

who proved to me on the basis of satisfactory evidence to be the person(X) whose name(X) is/~~are~~
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same
in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(X) on the instrument
the person(X), or the entity upon behalf of which the person(X) acted, executed the instrument.

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



WITNESS my hand and official seal.

SIGNATURE _____

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

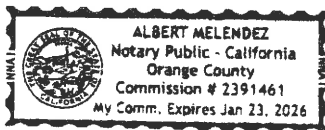
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange }

On APR 14 2022, before me, Albert Melendez, Notary Public,
personally appeared Erik Kent Johansson

who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same
in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument
the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

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



WITNESS my hand and official seal.

SIGNATURE _____

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____



**TOKIO MARINE
HCC**

POWER OF ATTORNEY

**AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY**

KNOW ALL MEN BY THESE PRESENTS: That American Contractors Indemnity Company, a California corporation, Texas Bonding Company, an assumed name of American Contractors Indemnity Company, United States Surety Company, a Maryland corporation and U.S. Specialty Insurance Company, a Texas corporation (collectively, the "Companies"), do by these presents make, constitute and appoint:

**Erik Johansson, Frances Lefler, James W. Johnson, Jennifer Anaya, Melissa Lopez,
Christina Johnson or Christina Rogers of Tustin, California**

its true and lawful Attorney(s)-in-fact, each in their separate capacity if more than one is named above, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver **any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include riders, amendments, and consents of surety, providing the bond penalty does not exceed** ***** Thirty Million and 00/100 ***** Dollars (**\$30,000,000.00**). This Power of Attorney shall expire without further action on **January 31st, 2024**. This Power of Attorney is granted under and by authority of the following resolutions adopted by the Boards of Directors of the Companies:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings, including any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts, and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, The Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 23rd day of September, 2021.

**AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY
UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY**

State of California

County of Los Angeles



By: 

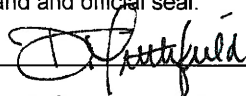
Daniel P. Aguilar, Vice President

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

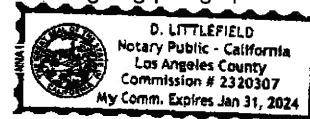
On this 23rd day of September, 2021, before me, D. Littlefield, a notary public, personally appeared Daniel P. Aguilar, Vice President of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature 

(seal)



I, Kio Lo, Assistant Secretary of American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Companies, which is still in full force and effect; furthermore, the resolutions of the Boards of Directors, set out in the Power of Attorney are in full force and effect.

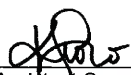
In Witness Whereof, I have hereunto set my hand and affixed the seals of said Companies at Los Angeles, California this 14th day of April, 2022.

Corporate Seals

Bond No. 1001148283

Agency No. 19261 - PDF POA




Kio Lo, Assistant Secretary

visit tmhcc.com/surety for more information

HCCSMANPOA09/2021



**TOKIO MARINE
HCC**

Surety Group
801 S. Figueroa Street Suite 700
Los Angeles, CA 90017 USA
Tel: 310-649-0990

SURETY BOND SEAL ADDENDUM

AMERICAN CONTRACTORS INDEMNITY COMPANY TEXAS BONDING COMPANY UNITED STATES SURETY COMPANY U.S. SPECIALTY INSURANCE COMPANY

In response to the logistical issues associated with the Covid-19 pandemic, American Contractors Indemnity Company, Texas Bonding Company, United States Surety Company and U.S. Specialty Insurance Company, (individually, the "Company" and collectively, the "Companies") have authorized the Attorneys-in-Fact named on the Power of Attorney attached hereto and incorporated herein by reference to affix the Companies' seal to any bond executed on behalf of the Companies by any such Attorney-in-Fact by attaching this Addendum to said bond.

To the extent this Addendum is attached to a bond that is executed on behalf of any of the Companies by such Attorney-in-Fact, each Company hereby agrees that the seal below shall be deemed affixed to said bond to the same extent as if its raised corporate seal was physically affixed to the face of the bond.

Dated this 1st day of April 2020.

American Contractors Indemnity Company, Texas Bonding Company,
United States Surety Company and U.S. Specialty Insurance Company



By: 
Frank Mester, Vice President

CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Charlie Ha, Supervising Civil Engineer

APPROVED BY: City Manager

APPROVE AN IMPROVEMENT AGREEMENT WITH THOMPSON & HARVEY BAY AREA, LLC (AU ENERGY LLC) FOR THE RAILROAD-GOYAL PROJECT (UP2019-0005)

RECOMMENDATION(S)

1. Approve an Improvement Agreement with Thompson & Harvey Bay Area, LLC;
2. Authorize the City Manager to execute the Improvement Agreement; and
3. Authorize the recordation of the Improvement Agreement.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Protecting the Environment and Preserving Open Space and Agricultural Land

2022-2023 Strategic Priorities

Economic Development

Guiding Documents

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

On May 26, 2020, the Planning Commission approved a Conditional Use Permit (CUP) allowing AU Energy LLC to operate a dispatch and maintenance facility in conjunction with the development of an approximately 21,000 square foot industrial development on a 2.66-acre site located at 16500 Railroad Avenue. Under the project's conditions of approval, the developer, Thompson & Harvey Bay Area LLC, is required to enter into an Improvement Agreement (Attachment No. 2) with the City of Morgan Hill and provide a financial guarantee for the public improvements along the project's Railroad Avenue frontage.

The developer has furnished the City with the necessary documents to complete the processing of the Improvement Agreement by providing surety bonds and insurance for the project's proposed public improvements. Staff recommends that the City Council

authorize the City Manager to execute the Improvement Agreement.

COMMUNITY ENGAGEMENT:

Inform

A Public Notice via mailed notice and newspaper advertisement was issued to inform the public of the City's intent to approve the Design Review Permit for the project. The Public Notice was also shared via the City's 411 email publication as well as a new Development Project page on the website.

ALTERNATIVE ACTIONS:

There are no feasible alternative actions on the approval of the Improvement Agreement as the developer has furnished the necessary documents to complete the processing of the Improvement Agreement.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

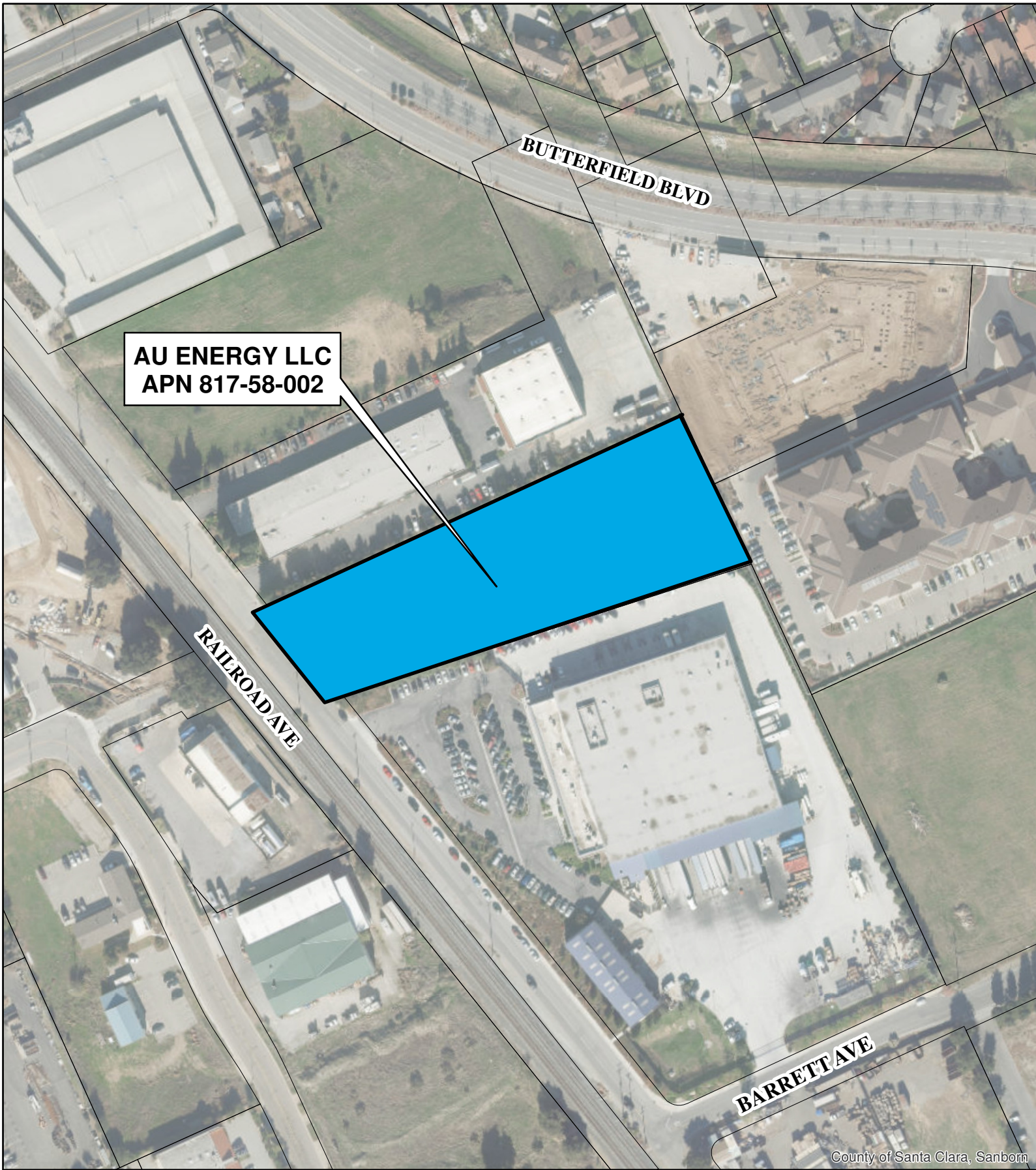
On May 26, 2020, the Planning Commission approved a Conditional Use Permit (CUP) allowing AU Energy LLC to operate a dispatch and maintenance facility in conjunction with the development of an approximately 21,000 square foot industrial development on a 2.66-acre site located at 16500 Railroad Avenue.

FISCAL AND RESOURCE IMPACT:

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

CEQA (California Environmental Quality Act):

The project is exempt from CEQA under Section 15332, In-Fill Development Projects, of the CEQA Guidelines.



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

Document Path: G:\R-14\PROJ\Agustin\GIS\AU Energy LLC.mxd

**SITE MAP
AU ENERGY LLC
APN 817-58-002**



0 75 150 300 450 600 Feet

Page 105 of 303

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

CITY OF MORGAN HILL
17575 PEAK AVENUE
MORGAN HILL, CA 95037

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

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

IMPROVEMENT AGREEMENT

THOMPSON & HARVEY BAY AREA, LLC
16500 Railroad Avenue
APN: 817-58-002
AU Energy LLC

THIS AGREEMENT is made on this _____ day of _____, 20__, by the CITY OF MORGAN HILL, a municipal corporation ("CITY"), and **THOMPSON & HARVEY BAY AREA, LLC**, a California limited liability company ("PROPERTY OWNER").

RECITALS

The following Recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Morgan Hill Municipal Code Chapter 12.02.
2. PROPERTY OWNER has filed a Development Application and supporting documents on the property with the address of **16500 Railroad Avenue**, and the APN **817-58-002** having the development name of **AU Energy LLC** ("Development").
3. CITY requires as a condition of approval of the Development Permit, as described on said permit, that certain improvements be installed by PROPERTY OWNER as shown on the fully executed Development Improvement Plans entitled "**Public Improvement Plans for 16500 Railroad Avenue**" ("Improvements"), on file with CITY and incorporated herein by this reference.
4. PROPERTY OWNER has been unable to complete, prior to the issuance of the Development Permit, all of the Improvements required by CITY to the satisfaction of the City Engineer.
5. PROPERTY OWNER is required by the terms of the Morgan Hill Municipal Code to improve all streets, highways, or public areas which are part of the Development, including but not limited to necessary paving, curbs, sidewalks, catch basins, water mains, culverts, storm drains, and sanitary sewers, in accordance with the plans and specifications on file with the City Engineer.

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

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement.** This term of this Agreement shall be six (6) months from the date of issuance of the Development Permit ("Term") unless extended by written agreement.
2. **Improvements.** PROPERTY OWNER agrees to construct the Improvements in a good and workmanlike manner in accordance with the plans and documents filed with and approved by CITY in conjunction with the Development, all of which are incorporated herein by reference. These items of the Improvements shall be completed, constructed and installed at PROPERTY OWNER's sole expense unless agreed to otherwise by CITY.
3. **Rights-of-Way.** Except as otherwise provided by this Agreement, CITY can hold without acceptance or recordation all lands, rights-of-way, and easements offered for dedication. All such offers shall, however, remain open, and shall constitute irrevocable offers of dedication in accordance with the Government Code. All such offers may be accepted and recorded by CITY in its sole discretion at any later date without further notice to PROPERTY OWNER as provided by law. By way of explanation only, it is the current intention of CITY to accept all or part of the irrevocable offers to dedicate upon acceptance of the Improvements called for in this Agreement.
4. **Improvements: Time Limits.** PROPERTY OWNER agrees to cause all Improvements to be made and constructed to comply with all requirements of Morgan Hill Municipal Code Chapter 12.02, according to the improvement plans for the Development approved by the City Engineer and including any changes or alteration in the Improvements required by the City Engineer. The Improvements shall be completed utilizing CITY standards and specifications. PROPERTY OWNER agrees to complete the Improvements prior to the expiration of this Agreement, or the issuance of the certificate of occupancy, whichever is earlier; provided however, the City Manager may extend the deadline for completion by not more than six (6) months at his or her reasonable discretion and determination that granting the extension will not be detrimental to the public welfare. No extension of this deadline for completion shall be made except upon the basis of a written application made by PROPERTY OWNER stating fully the ground for the application and the facts relied upon for an extension.

It is further agreed by and between PROPERTY OWNER and CITY that any extension granted shall in no way affect the validity of this Agreement or release the surety(ies) on any bond attached hereto or the financial institution guaranteeing the same. PROPERTY OWNER further agrees to maintain the securities described in Section 6 in full force and effect during the terms of this Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by CITY.

In the event that PROPERTY OWNER shall fail to complete the Improvements within the time provided by this Agreement, CITY may in its sole discretion and in addition to any other remedy provided in this

Agreement or by law, enter upon the Development and complete the Improvements and recover the full cost and expense of construction from PROPERTY OWNER, PROPERTY OWNER's successors and assigns, PROPERTY OWNER's Performance/Labor & Material Bonds associated with this Development, or from the then owner of the Development, and/or place a lien upon the Development property for the cost and expense. Any and all CITY costs shall include but not be limited to administrative and attorney costs.

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

6. **Bond Requirements.** To secure the performance of each Improvement required under this Agreement and to ensure full payment to all persons furnishing or supplying labor or materials for each Improvement required, PROPERTY OWNER shall provide to CITY concurrently with the execution of this Agreement, payment and performance bonds each in the amount of 100% of the total estimated cost of the Improvements as determined by the City Engineer,. A performance bond to secure faithful performance of this Agreement as required by Section 12.02.160 of the Morgan Hill Municipal Code for performance shall be provided in substantially the form set forth in Exhibit B. A payment bond to secure full payment to all persons furnishing or supplying labor or materials as required by Section 12.02.160 of the Morgan Hill Municipal Code for labor and materials shall be provided in substantially the form set forth in Exhibit C. PROPERTY OWNER shall provide an additional guarantee and warranty security (in substantially the form set forth in Exhibit D) of fifty (50%) percent of the cost of construction of the Improvements to guarantee and warranty the Improvements for a period of one year following its completion and acceptance against any defective work or labor done, or defective materials furnished, as required by Section 12.02.170 of the Morgan Hill Municipal Code.

Improvements and the City Engineer's Estimated Costs of Improvements as of **December 2021** are attached hereto as Exhibit "A".

Any bonds submitted under this Agreement shall be executed by a surety company authorized to write the same in the State of California, and subject to the review and approval of the City's risk manager. All required securities shall be in a form approved by the City Attorney. The bonds shall be executed on CITY forms by a surety authorized to do business in the State of California and shall be approved by the City Attorney and the City Engineer. Submittal of the Performance/Labor & Material Bonds is a requirement prior to CITY's issuance of an encroachment permit to do work in CITY's right-of-way. Submittal of the Warranty Bond is a requirement prior to the City Engineer's consideration of acceptance of the public improvements.

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

The release of any securities shall be governed by the provisions of Section 12.02.170 of the Morgan Hill

Municipal Code.

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

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

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

10. **Failure of Performance.** In addition to the other remedies provided by this Agreement, CITY shall have recourse to the security given. In the event that CITY seeks recourse against any security, CITY shall have recourse against PROPERTY OWNER for any and all amounts necessary to complete the obligation. All administrative costs, including attorneys' fees shall be a proper charge against the security and PROPERTY OWNER pursuant to Government Code. The right of CITY to draw upon or utilize the security is additional and not in lieu of any other remedy available to CITY at law or in equity. The parties agree that the estimated costs and security amounts may not reflect the actual cost of construction or installation of Improvements, and therefore, CITY damages for PROPERTY OWNER's default shall be measured by the cost of completing the required Improvements.

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

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

13. **Public Improvements Fee Schedule.** PROPERTY OWNER shall pay the following sums in cash to CITY pursuant to the provisions of Resolution 1383 and any amendments thereto. These sums shall be paid to CITY at the time of issuance of the Development Permit, and shall be in accordance with the Department of Public Works Fee Schedule attached hereto demonstrating a current Total Fee Obligation of **\$403,974.00**. All Fees are estimated and may be increased by CITY subject to current resolutions and ordinances. These fees are subject to a minimum annual revision. PROPERTY OWNER consents to increases in these fees. This Agreement shall not be construed to fix or freeze fees as of any point prior to issuance of Development Permits.

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

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

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

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

☐ CITY Public/Private Utility Reimbursement Agreement

☐ Landscape & Lighting Maintenance Assessment District Annexation

☐ Improvements Deferral Agreement

15. **Insurance Requirements.**

Commencement of Improvements. Before beginning construction of the improvements, PROPERTY OWNER is required to procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of PROPERTY OWNER and its subcontractors relating to or arising from the performance of work associated with the Improvements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by CITY. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Any deductibles or self-insured retentions must be declared to and approved by City. Coverages may be provided by PROPERTY OWNER's General Contractor if PROPERTY OWNER is not directly insuring such exposures under an "Owners and Contractors Protective Liability Policy (OCP)" on which CITY would be an additional insured. If PROPERTY OWNER will utilize the services of a General Contractor to perform all of the work associated with the Improvements, then PROPERTY OWNER may opt to have all coverages provided by PROPERTY OWNER's General Contractor, provided that a written contract is

executed between PROPERTY OWNER and the General Contractor whereby the written contract specifically required General Contractor to fulfill all of the City insurance requirements as outlined in this Agreement, including all endorsements in favor of the City. Verification of the written contract must be provided to City upon request. If PROPERTY OWNER fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement, CITY may, at its sole discretion, purchase such coverage at PROPERTY OWNER's expense and deduct the cost from payments due to PROPERTY OWNER, assess payment against Development, or terminate the Agreement for default. Any deductibles or self-insured retentions must be declared to and approved by City. PROPERTY OWNER further understands that CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to PROPERTY OWNER, at any time as deemed necessary to protect the interests of CITY.

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

(1) Commercial General Liability Insurance ("CGL"): PROPERTY OWNER shall maintain CGL and shall include coverage for liability arising from PROPERTY OWNER's or its subcontractor's acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) five million dollars (\$5,000,000.00) combined single limit each occurrence and either a general aggregate limit of ten million dollars (\$10,000,000.00) or a general aggregate limit of five million dollars (\$5,000,000) as applied on a "per project" or "per location" basis, or (ii) the maximum amount of such insurance available to PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

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

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

(2) Workers' Compensation Insurance and Employer's Liability: PROPERTY OWNER shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers' Compensation Insurance and Safety Act and provide protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If PROPERTY OWNER is self-insured, PROPERTY OWNER must provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

(3) Automobile Liability: PROPERTY OWNER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if PROPERTY OWNER does not

own automobiles, then PROPERTY OWNER shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit, or (ii) the maximum amount of such insurance available to PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

(4) Pollution (Environmental) Liability: The performance of PROPERTY OWNER's work or service under this Agreement involves handling of hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials. PROPERTY OWNER shall procure and maintain Pollution Liability covering PROPERTY OWNER's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

(1) ALL Policies:

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

(2) ALL policies except Workers Compensation:

a. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds.

b. "Primary and Non-Contributing" - Insurance shall be primary non-contributing.

(c) Subcontractors. PROPERTY OWNER must ensure that each subcontractor is required to maintain the same insurance coverage required under this Section 15, with respect to its performance of work associated with the Improvements, including those requirements related to the additional insureds and waiver of subrogation.

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

better and a financial size rating of “VII” or better.

(e) **Certificates.** PROPERTY OWNER shall furnish CITY with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the PROPERTY OWNER's agreement with CITY shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days' notice by the insurer to CITY, unless due to non-payment of premiums, in which case ten days written notice must be made to CITY. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

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

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

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

18. **Independent Contractor.** It is agreed to that PROPERTY OWNER shall act and be an independent contractor, and not an agent or employee of CITY.

19. **Compliance with Law.** PROPERTY OWNER shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

20. **Right to Inspect and Inspection Fees.** PROPERTY OWNER shall at all times maintain proper facilities and provide safe access for inspection for CITY and its employees to all parts of the Improvements. PROPERTY OWNER shall pay and reimburse CITY for all expenses incurred by CITY for inspecting and checking all work to be performed under the provisions of the Municipal Code or this Agreement. CITY Engineering plan checking and field improvement inspection costs are included in the Department of Public Works Fee Schedule which may be revised from time to time.

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

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

a. Address of PROPERTY OWNER is as follows:

THOMPSON & HARVEY BAY AREA, LLC
P.O. Box 2067
Orcutt, CA 93457

b. Address of CITY is as follows:

With a copy to:

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

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

23. **PROPERTY OWNER'S Representations.** This Agreement shall include application or items submitted by PROPERTY OWNER to CITY'S Planning Department, Building Department, Planning Commission, and City Council. In the event of any inconsistency between their representations and this Agreement, this Agreement shall govern.

24. **Licenses, Permits and Fees.** PROPERTY OWNER shall obtain a CITY Business License, all permits, and licenses as may be required by this Agreement.

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

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

27. **Limitations Upon Subcontracting and Assignment.** Neither this Agreement nor any portion shall be assigned by PROPERTY OWNER without prior written consent of CITY.

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

29. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts shall together constitute one and the same instrument.

30. **Indemnification.** PROPERTY OWNER agrees to protect, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by PROPERTY OWNER, PROPERTY OWNER'S agents, officers, employees, subcontractors, or independent contractors hired by PROPERTY OWNER. The only exception to PROPERTY OWNER'S responsibility to protect, defend, and hold harmless CITY, is due to the sole negligence of CITY. This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable.

The policy limits do not act as a limitation upon the amount of indemnification to be provided by PROPERTY OWNER.

31. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified on provisions waived only by subsequent mutual written agreement executed by CITY and PROPERTY OWNER.

32. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Santa Clara County Superior Court.

33. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties.

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

35. **Agreement Runs With the Land.** This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties. It shall be recorded in the Office of the Recorder of Santa Clara County concurrently with the issuance of the Development Permit and shall constitute a covenant running with the land and an equitable servitude upon the Development real property.

36. **Recording.** It shall be the responsibility of CITY to cause the executed Agreement to be recorded.

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

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

ATTEST:

THE CITY OF MORGAN HILL

City Clerk

Date: _____

City Manager

Date: _____

APPROVED AS TO FORM:

“PROPERTY OWNER”

City Attorney

Date: _____

By: 

Title: MEMBER

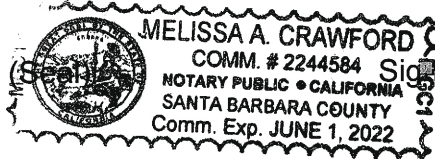
Date: 03-31-2022

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

State of California
County of Santa Barbara

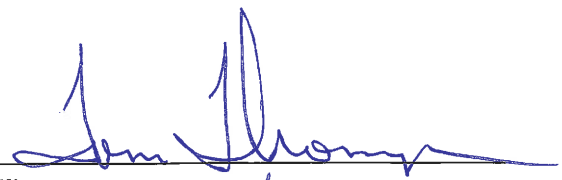
Subscribed and sworn to (or affirmed) before me on this 31st
day of March, 2022, by Frank Harvey

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



Signature

Melissa A. Crawford


By: _____
Title: MEMBER
Date: 4-8-2022

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

State of California
County of Santa Barbara

Subscribed and sworn to (or affirmed) before me on this 8th
day of April, 2022, by Tommy Thompson

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



Signature

Melissa Crawford

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

State of **California**

County of **Santa Clara**

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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

State of **California**

County of **Santa Clara**

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

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

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

PERFORMANCE BOND
(100% of Engineer's Estimate)

Bond No.: 4449556
Premium: \$2,168

Whereas, the City Council of the City of Morgan Hill, State of California, and
Thompson & Harvey Bay Area, LLC (hereinafter
designated as "principal") have entered into an Improvement Agreement:

THOMPSON & HARVEY BAY AREA, LLC
16500 Railroad Avenue, APN: 817-58-002

whereby principal agrees to install and complete certain designated public improvements, which
said agreement, dated _____, 20____, and identified as project
AU ENERGY LLC, is hereby referred to and made a part hereof; and

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

Now, therefore, we, the principal and Markel Insurance Company, as surety, are
held and firmly bound unto the City of Morgan Hill, hereinafter called ("City"), in the penal sum
of Eighty-Six Thousand Seven Hundred and Four & 00/100 (\$86,704.00) lawful money of the
United States, for the payment of which sum well and truly to be made, we bind ourselves, our
heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The Surety's office is located at 3131 Camino del Rio N., #1450, San Diego, CA 92108
Telephone No. (619) 400-4100; the Surety is licensed to do business in the State of California; and
the California Insurance Agent's License No., address, and telephone number are as follows:

Culbertson Insurance Services, Inc.

License No.: 0644648
Address: 5500 E. Santa Ana Canyon Road, Suite 201, Anaheim, CA 92807
Telephone No.: (714) 921-0530

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

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

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

Performance Bond
Page 1 of 3
Version: December 2017

true intent and meaning, and shall indemnify and save harmless City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

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

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

Executed this 12th day of January 20 22.

Thompson & Harvey Bay Area, LLC

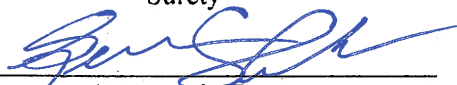
Principal



Principal

By: Markel Insurance Company

Surety

By: 

Attorney-in-Fact, Spencer Flake

By: _____

California Resident Agent

By: _____

Non-resident Agent - Attorney-in-Fact

APPROVED:

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

By: _____

Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

Performance Bond

Page 2 of 3

Version: December 2017

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of Alameda

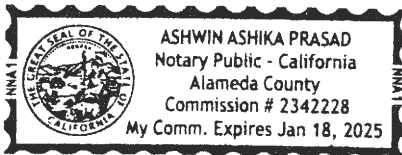
On 3/10/2022 before me, Ashwin Ashika Prasad (Notary Public),
Date Here Insert Name and Title of the Officer

personally appeared Sundeep Goyal
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



Signature *Ashwin Prasad*
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document:

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

☐ Corporate Officer – Title(s):

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other:

Signer is Representing:

Signer's Name:

☐ Corporate Officer – Title(s):

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other:

Signer is Representing:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

County of Orange

On 1/11/2022 before me, Lexie Sherwood, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Spencer Flake

Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

Witness my hand and official seal.

Signature

Lexie Sherwood
Signature of Notary Public Lexie Sherwood

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Signer is Representing:

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Signer is Representing:

JOINT LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SureTec Insurance Company, a Corporation duly organized and existing under the laws of the State of Texas and having its principal office in the County of Harris, Texas and Markel Insurance Company (the "Company"), a corporation duly organized and existing under the laws of the state of Illinois, and having its principal administrative office in Glen Allen, Virginia, does by these presents make, constitute and appoint:

Charles L. Flake, David L. Culbertson, Spencer Flake, Heather Willis

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on their own behalf, individually as a surety or jointly, as co-sureties, and as their act and deed any and all bonds and other undertaking in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

Ten Million and 00/100 Dollars (\$10,000,000.00)

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolutions adopted by the Board of Directors of SureTec Insurance Company and Markel Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the SureTec Insurance Company and Markel Insurance Company, as the case may be, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Markel Insurance Company and SureTec Insurance Company have caused their official seal to be hereunto affixed and these presents to be signed by their duly authorized officers on the 26th day of May, 2020.

SureTec Insurance Company

By: 
Michael C. Keimig, President



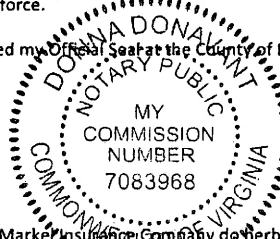
Markel Insurance Company

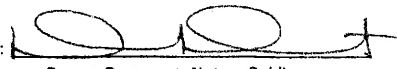
By: 
Robin Russo, Senior Vice President

Commonwealth of Virginia
County of Henrico SS:

On this 26th day of May, 2020 A. D., before me, a Notary Public of the Commonwealth of Virginia, in and for the County of Henrico, duly commissioned and qualified, came THE ABOVE OFFICERS OF THE COMPANIES, to me personally known to be the individuals and officers described in, who executed the preceding instrument, and they acknowledged the execution of same, and being by me duly sworn, disposed and said that they are the officers of the said companies aforesaid, and that the seals affixed to the proceeding instrument are the Corporate Seals of said Companies, and the said Corporate Seals and their signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of the said companies, and that Resolutions adopted by the Board of Directors of said Companies referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Henrico, the day and year first above written.

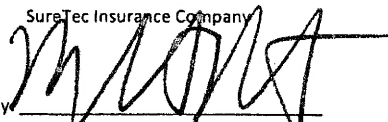


By: 
Donna Donavant, Notary Public
My commission expires 1/31/2023

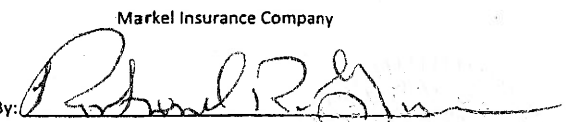
We, the undersigned Officers of SureTec Insurance Company and Markel Insurance Company do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, we have hereunto set our hands, and affixed the Seals of said Companies, on the 12th day of January, 2022.

SureTec Insurance Company

By: 
M. Brent Beaty, Assistant Secretary

Markel Insurance Company

By: 
Richard R. Grinnan, Vice President and Secretary

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

Bond No.: 4449556

Premium: Included in Performance Bond

Whereas, the City Council of the City of Morgan Hill, State of California, and **THOMPSON & HARVEY BAY AREA, LLC** (hereinafter designated as "the principal") have entered into an Improvement Agreement:

THOMPSON & HARVEY BAY AREA, LLC
16500 Railroad Avenue, APN: 817-58-002

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated _____, 20_____, and identified as project **AU ENERGY LLC**, is hereby referred to and made a part hereof; and

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

Now, therefore, the principal and the undersigned as corporate surety, and their successors and assigns are held firmly bound unto City and all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of the agreement and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of Eighty-Six Thousand Seven Hundred and Four & 00/100 (\$86,704.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

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

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

The Surety's office is located at 3131 Camino del Rio N., #1450, San Diego, CA 92108, Telephone No. (619) 400-4100, the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number as follows:

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

Culbertson Insurance Services, Inc.

License No.: 0644648

Address: 5500 E. Santa Ana Canyon Road Suite 201, Anaheim, CA 92807

Telephone No.: (714) 921-0530

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

Name of non-resident agent: _____,

Non-resident agent's office address: _____

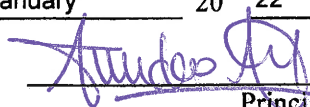
Telephone No.: _____

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

Executed this 12th day of January 20 22.

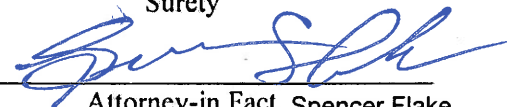
Thompson & Harvey Bay Area, LLC

Principal


Principal

By: Markel Insurance Company

Surety

By: 

Attorney-in Fact, Spencer Flake

By: _____

California Resident Agent

By: _____

Non-resident Agent - Attorney-in-Fact

APPROVED:

Scott Creer, City Engineer

Date: _____

APPROVED AS TO FORM:

By: _____

Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

Labor and Material Bond

Page 2 of 3

Version: December 2017

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of Alameda

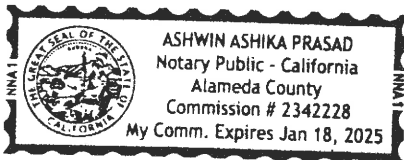
On 3/10/2022 before me, Ashwin Ashika Prasad (Notary Public),
Date Here Insert Name and Title of the Officer

personally appeared Sundeep Goyal
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature *[Signature]*
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title _____ or _____ Type _____ of _____ Document:

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

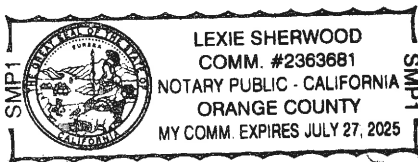
STATE OF CALIFORNIA

County of Orange

On 1/12/2022 before me, Lexie Sherwood, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Spencer Flake

Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

Witness my hand and official seal.

Signature Lexie Sherwood
Signature of Notary Public Lexie Sherwood

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

JOINT LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SureTec Insurance Company, a Corporation duly organized and existing under the laws of the State of Texas and having its principal office in the County of Harris, Texas and Markel Insurance Company (the "Company"), a corporation duly organized and existing under the laws of the state of Illinois, and having its principal administrative office in Glen Allen, Virginia, does by these presents make, constitute and appoint:

Charles L. Flake, David L. Culbertson, Spencer Flake, Heather Willis

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on their own behalf, individually as a surety or jointly, as co-sureties, and as their act and deed any and all bonds and other undertaking in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

Ten Million and 00/100 Dollars (\$10,000,000.00)

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolutions adopted by the Board of Directors of SureTec Insurance Company and Markel Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the SureTec Insurance Company and Markel Insurance Company, as the case may be, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Markel Insurance Company and SureTec Insurance Company have caused their official seal to be hereunto affixed and these presents to be signed by their duly authorized officers on the 26th day of May, 2020.

SureTec Insurance Company

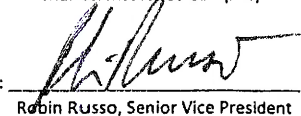
By:


Michael C. Keimig, President



Markel Insurance Company

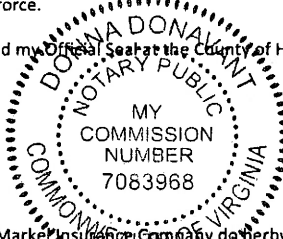
By:


Robin Russo, Senior Vice President

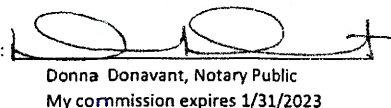
Commonwealth of Virginia
County of Henrico SS:

On this 26th day of May, 2020 A. D., before me, a Notary Public of the Commonwealth of Virginia, in and for the County of Henrico, duly commissioned and qualified, came THE ABOVE OFFICERS OF THE COMPANIES, to me personally known to be the individuals and officers described in, who executed the preceding instrument, and they acknowledged the execution of same, and being by me duly sworn, disposed and said that they are the officers of the said companies aforesaid, and that the seals affixed to the proceeding instrument are the Corporate Seals of said Companies, and the said Corporate Seals and their signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of the said companies, and that Resolutions adopted by the Board of Directors of said Companies referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Henrico, the day and year first above written.



By:

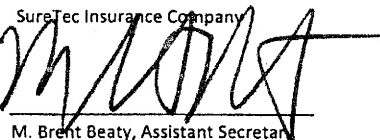

Donna Donavant, Notary Public
My commission expires 1/31/2023

We, the undersigned Officers of SureTec Insurance Company and Markel Insurance Company do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, we have hereunto set our hands, and affixed the Seals of said Companies, on the 12th day of January, 2022.

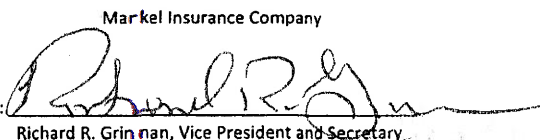
SureTec Insurance Company

By:


M. Brent Beaty, Assistant Secretary

Markel Insurance Company

By:


Richard R. Grinnan, Vice President and Secretary

WARRANTY BOND
(50% of Cost of Construction)

Bond No.: 4449556

Premium: _____
Included in Performance Bond

Whereas, the City Council of the City of Morgan Hill, State of California (hereinafter designated as "City"), and **THOMPSON & HARVEY BAY AREA, LLC** (hereinafter designated as "Principal") have entered into an Improvement Agreement (hereinafter "Agreement"):

THOMPSON & HARVEY BAY AREA, LLC
16500 Railroad Avenue, APN: 817-58-002

whereby the Principal agrees to install and complete certain designated public improvements (hereinafter "Improvements"), which said Agreement, dated _____, 20_____, and identified as project **AU ENERGY LLC**, is hereby referred to and made a part hereof; and

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

Now, therefore, we, the Principal and Markel Insurance Company as Surety, are held and firmly bound unto the City of Morgan Hill in the penal sum of Eighty-Six Thousand Seven Hundred and Four & 00/100 (\$86,704.00) for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

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

Surety waives the provisions of Civil Code Sections 2819 and 2845. Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition. Any

Warranty Bond
Page 1 of 3
Version: April 2019

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

Markel Insurance Company
Attn: David Melman
Address: 3131 Camino del Rio N., #1450
City/State/Zip: San Diego, CA 92108
Phone: (619) 400-4100
Fax: (619) 400-4101
Email: David.Melman@Markel.com

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

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

SURETY: Markel Insurance Company

Date: January 12, 2022

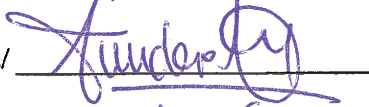
s/ 

Name: Spencer Flake

Title: Attorney-in-Fact

Principal: Thompson & Harvey Bay Area, LLC

Date: 3/10/2022

s/ 

Name: Sundee Goyal

Title: _____

(Attach Acknowledgment with Notary
Seal and Power of Attorney)

APPROVED AS TO FORM:

By: _____

Date: _____

Donald A. Larkin, City Attorney

Warranty Bond
Page 2 of 3
Version: April 2019

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of Alameda

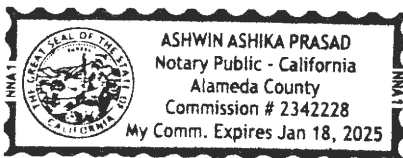
On 3/10/2022 before me, Ashwin Ashika Prasad (Notary Public),
Date Here Insert Name and Title of the Officer

personally appeared Sundeep Goyal
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature [Signature]
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document:

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

☐ Corporate Officer – Title(s):

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other:

Signer is Representing:

Signer's Name:

☐ Corporate Officer – Title(s):

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other:

Signer is Representing:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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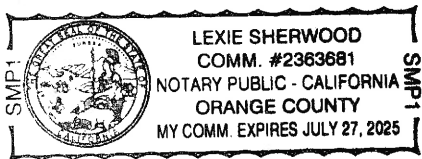
STATE OF CALIFORNIA

County of Orange

On 1/12/2022 before me, Lexie Sherwood, Notary Public,
Date Insert Name of Notary exactly as it appears on the official seal

personally appeared Spencer Flake

Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

Witness my hand and official seal.

Signature

Lexie Sherwood
Signature of Notary Public Lexie Sherwood

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of the form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

JOINT LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SureTec Insurance Company, a Corporation duly organized and existing under the laws of the State of Texas and having its principal office in the County of Harris, Texas and Markel Insurance Company (the "Company"), a corporation duly organized and existing under the laws of the state of Illinois, and having its principal administrative office in Glen Allen, Virginia, does by these presents make, constitute and appoint:

Charles L. Flake, David L. Culbertson, Spencer Flake, Heather Willis

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on their own behalf, individually as a surety or jointly, as co-sureties, and as their act and deed any and all bonds and other undertaking in suretyship provided; however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

Ten Million and 00/100 Dollars (\$10,000,000.00)

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolutions adopted by the Board of Directors of SureTec Insurance Company and Markel Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the SureTec Insurance Company and Markel Insurance Company, as the case may be, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Markel Insurance Company and SureTec Insurance Company have caused their official seal to be hereunto affixed and these presents to be signed by their duly authorized officers on the 26th day of May 2020.

SureTec Insurance Company

By: 
Michael C. Keimig, President



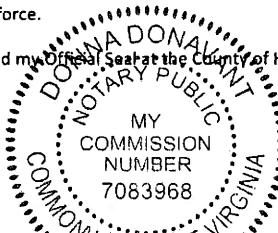
Markel Insurance Company

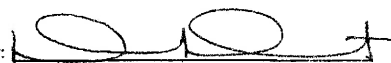
By: 
Robin Russo, Senior Vice President

Commonwealth of Virginia
County of Henrico SS:

On this 26th day of May 2020 A. D., before me, a Notary Public of the Commonwealth of Virginia, in and for the County of Henrico, duly commissioned and qualified, came THE ABOVE OFFICERS OF THE COMPANIES, to me personally known to be the individuals and officers described in, who executed the preceding instrument, and they acknowledged the execution of same, and being by me duly sworn, disposed and said that they are the officers of the said companies aforesaid, and that the seals affixed to the proceeding instrument are the Corporate Seals of said Companies, and the said Corporate Seals and their signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of the said companies, and that Resolutions adopted by the Board of Directors of said Companies referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Henrico, the day and year first above written.

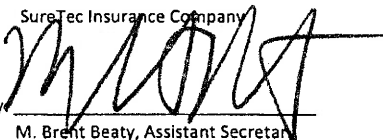


By: 
Donna Donavant, Notary Public
My commission expires 1/31/2023

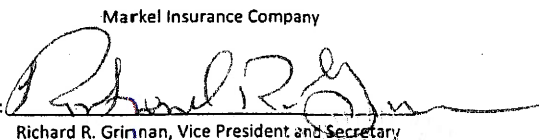
We, the undersigned Officers of SureTec Insurance Company and Markel Insurance Company do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, we have hereunto set our hands, and affixed the Seals of said Companies, on the 12th day of January, 2022.

SureTec Insurance Company

By: 
M. Brent Beaty, Assistant Secretary

Markel Insurance Company

By: 
Richard R. Grimman, Vice President and Secretary



CITY OF MORGAN HILL PUBLIC WORKS DEPARTMENT

17575 Peak Avenue Morgan Hill CA 95037 - Office (408) 778-6480 Fax (408) 779-7236

FEE SCHEDULE: 07.01.2021

PROJECT INFO	
TRACT # / APN:	<u>817-58-002</u>
ADDRESS / LOT:	<u>16500 Railroad Avenue</u>
PROJECT DESC:	<u>New Industrial Building</u>
APPLICANT INFO	
APPLICANT NAME:	<u>AU Energy LLC</u>
MAILING ADDRESS:	<u>41805 Albrae Street</u>
CITY, STATE, ZIP:	<u>Fremont, CA 94538</u>
PHONE NUMBER:	<u>510-270-3411</u>

DATE PREPARED:	<u>1/12/2021</u>
EXPIRATION DATE:	<u>N/A</u>
CALCULATED BY:	<u>Sam Cho</u>
CHECKED BY:	<u>Charlie Ha</u>
BUILDING PERMIT #:	<u>PWPR2021-0003</u>
BLD PERMIT ISS. DATE:	<u>N/A</u>

☒ **THIS FEE SCHEDULE IS ESTIMATE ONLY**

IF BOX ABOVE CHECKED: FEE SCHEDULE IS ONLY FOR ESTIMATE PURPOSES. FEE SCHEDULE CALCULATED BASED ON INFORMATION PROVIDED TO CITY BY APPLICANT. FINAL FEE SCHEDULE MAY DIFFER BASED UPON CHANGE IN SCOPE OF PROJECT.

MULTI-FAMILY IS DEFINED AS ANY UNIT WITH TWO BEDROOMS OR LESS.
SINGLE FAMILY IS DEFINED AS ANY UNIT WITH 3 BEDROOMS OR MORE.

SEWER IMPACT FEES WITHIN RDA BOUNDARY

CHECK APPLICABLE SCENARIO BELOW

• COMMERCIAL OR INDUSTRIAL WITHIN RDA BOUNDARY

SEWER IMPACT FOR COMMERCIAL & INDUSTRIAL PROJECTS TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07 PER RES# 6082.

• RESIDENTIAL PROJECTS WITHIN RDCA DOWNTOWN AREA

SEWER IMPACT FOR SINGLE-FAMILY AND MULTI-FAMILY RESIDENTIAL TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07.

• NOT IN RDA AREA BOUNDARY

** BOTH NORMAL FEES AND ADJUSTED FEES ARE SUBJECT TO ANNUAL CPI INCREASES.

☐ **COMMERCIAL OR INDUSTRIAL SHELL**

1. METER DEPOSIT: **650-37672** Subtotal: \$1,857

1"	\$527	x	1	=	\$527
1 1/2"	\$1,645	x	0	=	\$0
2"	\$1,857	x	1	=	\$1,857
3" or larger	Time & Material + Meter Cost			=	\$0

METER CREDITS \$527 / x 1 / = -\$527

2. BACKFLOW CONST. INSPECTION: **650-37859** Subtotal: \$355

\$71	x	5	Each	=	\$355
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3a. WATER FRONTAGE CHARGE: **650-37663** Subtotal: \$0

1 Side	\$77	x	0	LF	=	\$0
2 Sides	\$42	x	0	LF	=	\$0

3b. SEWER FRONTAGE CHARGE: **640-37663** Subtotal: \$11,935

1 Side	\$77	x	155	LF	=	\$11,935
2 Sides	\$42	x	0	LF	=	\$0

3c. STORM FRONTAGE CHARGE: **304-37663** Subtotal: \$0

1 Side	\$126	x	0	LF	=	\$0
2 Sides	\$61	x	0	LF	=	\$0

3d. UNDERGROUNDING UTILITIES: **350-37648** Subtotal: \$122,915

1 Side	\$793	x	155	LF	=	\$122,915
2 Sides	\$401	x	0	LF	=	\$0

4. WATER IMPACT FEE:										651-37648	Subtotal:	\$27,252
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Single Family	\$4,160	/DU	x	0	DU	=	\$0
Multi Family	\$3,753	/DU	x	0	DU	=	\$0
Senior/Downtown	\$3,753	/DU	x	0	DU	=	\$0
Commercial	\$11,809	/AC	x	0	AC	=	\$0
Industrial	\$11,809	/AC	x	2.66	AC	=	\$31,412
Office	\$11,809	/AC	x	0	AC	=	\$0
Auto Dealership	\$11,809	/AC	x	0	AC	=	\$0
Hotel	\$11,809	/AC	x	0	AC	=	\$0

WATER CREDITS	\$4,160	/	x	1	/	=	-\$4,160
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5. SEWER IMPACT FEE:										641-37648	Subtotal:	\$83,476
-----------------------------	--	--	--	--	--	--	--	--	--	------------------	-----------	-----------------

Single Family	\$16,280	/DU	x	0	DU	=	\$0
Multi Family	\$13,778	/DU	x	0	DU	=	\$0
Senior/Downtown	\$13,778	/DU	x	0	DU	=	\$0
Commercial	\$53.61	/GPD	x	0	GPD	=	\$0
Industrial	\$53.61	/GPD	x	1120	GPD	=	\$60,043
Office	\$53.61	/GPD	x	437.1	GPD	=	\$23,433
Auto Dealership	\$53.61	/GPD	x	0	GPD	=	\$0
Hotel	\$53.61	/GPD	x	0	GPD	=	\$0

SEWER CREDITS	\$0	/	x	0	/	=	\$0
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RDA SEWER CREDIT	Single Family	\$16,280	/DU	x	0	DU	=	\$0
	Multi Family	\$13,778	/DU	x	0	DU	=	\$0
	Commercial	\$53.61	/GPD	x	0	GPD	=	\$0
	Industrial	\$53.61	/GPD	x	0	GPD	=	\$0
	Office	\$53.61	/GPD	x	0	GPD	=	\$0
	Auto Dealership	\$53.61	/GPD	x	0	GPD	=	\$0
	Hotel	\$53.61	/GPD	x	0	GPD	=	\$0

6. STORM DRAIN IMPACT FEE:										303-37648	Subtotal:	\$41,694
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	Single Family	\$2,063	/DU	x	0	DU	=	\$0
>1,200 SF	Multi Family	\$1,175	/DU	x	0	DU	=	\$0
< 1,200 SF	Multi Family	\$546	/DU	x	0	DU	=	\$0
>1,200 SF	Senior/Downtown	\$1,175	/DU	x	0	DU	=	\$0
< 1,200 SF	Senior/Downtown	\$546	/DU	x	0	DU	=	\$0
	Commercial	\$22,342	/ACRE	x	0	AC	=	\$0
	Industrial	\$16,450	/ACRE	x	2.66	AC	=	\$43,757
	Office	\$22,342	/ACRE	x	0	AC	=	\$0
	Auto Dealership	\$22,342	/ACRE	x	0	AC	=	\$0
	Hotel	\$331	/ROOM	x	0	RM	=	\$0

STORM CREDITS	\$2,063	/	x	1	/	=	-\$2,063
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7. TRAFFIC IMPACT FEE:										309-37648	Subtotal:	\$25,095
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	Single Family	\$3,585	/DU	x	0	DU	=	\$0
>1,200 SF	Multi Family	\$2,222	/DU	x	0	DU	=	\$0
< 1,200 SF	Multi Family	\$1,399	/DU	x	0	DU	=	\$0
>1,200 SF	Senior/Downtown	\$2,222	/DU	x	0	DU	=	\$0
< 1,200 SF	Senior/Downtown	\$1,399	/DU	x	0	DU	=	\$0
	Secondary DU	TBD	/DU	x	0	DU	=	\$0
	Commercial	\$3,585	/PHT	x	0	PHT	=	\$0
	Industrial	\$3,585	/PHT	x	8	PHT	=	\$28,680
	Office	\$3,585	/PHT	x	0	PHT	=	\$0
	Auto Dealership	\$3,585	/PHT	x	0	PHT	=	\$0
	Hotel	\$3,585	/PHT	x	0	PHT	=	\$0

TRAFFIC CREDITS	\$3,585	/PHT	x	1	PHT	=	-\$3,585
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8. PARK IMPACT FEE:										301-37648	Subtotal:	\$0
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Subdivision:	Single Family	\$6,173	/DU	x	0	DU	=	\$0
	Multi Family	\$5,948	/DU	x	0	DU	=	\$0
	Senior/Downtown	\$4,073	/DU	x	0	DU	=	\$0
	Secondary DU	TBD	/DU	x	0	DU	=	\$0
No Subdivision	Single Family	\$4,488	/DU	x	0	DU	=	\$0
	Multi Family	\$4,329	/DU	x	0	DU	=	\$0
	Senior/Downtown	\$2,962	/DU	x	0	DU	=	\$0
	Secondary DU	TBD	/DU	x	0	DU	=	\$0

PARK CREDITS	\$0	/	x	0	/	=	\$0
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8a. PARK MAINTENANCE DEV. FEE:					302-37649	Subtotal:	\$0
	\$0	/	x	0	EAC	=	\$0
9. PUBLIC FACILITIES IMPACT FEE:					347-37648	Subtotal:	\$4,232
Single Family	\$588	/DU	x	0	DU	=	\$0
Multi Family	\$566	/DU	x	0	DU	=	\$0
Senior/Downtown	\$388	/DU	x	0	DU	=	\$0
Secondary DU	TBD	/DU	x	0	DU	=	\$0
Commercial	\$1,294	/ACRE	x	0	AC	=	\$0
Industrial	\$1,812	/ACRE	x	2.66	AC	=	\$4,820
Office	\$1,538	/ACRE	x	0	AC	=	\$0
Auto Dealership	\$519	/ACRE	x	0	AC	=	\$0
Hotel	\$15	/ROOM	x	0	RM	=	\$0
PUBLIC FACILITIES CREDITS	\$588	/	x	1	/	=	-\$588
10. LIBRARY IMPACT FEE:					348-37648	Subtotal:	\$0
Single Family	\$2,267	/DU	x	0	DU	=	\$0
Multi Family	\$2,184	/DU	x	0	DU	=	\$0
Senior/Downtown/SDU	\$1,495	/DU	x	0	DU	=	\$0
Secondary DU	TBD	/DU	x	0	DU	=	\$0
LIBRARY CREDITS	\$0	/	x	0	/	=	\$0
11. COMMNTY/REC CNTRS IMPACT FEE:					360-37648	Subtotal:	\$0
Single Family	\$4,204	/DU	x	0	DU	=	\$0
Multi Family	\$3,689	/DU	x	0	DU	=	\$0
Senior/Downtown	\$2,784	/DU	x	0	DU	=	\$0
Secondary DU	TBD	/DU	x	0	DU	=	\$0
COMMNTY/REC CNTRS CREDITS	\$0	/	x	0	/	=	\$0
12. PUBLIC SAFETY FACILITIES IMPACT FEE:					315-37648	Subtotal:	\$34,746
Single Family	\$2,063	/DU	x	0	DU	=	\$0
>1,200 SF Multi Family	\$1,824	/DU	x	0	DU	=	\$0
< 1,200 SF Multi Family	\$1,366	/DU	x	0	DU	=	\$0
>1,200 SF Senior/Downtown	\$1,824	/DU	x	0	DU	=	\$0
< 1,200 SF Senior/Downtown	\$1,366	/DU	x	0	DU	=	\$0
Secondary DU	TBD	/DU	x	0	DU	=	\$0
Commercial	\$11,529	/ACRE	x	0	AC	=	\$0
Industrial	\$13,838	/ACRE	x	2.66	AC	=	\$36,809
Office	\$13,822	/ACRE	x	0	AC	=	\$0
Auto Dealership	\$5,530	/ACRE	x	0	AC	=	\$0
Hotel	\$64	/ROOM	x	0	RM	=	\$0
PUBLIC SAFETY FACILITIES CREDITS	\$2,063	/	x	1	/	=	-\$2,063
13. ENGINEERING & INSPECTION FEE:					206-38734	Subtotal:	\$36,123
ENGR ESTIMATE:	\$675,758	13.3%	\$1	to	\$100,000	=	\$13,300
ENGR EST. DATE:		11.8%	\$100,001	to	\$200,000	=	\$11,800
		10.3%	\$200,001	to	\$500,000	=	\$30,900
		8.8%	OVER		\$500,000	=	\$15,467
DEPOSIT PAID						=	\$35,343
*SEE PAGE FOUR FOR REVISION OF FEE							
14. LONG RANGE PLANNING FEE:					207-37912	Subtotal:	\$10,720
LONG RANGE PLANNING FEE (15% of E&I)					=		\$10,720
15. GIS FEE:					206-37913	Subtotal:	\$3,573
GIS/TECHNOLOGY FEE (5% of E&I)					=		\$3,573
16. MAP CHECK FEE:					206-38716	Subtotal:	\$0
PARCEL MAP:					\$6,029	=	\$0
TRACT MAP:					\$9,627	=	\$0

17. BURROWING OWL MITIGATION:	232-38145	Subtotal:	\$0
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Single Family	\$233	/DU	x	0	DU	=	\$0
Multi Family	\$233	/DU	x	0	DU	=	\$0
Secondary DU	TBD	/DU	x	0	DU	=	\$0
Commercial	\$1,626	/AC	x	0	AC	=	\$0
Industrial	\$1,626	/AC	x	0	AC	=	\$0

18. OTHER FEES:	Subtotal:	\$0
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Certificate of Compliance	\$ 3,914		206-38430	=	\$0
Lot Line Adjustment/Merger	\$ 3,280		206-38712	=	\$0
Engineering Services	\$ 211	/hr	206-38719	=	\$0
Public Easement Review	\$ 2,645		206-38737	=	\$0
Street Vacation Review	\$ 211	/hr	206-38737	=	\$0
Easement Abandonment	\$ 4,654		206-38737	=	\$0
Plan Revision Review	\$ 530	/hr	206-38737	=	\$0
Reimbursement Agreement	\$ 2,292		206-38741	=	\$0
FEMA Compliance - Base Fee	\$ 423		206-38725	=	\$0
FEMA Comp. w/ CLOMR/LOMR	\$ 2,328		206-38725	=	\$0
FEMA Comp. w/ Pub. Outreach	\$ 847		206-38725	=	\$0
Storm Water Runoff Mangnt Plan Review	\$ 2,963		206-38734	=	\$0
SWPPP Document Review 1st	\$ 1,269		232-37687	=	\$0
SWPPP Document Review 2nd	\$ 787		232-37687	=	\$0
SWPPP Offsite Inspection - 6 month	\$ 6,347		232-37688	=	\$0
SWPPP Offsite Inspection - 12 month	\$ 12,695		232-37688	=	\$0
SWPPP Offsite Inspection - 24 month	\$ 25,390		232-37688	=	\$0
Post Construction BMP Initial/Base Setup	\$ 620		206-37721	=	\$0
Post Construction Each Additional BMP	\$ 124	/BMP	206-37721	=	\$0
RDCS School Pedestrian Safety	\$		355-37655	=	\$0
RDCS Public Facilities	\$		346-37649	=	\$0
RDCS Park Development	\$		302-37649	=	\$0
RDCS Public Facilities Circulation	\$		346-37649	=	\$0
RDCS LED Streetlight Fund	\$		010-37722	=	\$0

TOTAL FEES DUE: \$403,974

**If paying by Credit Card, additional 2% fee.

CREDIT CARD PROCESSING FEE (2% of total fees due):

Notes & Comments:

Total Site Area = 2.66 acres	Existing Conditions:
	1 residential building = 1200 sf, SFD
	No credit for SS; Credit for water, storm.

Proposed Conditions:

SANITARY - gallons per day (gpd) use
office coefficient = 0.093 gpd
(4700 sf) x (0.093 gpd/sf) = 437.1 gpd
repair shop coefficient (including shop,shop bay,and truck wash) = 0.140 gpd
(8000 sf) x (0.140 gpd/sf) = 1120 gpd

TRAFFIC - peak hour trips (PHT) average
"General Light Industrial" trucking facility average rate = 0.63 PHT (Land Use 110)
(12700 sf) x (0.63 PHT/1000 sf) = 8.001 PHT = 8 PHT

***Updated Engineering estimates (updated estimate provided by Engineer, dated 12/9/2021)**

\$86,704 Public Improvements
\$92,660 Private Improvements - Sanitary
\$377,594 Private Improvements - Storm
\$118,800 Private Improvements -Water
\$675,758 Total Engineering Estimate

CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Kim Mancera, Municipal Services Assistant

APPROVED BY: City Manager

APPROVE THE MAY 4, 2022 CITY COUNCIL MEETING MINUTES

RECOMMENDATION(S)

Approve the May 4, 2022 City Council Meeting Minutes.

Estimated Time:

COUNCIL PRIORITIES, GOALS & STRATEGIES

REPORT NARRATIVE:

COMMUNITY ENGAGEMENT:

ALTERNATIVE ACTIONS:

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

FISCAL AND RESOURCE IMPACT:

CEQA (California Environmental Quality Act):



**Special/Regular City Council
Meeting Minutes**

Rich Constantine - Mayor
Gino Borgioli - Mayor Pro Tem
John McKay - Council Member
Yvonne Martinez Beltran - Council Member
Rene Spring - Council Member

Wednesday, May 4, 2022 5:00 PM

Virtual Meeting
Link to join the meeting can be found below

SPECIAL/REGULAR MEETING

A special meeting of the City Council was called at 5:00 p.m. for the purpose of conducting Library, Culture, and Arts and Parks and Recreation Commission interviews.

SPECIAL MEETING

5:00 P.M. - Library, Culture, and Arts and Parks and Recreation Commission interviews

CALL TO ORDER

Mayor Constantine called the City Council meeting to order at 5:00 p.m.

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow called the roll.

PRESENT	Rich Constantine, Rene Spring, Gino Borgioli, John McKay, Yvonne Martinez Beltran
ABSENT	None

DECLARATION OF POSTING AGENDA

City Clerk Michelle Bigelow declared the posting of the agenda.

COMMISSION INTERVIEWS

1. INTERVIEW CANDIDATES TO FILL TWO (2) SEATS ON THE PARKS AND RECREATION COMMISSION AND ONE (1) SEAT ON THE LIBRARY, CULTURE, AND ARTS COMMISSION

Recommendation:

1. Mayor shares the characteristics/traits that a successful applicant(s) would possess;
2. Conduct Interviews;
3. Council Members identify the top applicant(s) and provide recommendations to the Mayor; and
4. Discuss and/or appoint applicant(s).

Estimated Time: 120 Minutes

Mayor Constantine shared the characteristics/traits that the successful applicant(s) possess.

The City Council interviewed the following applicants:

For Parks and Recreation:

Shweta Maniar

Anthony Bontempi

Harpreet Vittal

Michael Robertson

Peter Pacheco

Robert Benich

Zain Yahya

For Library, Culture, and Arts Commission:
Cindy Blanton
Shakeeb Ahmed

REGULAR MEETING

7:00 P.M.

PROCLAMATIONS

Proclaiming May 2022 as Affordable Housing Month

Proclaiming May 2022 as Aquatics Month

Proclaiming May 2022 as Mental Health Awareness Month

Proclaiming May 2022 as Wildfire Awareness Month

Proclaiming May 15, 2022 as Peace Officers Memorial Day and May 11-17, 2022 as National Police Week

CITY COUNCIL REPORTS

Mayor Constantine shared that recently he and Mayor Blankley from Gilroy co-wrote a letter asking Congressman Panetta to add an earmark of around \$2 million to provide funding to start an Environmental Impact Report (EIR) to continue the expansion of Hwy 101 from Dunne Avenue to Gilroy. An EIR is already completed to Dunne Avenue. They have also been having conversations with the Valley Transportation Authority (VTA) to make sure this is on their radar. Hopefully, we will get an express lane through Morgan Hill and Gilroy. VTA believes that we can get the funding for an Express Lane vs. a High Occupancy Vehicle (HOV) lane. The difference between an Express Lane and an HOV lane is that an HOV lane has the infrastructure that allows cars that don't have the required number of occupants to be in the commute lane by paying through using their Fast Trak to be in that lane.

He also mentioned that as a part of his work on the Water Commission, at the April 13 meeting, he shared the fact that Morgan Hill, not only has saved more water than any city in the county, but we've done that because of our water conservation ordinance. Valley Water has now asked other cities to limit the amount of watering that their residents do for their lawns to two times a week like what we do. Hopefully, that will be followed by other cities and we can all be leaders in saving water.

CITY MANAGER'S REPORT

City Manager Turner shared several updates. Last week, the California High-Speed Rail Authority (Authority) approved its 2022 Business Plan and Final EIR/EIS for the San Jose to Merced Project. The City issued comment letters for both documents continuing to ask the Authority to identify funding and specify mitigations that will adequately address impacts on public safety response times and encourage the incorporation of grade separations. The City continues to explore ways to work with the Authority on ways to further enhance the project that addresses the City's public safety concerns. Moving to local construction, she shared that several communications companies are currently working on upgrading and installing new communication cables and conduits throughout the City. Please remember to drive or walk cautiously through construction areas and follow signage for detours. Whenever possible, try to utilize alternate routes while the work is being completed. If you have questions or see anything that looks unsafe, please get in touch with the City right away.

She mentioned that the City's recreation facilities continue to move back to full operation. As of this week, the Kids Club is now open to children from 6 months to 9 years old. All of the group exercise classes have been moved back indoors and the Centennial Recreation Center (CRC) parking lot is back to full capacity. The CRC does continue to offer an outdoor fitness center option with treadmills and other equipment. Please help spread the word about the excellent family fitness and recreation options at the CRC and Aquatics Center. Other exciting news for our older adults is that the Senior Nutrition Program will resume indoor dining starting tomorrow/Thursday-kicking off with a Cinco de Mayo party! May is Bike Month. Today, the City of Morgan Hill and the Morgan Hill Unified School District partnered to host Bike and Walk to School Day. The event took place at El Toro Elementary School, Los Paseos Elementary School, and Ann Sobrato High School. There was great participation from the students and administration, and we're excited to partner on this event again in the future.

'Bike to Wherever Day' is on Friday, May 20, 2022, so please stop by the City's Energizer Station between 11:30 a.m. and 4 p.m., located at the bike sculpture at the Community and Cultural Center Downtown. Visit our website at www.morganhill.ca.gov/bikeped for more information and resources. She also mentioned that Michelle Bigelow, Captain Ramirez, Corporal Zen, PERT Clinician Wood, and herself participated in a Community Mental Health and Suicide Prevention Awareness Presentation put on by Living Above the Influence (LATI). Several years ago, our Council adopted a policy on suicide prevention and things we can do as a community. She announced that the Cadet Ambassador program is in full operation generally Thursday – Saturday, 5 p.m. to 10 p.m. She also announced that the City will have its monthly booth at Sidewalk Saturday's/Farmers Market on Saturday, May 14th, from 9:00 a.m. -12:00 p.m. City teammates will be available to answer questions and provide information specific to summer recreation programs, water conservation, and the recommended budget.

Additionally, we will be hosting a community open house on the budget on Wednesday, May 18th, at the Downtown Amphitheatre from 4:30-6:00 p.m., followed by the City Council Budget Workshop at 7:00 p.m. She concluded by sharing that our annual Pride

Flag raising ceremony will be coming up later this month. The City of Morgan Hill prides itself on being an inclusive community. It encourages the celebration of LGBTQ+ Pride Month to recognize that all people deserve to be treated respectfully, fairly, and equally, regardless of sexual orientation or gender identity. Please join us for a flag-raising ceremony and celebration on Saturday, May 21st, at 9:00 am at City Hall.

CITY ATTORNEY'S REPORT

None.

OTHER REPORTS

Mayor Constantine announced that he is appointing Shweta Maniar and Harpreet Vittal to serve on the Parks and Recreation Commission, and Cindy Blanton to serve on the Library, Culture, and Arts Commission. He thanked all the applicants that applied. It was a tough decision, and we had many outstanding, well-qualified applicants. He reminded the applicants to apply again as positions open and to stay engaged.

PUBLIC COMMENT

Public comment opened at 7:15 p.m.

Joe Baranowski was called to speak.

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

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

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

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CONSENT CALENDAR

MOTION:

Approving the consent calendar.

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

2. **ADOPT ORDINANCE 2332, NEW SERIES, ADDING A NEW CHAPTER 9.18 (“SIDESHOWS”) TO TITLE 9 (“PUBLIC PEACE, MORALS AND WELFARE) OF THE MORGAN HILL MUNICIPAL CODE TO PROHIBIT SPECTATORS AT ILLEGAL SPEED CONTESTS, EXHIBITIONS OF SPEED OR RECKLESS DRIVING EXHIBITIONS**

Recommendation:

Waive the reading, adopt Ordinance No. 2332, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

3. **ADOPT ORDINANCE 2333, NEW SERIES, AMENDING SECTIONS, 13.04.330 (WASTING OF WATER AND DROUGHT EMERGENCIES) AND 13.04.390 (ENFORCEMENT) AND 13.04.400 (VIOLATION-PENALTY) OF CHAPTER 13.04 (WATER SYSTEM) OF TITLE 13 (PUBLIC SERVICES), AMENDING REGULATIONS PROHIBITING NONESSENTIAL USE OF POTABLE WATER**

Recommendation:

Waive the reading, adopt Ordinance No. 2333, 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.

4. **APPROVE SECOND AMENDMENT TO THE NEW CINGULAR WIRELESS PCS PROPERTY USE AGREEMENT**

Recommendation:

Authorize the City Manager to Execute the Second Amendment to the new Cingular Wireless PCS Property Use Agreement.

5. **APPROVE CONTRACT AGREEMENT WITH INFOSEND FOR UTILITY BILLING PRINTING, MAILING, ELECTRONIC BILL PRESENTMENT AND PAYMENT SERVICES, AND PAYMENT PROCESSING SERVICES**

Recommendation:

Authorize the City Manager to execute an agreement with Infosend for an amount not-to-exceed \$199,516 for a three-year term for utility bill printing, mailing, electronic bill presentment and payment services, and payment processing services.

6. **APPROVE ARTIST AGREEMENT WITH EVELYN DAVIS FOR THE WEST LITTLE LLAGAS CREEK TRAIL PROJECT**

Recommendation:

Authorize the City Manager to execute and administer an artist agreement with Evelyn Davis for an amount not-to-exceed \$17,500 for a Steelhead Trout Sculpture.

7. **APPROVE THE APRIL 6, 2022 AND THE APRIL 20, 2022 CITY COUNCIL MEETING MINUTES**

Recommendation:

Approve the April 6, 2022 and the April 20, 2022 City Council Meeting Minutes.

OTHER BUSINESS

8. **APPROVE MORGAN HILL OUTDOOR DINING PROGRAM AND PARKLET GRANT FUNDING PROGRAM**

Recommendation:

1. Approve the Morgan Hill Outdoor Dining Program, Manual, and Implementation Timeline; and
2. Approve the Parklet Grant Funding Program.

Economic Development Coordinator Brittney Sherman provided a presentation and report. Economic Development Director Matt Mahood, Assistant City Manager for Development Services Edith Ramirez, and Police Chief Shane

Palsgrove answered questions.

Public comment opened at 8:25 p.m. The following people were called to speak:

Joe Baranowski

Nick Gaich

Ray

Sally Casas

Tiffany

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

MOTION:

Substitute motion:

Directing staff to conduct a community meeting to get feedback on the parklet program and come back to the council.

RESULT:	Failed
MOVER:	Council Member Martinez Beltran
SECONDER:	Council Member Spring
AYES:	Council Member Spring, Council Member Martinez Beltran
NAYS:	Mayor Constantine, Mayor Pro Tem Borgioli, Council Member McKay
ABSTAIN:	None
ABSENT:	None

MOTION:

Approving the recommended actions.

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

The meeting recessed at 9:15 p.m. and reconvened at 9:25 p.m.

9. **INTRODUCE THE RECOMMENDED FISCAL YEAR (FY) 2022-23 AND FY 2023-24 BIENNIAL OPERATING AND FY 2022-23 THROUGH FY 2027-28 CAPITAL IMPROVEMENT PROGRAM BUDGETS**

Recommendation:

Receive the Introduction to the Recommended Budget Presentation

Item 10 was heard before item 9.

City Manager Christina Turner provided a presentation and report.

Public comment opened at 10:22 p.m. The following people were called to speak:

Joe Baranowski

Sally Casas

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

Report Received.

10. **ADOPT RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND ISSUANCE AGREEMENT TO REFINANCE AT LOWER INTEREST RATES CERTAIN OUTSTANDING 2014 WATER REVENUE BONDS AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**

Recommendation:

Adopt a resolution approving the execution and delivery of a Bond Issuance Agreement and authorizing certain other matters relating thereto.

Item 10 was heard before item 9.

Finance Director Dat Nguyen provided a presentation and report.

Public comment opened at 9:32 p.m. There being no requests to speak, public comment closed.

MOTION:

Approving the recommended action.

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

NAYS:	None
ABSTAIN:	None
ABSENT:	None

PUBLIC HEARINGS

11. INITIATE ANNUAL ASSESSMENT PROCESS FOR LANDSCAPE ASSESSMENT DISTRICT NUMBER 1

Recommendation:

Adopt resolutions approving the following actions:

1. Initiate the proceedings for the levy of assessments for Fiscal Year 2022-23;
2. Approve the Engineer's Annual Report and the proposed assessment levy; and
3. Declare the City Council's intention to levy the assessments in the District and to set the Public Hearing date for June 1, 2022.

Maintenance Manager Keri Russell provided the report.

The public hearing opened at 10:29 p.m. There being no requests to speak, public comment closed.

MOTION:

Approving the recommended actions.

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

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member McKay asked for a way to monitor outside committee assignments to

identify when an alternate is needed and to share how we voted at those committees.

ADJOURNMENT

There being no further business, Mayor Constantine adjourned the meeting at 10:31 p.m.

Minutes Prepared by:

Michelle Bigelow, City Clerk

CITY COUNCIL STAFF REPORT

MEETING DATE: May 18, 2022

PREPARED BY:

Michelle Bigelow, City Clerk

APPROVED BY: City Manager

ADOPT CITY COUNCIL DISTRICT MAP "NDC GREEN" OR AN ALTERNATIVE LEGALLY ACCEPTABLE MAP

RECOMMENDATION(S)

1. Review and adopt an alternative redistricting map based upon the court order from May 9, 2022, directing the City Council to adopt a new legally acceptable district map; and
2. Approve an amended resolution identifying the alternative City Council District map.

Estimated Time: 45 Minutes

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Supporting our Youth, Seniors, and Entire Community
Preserving and Cultivating Public Trust
Preserving our Community History
Enhancing Diversity and Inclusiveness

2022-2023 Strategic Priorities

Fiscal Sustainability
Community Engagement, Outreach, and Messaging

REPORT NARRATIVE:

On March 2, 2022, the Council adopted Map 103 as the new district map for City Council elections. Map 103 largely retains the existing districts, which were established in 2017. Following the 2017 ordinance establishing district elections, the state enacted the Fair and Inclusive Redistricting for Municipalities and Political Subdivisions Act ("FAIR MAPS Act"). Among other things, the FAIR MAPS Act adds prioritized criteria for redistricting.

On March 23, 2022, the City Council received a letter from the Nielsen Merksamer law firm demanding that the City cure its violation of the FAIR MAPS Act. On April 6, 2022, the City Council reaffirmed its action adopting Map 103 as the City's new district map.

Following this action, the plaintiffs filed a lawsuit against the City challenging Map 103,

alleging that the map was not legal and did not meet the requirements of the Fair Maps Act. At the hearing on March 9, 2022, the judge determined that Map 103 was not legal due to lack of compliance with the contiguity requirement and directed the City Council to select a map that met the Fair Maps Act criteria. The purpose of this hearing is to comply with the court order and give the Council the opportunity to adopt a new district map that conforms to the legal requirements.

The Council may only adopt a map that has been circulated for at least 7 days and one that meets the requirements of the FAIR MAPS Act. Only the NDC Green Map, NDC Map 108, Public Map 104, and Public Map 106 meet these criteria. The Court has ordered the Council to adopt a legal map and return to Court on May 23, 2022, to demonstrate that the court order has been complied with. Due to the seven-day map circulation requirement, the Council does not have time to make changes to any of these maps and still meet the Court deadline. Should the Council fail to act, the Court will likely adopt any map proposed by the Plaintiffs. It is likely that plaintiffs would request that the NDC Green Map be adopted. Two of the five members of the City Council have already voted in favor of adopting the NDC Green Map, so that map may be an appropriate starting point for the discussion.

Redistricting Background

Every ten years, cities with by-district election systems must use new census data to review and, if needed, redraw district lines to reflect how local populations have changed. This process, called redistricting, ensures all districts have a nearly equal population. The redistricting process for the City of Morgan Hill had a deadline of April 17, 2022.

The City adopted its current district boundaries on September 6, 2017, based on 2010 census data as required by law. The districts must now be redrawn using the 2020 census data and in compliance with the FAIR MAPS Act, adopted by the California legislature as AB 849, which took effect January 1, 2020.

Under the Act, the City Council shall draw and adopt boundaries using the following criteria in the **listed order of priority** (Elections Code 21601(c)):

- Comply with the US Constitution, the California Constitution, and the federal Voting Rights Act of 1965, including the federal requirement that districts maintain equal populations
- Geographically contiguous
- Undivided neighborhoods and “communities of interest” (socio-economic geographic areas that should be kept together)
- Easily identifiable boundaries
- Compact (do not bypass one group of people to get to a more distant group of people)
- Shall not favor or discriminate against a political party

Once the prioritized criteria are met, other traditional districting principles can be considered, such as:

- Minimize the number of voters delayed from voting in 2022 to 2024; Respect voters' choices/continuity in office
- Future population growth

Elections Code Section 21607.1 directs that the City must conduct at least four (4) public hearings throughout the redistricting process; one (1) Public Hearing before maps are drawn, at least two (2) Public Hearings after draft maps are drawn, and one (1) public hearing scheduled on an evening or weekend, at which time the public is invited to provide input regarding the composition of the districts.

The required public hearings have been held.

COMMUNITY ENGAGEMENT:

Consult.

The City Clerk's Office and Communications Team implemented the following community outreach plan:

Public Messaging via Social Media, City's Website, Press Releases, newsletters, and other public communications, in English and Spanish, including:

- At least four City Council Public Hearings
- Social media engagement on Facebook, Instagram, Twitter, and NextDoor
- Updated webpage on City's website for redistricting updates and information
- Information provided via website newsflashes, eblasts, "Morgan Hill Weekly 411," and print
- Press releases sent to various outlets and groups, including individuals and churches who have connections to our Spanish-speaking community
- Public notices posted at City facilities
- Display advertisements on local public access network by using Channel 17
- Informational tables at the Farmer's Market, Friday Night Music Series, local coffee shops, St Catherine's Church following the English and Spanish mass, and other public spaces
- Virtual Town Halls
- Online Interactive Tools:
 - Updated online interactive mapping tools were available to allow residents to draw their district boundary lines. The City's consulting demographer provided training for the public on how to use the new online mapping tools.

ALTERNATIVE ACTIONS:

The City Council can determine whether to

1. Adopt the NDC Green Map; or
2. Approve an amended resolution identifying a different district map – NDC Map 108, Public Map 104, or Public Map 106.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

- January 29, 2021, Annual Goal Setting Workshop - City Council received a presentation outlining the requirements and process for redistricting.
- [May 5, 2021](#), City Council Meeting - the City Council voted to move forward with a staff-led redistricting process.
- August 6, 2021, Mid-Year Goal Review Workshop - City Council received an update on the redistricting process.
- [August 18, 2021](#), City Council Meeting- The City Council held the first of four required public hearings in the redistricting process to receive an update on the process and request feedback on Communities of Interest.
- [October 20, 2021](#), City Council Meeting- The City Council held the second of four required public hearings in the redistricting process to receive an update on the state-adjusted Census data, and receive a demonstration on available mapping tools.
- [December 15, 2021](#), City Council Meeting - The City Council held the third of four required public hearings in the redistricting process to review the draft maps submitted to date.
- [February 16, 2022](#), City Council Redistricting Workshop - The City Council and community reviewed and discussed the draft maps and Council directed staff to bring maps 103, 104, 106, 108, and NDC green to the March 2, 2022 Public Hearing for discussion and possible adoption.
- [March 2, 2022](#), the City Council held the fourth of four required public hearings and adopted Map 103.
- [April 6, 2022](#), the City Council held a public hearing and reaffirmed the adoption of map 103.

FISCAL AND RESOURCE IMPACT:

The legal action brought against the City as a result of the adoption of Map 103, led to legal costs in the approximate range of \$80,000 to \$100,000. Once total costs are known, staff will determine whether a budget amendment is necessary.

CEQA (California Environmental Quality Act):

Not a Project.

The reformatting of electoral districts is not a project as defined in Section 15060(c) of the State CEQA Guidelines.

1 NIELSEN MERKSAMER
2 PARRINELLO GROSS & LEONI ^{LLP}
3 Marguerite Mary Leoni, Esq. (S.B. No. 101696)
4 Christopher E. Skinnell, Esq. (S.B. No. 227093)
5 David J. Lazarus, Esq. (S.B. No. 304352)
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10 Email: mleoni@nmgovlaw.com
11 Email: cskinnell@nmgovlaw.com
12 Email: dlazarus@nmgovlaw.com

13 *Attorneys for Plaintiff/Petitioners*
14 STEVE TATE, SWANEE EDWARDS,
15 BRIAN SULLIVAN, & KATHY
16 SULLIVAN

17 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
18 IN AND FOR THE COUNTY OF SANTA CLARA

19 STEVE TATE, SWANEE EDWARDS, BRIAN
20 SULLIVAN, & KATHY SULLIVAN,

21 *Plaintiffs and Petitioners,*

22 vs.

23 CITY OF MORGAN HILL, CITY COUNCIL
24 OF THE CITY OF MORGAN HILL,
25 SHANNON BUSHEY, in her official capacity
26 as Santa Clara County Registrar of Voters,
27 and DOES 1-25,

28 *Defendants and Respondents.*

Case No. 22CV396857

~~Proposed~~ ORDER GRANTING
PEREMPTORY WRIT OF
MANDATE & INJUNCTIVE
RELIEF

[Violation of the Fair Maps Act,
Elec. Code §§ 21600-21609]

CALENDAR PREFERENCE
REQUIRED BY ELECTIONS
CODE §§ 35 & 13314(c)

DEPT: 12

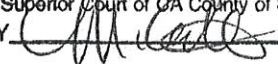
DATE: May 9, 2022

TIME: 1:30 p.m.

JUDGE: Hon. Julie A. Emede

FILED

MAY 11 2022

Clerk of the Court
Superior Court of CA County of Santa Clara
BY  DEPUTY

~~Proposed~~ ORDER GRANTING PEREMPTORY
WRIT OF MANDATE & INJUNCTIVE RELIEF

Case No. 22CV396857
Page 1

1 The hearing on the verified petition for writ of mandate and complaint of
2 Petitioner/Plaintiffs STEVE TATE, SWANEE EDWARDS, BRIAN SULLIVAN, and
3 KATHY SULLIVAN (hereafter jointly "Petitioners") was heard by this court at 1:30
4 p.m. on May 9, 2022. Christopher Skinnell of Nielsen Merksamer Parrinello Gross &
5 Leoni, LLP, appeared for Petitioners. Morris Baller and Ginger Grimes of Goldstein,
6 Borgen, Dardarian & Ho, LLP, and Armando Benavides of the Law Offices of
7 Armando Benavides appeared for Respondents CITY OF MORGAN HILL and CITY
8 COUNCIL OF THE CITY OF MORGAN HILL. Deputy County Counsel Mary E.
9 Hanna-Weir and Jamila Benkato appeared for Respondent SHANNON BUSHEY, in
10 her official capacity as Santa Clara County Registrar of Voters.

11 After considering the petition, respective memoranda of points and authorities,
12 exhibits, declarations, and requests for judicial notice, and hearing oral argument and
13 the matter having been submitted for decision, and good cause appearing from the
14 verified petition/complaint on file in this Court and supporting documents and
15 declarations,

16 **IT IS HEREBY ADJUDGED AND ORDERED THAT:**

17 1. Petitioners' Request for Judicial Notice, filed April 14, 2022; Respondent
18 City and City Council's Request for Judicial Notice, filed April 27, 2022; and
19 Petitioners' Supplemental Request for Judicial Notice, filed May 2, 2022, are granted
20 in full.

21 2. Petitioners' objections to the Declaration of Armando Benavides are
22 sustained as to Objections 6 and 7 (page 4, objecting to paragraphs 13 and 24),
23 Objection 8 (page 5, objecting to paragraph 15), and Objections 13 and 14 (page 7,
24 objecting to paragraph 25); Petitioners' remaining objections are overruled.

25 3. The Court finds that Public Map 103, finally adopted by Respondent City
26 Council at its meeting on March 16, 2022, and reaffirmed by the Council at its
27 meeting on April 6, 2022, violates the FAIR MAPS Act, Assembly Bill No. 849 (2019-
28 2020 Reg. Sess.), 2019 Cal. Stats., ch. 557, in particular the applicable contiguity

1 requirement of the Act, Elections Code § 21601(c)(1), because District D is not
2 contiguous. No other provision of law authorizes the City Council's violation of
3 Elections Code § 21601(c)(1).

4 4. The petition for peremptory writ of mandate is granted to the extent that
5 each of Respondents CITY OF MORGAN HILL, CITY COUNCIL OF THE CITY OF
6 MORGAN HILL, and BUSHEY (collectively "Respondents"), and all of each
7 Respondent's officers, agents, employees, service providers, and all others acting by,
8 through, or in concert with Respondents, or at Respondents' direction, individually or
9 collectively, are ordered to refrain from using Public Map 103 to conduct any elections
10 for City Council. A peremptory writ of mandate thereon shall issue under seal of this
11 Court.

12 5. Each of Respondents and all of each of Respondent's officers, agents,
13 employees, service providers, and all others acting by, through, or in concert with
14 Respondents, or at any Respondent's direction, individually or collectively, are also
15 enjoined from using Public Map 103 to conduct any elections for City Council.

16 6. The Court hereby orders a status conference for 1:30 p.m. on May 23,
17 2022, for the parties to inform the Court whether an alternative district map was
18 adopted for use in November 2022 and thereafter until redistricting is legally
19 required, that is consistent with this order or whether further remedial proceedings
20 are required.

21 7. Service of this order and the peremptory writ of mandate ordered
22 herein, and any notice of the entry thereof, may be effected by facsimile or e-mail
23 upon the parties' counsel.

24
25 Dated: May 11, 2022


The Honorable Julie A. Emede
Judge of the San Francisco Superior Court
SANTA CLARA COUNTY

26
27
28 ///

1 APPROVED AS TO FORM BY COUNSEL:

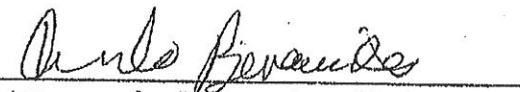
2 Dated: May 10, 2022

NIELSEN MERKSAMER
PARRINELLO GROSS & LEONI LLP

3
4 By: 
5 Christopher E. Skinnell
6 Attorneys for Petitioner/Plaintiffs
7

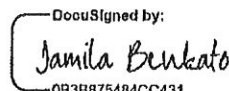
8 Dated: May 16, 2022

LAW OFFICES OF ARMANDO BENAVIDES
GOLDSTEIN, BORGEN, DARDARIAN & HO

9
10 By: 
11 Attorney for Respondent/Defendants
12 CITY OF MORGAN HILL, CITY
13 COUNCIL OF THE CITY OF
14 MORGAN HILL
15

16
17 Dated: May __, 2022
18 5/11/2022

JAMES R. WILLIAMS
County Counsel

19 By: 
20 JAMILA BENKATO
21 Deputy County Counsel
22 Attorneys for Respondent/Defendants
23 SHANNON BUSHEY, SANTA CLARA
24 COUNTY REGISTRAR OF VOTERS
25
26
27
28



**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA**
DOWNTOWN COURTHOUSE
191 NORTH FIRST STREET
SAN JOSE, CALIFORNIA 95113
CIVIL DIVISION

FILED

RE: **Steve Tate et al vs Shannon Bushey et al**
Case Number: **22CV396857**

MAY 11 2022

PROOF OF SERVICE

Clerk of the Court
Superior Court of California, County of Santa Clara
DEPUTY

Order granting peremptory writ of mandate & injunctive relief was delivered to the parties listed below the above entitled case as set forth in the sworn declaration below.

If you, a party represented by you, or a witness to be called on behalf of that party need an accommodation under the American with Disabilities Act, please contact the Court Administrator's office at (408) 882-2700, or use the Court's TDD line (408) 882-2690 or the Voice/TDD California Relay Service (800) 735-2922.

DECLARATION OF SERVICE BY MAIL: I declare that I served this notice by enclosing a true copy in a sealed envelope, addressed to each person whose name is shown below, and by depositing the envelope with postage fully prepaid, in the United States Mail at San Jose, CA on May 11, 2022. CLERK OF THE COURT, by Maggie Castellon, Deputy.

cc: Christophe Elliott Skinnell Nielsen Merksamer Parrinello Gross & Leoni LLP 2350 Kerner Blvd Ste 250 San Rafael CA 94901
Armando Barrios Benavides PO Box 476 Morgan Hill CA 95038
Jamila G Benkato Office of the County Counsel 70 W Hedding Street East Wing 9th Floor San Jose CA 95110-1770

RESOLUTION NO. 22-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ADOPTING A REVISED ELECTORAL DISTRICT MAP FOLLOWING THE 2020 FEDERAL CENSUS

WHEREAS, the City Council must review and if needed adjust city council district boundaries every ten years using decennial census data so that the districts remain substantially equal in population as required by federal law—a process commonly known as redistricting; and

WHEREAS, the 2020 Census data shows that Morgan Hill's current districts are population balanced, with a deviation between District A (the least populated district) and District D (the most populated district) of nearly 6%. However, District D as drawn does not meet the FAIR MAPS Act requirement of contiguity and as such, the City must adjust its district boundary lines by adopting a final district map before the statutory deadline of April 17, 2022, which has been extended by Court order to the review date of May 23, 2022; and

WHEREAS, between August 18, 2021, and February 16, 2022, the City Council held three public hearings, and a workshop to review 11 map submissions from members of the public. The City Council considered input from workshops, town halls, public comments, and communities of interest submission on the draft map; and

WHEREAS, on February 16, 2022, the City Council held a workshop to review eleven maps. After considering public input, they recommended five maps be brought to the March 2, 2022, public hearing for consideration; and

WHEREAS, on February 23, 2022, the City published the maps recommended by the Council on its redistricting website and made the maps available to the public; and

WHEREAS, on March 2, 2022, the City Council held a public hearing Pursuant to Elections Code Section 10010(a)(2) to receive public comment on the recommended maps; and

WHEREAS, on March 2, 2022, the City Council adopted the map identified as Map 103; and

WHEREAS, on April 6, 2022, the City Council reconsidered its March 2, 2022, action adopting Map 103; and

WHEREAS, after considering the draft maps and public input, the City Council desires to adopt updated city council electoral district maps to ensure that the City's districts comply with the law; and

WHEREAS, this resolution rescinds and replaces City Council resolution 2022-013 adopted on March 2, 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL THAT:

1. The City Council electoral district map entitled _____ attached as Exhibit A is hereby approved and adopted.
2. The City Council districts specified in Exhibit A shall remain in effect until otherwise legally modified by the City Council or by order of the court.
3. This Resolution and its Exhibit shall be published and available on the City website for as long as the City Council districts approved by this resolution are in effect.
4. The City Clerk or designee, in conjunction with the Demographer, is hereby authorized and directed to provide a copy of this resolution to and work with the Santa Clara County Registrar of Voters to conduct any additional acts necessary to complete the redistricting process in a timely fashion to permit implementation of this district map in connection with the election to be held on November 8, 2022, including, without limitation, minor adjustments to the adopted map as may be necessary for its implementation.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the May 18, 2022.

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

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 22-XX, adopted by the City Council at a regular meeting held on May 18, 2022.

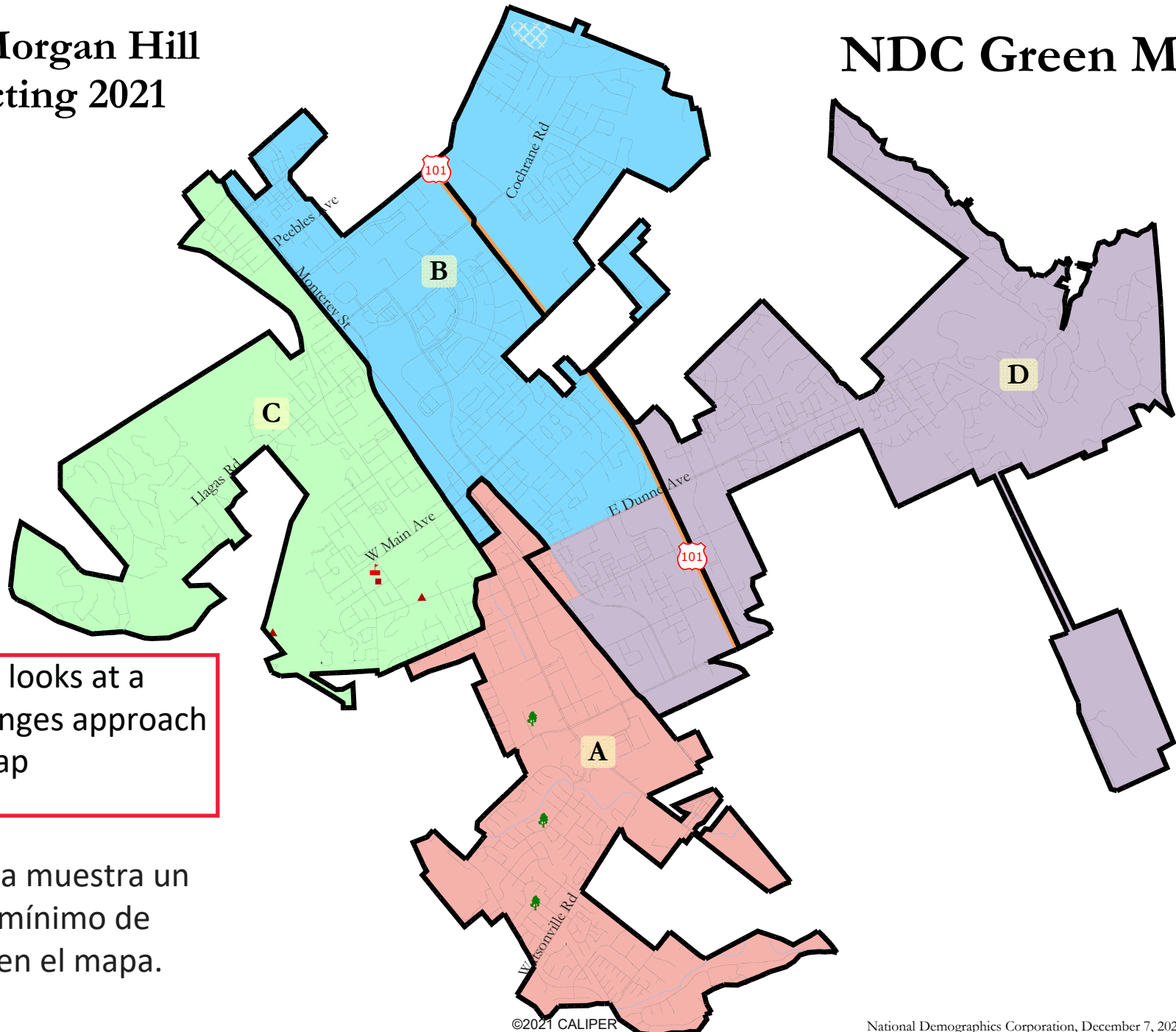
WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

MICHELLE BIGELOW, City Clerk

City of Morgan Hill Redistricting 2021

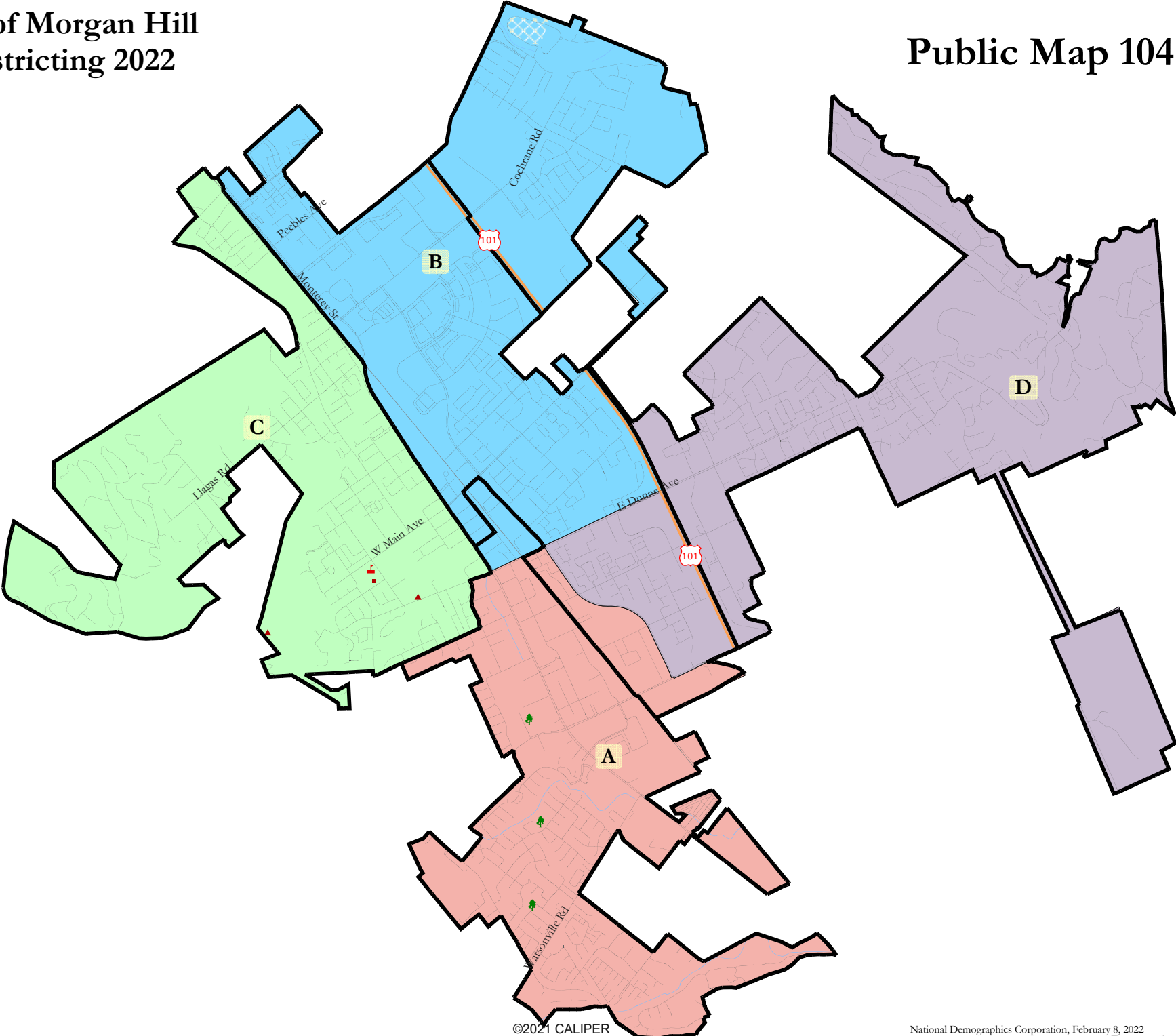
NDC Green Map



<i>City of Morgan Hill - NDC Green Map</i>						
District		A	B	C	D	Total
2020	2020 Census (Raw)	11,509	11,093	11,117	11,847	45,566
	Deviation from ideal	118	-299	-275	456	754
	% Deviation	1.03%	-2.62%	-2.41%	4.00%	6.62%
2020 Total Pop	% Hisp	39%	30%	39%	26%	33%
	% NH White	43%	43%	40%	50%	44%
	% NH Black	3%	3%	2%	3%	3%
	% Asian-American	12%	22%	16%	18%	17%
	Total	7,020	6,784	7,083	9,019	29,905
Citizen Voting Age Pop	% Hisp	25%	26%	28%	19%	24%
	% NH White	56%	54%	53%	60%	56%
	% NH Black	3%	2%	2%	3%	2%
	% Asian/Pac.Isl.	14%	17%	16%	17%	16%
	Total	6,807	6,989	6,468	7,855	28,119
Voter Registration (Nov 2020)	% Latino est.	25%	24%	27%	20%	24%
	% Spanish-Surnamed	23%	22%	24%	18%	22%
	% Asian-Surnamed	5%	12%	9%	9%	9%
	% Filipino-Surnamed	1%	2%	2%	2%	2%
	% NH White est.	66%	61%	62%	67%	64%
	% NH Black	3%	2%	2%	2%	2%
	Total	4,151	3,840	3,900	5,128	17,019
Voter Turnout (Nov 2018)	% Latino est.	20%	20%	22%	17%	20%
	% Spanish-Surnamed	19%	18%	21%	16%	18%
	% Asian-Surnamed	4%	9%	7%	8%	7%
	% Filipino-Surnamed	1%	2%	1%	1%	1%
	% NH White est.	72%	68%	68%	72%	70%
	% NH Black	3%	1%	2%	2%	2%
	Total	5,806	6,004	5,428	6,880	24,118
Voter Turnout (Nov 2020)	% Latino est.	24%	23%	25%	19%	22%
	% Spanish-Surnamed	22%	21%	23%	17%	21%
	% Asian-Surnamed	6%	12%	9%	9%	9%
	% Filipino-Surnamed	1%	2%	2%	2%	2%
	% NH White est.	67%	62%	64%	68%	66%
	% NH Black est.	3%	2%	2%	2%	2%
	Total	10,604	10,116	11,219	12,581	44,520
ACS Pop. Est.	Total	10,604	10,116	11,219	12,581	44,520
Age	age0-19	29%	29%	27%	27%	28%
	age20-60	50%	53%	53%	53%	52%
	age60plus	22%	18%	20%	21%	20%
Immigration	immigrants	17%	18%	22%	17%	18%
	naturalized	54%	62%	52%	71%	59%
Language spoken at home	english	74%	68%	66%	74%	70%
	spanish	18%	18%	20%	12%	17%
	asian-lang	6%	9%	8%	8%	8%
	other lang	2%	4%	6%	6%	5%
Language Fluency	Speaks Eng. "Less than Very Well"	8%	10%	16%	8%	11%
Education (among those age 25+)	hs-grad	36%	38%	43%	39%	39%
	bachelor	34%	26%	21%	31%	28%
	graduatedegree	12%	17%	14%	15%	15%
Child in Household	child-under18	35%	45%	36%	39%	39%
Pct of Pop. Age 16+	employed	65%	65%	67%	69%	67%
Household Income	income 0-25k	8%	9%	6%	7%	7%
	income 25-50k	12%	9%	15%	12%	12%
	income 50-75k	11%	9%	15%	9%	11%
	income 75-200k	44%	39%	45%	45%	43%
	income 200k-plus	25%	34%	19%	28%	26%
Housing Stats	single family	82%	90%	79%	89%	85%
	multi-family	18%	10%	21%	11%	15%
	rented	28%	17%	36%	25%	27%
	owned	72%	83%	64%	75%	73%
Total population data from the California adjustment to the 2020 Decennial Census. Surname-based Voter Registration and Turnout data from the California Statewide Database. Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data.						

City of Morgan Hill
Redistricting 2022

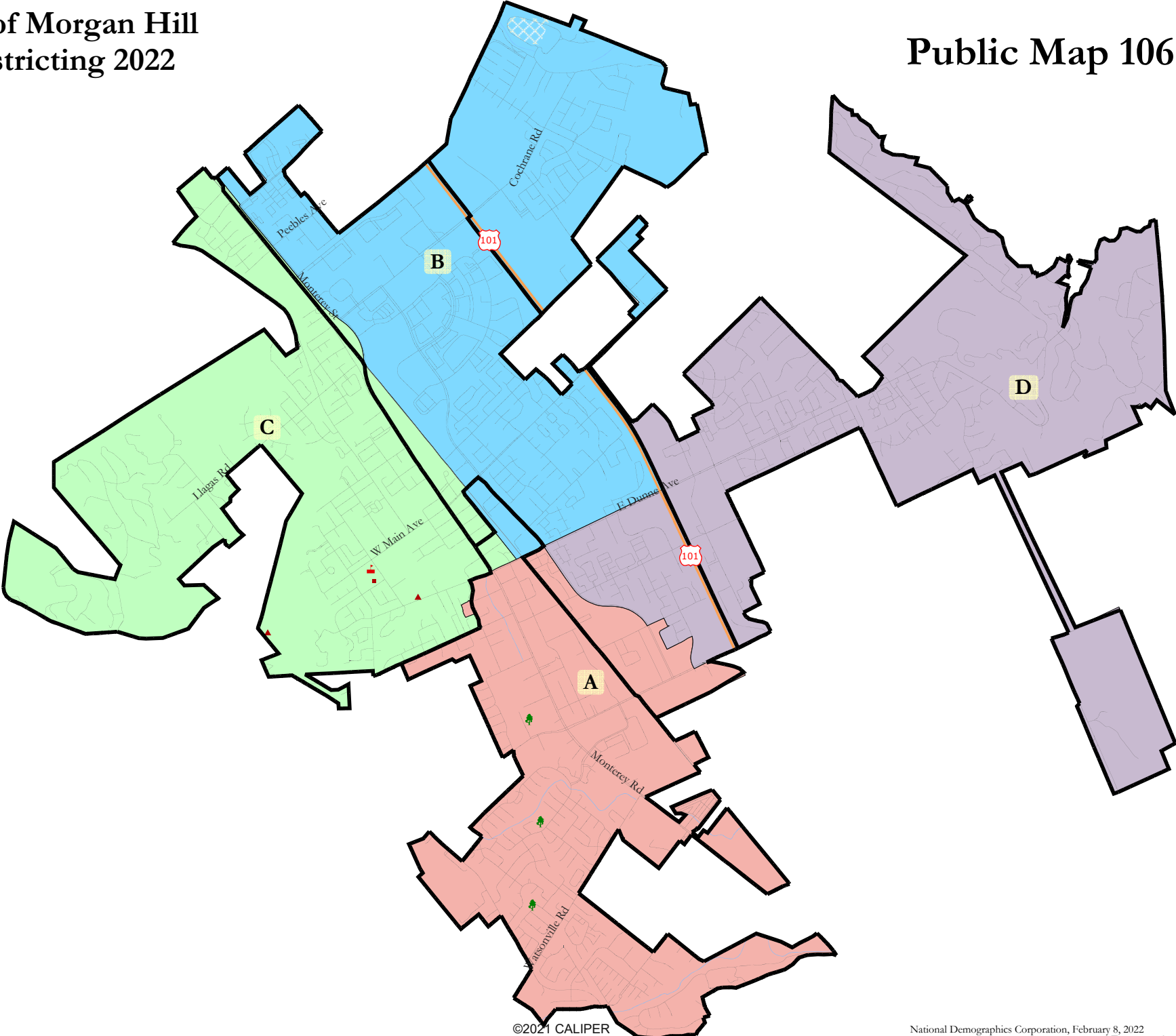
Public Map 104



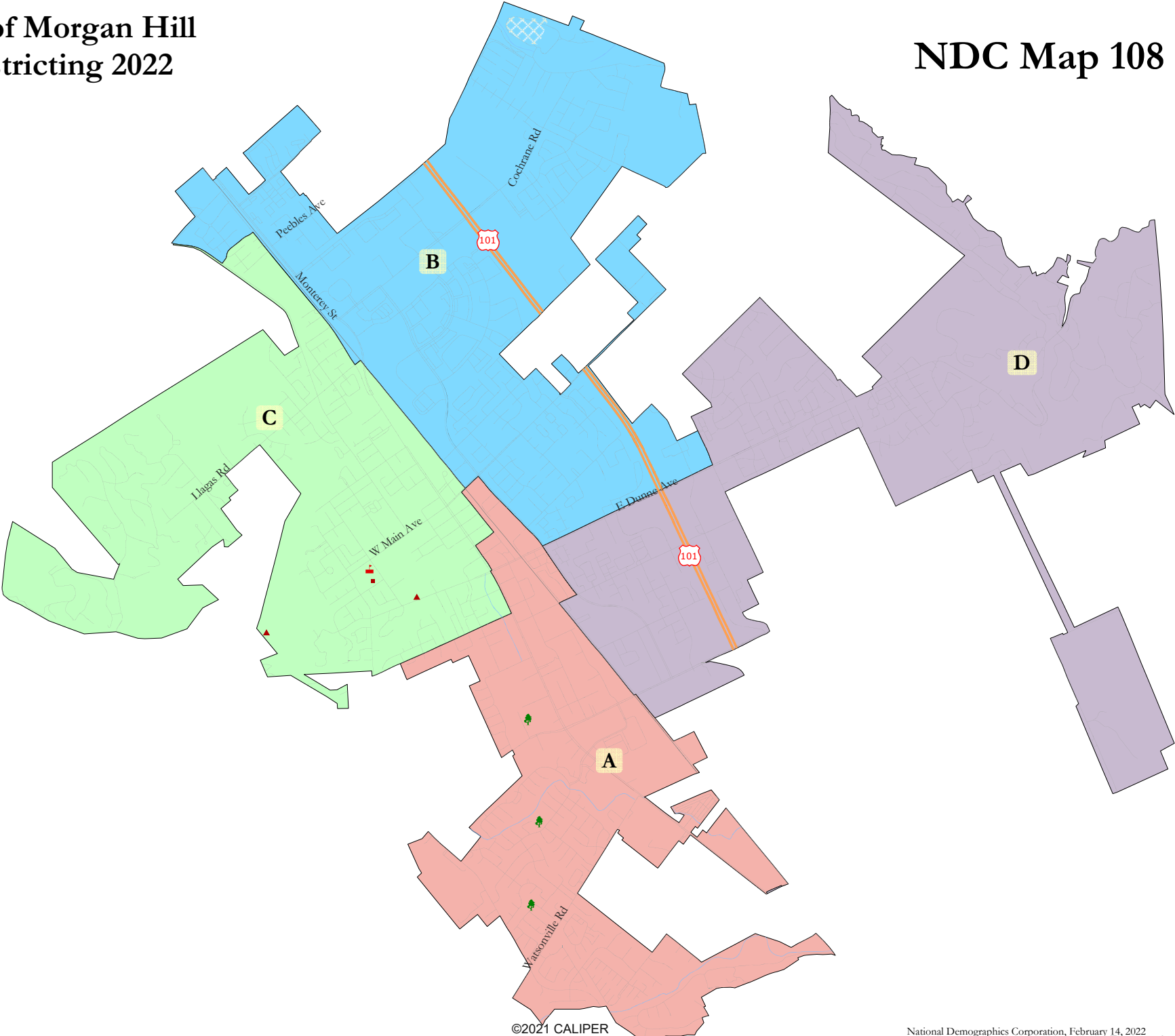
Public Map 104						
District		A	B	C	D	Total
	Total Pop	11,174	11,801	11,117	11,474	45,566
	Deviation from ideal	-218	409	-275	82	684
	% Deviation	-1.91%	3.59%	-2.41%	0.72%	6.00%
Total Pop	% Hisp	38.8%	30%	39%	26%	33%
	% NH White	43%	42%	40%	50%	44%
	% NH Black	3%	3%	2%	3%	3%
	% Asian-American	11%	21%	16%	18%	17%
Citizen Voting Age Pop	Total	6,992	7,187	7,083	8,643	29,905
	% Hisp	25%	25%	28%	19%	24%
	% NH White	57%	53%	53%	60%	56%
	% NH Black	4%	2%	2%	2%	2%
	% Asian/Pac.Isl.	14%	17%	16%	17%	16%
Voter Registration (Nov 2020)	Total	6,657	7,376	6,468	7,618	28,119
	% Latino est.	25%	24%	27%	20%	24%
	% Spanish-Surnamed	23%	22%	24%	18%	22%
	% Asian-Surnamed	5%	12%	9%	10%	9%
	% Filipino-Surnamed	1%	2%	2%	2%	2%
	% NH White est.	66%	61%	62%	68%	64%
	% NH Black	3%	2%	2%	2%	2%
Voter Turnout (Nov 2020)	Total	5,663	6,333	5,428	6,694	24,118
	% Latino est.	24%	23%	25%	19%	22%
	% Spanish-Surnamed	22%	21%	23%	17%	21%
	% Asian-Surnamed	5%	12%	9%	9%	9%
	% Filipino-Surnamed	1%	2%	2%	2%	2%
	% NH White est.	68%	62%	64%	69%	66%
	% NH Black	3%	2%	2%	2%	2%
Voter Turnout (Nov 2018)	Total	4,058	4,044	3,900	5,017	17,019
	% Latino est.	19%	20%	22%	18%	20%
	% Spanish-Surnamed	18%	18%	21%	16%	18%
	% Asian-Surnamed	4%	9%	7%	8%	7%
	% Filipino-Surnamed	1%	2%	1%	1%	1%
	% NH White est.	73%	67%	68%	72%	70%
	% NH Black est.	3%	2%	2%	2%	2%
ACS Pop. Est.	Total	10,413	10,715	11,219	12,172	44,520
Age	age0-19	29%	28%	27%	27%	28%
	age20-60	50%	54%	53%	53%	52%
	age60plus	21%	18%	20%	21%	20%
Immigration	immigrants	18%	20%	21%	16%	18%
	naturalized	55%	61%	52%	71%	59%
Language spoken at home	english	73%	68%	66%	74%	70%
	spanish	19%	18%	20%	12%	17%
	asian-lang	6%	9%	8%	8%	8%
	other lang	2%	4%	6%	6%	5%
Language Fluency	Speaks Eng. "Less than Very Well"	9%	10%	16%	8%	11%
Education (among those age 25+)	hs-grad	37%	38%	43%	39%	39%
	bachelor	35%	26%	21%	31%	28%
	graduatedegree	12%	17%	14%	16%	15%
Child in Household	child-under18	36%	44%	36%	39%	39%
Pct of Pop. Age 16+	employed	65%	65%	67%	69%	67%
Household Income	income 0-25k	8%	10%	6%	7%	7%
	income 25-50k	13%	9%	15%	11%	12%
	income 50-75k	12%	9%	15%	8%	11%
	income 75-200k	43%	39%	45%	46%	43%
	income 200k-plus	24%	33%	19%	29%	26%
Housing Stats	single family	81%	89%	79%	90%	85%
	multi-family	19%	11%	21%	10%	15%
	rented	30%	17%	36%	23%	27%
	owned	70%	83%	64%	77%	73%
Total population data from the 2020 Decennial Census.						
Surname-based Voter Registration and Turnout data from the California Statewide Database.						
Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data.						

City of Morgan Hill
Redistricting 2022

Public Map 106



Public Map 106						
District		A	B	C	D	Total
	Total Pop	11,340	11,030	11,761	11,435	45,566
	Deviation from ideal	-52	-362	369	43	731
	% Deviation	-0.46%	-3.18%	3.24%	0.38%	6.42%
Total Pop	% Hisp	38.8%	29%	39%	26%	33%
	% NH White	43%	43%	40%	50%	44%
	% NH Black	3%	3%	2%	3%	3%
	% Asian-American	11%	22%	16%	18%	17%
Citizen Voting Age Pop	Total	7,084	6,769	7,416	8,637	29,905
	% Hisp	25%	26%	28%	19%	24%
	% NH White	57%	52%	54%	60%	56%
	% NH Black	4%	2%	2%	2%	2%
	% Asian/Pac.Isl.	14%	17%	15%	17%	16%
Voter Registration (Nov 2020)	Total	6,739	6,928	6,861	7,591	28,119
	% Latino est.	26%	23%	27%	20%	24%
	% Spanish-Surnamed	23%	21%	25%	18%	22%
	% Asian-Surnamed	5%	12%	9%	9%	9%
	% Filipino-Surnamed	1%	2%	2%	2%	2%
	% NH White est.	66%	61%	62%	68%	64%
	% NH Black	3%	2%	2%	2%	2%
Voter Turnout (Nov 2020)	Total	5,722	5,983	5,743	6,670	24,118
	% Latino est.	24%	22%	25%	19%	22%
	% Spanish-Surnamed	22%	20%	23%	17%	21%
	% Asian-Surnamed	5%	12%	9%	9%	9%
	% Filipino-Surnamed	1%	2%	2%	2%	2%
	% NH White est.	67%	63%	63%	69%	66%
	% NH Black	3%	2%	2%	2%	2%
Voter Turnout (Nov 2018)	Total	4,094	3,896	4,026	5,003	17,019
	% Latino est.	20%	19%	22%	17%	20%
	% Spanish-Surnamed	18%	18%	21%	16%	18%
	% Asian-Surnamed	4%	9%	7%	8%	7%
	% Filipino-Surnamed	1%	2%	1%	1%	1%
	% NH White est.	72%	68%	68%	72%	70%
	% NH Black est.	3%	2%	2%	2%	2%
ACS Pop. Est.	Total	10,586	10,114	11,673	12,147	44,520
Age	age0-19	29%	29%	27%	27%	28%
	age20-60	50%	53%	53%	53%	52%
	age60plus	21%	18%	20%	21%	20%
Immigration	immigrants	18%	20%	21%	15%	18%
	naturalized	55%	62%	52%	71%	59%
Language spoken at home	english	73%	69%	65%	74%	70%
	spanish	19%	17%	21%	12%	17%
	asian-lang	6%	9%	8%	8%	8%
	other lang	2%	5%	5%	6%	5%
Language Fluency	Speaks Eng. "Less than Very Well"	9%	9%	16%	8%	11%
Education (among those age 25+)	hs-grad	37%	38%	43%	39%	39%
	bachelor	34%	27%	21%	31%	28%
	graduatedegree	12%	17%	14%	16%	15%
Child in Household	child-under18	36%	45%	36%	39%	39%
Pct of Pop. Age 16+	employed	65%	64%	68%	69%	67%
Household Income	income 0-25k	8%	10%	6%	7%	7%
	income 25-50k	13%	8%	16%	11%	12%
	income 50-75k	12%	8%	15%	8%	11%
	income 75-200k	43%	39%	44%	46%	43%
	income 200k-plus	24%	35%	19%	29%	26%
Housing Stats	single family	80%	91%	79%	90%	85%
	multi-family	20%	9%	21%	10%	15%
	rented	31%	14%	36%	23%	27%
	owned	69%	86%	64%	77%	73%
Total population data from the 2020 Decennial Census.						
Surname-based Voter Registration and Turnout data from the California Statewide Database.						
Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data.						



NDC 108						
District		A	B	C	D	Total
	Total Pop	11,167	11,445	11,383	11,571	45,566
	Deviation from ideal	-225	53	-9	179	404
	% Deviation	-1.98%	0.47%	-0.08%	1.57%	3.55%
Total Pop	% Hisp	38.0%	29%	40%	26%	33%
	% NH White	43%	42%	41%	50%	44%
	% NH Black	3%	2%	2%	3%	3%
	% Asian-American	12%	24%	14%	18%	17%
Citizen Voting Age Pop	Total	6,804	7,088	7,177	8,836	29,905
	% Hisp	24%	26%	29%	19%	24%
	% NH White	57%	50%	55%	61%	56%
	% NH Black	3%	2%	2%	3%	2%
	% Asian/Pac.Isl.	14%	20%	13%	16%	16%
Voter Registration (Nov 2020)	Total	6,669	7,172	6,554	7,724	28,119
	% Latino est.	25%	23%	28%	20%	24%
	% Spanish-Surnamed	23%	21%	26%	18%	22%
	% Asian-Surnamed	5%	13%	8%	9%	9%
	% Filipino-Surnamed	1%	2%	2%	1%	2%
	% NH White est.	66%	60%	62%	68%	64%
	% NH Black	3%	2%	2%	2%	2%
Voter Turnout (Nov 2020)	Total	5,695	6,194	5,470	6,759	24,118
	% Latino est.	23%	22%	26%	19%	22%
	% Spanish-Surnamed	22%	20%	24%	17%	21%
	% Asian-Surnamed	6%	13%	8%	9%	9%
	% Filipino-Surnamed	1%	2%	2%	2%	2%
	% NH White est.	68%	62%	64%	69%	66%
	% NH Black	3%	2%	2%	2%	2%
Voter Turnout (Nov 2018)	Total	4,092	3,996	3,848	5,083	17,019
	% Latino est.	19%	19%	23%	17%	20%
	% Spanish-Surnamed	18%	18%	21%	16%	18%
	% Asian-Surnamed	4%	10%	6%	7%	7%
	% Filipino-Surnamed	1%	2%	1%	1%	1%
	% NH White est.	73%	67%	69%	72%	70%
	% NH Black est.	3%	2%	2%	2%	2%
ACS Pop. Est.	Total	10,206	10,617	11,411	12,286	44,520
Age	age0-19	29%	28%	27%	27%	28%
	age20-60	50%	53%	53%	53%	52%
	age60plus	22%	18%	19%	21%	20%
Immigration	immigrants	18%	20%	21%	16%	18%
	naturalized	55%	64%	50%	71%	59%
Language spoken at home	english	75%	68%	65%	74%	70%
	spanish	18%	17%	22%	12%	17%
	asian-lang	6%	10%	8%	8%	8%
	other lang	2%	5%	5%	6%	5%
Language Fluency	Speaks Eng. "Less than Very Well"	8%	10%	16%	8%	11%
Education (among those age 25+)	hs-grad	36%	38%	43%	39%	39%
	bachelor	35%	27%	21%	31%	28%
	graduatedegree	13%	17%	13%	15%	15%
Child in Household	child-under18	35%	45%	36%	39%	39%
Pct of Pop. Age 16+	employed	65%	64%	68%	69%	67%
Household Income	income 0-25k	8%	9%	6%	7%	7%
	income 25-50k	11%	8%	16%	12%	12%
	income 50-75k	11%	8%	15%	9%	11%
	income 75-200k	44%	39%	44%	45%	43%
	income 200k-plus	25%	36%	18%	28%	26%
Housing Stats	single family	83%	92%	76%	88%	85%
	multi-family	17%	8%	24%	12%	15%
	rented	27%	14%	39%	25%	27%
	owned	73%	86%	61%	75%	73%
Total population data from the 2020 Decennial Census.						
Surname-based Voter Registration and Turnout data from the California Statewide Database.						
Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data.						

Maps submitted by Council Member Martinez Beltran modifying Map 103
Submitted on May 13, 2022

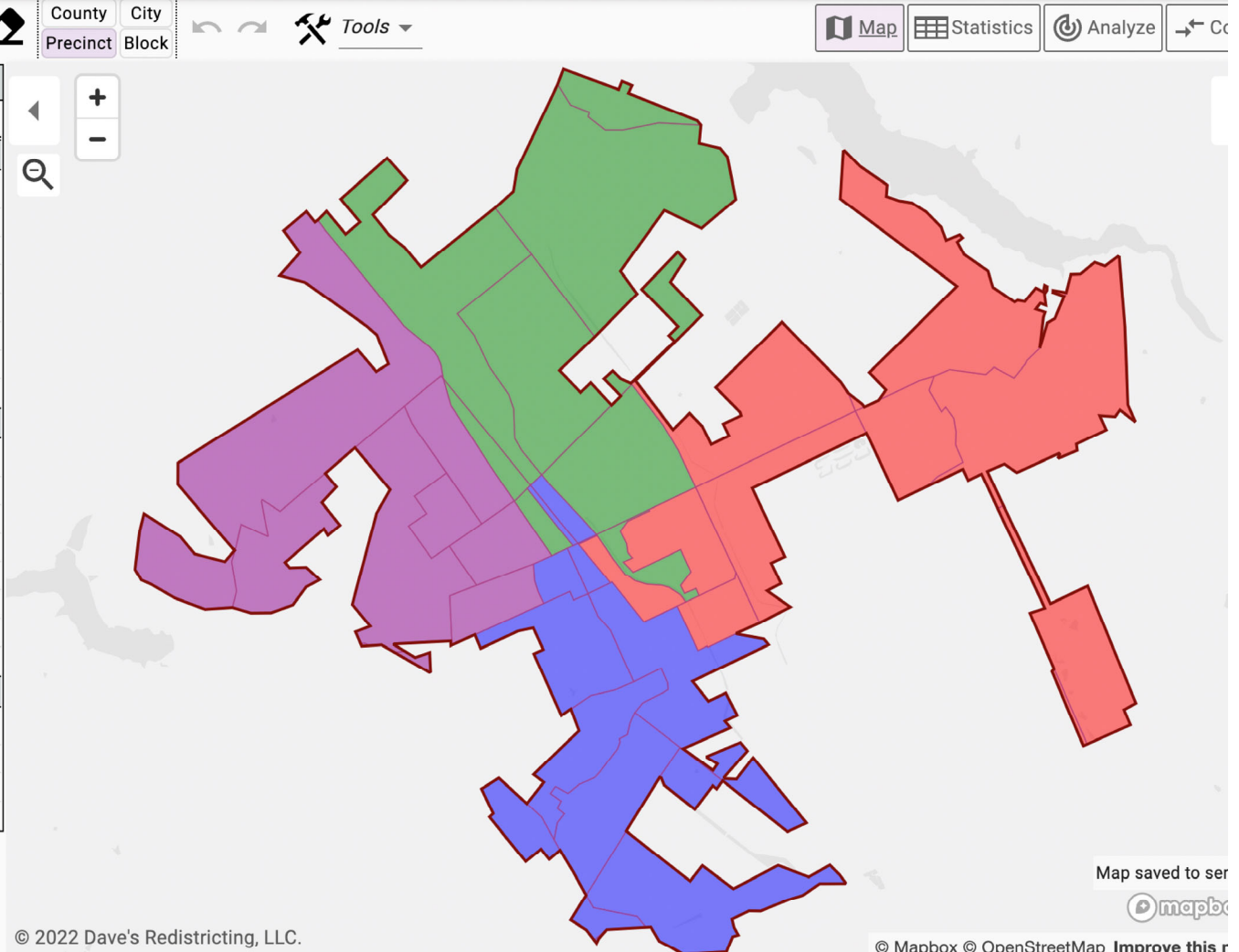
Morgan Hill
1 11,073 -319

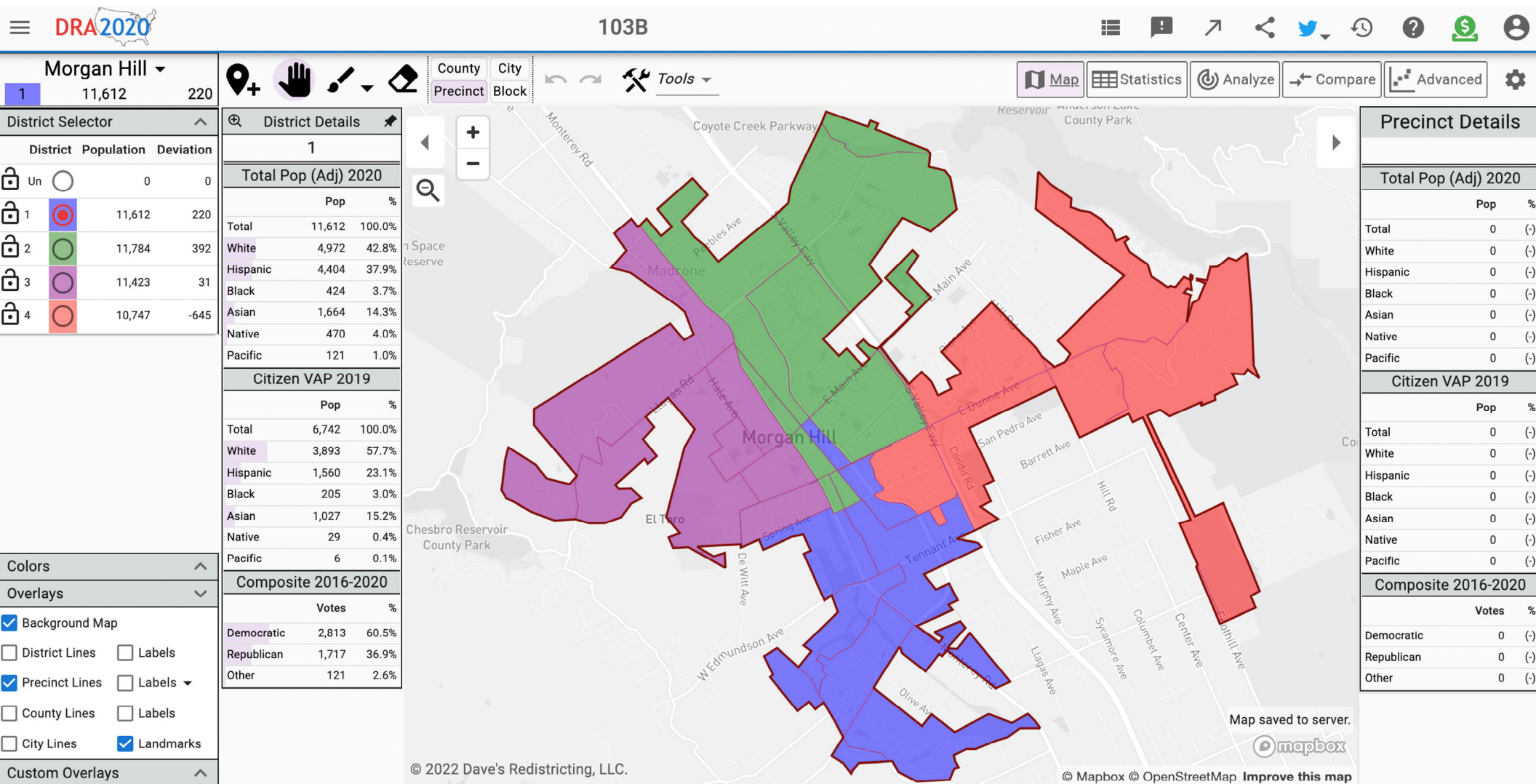
District	Population	Deviation
Un	0	0
1	11,073	-319
2	12,208	816
3	11,117	-275
4	11,168	-224

- Colors
- Overlays
- ☐ Background Map
- ☐ District Lines ☐ Labels
- ☒ Precinct Lines ☐ Labels
- ☐ County Lines ☐ Labels
- ☐ City Lines ☒ Landmarks
- Custom Overlays

County City
Precinct Block

District Details		
1		
Total Pop (Adj) 2020		
	Pop	%
Total	11,073	100.0%
White	4,836	43.7%
Hispanic	4,154	37.5%
Black	398	3.6%
Asian	1,517	13.7%
Native	465	4.2%
Pacific	124	1.1%
Citizen VAP 2019		
	Pop	%
Total	6,069	100.0%
White	3,593	59.2%
Hispanic	1,441	23.7%
Black	183	3.0%
Asian	803	13.2%
Native	27	0.4%
Pacific	6	0.1%
Composite 2016-2020		
	Votes	%
Democratic	2,706	60.2%
Republican	1,672	37.2%
Other	115	2.6%







INFORME DEL PERSONAL DEL AYUNTAMIENTO

FECHA DE REUNIÓN: 19 de mayo de 2022

PREPARADO POR: Angie Gonzalez, secretaria de la ciudad

APROBADO POR: Administradora de la ciudad

ADOPTAR EL MAPA DEL DISTRITO DEL CONCEJO MUNICIPAL "NDC GREEN" O UN MAPA ALTERNATIVO LEGALMENTE ACEPTABLE

RECOMENDACIÓN (ES)

1. Revisar y adoptar un mapa alternativo de redistribución de distritos basado en la orden judicial de 9 de mayo de 2022, ordenando al Concejo Municipal que adopte un nuevo mapa de distrito legalmente aceptable; y
2. Aprobar una resolución enmendada que identifique el mapa alternativo del Distrito del Concejo Municipal.

PRIORIDADES, OBJETIVOS Y ESTRATEGIAS DEL CONSEJO

Prioridades continuas

Apoyando a nuestra juventud
Personas mayores
y toda la comunidad
Preservar y cultivar la confianza pública
Preservar la historia de nuestra comunidad
Mejorando la equidad
Diversidad e inclusión

Prioridades estratégicas 2020-2021

Sostenibilidad Fiscal
Alcance comunitario
Compromiso y mensajería

INFORME NARRATIVO:

El 2 de marzo de 2022, el Concejo adoptó el Mapa 103 como el nuevo mapa de distritos para las elecciones del consejo de la Ciudad. El mapa 103 conserva en gran medida los distritos existentes, que se establecieron en 2017. Luego de la ordenanza de 2017 que establece elecciones distritales, el estado promulgó la Ley de redistribución Justa e Inclusiva para Municipios y Subdivisiones Políticas ("Ley FAIR MAPS"). Entre otras cosas, la Ley FAIR MAPS agrega criterios priorizados para redistribución de distritos.

El 23 de marzo de 2022 el Ayuntamiento recibió una carta de los abogados Nielsen Merkskamer exigiendo que la Ciudad subsane su violación de la Ley FAIR MAPS. El 6 de abril de 2022, el Concejo Municipal reafirmó su decisión de adoptar el Mapa 103 como el nuevo mapa distrital de la Ciudad.

Luego de esta acción, los demandantes presentaron una demanda contra la Ciudad impugnando el Mapa 103, alegando que el mapa no era legal y no cumplía con los requisitos de Fair Maps

Act. En la audiencia del 9 de marzo de 2022, el juez determinó que el Mapa 103 no era legal por falta de cumplimiento del requisito de contigüidad y ordenó al Ayuntamiento para seleccionar un mapa que cumpliera con los criterios de la Ley de mapas justos. El objeto de esta audiencia es cumplir con la orden judicial y dar al Concejo la oportunidad de adoptar un nuevo mapa de distrito que se ajuste a los requisitos legales.

El Consejo sólo puede adoptar un mapa que se haya circulado durante al menos 7 días y uno que cumpla con los requisitos de la Ley FAIR MAPS. Solo el Mapa Verde de NDC, El mapa NDC 108, el mapa público 104 y el mapa público 106 cumplen estos criterios. El Tribunal ordenó al Consejo adoptar un mapa legal y regresar a la Corte el 23 de mayo de 2022, para demostrar que se ha cumplido la orden judicial. Debido al requisito de circulación de siete días, el Consejo no tiene tiempo para hacer cambios a ninguno de estos mapas y cumplir con la fecha límite del Tribunal. Si el Consejo no actúa, el Tribunal probablemente adoptará cualquier mapa propuesto por los Demandantes. Es probable que los demandantes solicitaran que se adopte el Mapa Verde de NDC. Dos de los cinco miembros de El Consejo de la Ciudad ya han votado a favor de adoptar el Mapa Verde de NDC, por lo que ese mapa puede ser un punto de partida apropiado para la discusión.

Antecedentes de redistribución de distritos

Cada diez años, las ciudades con sistemas electorales por distrito deben usar nuevos datos del censo para revisar y, si es necesario, vuelva a dibujar las líneas del distrito para reflejar cómo han cambiado las poblaciones locales. Este proceso, llamado redistribución de distritos, asegura que todos los distritos tengan una población casi igual. El proceso para la ciudad de Morgan Hill tenía como fecha límite el 17 de abril de 2022.

La ciudad adoptó los límites de su distrito actual el 6 de septiembre de 2017, según los datos del censo de 2010 como requerido por la ley. Los distritos ahora deben volver a dibujarse utilizando los datos del censo de 2020 y en cumplimiento con la Ley FAIR MAPS, adoptada por la legislatura de California como AB 849, que entró en vigencia en enero 1, 2020.

En virtud de la Ley, el Concejo Municipal trazará y adoptará los límites según los siguientes criterios en el orden de prioridad enumerado (Código Electoral 21601(c)):

- Cumplir con la Constitución de los EE. UU., la Constitución de California y las leyes federales de Derechos Electorales de 1965, incluido el requisito federal de que los distritos mantengan poblaciones iguales
- Geográficamente contiguos
- Barrios indivisos y “comunidades de interés” (áreas geográficas socioeconómicas que deben mantenerse juntas)
- Límites fácilmente identificables
- Compacto (no pasar por alto un grupo de personas para llegar a un grupo más distante de gente)
- No favorecerá ni discriminará a ningún partido político.

Una vez que se cumplen los criterios priorizados, se pueden considerar otros principios tradicionales de redistribución, tales como:

- Minimizar el número de votantes retrasados de votar en 2022 a 2024; Respeto a opciones de los votantes/continuidad en el cargo
- Crecimiento futuro de la población.

La Sección 21607.1 del Código Electoral indica que la Ciudad debe realizar al menos cuatro (4) audiencias públicas durante todo el proceso de redistribución de distritos; una (1) Audiencia Pública antes de que mapas se dibujen, al menos dos (2) Audiencias Públicas después de que se dibujan los mapas preliminares, y una (1) audiencia pública programada para una noche o un fin de semana, en cuyo momento se invita al público a dar su opinión sobre la composición de los distritos.

Se han realizado las audiencias públicas requeridas.

COMPROMISO COMUNITARIO: Consultar

La Oficina de la Secretaría de la Ciudad y el Equipo de Comunicaciones han desarrollado el siguiente plan de alcance comunitario:

Mensajes públicos a través de las redes sociales, el sitio web de la ciudad, comunicados de prensa, boletines y otras comunicaciones públicas, en inglés y español, que incluyen:

- Participación en las redes sociales en Facebook, Instagram, Twitter y NextDoor tanto en inglés como en español
- Página web actualizada en el sitio web de la ciudad para redistribuir actualizaciones e información
- Información proporcionada a través de flashes de noticias del sitio web, eblasts, "Morgan Hill Weekly 411" e impresos
- Comunicados de prensa enviados a varios medios y grupos, incluidos individuos e iglesias que tienen conexiones con nuestra comunidad de habla hispana.
- Avisos públicos publicados en las instalaciones de la ciudad
- Mostrar anuncios en la red de acceso público local mediante el canal 17
- Anuncios publicitarios, infografías y videos
- Mesas informativas en Farmer's Market, Friday Night Music Series, cafeterías locales y otros espacios públicos.
- Ayuntamientos virtuales
- Herramientas interactivas en línea:
 - Se establecerá una herramienta de mapeo interactivo en línea actualizado para permitir que los residentes tracen sus propias líneas. El demógrafo consultor de la ciudad brindará capacitación al público sobre cómo usar la nueva herramienta de mapeo en línea.

ACCIONES ALTERNATIVAS:

El Ayuntamiento puede determinar si

1. Adoptar el Mapa Verde de NDC; o

2. Aprobar una resolución modificada que identifique un mapa distrital diferente – NDC Map 108, Mapa público 104 o Mapa público 106.

ACCIONES PREVIAS DEL CONSEJO MUNICIPAL Y DE LA COMISIÓN:

29 de enero de 2021 Taller anual de establecimiento de metas: el Ayuntamiento recibió una presentación que describe los requisitos y el proceso para la redistribución de distritos.

En la reunión del Consejo de la Ciudad del 5 de mayo de 2021, el Consejo de la Ciudad votó para avanzar con un enfoque dirigido por el personal para el proceso de redistribución de distritos.

En el taller de revisión de metas de mitad de año del 6 de agosto de 2021, el Ayuntamiento recibió una actualización sobre el proceso de redistribución de distritos.

18 de agosto de 2021, reunión del consejo de la ciudad: el consejo de la ciudad celebró la primera de cuatro audiencias públicas requeridas en el proceso de redistribución de distritos para recibir una actualización sobre el proceso y solicitar comentarios sobre las comunidades de interés.

20 de octubre de 2021, reunión del consejo de la ciudad: el consejo de la ciudad celebró la segunda de las cuatro audiencias públicas requeridas en el proceso de redistribución de distritos para recibir una actualización de los datos del censo ajustados por el estado y una demostración de las herramientas de mapeo disponibles.

15 de diciembre de 2021, Reunión del Concejo Municipal: el Concejo Municipal celebró la tercera de las cuatro audiencias públicas requeridas en el proceso de redistribución de distritos para revisar los mapas preliminares presentado hasta la fecha.

16 de febrero de 2022, Taller de redistribución de distritos del Concejo Municipal: el Concejo Municipal y la comunidad revisaron y discutieron los mapas preliminares y el Concejo instruyó al personal a llevar los mapas 103, 104, 106, 108 y NDC verde al público del 2 de marzo de 2022 por una audiencia pública para discusión y posible adopción.

2 de marzo de 2022, el Concejo Municipal celebró la cuarta de las cuatro audiencias públicas requeridas y adoptó el Mapa 103.

6 de abril de 2022, el Concejo Municipal realizó una audiencia pública y reafirmó la adopción del mapa 103.

IMPACTO FISCAL Y DE RECURSOS:

La acción judicial interpuesta contra el Ayuntamiento a raíz de la adopción del Mapa 103, llevó a costos legales en el rango aproximado de \$80,000 a \$100,000. Una vez que los costos totales son conocido, el personal determinará si es necesaria una enmienda al presupuesto.

CEQA (Ley de Calidad Ambiental de California):

No es un proyecto

El reformateo de distritos electorales no es un proyecto como se define en la Sección 15060 (c) de las Directrices estatales de la CEQA.

From: [D. Muirhead](#)
To: [CC Public Comment](#)
Subject: [EXTERNAL] comment City Council May 18 #11 Alternative City Council District map
Date: Monday, May 16, 2022 9:11:08 AM

Greetings Morgan Hill City Council, City Staff, and Residents,

Comment for the Morgan Hill City Council meeting on May 18, 2022
#11 Alternative City Council District map

I am so tired of our elected officials who refused to obey state law and continue to divert us from other important issues.

"The Court finds that Public Map 103 ...violates the FAIR MAPS Act ... in particular the applicable contiguity requirement of the act ... because District D is not contiguous. No other provision of law authorizes the City Council's violation of Elections Code ..."

I recommend that the three Council Members who voted for the map that the Court declared invalid donate their monthly pay to the General Fund until it is made whole for the estimated \$80,000 to \$100,000 legal costs that they inflicted on us.

Council Member Martinez Beltran submitted two variants of Map 103 (103A & 103B) on May 13, 2022. The staff report says

The Court has ordered the Council to adopt a legal map and return to Court on May 23, 2022, to demonstrate that the court order has been complied with. Due to the seven-day map circulation requirement, the Council does not have time to make changes to any of these maps and still meet the Court deadline.

So this is another waste of our time. And the Council Member again ignores the legal requirements for boundaries:

- Easily identifiable boundaries
- Compact (do not bypass one group of people to get to a more distant group of people)

Thank you for your consideration, Doug Muirhead, Morgan Hill

WARNING: This message is from an external user. Confidential information such as social security numbers, credit card numbers, bank routing numbers, gift card 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: May 18, 2022

PREPARED BY:

Christina Turner, City Manager

APPROVED BY: City Manager

REVIEW CITY MANAGER'S RECOMMENDED FISCAL YEARS (FY) 2022-23 AND 2023-24 OPERATING BUDGET AND FY 2022-23 THROUGH 2027-28 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET

RECOMMENDATION(S)

Review and discuss the Recommended Budget, including community funding requests and the Impact Fee Freeze Program.

Estimated Time: 120 Minutes

COUNCIL PRIORITIES, GOALS & STRATEGIES

City Council Ongoing Priorities

Enhancing Public Safety

Protecting the Environment and Preserving Open Space and Agricultural Land

Maintaining and Enhancing Infrastructure

Supporting our Youth, Seniors, and Entire Community

Fostering a Positive Organizational Culture

Preserving and Cultivating Public Trust

Preserving our Community History

Enhancing Diversity and Inclusiveness

Advancing Regional Initiatives

2022-2023 Strategic Priorities

Fiscal Sustainability

Affordable Housing and Homelessness

Community Outreach, Engagement, and Messaging

Economic Development

Transportation

Guiding Documents

Bikeways, Trails, and Recreation Master Plan

Economic Blueprint

Fire Services Standards of Coverage

Morgan Hill 2035 General Plan
 Public Safety Master Plan
 Storm Drain Master Plan
 Vision Zero
 Water System Master Plan
 Wastewater System Master Plan

REPORT NARRATIVE:

During the City Council Meeting on Wednesday, May 18, 2022, the City Manager and Leadership Team will present to the City Council the Recommended Budget, details of the City Council's proposed budgeted expenditures, as well as recommendations for Community Funding and the Impact Fee Freeze Program.

Recommended City Budget

Guided by our goals and priorities, the Recommended Budget reflects the City's current financial condition, which improved markedly from the very dire outlook forecasted in the last budget cycle. As a result of the fast economic recovery from the impact of the COVID-19 pandemic, most notably from the one-time influx of lost revenue from the Federal Government, as well as stronger than the projected growth of the City's existing tax base, the recommended budget not only maintains existing service levels but is able to enhance some City services that are considered priorities by the Council and the Community. However, there remain uncertainties in our economic outlook that could easily alter the economic growth trajectory and our forecasts. With that said, the Recommended Budget provides the flexibility for the City Council and staff to adjust as necessary.

The total Recommended Budget is \$204.2 million in FY 22-23 and \$167.7 million in FY 23-24. FY 22-23 budget includes \$52.5 million for General Fund expenditures, \$58.5 million for CIP, and \$93.2 million for non-General Fund expenditures. For FY 23-24, the Recommended Budget includes \$54.1 million for General Fund expenditures, \$39.8 million for CIP, and \$73.8 million for non-General Fund expenditures. Details of each Division's budget, project description, and funding requirements can be found in the accompanying operating departments and Capital Improvement Program sections of the Recommended Budget (Attachment 2).

Recommended Expenditures for the City Council's Budget Details for the recommended expenditures for the City Council's budget are included as attachment 3. The City Council's budget includes stipends for the Mayor and four Councilmembers. Supplies and services include software annual agreements, office and program supplies, as well as Community Funding.

Community Funding

Annually, the City Council considers funding requests from local non-profit organizations that host community-wide events. In November 2021, City Council adopted Council Policy CP-21-02 (Attachment 4), to establish a process for community organizations to request funding to support fee waivers, event sponsorship, and other funding requests from the City Council.

On February 11, 2022, staff provided Community Funding Request Applications to organizations that have previously received fee waivers for facility use, event support, or program support from the City of Morgan Hill. The applications were provided via email to these contacts. The application and information about the process was also posted on the City's website, in the weekly 411, and on the City's Facebook page. Applications were due on March 18, 2022, at 5:00 pm.

The City of Morgan Hill received applications from 18 organizations (see attachment 5), for a total of 22 applications. Some organizations submitted multiple applications for different events. The funding requests total approximately \$285,000 (for comparison purposes, the FY 21-22 budget is \$116,000). The requests include 11 new fee waiver requests and 8 organizations requesting significant increases in funding. The funding breakdown includes approximately \$50,000 in fee waivers for use of the Community Center, \$115,000 in funding to support events, and \$120,000 to support programs.

Impact Fee Freeze Program

The original Impact Fee Freeze Program establishes and locks City's Impact Fees using the FY 2016-17 rates for new industrial and commercial development provided the prospective development secures entitlements and submits for building permits within three years of the date of the agreement. In 2020, with a City Council update and review of this program, the base year was adjusted to FY 2017-18.

Staff recommends amending the program to use the current fiscal year fee schedule at the time of the agreement instead of the FY 2017-18 fee schedule. While this reduces the incentive to the development community, it still provides certainty that the fees will be locked in at the time of the agreement. This change will allow the City's impact fee funds to recover a greater amount and support the development of the City's infrastructure. Please see attached updates to the Impact Fee Freeze Program Guidelines (see attachment 6).

COMMUNITY ENGAGEMENT:

Involve

- March 24, 2022 Budget Town Hall (Virtual Zoom)
- May 4, 2022 Recommended Budget Presented to the City Council (Virtual Zoom)
- May 14, 2022 City Booth at Sidewalk Saturdays (Near Coffee Guys on 3rd Street)
- May 18, 2022 Budget Open House (Downtown Amphitheater, Community and Cultural Center)
- May 18, 2022 Budget Workshop (Virtual Zoom)

- June 15, 2022 Budget Public Hearing/Adoption (Virtual Zoom)

ALTERNATIVE ACTIONS:

Not Applicable

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Recommended Budget was introduced to the City Council and the Community on May 4, 2022.

FISCAL AND RESOURCE IMPACT:

None.

CEQA (California Environmental Quality Act):

Not a Project



Budget Workshop

Fiscal Years 2022-23 and 2023-24

Biennial Budget



Budget Presentation Overview



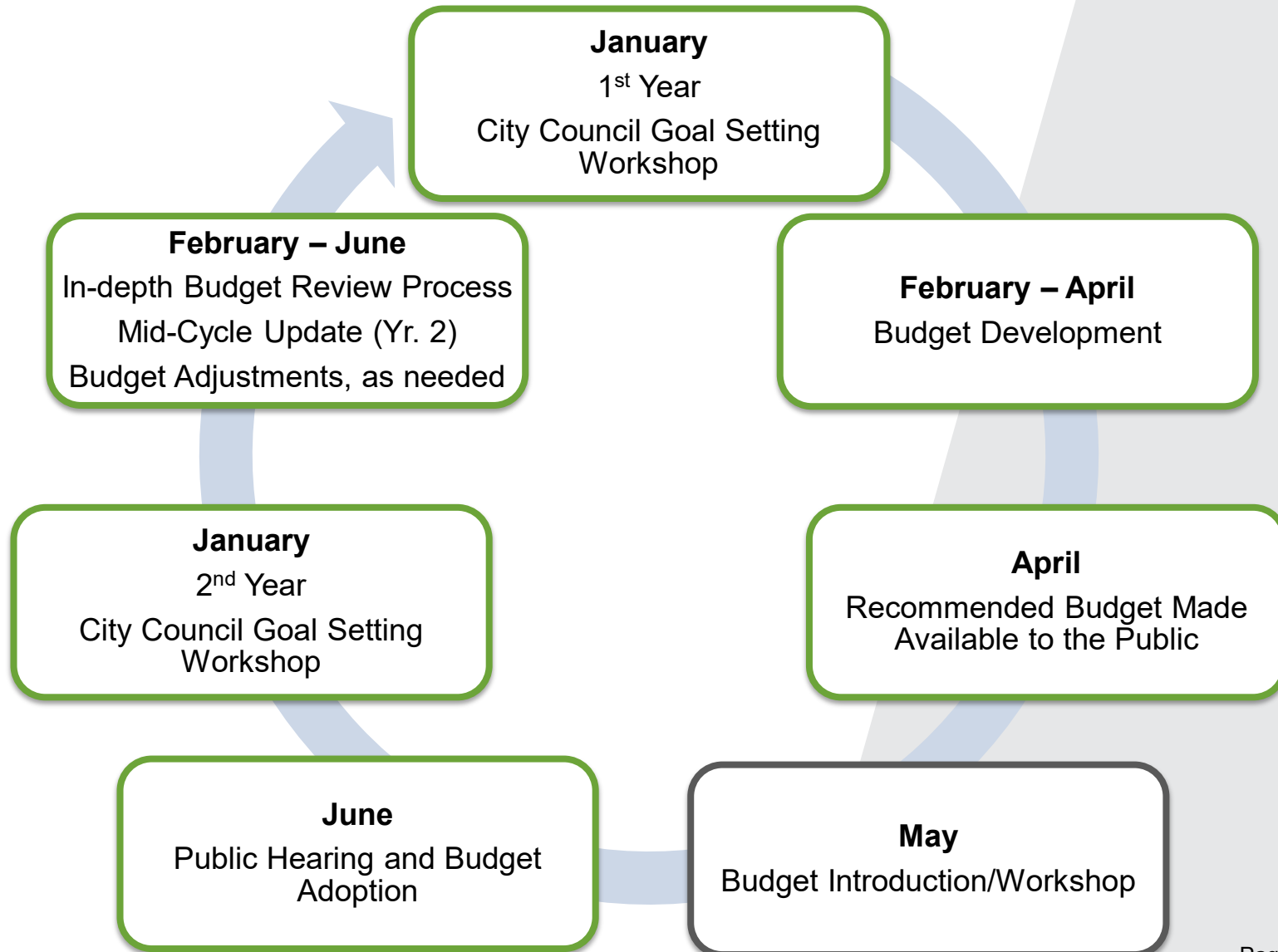
- Budget Process and Foundation
- Recommended Citywide Budget Summary
- Personnel
- General Fund
- Community Funding
- Impact Fee Freeze Program Update

Budget Presentation Overview



- City Council Budget
- Unfunded Liabilities
- Enterprise Funds
- Capital Improvement Program (CIP)
- Next Steps
- Questions and answers, Public Comment, and Council Discussion

Biennial Budget Process



City Council's Ongoing Priorities



- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining and Enhancing Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture

City Council's Ongoing Priorities

(cont.)



- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advancing Regional Initiatives

City Council's 2022-2023 Strategic Priorities



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

Major Funds - Discretionary



General Fund

- **Public Safety, Recreation and Community Services, Street and Park Maintenance Services, Economic Development, and Administration**

Major Funds: Non-Discretionary

Development Services Fund

- Provides planning, building and land development engineering services

Special Revenue Funds

- Housing and Environmental Services
- Gas taxes

Capital Project Funds

- Funds infrastructure related projects for streets, parks, storm drainage, and public facilities

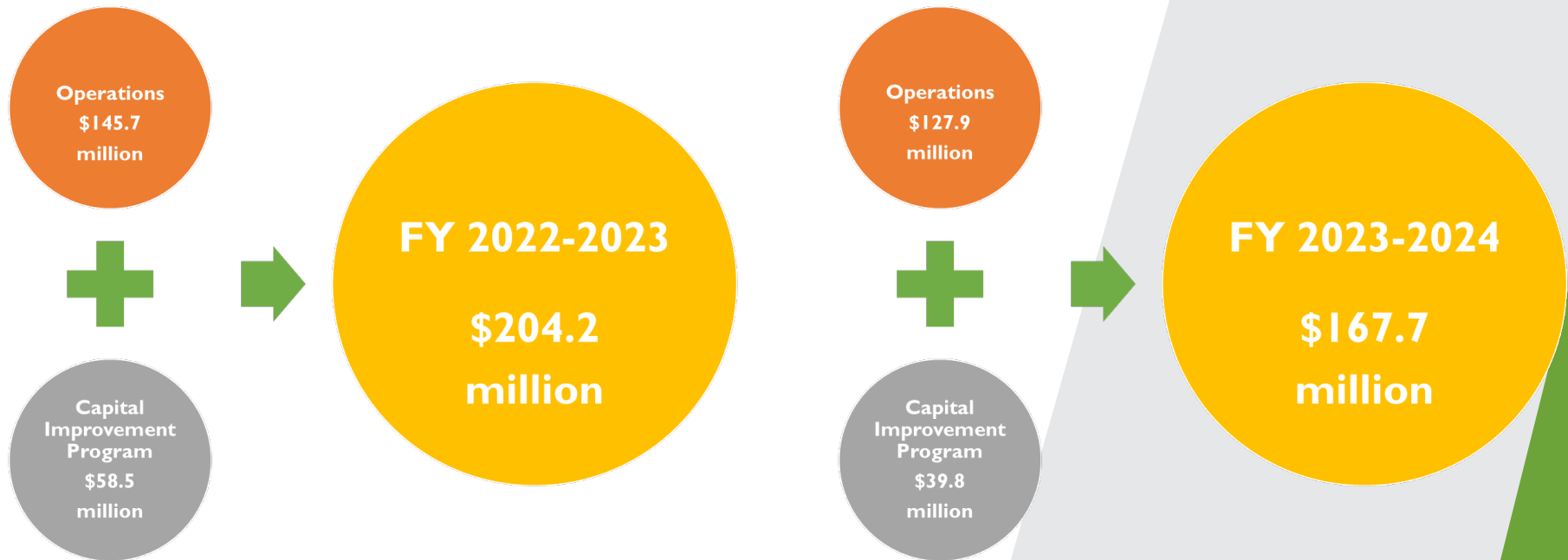
Enterprise Funds

- Provide for Water and Wastewater Utilities' Operations and Infrastructure Improvements

Recommended Citywide Budget Summary

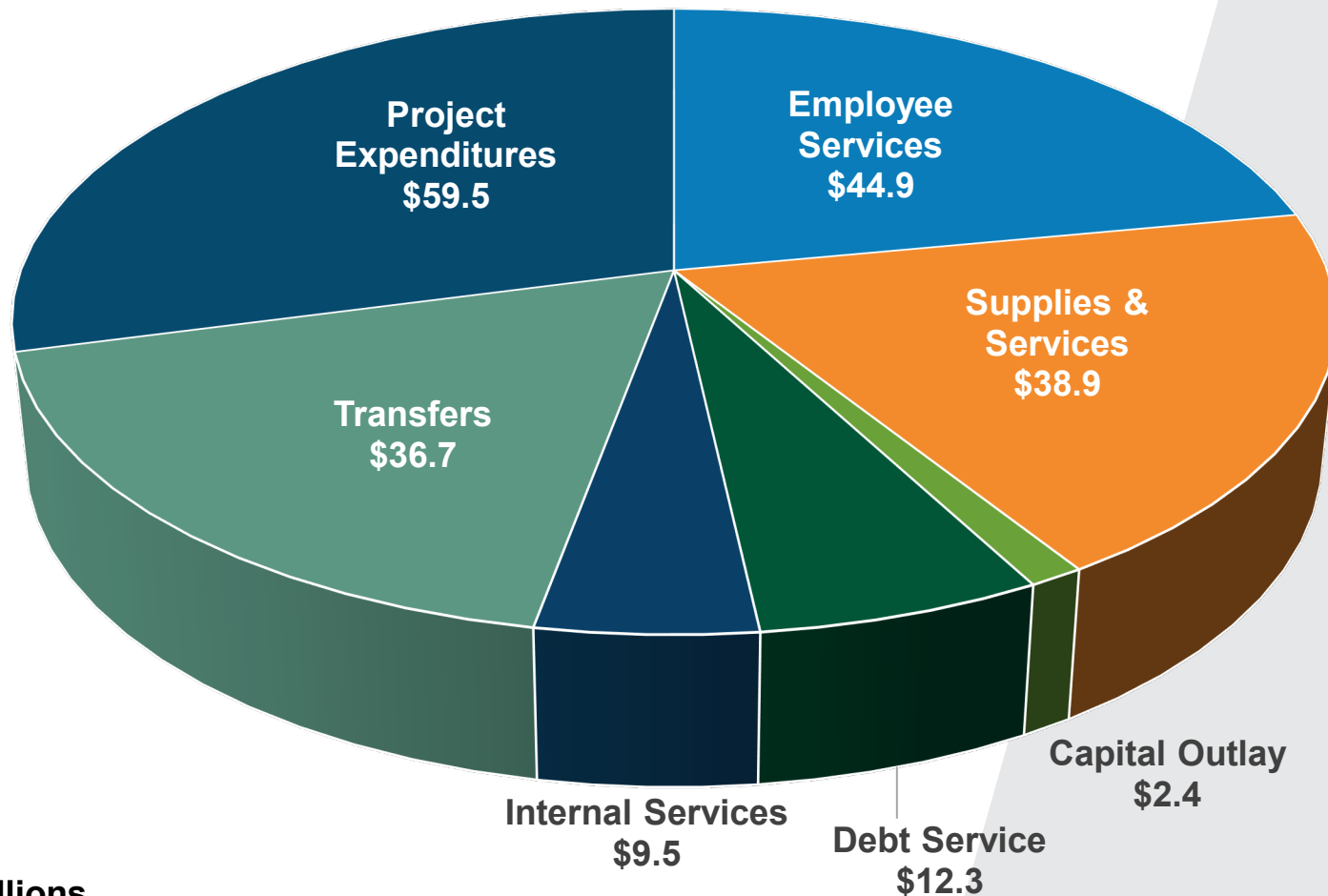


Recommended Budget Summary



FY 2022-23 Recommended Expenditures by Category

Total \$204.2 million

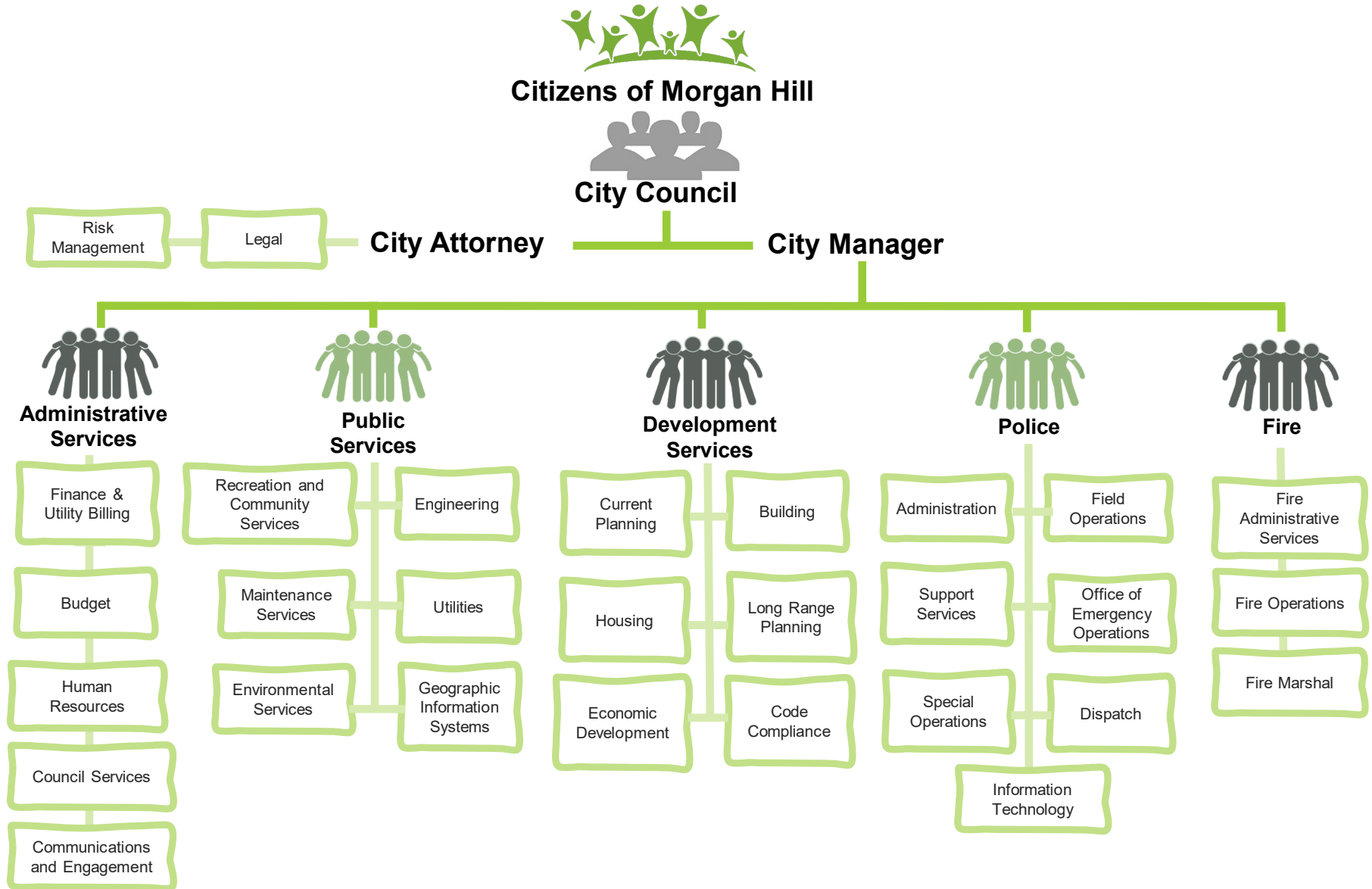


In Millions

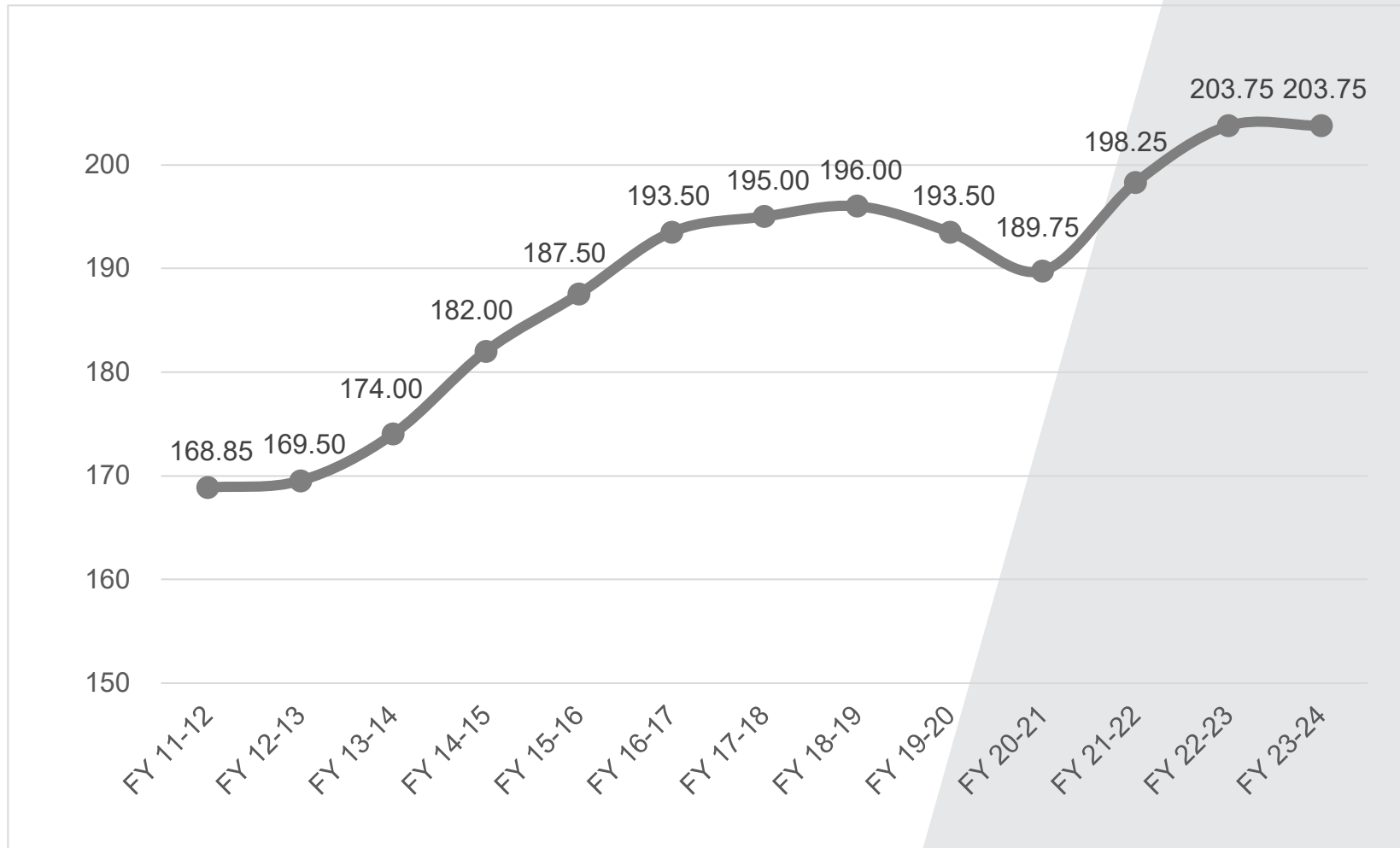
Personnel



Organizational Chart



History of Full-Time Equivalents (FTE)



Proposed FTE Additions

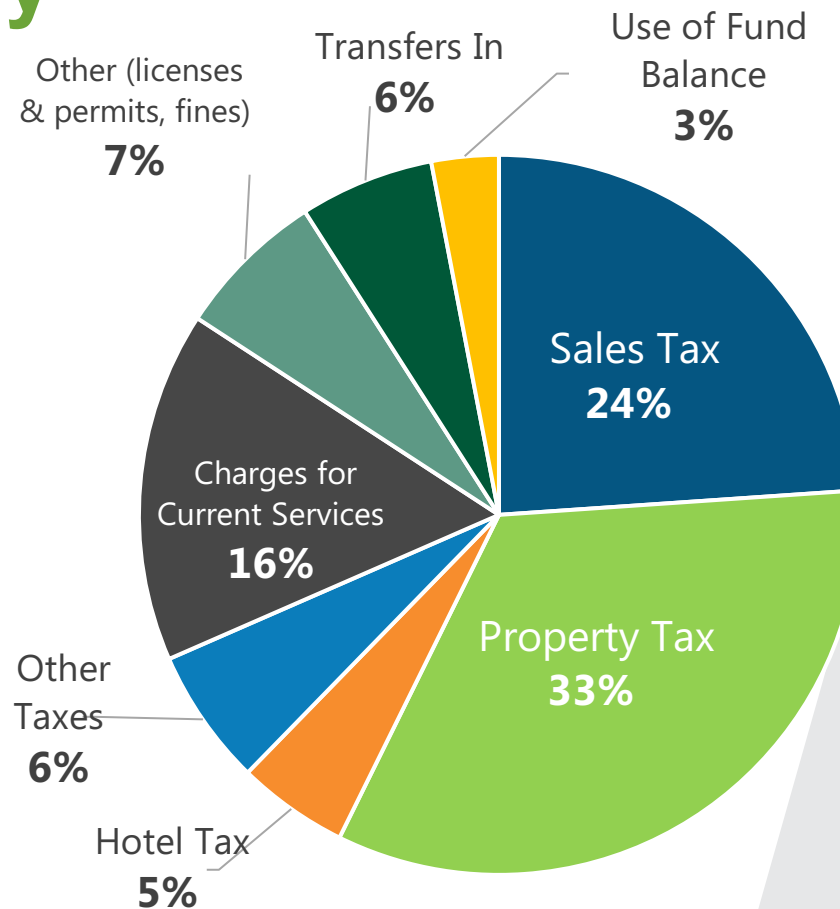


- Multi Service Officer (1.0 FTE)
- Community Service Officer (1.0 FTE)
- Public Safety Dispatcher (1.0 FTE)
- Police Records Specialist (0.5 FTE)
- Code Compliance Officer (1.0 FTE)
- Environmental Programs Coordinator (1.0 FTE)

General Fund



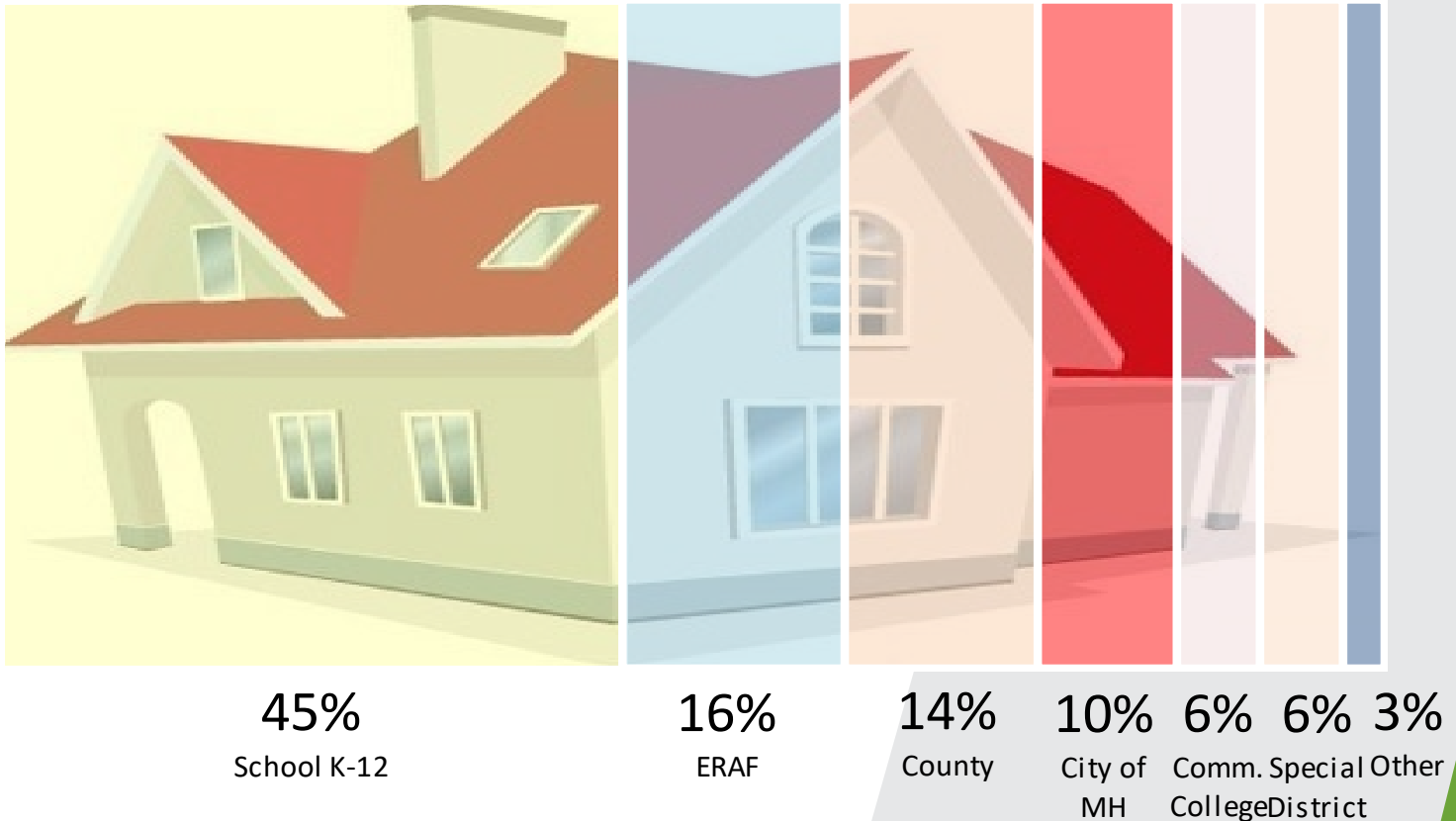
FY 2022-23 Recommended General Fund Resources by Category



Property Tax

FY 22-23 \$17.4 million

FY 23-24 \$18.0 million

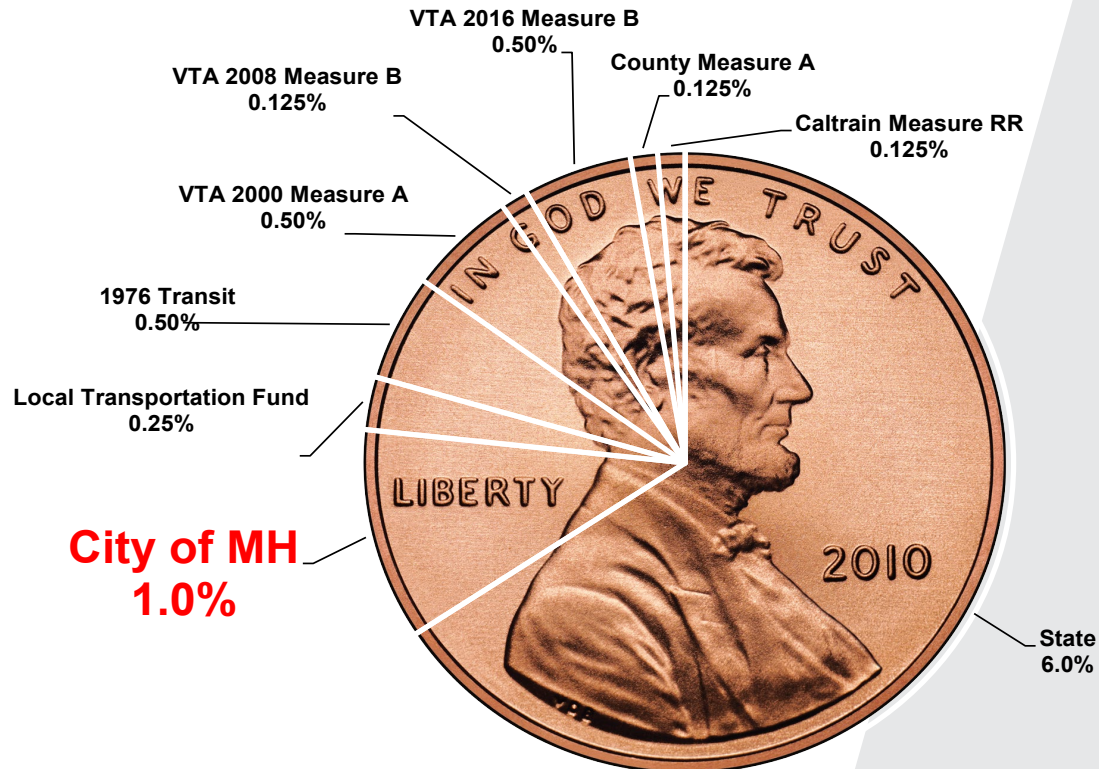


Sales Tax

FY 22-23 \$12.5 million

FY 23-24 \$12.7 million

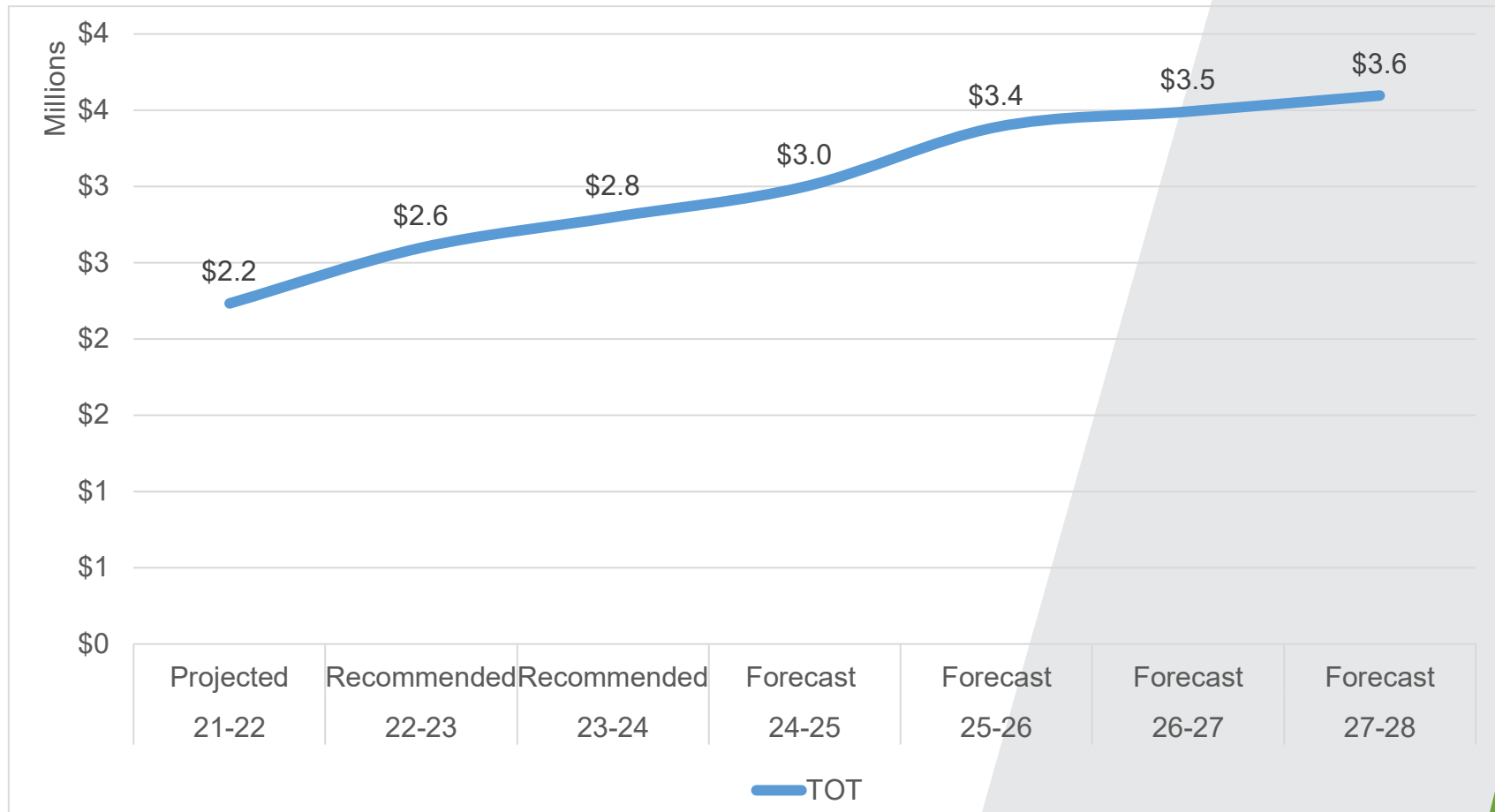
Allocation of Sales Tax Rate (Current Sales Tax Rate 9.125%)



Transient Occupancy Tax (TOT)

FY 22-23 \$2.6 million

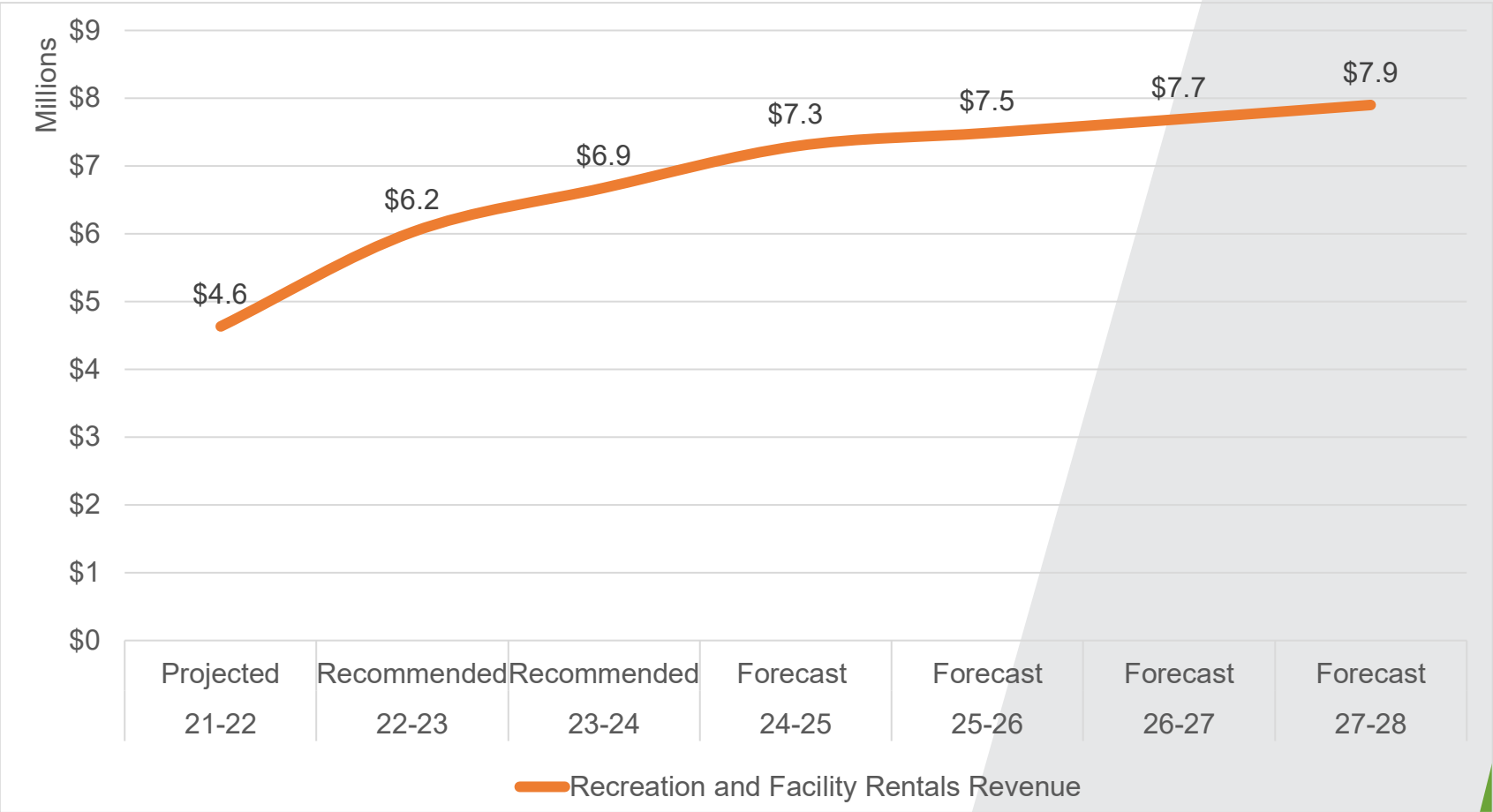
FY 23-24 \$2.8 million



Recreation and Facility Rentals Revenue



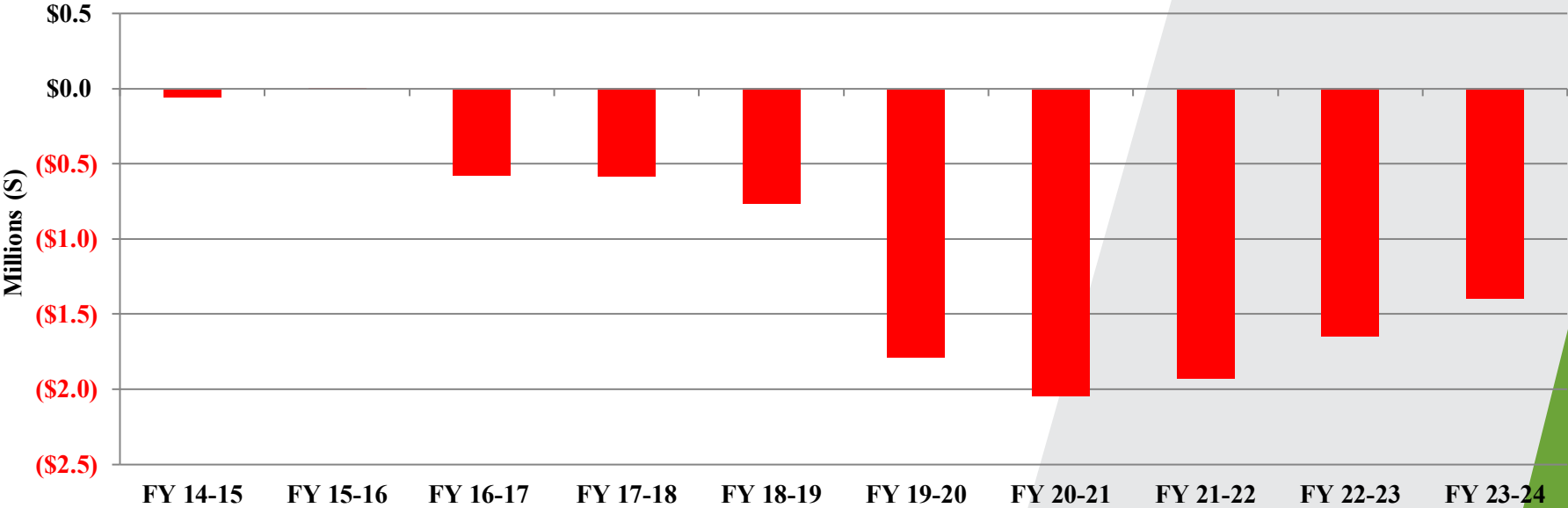
FY 22-23 \$6.2 million
FY 23-24 \$6.9 million



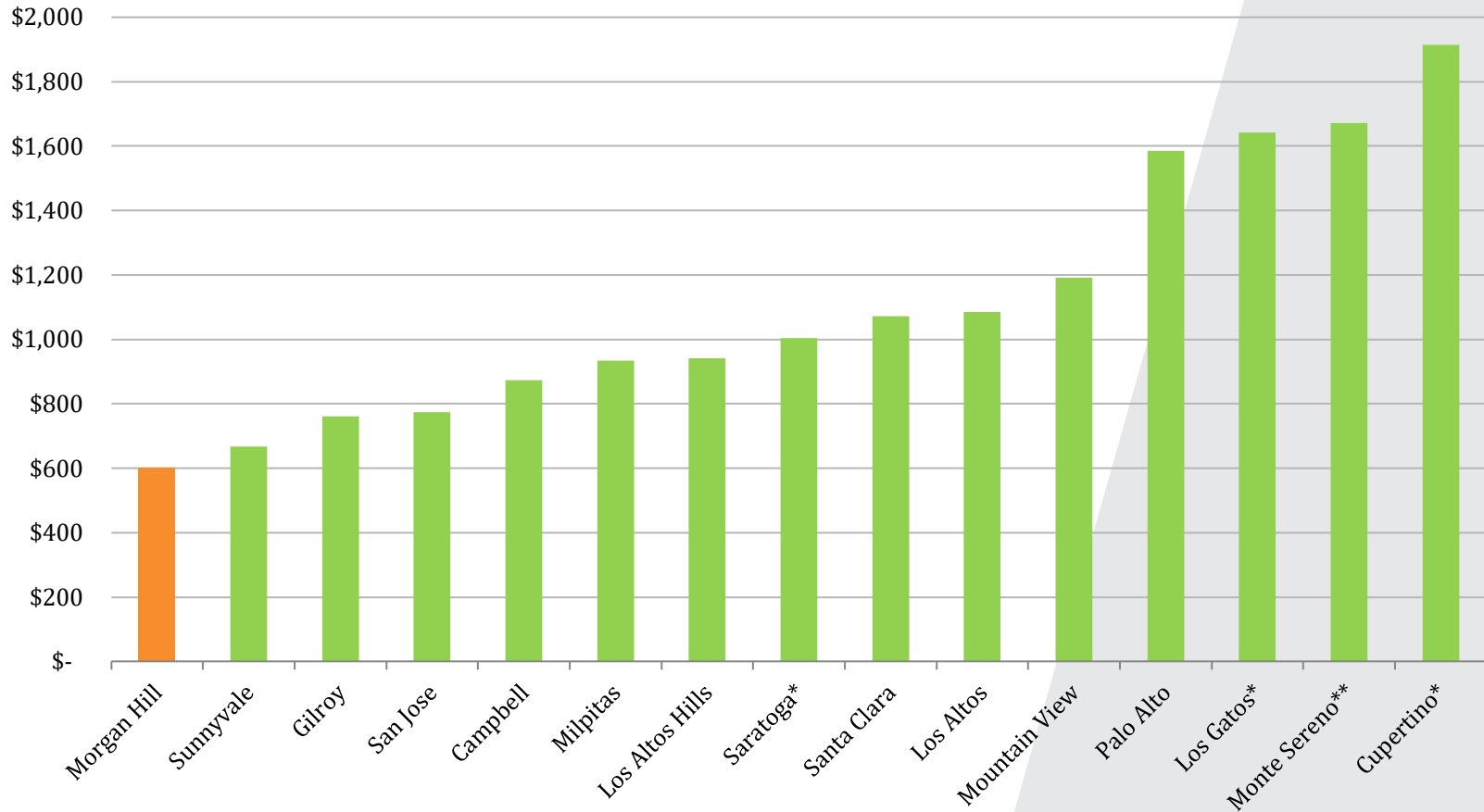
Recreation and Facility Rentals Revenue



Historical General Fund Net Impact



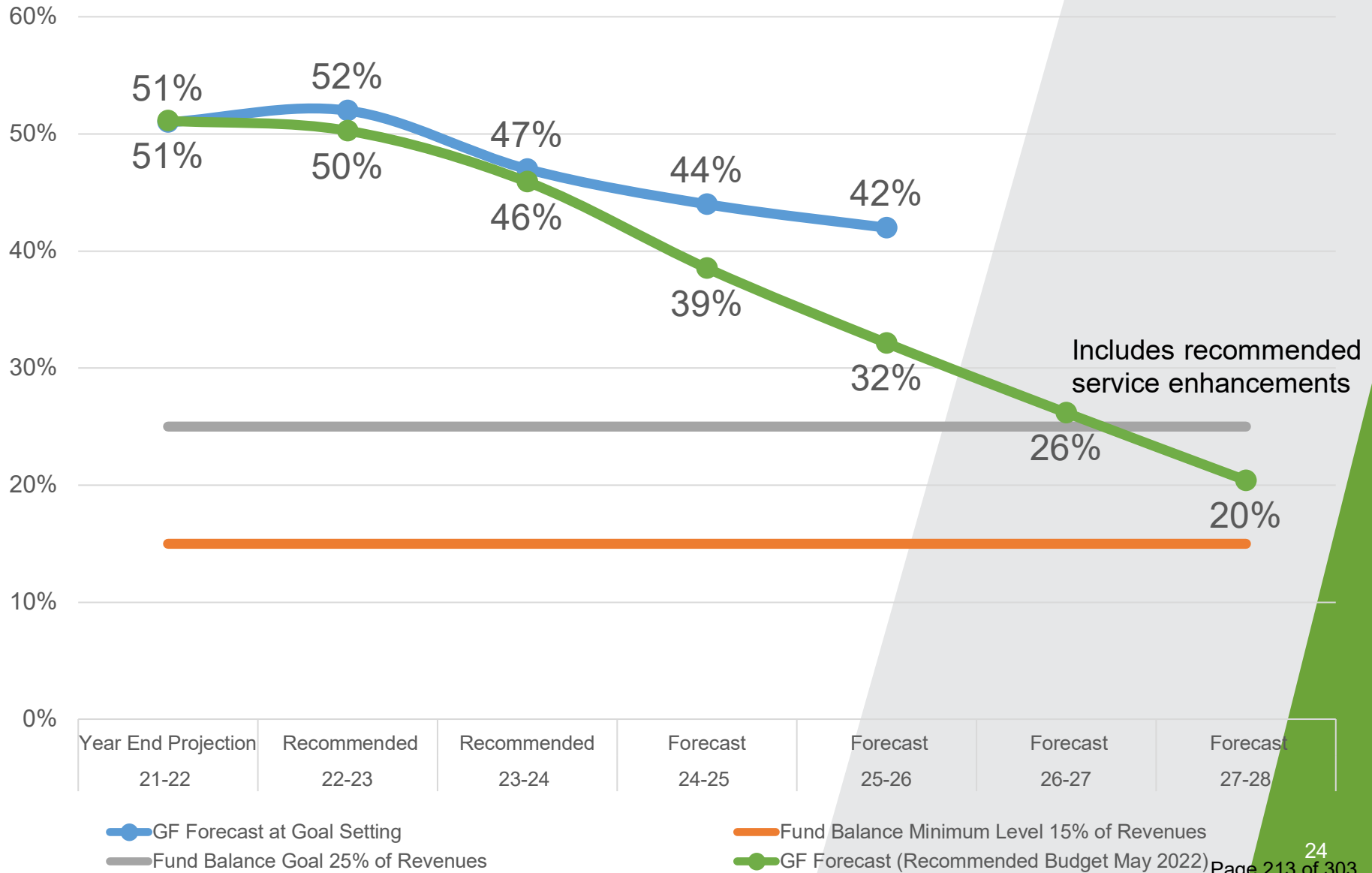
Per Capita Discretionary Tax Revenue



* Property Tax amount includes Santa Clara County Central Fire District FY 21-22

**FY 18-19 Data for Monte Sereno

General Fund Forecast



General Fund Unfunded Needs



Category	At Goal Setting	Recommended Budget	Notes on Remaining Needs
Police	\$1.3M	\$0.7M	3 Sworn Officers and equipment replacement
Fire	2.3M	-	-
Revenue Loss from RDCS Suspension	1.0M	1.0M	Park maintenance, storm drain systems, pedestrian safety and infrastructure repair/replacement, and agricultural and open space preservation
Total General Fund Unfunded Needs	\$4.6M	\$1.7M	

3rd Fire Station Funding



Funding for 3rd Fire Station	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Personnel	\$ 519,691	\$ 750,675	\$ 1,403,709	\$ 1,488,895	\$ 1,578,339	\$ 1,672,256	\$ 7,413,566
Non-Personnel & Equipment	-	-	200,000	210,000	220,500	231,525	862,025
Total Funding for 3rd Fire Station	\$ 519,691	\$ 750,675	\$ 1,603,709	\$ 1,698,895	\$ 1,798,840	\$ 1,903,782	\$ 8,275,591

Amendment to Fiscal Policy A.9



Proposed revised allocation from the annual General Fund budget savings, if any, will be as follows:

- **20% to Public Safety Equipment Replacement Fund**
- 20% to Street CIP for pavement and rehabilitation of City streets
- 20% to Section 115 Trusts for OPEB and PERS Rate Stabilization Funds
- 10% to Park Maintenance for maintaining of City parks
- 30% to the Unassigned General Fund Reserve

Community Funding



Community Funding



- 22 Applications from 18 organizations received
- \$260,078 in total funding requested
- Staff recommended funding:
 - \$44,051 in Fee Waivers
 - \$152,029 in Cash Funding

Impact Fee Freeze Program Update



Impact Fee Freeze Program



- Created in 2017 and revised in 2020 to support industrial and commercial development
- Program locks in City's impact fees at 2017-18 fee schedule

Impact Fee Freeze Program (cont.)



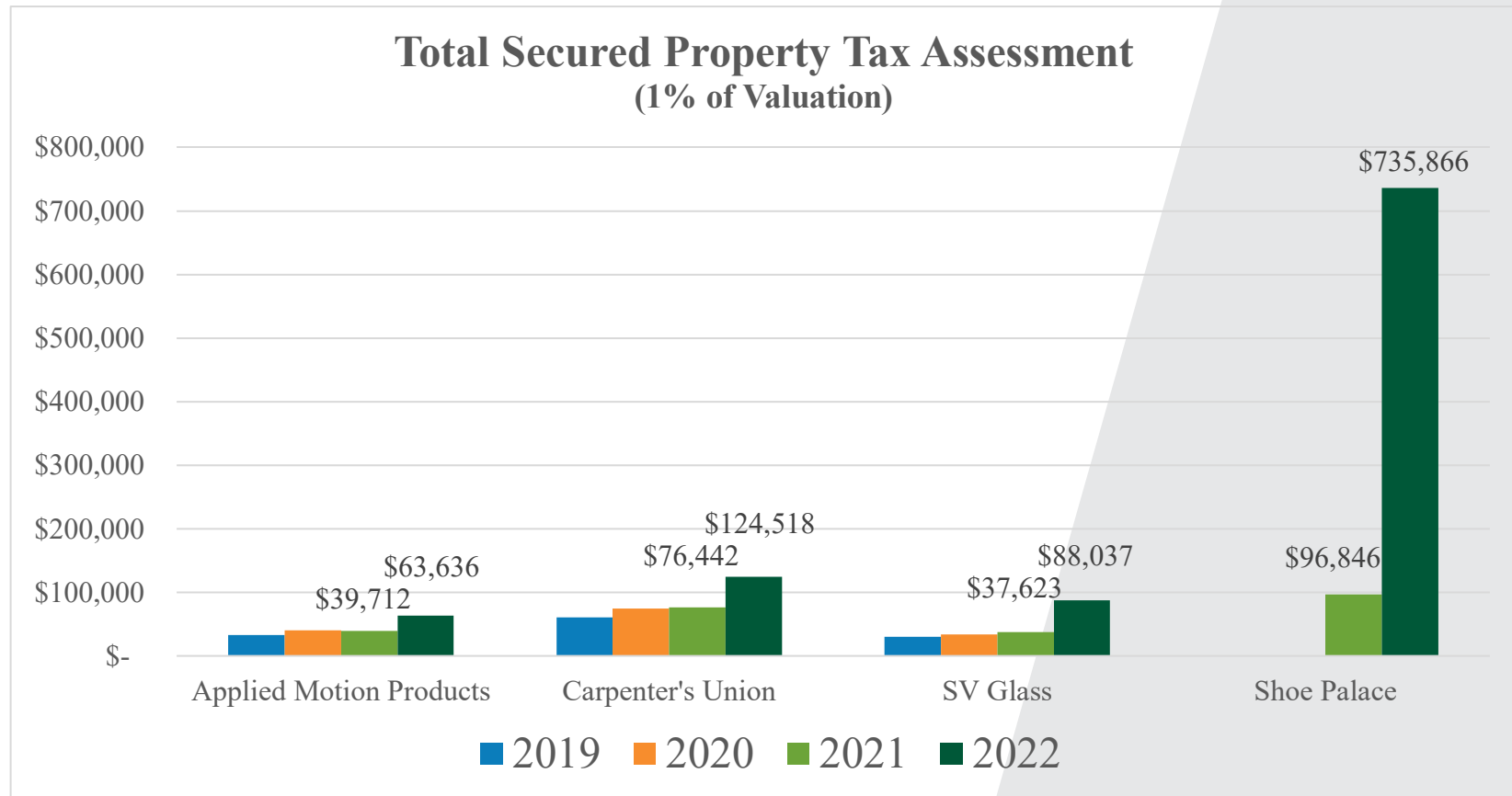
- The program requires development within 3 years
- Project must repay the savings created within 10 years
- Agreements of \$100,000 or more must be approved by the City Council

Approved and Active Fee Freeze Projects



Project	Approved	Expiration	Status	Project
Shoe Palace	10/17/2018	6/30/2020	Project in final construction phases	503,400 sq. ft industrial building, headquarters for Shoe Palace
Evergreen Development Company	10/17/2018	6/30/2022 Extended due to COVID	Overall site construction underway, Individual projects under review	185,000 sq. ft proposed build out
SV Glass	12/5/2018	6/30/2021	Project completed	31,172 sq. ft. industrial building
Carpenter's Union	1/23/2019	6/30/2021	Project completed	55,000 sq. ft. industrial building to be used as a training and education facility
Applied Motion Products	6/3/2020	6/30/2022	Project completed	21,000 sq. ft industrial building, headquarters for a business-to-business operator
Cardinale - Chrysler/Dodge/Ram/Jeep	12/2/2020	12/31/2023	Project under construction	27,000 sq. ft new vehicle dealership

Property Tax Trends After Project Completion



City Council Budget



City Council Recommended Budget



Description	FY 2023	FY 2024
Personnel	\$61,000	\$61,000
Non-Personnel		
Community Funding	200,000	200,000
Training & Education	7,000	7,000
Conferences & Meetings	11,000	11,000
Memberships & Dues	38,000	39,000
Other Supplies & Services	58,000	58,000
Internal Services & Transfers	56,000	59,000
Total City Council Recommended Budget	\$431,000	\$435,000

Unfunded Liabilities



Total Unfunded Liabilities - \$61.1 million

- Public Employees Retirement System (PERS) - \$57.3 million
- Other Postemployment Benefits (OPEB) - \$3.8 million
- General Fund Share = 67% or \$40.9 million
- Current Funded Status
 - Misc. Plan - 71.8%
 - Safety Plan - 68.0%

Pension - Funded Status



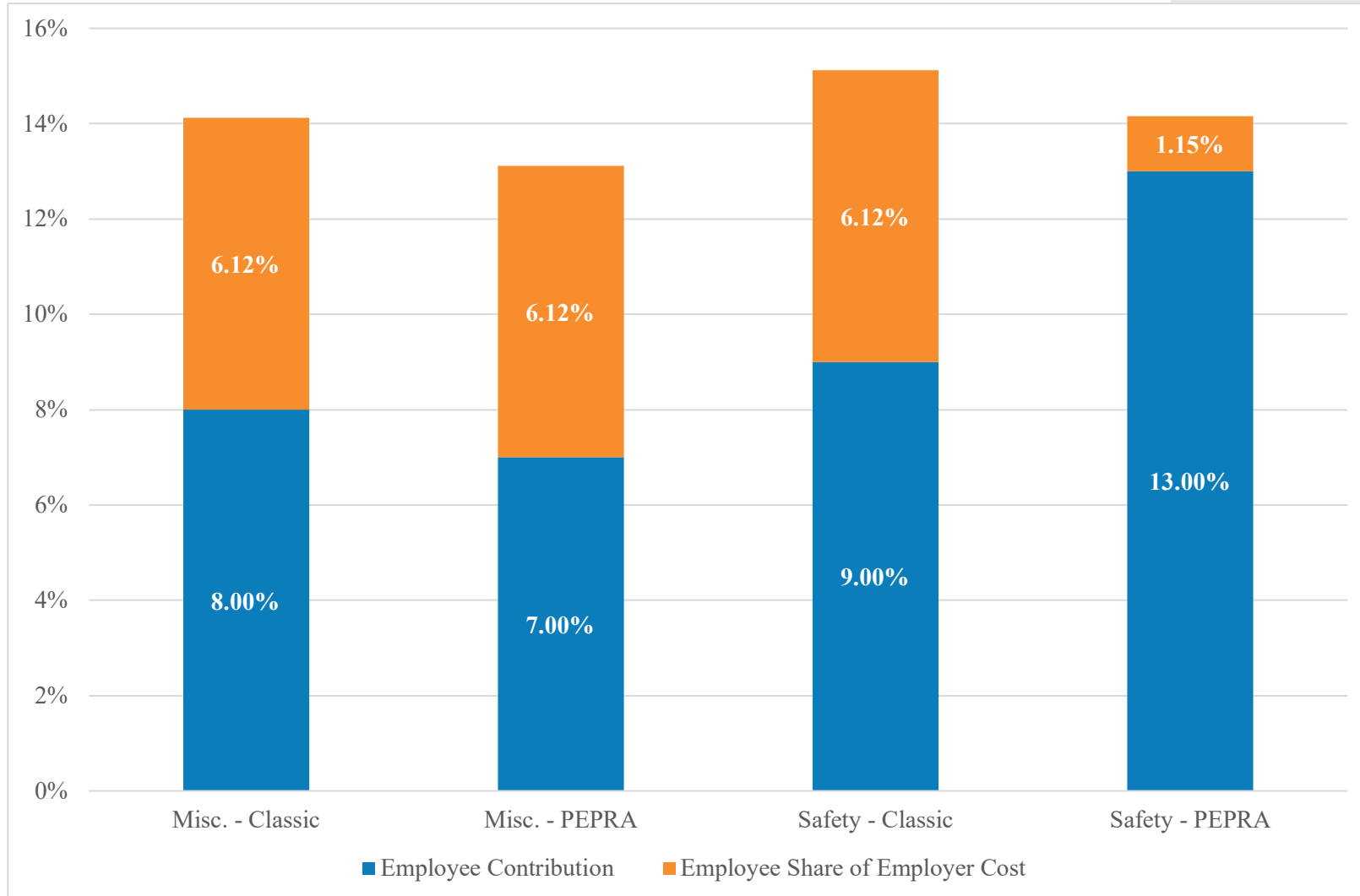
Agency Name	Safety Plan	Misc. Plan
Morgan Hill	68.00%	71.80%
Monte Sereno	N/A	84.70%
Saratoga	N/A	82.00%
Los Altos Hills	N/A	81.80%
Mountain View	70.30%	73.10%
Los Gatos	70.40%	71.80%
Campbell	68.60%	71.60%
Santa Clara (County)	67.40%	69.30%
Sunnyvale	66.20%	69.20%
Gilroy	67.70%	68.20%
Milpitas	62.40%	67.80%
Los Altos	67.80%	67.60%
Cupertino	N/A	65.90%
Palo Alto	60.30%	65.10%
Santa Clara (City)	62.90%	60.60%

Groups	Count	%
Classic	106	58%
PEPRA	77	42%
Total	183	100%

Valuation reports as of FY19-20.

CalPERS funded status for public agencies is 71.1% as of FY19-20.

Pension – Employee Cost Sharing



Enterprise Funds



Enterprise Funds

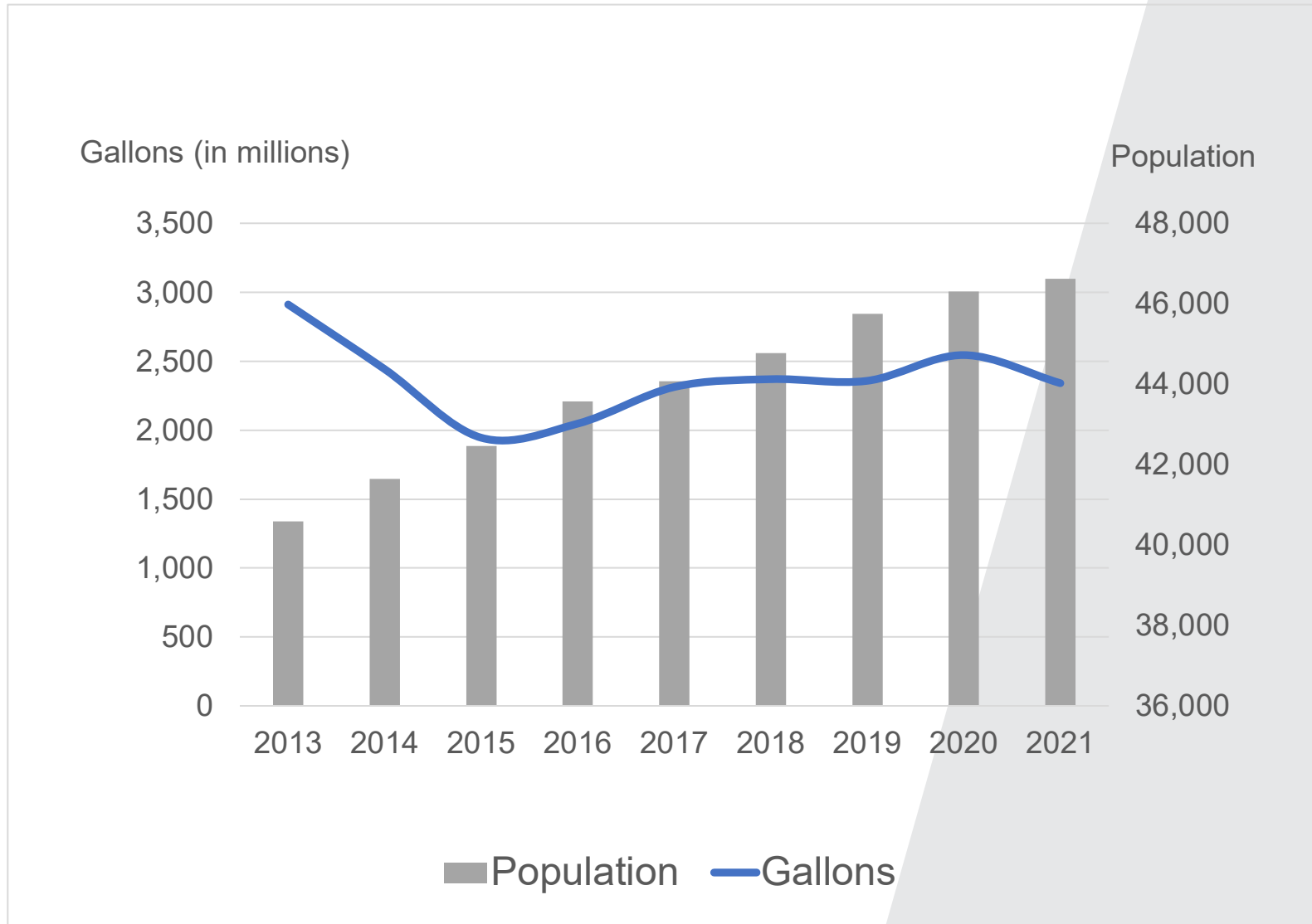
Water

- Water rate increases assumed starting in 2022 and over the next five years

Wastewater

- Wastewater rate update approved in 2019, includes five years of rate adjustments

Annual Water Production



Capital Improvement Program (CIP)



Capital Improvement Program (CIP)



- A Capital Improvement Program (CIP) is a multi-year planning document used by the City to identify capital improvement projects and coordinate the financing and timing of the projects.
- The CIP is a 6-year spending plan that identifies projects, priorities, and financing.
- The CIP is drafted every two years to coincide with the City of Morgan Hill's biennial budget.
- CIP funding is appropriated for the first two fiscal years of the spending plan.

CIP Planning Guidance



Review of Infrastructure Planning Documentation

- Bikeways, Trails, Parks and Recreation Master Plan
- Master Street Tree Plan
- Sewer System Master Plan
- Storm Drainage Master Plan
- Water System Master Plan
- Vision Zero Morgan Hill
- Community Based Transportation Plan
- Climate Action Plan

CIP Planning Guidance (cont.)



Other Essential Inputs

- Community Engagement
- Needs related to progressive growth
- Needs related to gap funding
- Internal discussions on priorities, schedules, and funding

CIP Planning Guidance

City Council Ongoing Priorities



- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining and Enhancing Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture

CIP Planning Guidance

City Council Ongoing Priorities (cont.)



- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advancing Regional Initiatives

CIP Planning Guidance

City Council Strategic Priorities



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

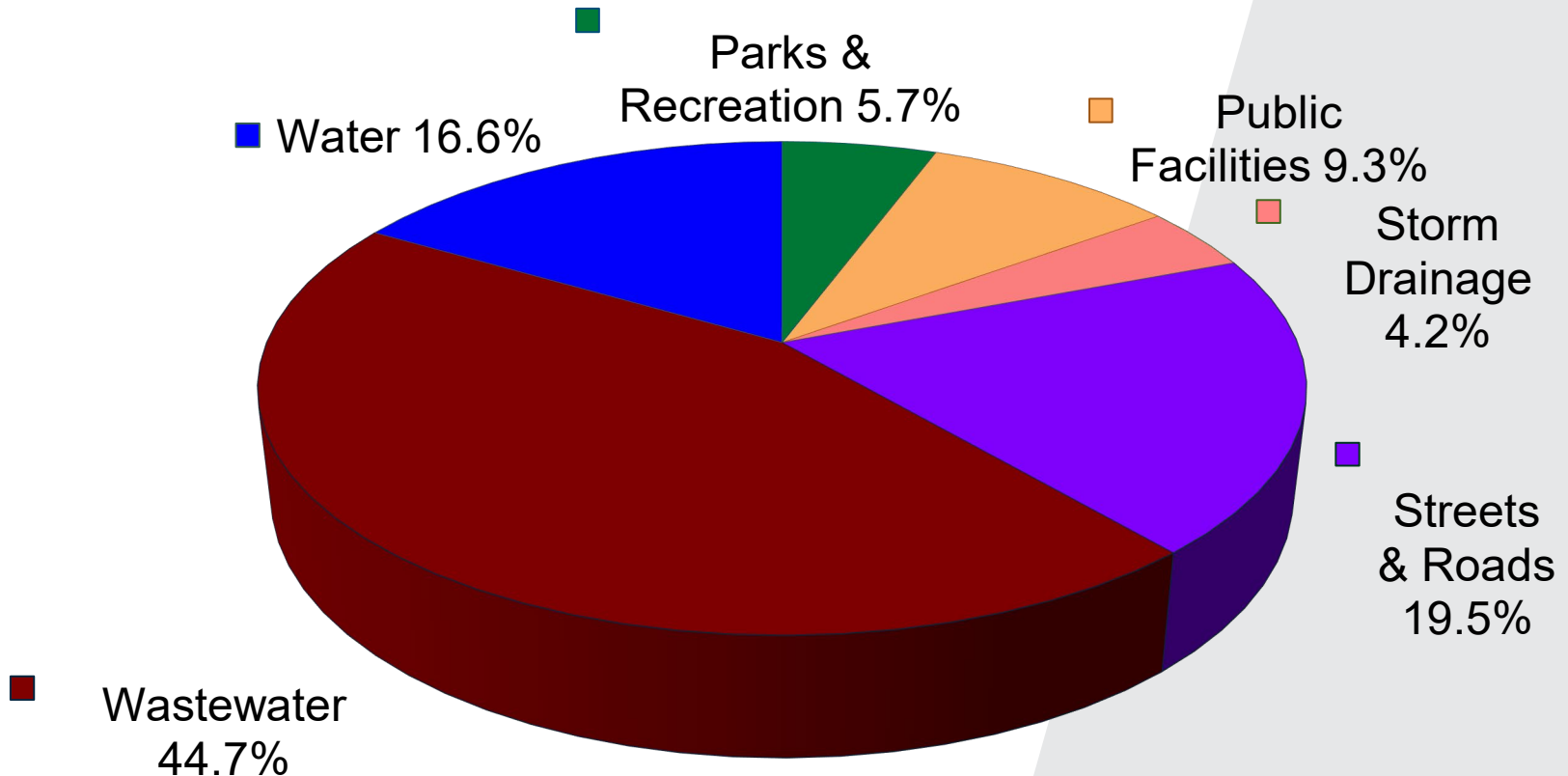
Project Categories



The Recommended FY 2022-23 through FY 2027-28 CIP totals \$224M

- Parks and Recreation (\$27.4M): Recreation centers, parks, open space, and community service amenities
- Public Facilities (\$10.3M): Community, public safety, and civic facilities
- Storm Drainage (\$10.7M): Inlet structures, pipelines, channels, and basins
- Streets & Roads (\$43.7M): Roadways, sidewalks, ramps, street lights, traffic signals and signs
- Wastewater (\$81.8M): Collection pipes, lift stations, and trunk lines
- Water (\$49.7M): Wells, pipelines, storage tanks (also called reservoirs), and pumping stations

CIP Projected Spending Plan



Funding Sources



Morgan Hill has a limited number of funding sources for CIP projects which include:

- Special Revenue Funds (Gas Tax, Measure B)
- Development Impact Fees (Water, Sewer, Public Facilities, Library, Traffic, Public Safety Facilities, Community Recreation Centers, Local Drainage, and Parks)
- Quimby Act Dedication and Fees
- Other Regional/Local Sources (Grants, Partnerships, Voluntary Developer Contributions)
- User Fees (Water and Wastewater)

Infrastructure Planning



2022 – Transportation Master Plan

2022 – Open Space Wildfire Prevention Plan

2023 – Sewer System Master Plan

2024 – Parks, Recreation and Trails Master Plan

2025 – Storm System Master Plan

2026 – Water System Master Plan

Capital Improvement Projects

Parks & Recreation



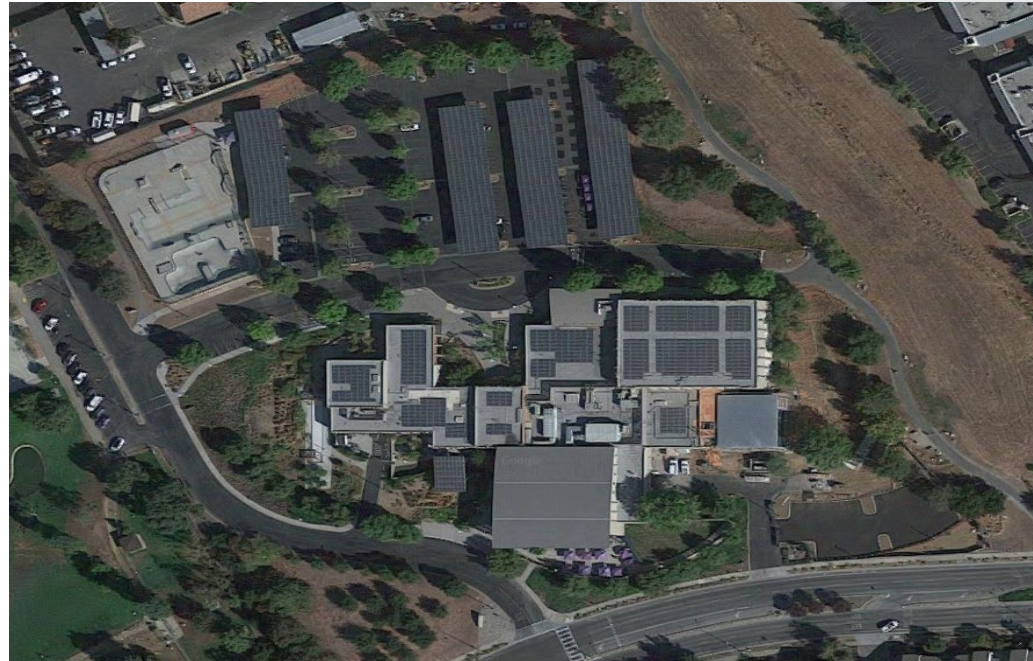
1. CRC Battery Storage System
2. El Toro Trail
3. Madrone Channel Trail Improvements
4. Monterey Road Ball Field Park
5. Non-Profit Center
6. Park Renovation
7. Parks Land
8. Purchase and Development
9. Recreation Facility Expansion and Renovation
10. Villa Mira Monte Improvements
10. West Little Llagas Creek Trail

CRC Battery Storage System

**Total Project Budget: \$450K
(Grant Funded)**

Project Design:
FY 2022-23

Project Construction:
FY 2022-23



Project Scope: Construction of a battery storage system to work in conjunction with the solar system at the Centennial Recreation Center. Project allows for the facility to operate with power during emergencies.

El Toro Trail

Total Project Budget: \$1.5M

Project Schedule:

Dependent upon working with willing property owners

Partnership with Open Space Authority (OSA)



Project Scope: The primary focus of the project currently is trail access points. Both the City and OSA will assist with the acquisition, design, and construction of the trail.

Madrone Channel Trail Improvements

Total Project Budget: \$300K

Project Construction:
Spring 2023

Project Closeout:
Spring 2024

Grant funding available for
current phase



Project Scope: Madrone Channel Phase I (Cochrane-Main) has been completed. Phase 2 currently underway (Main-Tennant). Trail provides for a Class I off-street bicycle and pedestrian pathway along the Madrone Channel, ultimately to connect with the Los Gatos Creek Trail.

Monterey Road Ball Field Park

Total Project Budget: \$4.2M

Project Design:
FY 2025-26

Project Construction:
Phase 1 FY 2026-27



Photo rendering for effect-not actual site

Project Scope: Development of an 8 acre site at the corner of Butterfield Boulevard and Monterey Road. Development of this site prioritizes baseball/softball fields, bmx tracks, and trail and par course amenities.

Non-Profit Center

Total Project Budget: Funded FY 2021-22

Project Design:
Complete

Project Construction:
Summer 2022-Winter 2024

Project Scope: Purchase of office space from the developer of the Depot Latala Development project for future use as a non-profit center or other recreational purposes.



Park Renovation

Total Project Budget: \$2.7M

Project Planning, Design, Construction, and Closeout:
Occur annually with specified projects



Project Scope: The intended purpose of this project is to renovate the City's aging community parks for future ongoing use by existing residents and new.

Parks Land Purchase and Development

Total Project Budget: \$2.5M

Project Planning:

Ongoing

Right-of-Way Acquisition and Permitting:

FY 2022-23 and FY 2027-28



Project Scope: The future City parkland purchase and development priorities outlined in the Master Plan include the purchase, planning, and development of two new neighborhood parks and one new community park located on the east side of the City.

Recreation Facility Expansion and Renovation

Total Project Budget: \$2.2M

Project Planning:
Ongoing

Initial Project Construction:
Will commence FY 2022-23 and be completed FY 2023-24



Project Scope: The purpose of this project is to provide renovations and improvements to existing Recreation facilities that support the ongoing operations of the City Recreation Facilities.

Villa Mira Monte Improvements

Total Project Budget: \$2.8M

Project Planning:
Ongoing

Project Construction:
Phase I Winter 2024-Summer 2025



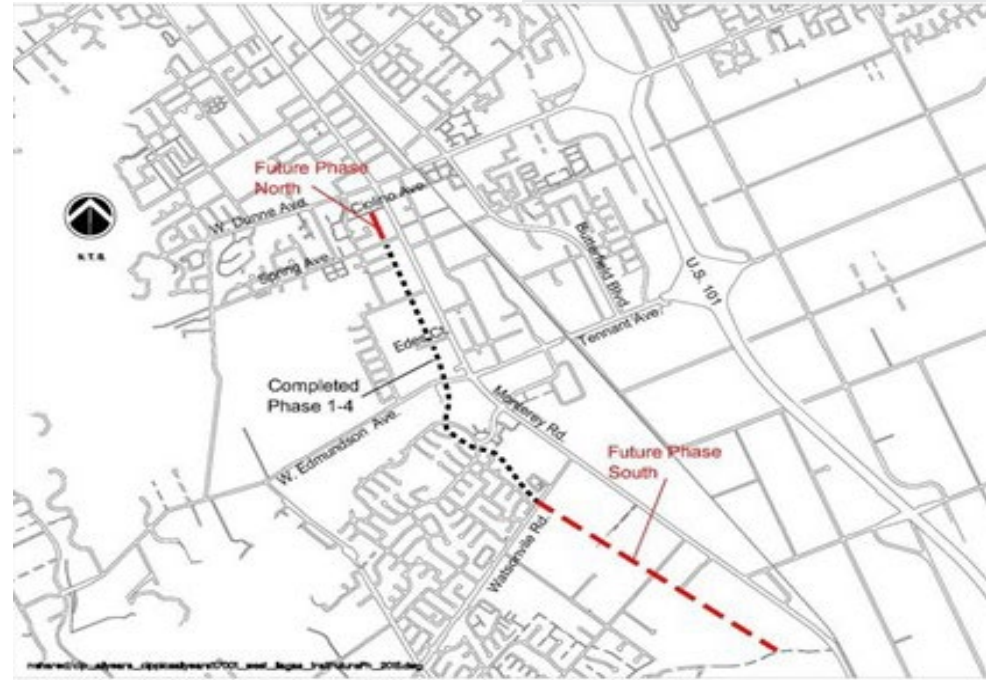
Project Scope: In 2017, the City entered into a partnership with the Historical Society to preserve the site and support the operation of the site as a park facility.

West Little Llagas Creek Trail

Total Project Budget: \$150K

Project Planning:
Ongoing

Project Construction:
As grants are received



Project Scope: The trail will provide a continuous Class 1 pedestrian pathway along the West Little Llagas Creek Trail, with certain phases completed or near completion. Two additional extensions are anticipated in the future.

Capital Improvement Projects

Public Facilities



1. Corporation Yard Long-Term Plan
2. New Fire Station
3. Police Facility Expansion

Corporation Yard Long-Term Plan

Total Project Budget: \$150K

Project Planning:
Ongoing

Project Design:
FY 2022-23



Project Scope: The intent of this project is to plan and ultimately improve the City's corporation yard facility, increasing usable space for the long-term needs of the City.

New Fire Station

Total Project Budget: \$9.1M

Project Design:
FY 2022

Project Construction:
Spring 2023-Fall 2024



Project Scope: A third Fire Station has been recommended per the City's Public Safety Master Plan and Fire Standards of Coverage. Per the dissolution settlement agreement of the Redevelopment Agency, the City retained property on Butterfield Boulevard for this third Fire Station.

Police Facility Expansion

Total Project Budget: \$500K

**Project Design and
Construction:**

FY 2022-23



Project Scope: This project will fund the initial planning for future growth of the Police Department and a limited number of the initial improvements for use of the existing facility space.

Capital Improvement Projects

Storm Drainage



1. Llagas Flood Control
2. Storm System Expansions
3. Storm System Repair and Improvements
4. Trash Compliance (unfunded)

Llagas Flood Control

Total Project Budget: \$3.9M

Project Design:

Final Phase-Summer 2022

Project Construction:

Underway through FY 2025



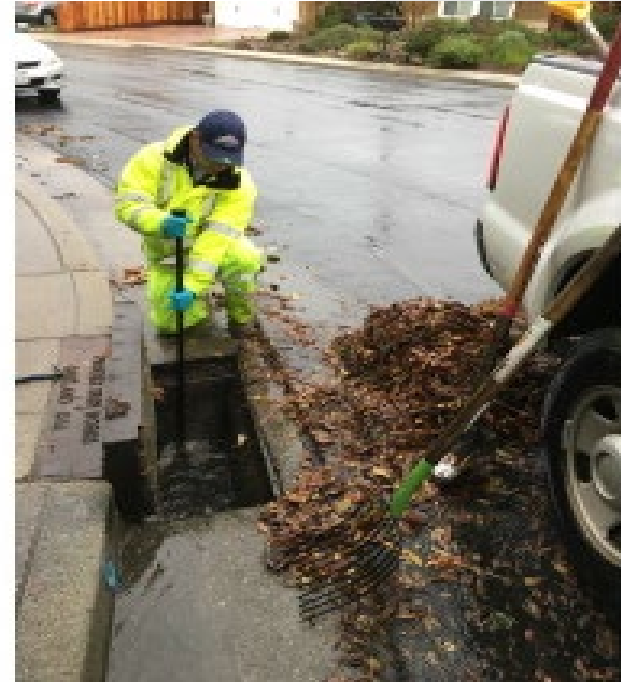
Project Scope: This project addresses storm water conveyance infrastructure that drains into the Upper Llagas Creek Flood Protection Project (ULCFPP) and the West Little Llagas Creek watershed.

Storm System Expansions

Total Project Budget: \$4.8M

Project Planning & Design:
Completed

Project Construction:
FY 2025



Project Scope: This project is intended to construct improvements that support expanding storm drain system capacity in alignment with the 2018 Storm Drainage System Master Plan.

Storm System Repairs and Improvements

Total Project Budget: \$1.3M

Project Design:

Annually

Project Construction:

Annually



Project Scope: Construction of storm drains, storm inlets, and other miscellaneous improvements at various locations in the City to address localized drainage problems

Trash Compliance

Total Project Budget: Unfunded

Preliminary Milestones:

35% treated by 12/2/2025

70% treated by 12/2/2028

100% treated by 12/2/2030



Project Scope: On April 7, 2015, the State Water Resources Control Board (SWRCB) adopted the Statewide Trash Provisions which addressed the impact trash has on the beneficial uses of surface waters. This is a State-mandated activity that must be completed if the City is to avoid punitive fines.

Capital Improvement Projects

Streets and Roads



1. Bike, Pedestrian & Traffic Safety
2. Downtown Parking Structure Entry Security System
3. Hale Avenue Extension
4. Pavement Rehabilitation Program
5. Sidewalk Repairs
6. Traffic Signal & Intersection Improvements
7. Undergrounding Project

Bike, Pedestrian & Traffic Safety

Total Project Budget: \$3.0M

Project Planning:

Completed

Project Design & Construction:

Annually



Project Scope: This project will implement pedestrian, bicycle, and safety improvements across the City. Projects included have been identified by residents and staff and have been prioritized to increase safety in alignment with the City's Vision Zero Policy.

Downtown Parking Structure Entry Security System

Total Project Budget: \$50K

Project Design:

Fall 2022

Project Construction:

Spring 2023



Project Scope: This project will install barrier gates at the Downtown Parking Structure vehicle entrance. The access gates will be designed to include dropping bar gates that can control entry.

Hale Avenue Extension

Total Project Budget: \$3.0M

Project Planning & Design:
Complete

Project Construction:
Phase I completed Fall 2022
Phase 2 Fall 2023



Project Scope: This project will construct Hale Avenue between West Main Avenue and Spring Avenue. This portion of the larger Santa Teresa corridor does not currently exist, but when built will provide a north-south arterial roadway alternative west of Monterey Road.

Pavement Rehabilitation Program

Total Project Budget: \$22.8M

Project Planning:

Annually each fall

Project Construction:

Annually each summer



Project Scope: This ongoing program is intended to address the City's pavement rehabilitation needs. Locations for maintenance are selected based on the individual condition of the street, the use of the street, and the type of the street.

Sidewalk Repairs

Total Project Budget: \$900K

Project Planning & Design:
Ongoing

Project Construction:
Annually, 1 project/year



Project Scope: This project provides for responsive annual sidewalk repair to the areas of highest need in the City.

Traffic Signal & Intersection Improvements

Total Project Budget: \$10.0M

Project Planning:
Ongoing

Project Design & Construction:
Annually by individual project



Project Scope: The construction of new traffic signals and intersection improvements is planned in order to meet the growing traffic demands within the Community and for safety enhancement purposes.

Undergrounding Project

Total Project Budget: \$1.0M

Project Planning:
Fall 2022

Project Design:
Spring 2023

Project Construction:
Summer 2023



Project Scope: This project will underground the overhead utility lines along San Pedro Avenue going west from Butterfield Boulevard. City staff intends to work with PG&E to match City funds with PG&E Rule 20A funds.

Capital Improvement Projects

Wastewater

1. Lift Station Improvements
2. New Trunk Line
3. Sewer Capacity Improvement Projects
4. Sewer Facility Improvements
5. Sewer Plant Expansion (SCRWA)
6. Sewer Plant Improvements
7. Sewer System Repair And Replacements
8. Utility Services Access Roads

Lift Station Improvements

Total Project Budget: \$3.1M

Project Planning:
Ongoing

Project Design:
FY 2023

Project Construction:
Winter 2023-Winter 2028



Project Scope: The City's fourteen (14) lift stations are periodically repaired and upgraded as part of the ongoing maintenance program. The upgrades to the lift stations will improve safety and reliability and will upgrade the lift stations to the City Utilities standards.

New Trunk Line

Total Project Budget: \$30.3M

Project Design:
Spring 2023

Project Construction:
Fall 2022-Fall 2025



Project Scope: The construction of a new sewer trunk line, running parallel to the existing line, is intended to facilitate the City's planned growth and to mitigate capacity constrictions in the existing trunk line.

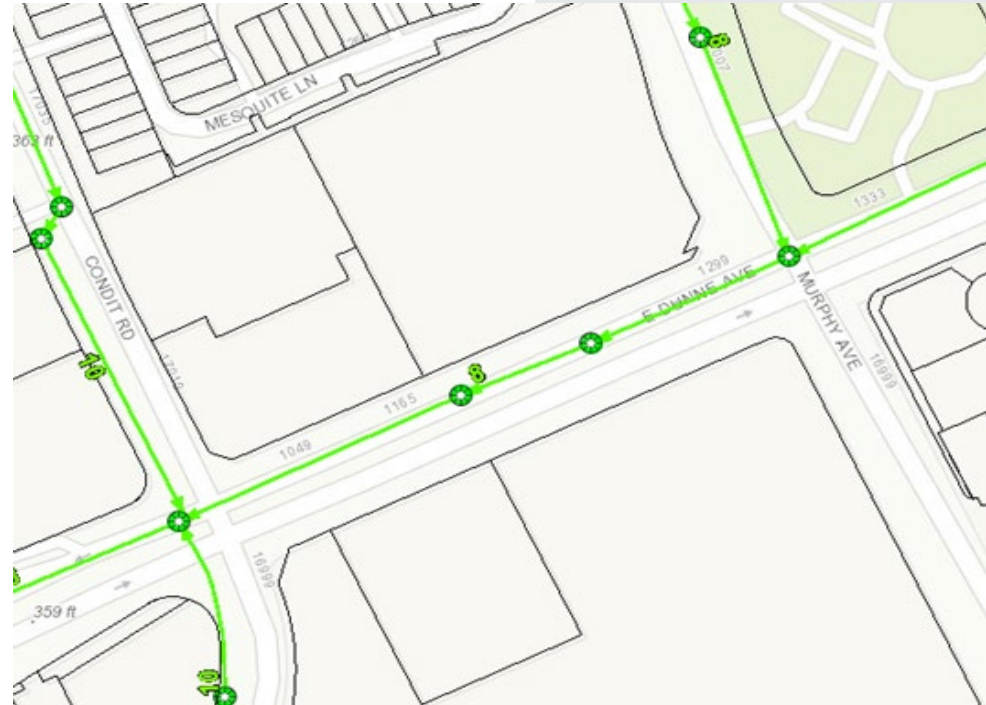
Sewer Capacity Improvement Projects

Total Project Budget: \$2.6M

Project Planning:
Ongoing

Project Design:
Project 1 Fall 2022
Project 2 Fall 2024

Project Construction:
Project 1 Spring 2023
Project 2 Spring 2025



Project Scope: The Sewer Capacity projects are intended to provide for the expansion of the sewer system infrastructure to maintain service levels and prepare for future growth requirements.

Sewer Facility Improvements

Total Project Budget: \$600K

Project Planning:
Ongoing

Project Design:
Fall 2022 & Fall 2023

Project Construction:
Winter 2024-Spring 2028



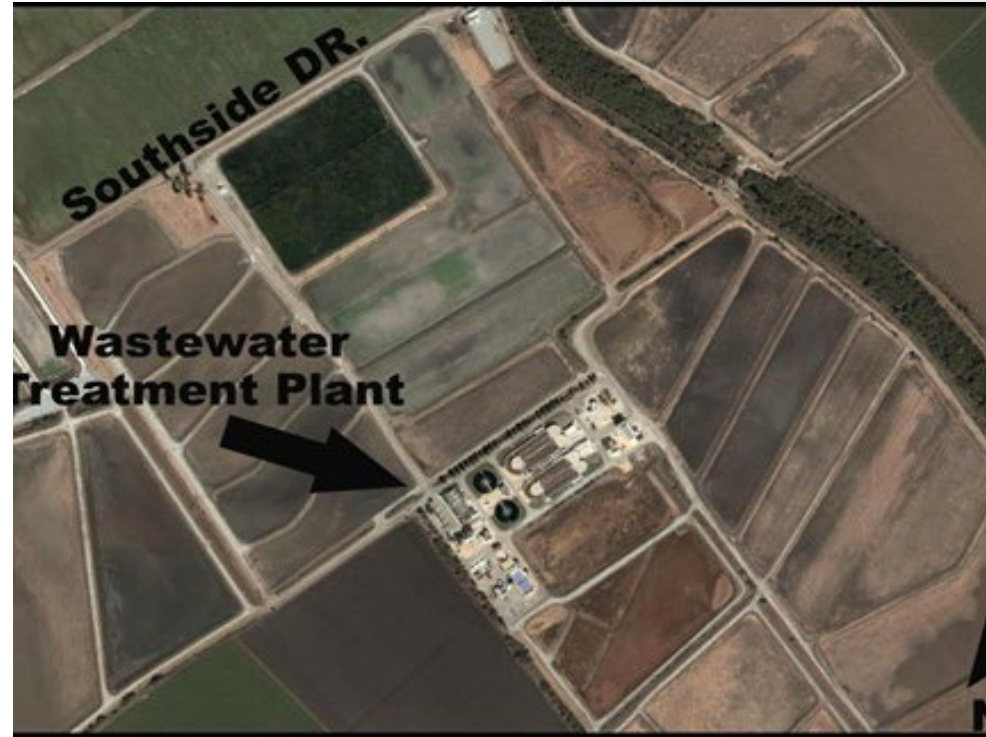
Project Scope: The purpose of this project is to provide capital rehabilitation and replacement of pumps, structures, and mechanical systems supporting the lift stations and other components in the wastewater system to ensure optimal level of sewer service to the Public.

Sewer Plant Expansion (SCRWA)

Total Project Budget: \$19.5M

Project Planning & Design:
Complete

Project Construction:
Through FY 2022-23



Project Scope: This project consists of a plant expansion and improvements that will increase the overall treatment capacity while also implementing new standards from the State Water Resources Control Board.

Sewer Plant Improvements

Total Project Budget: \$3.3M

Project Planning, Design, and Construction:

Ongoing as per SCRWA budget



Project Scope: Constructed in 1994, the South County Regional Wastewater Authority (SCRWA) treatment plant requires ongoing maintenance and improvements associated with increased growth in the community, while also implementing new standards from the State Water Resources Control Board.

Sewer System Repair and Replacements

Total Project Budget: \$18.0M

Project Planning:
Ongoing

Project Design & Construction:
Annually



Project Scope: This project is intended to identify, prioritize, and implement needed repairs and improvements for various pipeline groupings to ensure the optimum level of sewer service to the Community.

Utility Services Access Roads

Total Project Budget: \$1.0M

Project Design:

Spring 2022-Winter 2023

Project Construction:

Winter 2023-Fall 2025



Project Scope: The City of Morgan Hill has approximately three miles of dirt paths in the Jackson Oaks area that serve as access to City sewer lines in that area. This project will consist of improving and converting those dirt roads into gravel roads.

Capital Improvement Projects

Water



1. Pump Station Capacity
2. Groundwater Wells
3. Holiday Lake Improvements
4. Pipeline Capacity Improvements
5. Reservoir Capacity Improvements
6. Reservoir Recoating & Rehabilitation
7. Utilities Security System Enhancement
8. Water Facility Rehabilitation
9. Water Pipeline Repair and Replacement

Pump Station Capacity

Total Project Budget: \$427.6K

Project Design:

Fall 2022-Fall 2023

Fall 2026-Fall 2027

Project Construction:

Fall 2023-Fall 2024

Fall 2027-Fall 2028



Project Scope: This project includes the retrofit for a mobile pump station to feed water from the Llagas subbasin to the Boys Ranch area during a drought.

Groundwater Wells

Total Project Budget: \$10.6M

Project Design:

One well designed each fiscal year

FY 2022-23

FY 2024-25

FY 2027-28

Project Construction:

One well constructed each fiscal year

FY 2023-24

FY 2025-26



Project Scope: This project includes the planning, design, and construction of new groundwater wells. New wells will be constructed to provide redundancy and reliability of the City's Water System, as well as support future growth.

Holiday Lake Improvements

Total Project Budget: \$7.8M

Project Design:
Summer 2023

Project Construction:
Winter 2024-Winter 2026



Project Scope: This project involves a multi-year operational reorganization of the existing Holiday 1/2/3 and Holiday Lake pressure zones. This project will include the construction of a new water storage tank, replacement pump station, new and replacement water pipelines, and a pressure reducing station.

Pipeline Capacity Improvements

Total Project Budget: \$1.1M

Project Design:

Winter 2023-Winter 2024

Winter 2026-Winter 2027

Project Construction:

Winter 2024-Winter 2025

Winter 2027-Winter 2028



Project Scope: The project consists of installations of new or replacement of existing water mains to relieve water system deficiencies and increase the hydraulic reliability of the system.

Reservoir Capacity Improvements

Total Project Budget: \$3.9M

Project Design:

Winter 2025-Fall 2026

Winter 2027-Fall 2028

Project Construction:

Fall 2026-Fall 2027

Fall 2028-Fall 2029



Project Scope: The purpose of this project is to construct larger storage tanks to accommodate growth and increase water storage capacity.

Reservoir Recoating & Rehabilitation

Total Project Budget: \$3.9M

Project Design:

Fall 2022-Summer 2023

Project Construction:

Summer 2023-Summer 2027



Project Scope: The recoating project is part of our routine capital infrastructure maintenance for reservoirs. By regularly recoating the storage tanks, the City maintains the structural integrity and extends the useful life of the reservoirs.

Utilities Security System Enhancement

Total Project Budget: \$3.0M

Project Planning:
FY 2022-23

Project Design & Construction:
Annually, beginning FY 2023-24



Project Scope: The purpose of this project is to improve the physical protection of the City's utility systems. This will include improvements in fencing, access systems, camera systems, and other improvements.

Water Facility Rehabilitation

Total Project Budget: \$4.2M

Project Planning & Design:
Ongoing

Project Construction:
Annual Rehabilitations



Project Scope: This project is intended to ensure reservoir, well, and pump station capital repairs and replacements occur on an ongoing basis. The project includes replacement of pumps, generators, and other components within the water system.

Water Pipeline Repair and Replacement

Total Project Budget: \$11.0M

Project Design:

Summer to fall every year

Project Construction:

Winter to fall every year to follow design



Project Scope: The 2021 Water System Master Plan recommends an ongoing program to replace aging and failing pipelines throughout the water system. This includes multiple improvements to mitigate existing water system deficiencies, increase hydraulic reliability and/or replace existing pipelines due to poor condition or operational considerations.

Commission Action



- **Planning Commission Meeting 4/26:**
Found the proposed CIP consistent with the General Plan
- **Parks and Recreation Commission Meeting 4/19:**
Recommended Approval

Next Steps



Important Dates



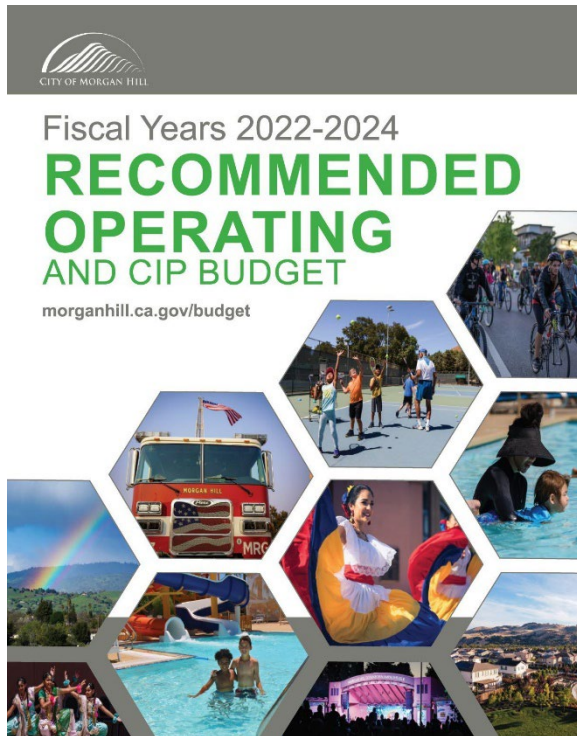
Time	Date	Event	Location
5:30 pm	Thursday, March 24 th	Budget Town Hall	Virtual Zoom
7:00 pm	Wednesday, May 4 th	Recommended Budget Presented to City Council	Virtual Zoom
9:00 am	Saturday, May 14 th	City Booth at Sidewalk Saturdays	Near Coffee Guys on 3 rd Street
4:30 pm	Wednesday, May 18 th	Budget Open House	Downtown Amphitheater, Community & Cultural Center
7:00 pm	Wednesday, May 18 th	Budget Workshop	Virtual Zoom
7:00 pm	Wednesday, June 15 th	Budget Public Hearing/Adoption	Virtual Zoom

Questions & Answers Public Comment Council Discussion



Recommended FY 2022-23 and 2023-24 Operating and FY 2022-23 through 2027-28 Capital Improvement Program Budgets

Flippingbook Version (click the image)



Account	Description	FY 22-23	FY 23-24
42214 - Telephone	Telephone	1,400	1,400
42231 - Contract Services	Civic Clerk Software	32,000	32,000
42244 - Stationary & Office Supplies	Office supplies including presentation/proclamation folders/frames	1,100	1,100
42246 - Computer Software	iAnnotate license	100	100
42248 - Other Supplies	Council supplies including event supplies, nameplates, badges, lapel pins, etc.	3,100	3,100
42252 - Photocopying	Photocopying	500	500
42254 - Postage & Freight	Postage/Freight	250	250
42257 - Printing	Ethics and strategic goals and priorities posters. Council business cards.	1,250	1,250
42261 - Auto Mileage	Auto mileage	400	400
42299 - Other Expense	Food for City Council meetings and community events	17,300	17,300
42408 - Training & Education	New Mayor & Council (3)		
42408 - Training & Education	\$1,500/person x 3	4,500	4,500
42408 - Training & Education	\$500/Councilmember	2,500	2,500
Subtotal Training & Education		7,000	7,000
42413 - Community Funding	TBD	200,000	200,000
42415 - Conference & Meetings	\$200/Councilmember	1,000	1,000
42415 - Conference & Meetings	LOCC Annual Conference includes airfare, hotel, meals, mileage		
42415 - Conference & Meetings	\$2,000/person	10,000	10,000
Subtotal Conferences & Meetings		11,000	11,000
42423 - Membership & Dues	ABAG	11,694	12,044
42423 - Membership & Dues	SCC Cities Association	8,958	9,227
42423 - Membership & Dues	Sister Cities	628	647
42423 - Membership & Dues	LOCC Peninsula Division	100	100
42423 - Membership & Dues	LOCC Annual (Population based)	16,971	17,480
Subtotal Memberships & Dues		38,351	39,498
42435 - Subscription & Pub.	SJ Business Journal & MH Times	225	225
Total		313,976	315,123

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-21-02**SUBJECT: CITY COUNCIL FUNDING REQUESTS****EFFECTIVE DATE: NOVEMBER 3, 2021****REVISED DATE: NA****ORIGINATING DEPARTMENT: COMMUNITY SERVICES DEPARTMENT**

Purpose

The purpose of this policy is to establish a process for community organizations to request funding to support fee waivers, event sponsorship, and other funding requests from the City Council. The policy is intended to allow the City Council to fully evaluate all funding requests at one time along with budget appropriation.

Policy

1. Applicant Criteria
 - a. The organization requesting funding must be a nonprofit.
 - b. The program, event, or activity provides a direct benefit to the Morgan Hill community.
 - c. Programs in alignment with the City Council's Goals and Priorities shall be given priority. City Council priorities are established by the City Council in January of each year.
 - d. Each organization must submit an inclusivity statement describing how the organization and/or the proposed activity is inclusive of the entire community.
 - e. Existing programs and events may be given priority.
2. Application Availability and Deadline
 - a. Applications for the next Fiscal Year (July-June) will be available on the City's website annually in February.
 - b. Completed applications will be due annually in March.
3. Review and Approval Process
 - a. Applications will be reviewed by the City staff.
 - b. Funding applications and details will be included annually in the Budget Development or Mid-Cycle Budget Review process.
 - c. The City Manager will make recommendations on funding to the City Council based on established Council priorities and funding constraints.
 - d. The City Council shall award and include final funding within the Budget.
4. Reporting Requirements

- a. Within thirty days following the conclusion of the funded activity, the organization must submit a report to the City reporting out pertinent information related to the activity. For ongoing activities, an annual report must be submitted by July 30 for the prior fiscal year.
 - b. The report shall include a record of the use of City funds and statistics and information that provides details on the activity's impact to the community.
5. Late Requests
 - a. Requests received after the deadline shall not be accepted by City staff.
6. Council Member Initiated Event and Fee Waiver Requests
 - a. A member of the City Council may request a fee waiver or funding be provided for an event by applying with the above application process by the March deadline.
 - b. All Council Member initiated requests occurring after the March deadline must be provided to the City Manager 90 days in advance of the event to allow sufficient time to bring to City Council for approval.
 - c. The City Staff shall prepare a report for the City Council for approval of any Council Member initiated requests.

This policy shall remain in effect until modified by the City Council.

APPROVED:

DocuSigned by:

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RICH CONSTANTINE, MAYOR

Community Funding

On February 11, 2022, staff provided Community Funding Request Applications to organizations that previously received fee waivers for facility use, event support, or program support from the City of Morgan Hill. The applications were provided via email to these contacts. The application and information about the process was also posted on the City's website, in the weekly 411 newsletter, and on the City's Facebook page. Applications were due on March 18, 2022 at 5:00 pm.

On April 20, 2022 the City Council reaffirmed the Community Funding Policy Priorities. Staff used the policy to prioritize and recommend funding to each organization. The City Council may follow these recommendations or make alternate funding awards by category or by individual applications.

As stated in the application, to be considered for this annual funding the following criteria must be met:

- a. The organization requesting funding must be a nonprofit.
- b. The program, event, or activity provides a direct benefit to the Morgan Hill community.
- c. Programs in alignment with the City Council's Goals and Priorities shall be given priority. City Council priorities are established by the City Council in January of each year.
- d. Each organization must submit an inclusivity statement describing how the organization and/or the proposed activity is inclusive of the entire community.
- e. Existing programs and events may be given priority.

The chart below shows the organizations that applied for Community Funding for Fiscal Year (FY) 2022-23. Two items are not included on the chart. Since April 20th, two applications were withdrawn. Additionally, one request at \$17,000 was for an art project, the Peace Monument, which City staff and the Library, Culture, and Arts Commission recommend be funded through the Art Fund. City staff recommends appropriating these funds from the Art Fund (Fund 260) from the Community Funding process.

There are 22 applications for funding totaling \$265,378. The recommended FY 2022-23 Budget includes \$200,000 for Community Funding. The table below recommends funding based on Council Policy within four categories.

Category 1: Blue – Past events and programs recommended for full funding.

This group includes past Community Funding recipients and events, partners where the City has previously co-sponsored the event, and/or events that are strongly aligned with Council priorities. Most applications requested small increases in Council funding from prior levels. One event, Freedom Fest, has requested a significant increase in funding (\$10,000) due to significant cost increases associated with public safety.

Category 2: Purple – Past partners recommended for partial funding

This group includes requests from two organizations requesting significant increases to funding. Due to budget limitations, the Healthier Kids Foundation is recommended to be awarded \$25,000, which is a \$5,000 increase from the previous year. South Valley Civic Theater is recommended for funding of \$12,000, an increase of \$2,000 from the previous year.

Category 3: Yellow – Fee Waiver Requests

This group includes recommended full waiver of City facility use fees for past and new events to be hosted at the Community and Cultural Center. These requests are recommended for full fee waivers. However, some applications requested funding in addition to the fee waivers. Due to limited resources,

only one application is recommended for additional funding (this event requires only a small fee waiver and staff recommends providing funding and the fee waiver totaling \$2,500).

Category 4: Green – New Funding Requests

This group includes funding requests for events and programs that have not received funding in the past. Due to funding limitations, each application is recommended for \$2,500 in partial funding.

Full applications are available by clicking the links within the table below.

Organization	Event/Activity/Program	Requested	Recommendation	Fee Waiver	Funding
MH Kiwanis	Holiday Lights Parade	\$10,000	\$10,000		\$10,000
IDC	Freedom Fest	\$35,000	\$35,000		\$35,000
MH Downtown Association	Safe Trick or Treat	\$8,000	\$8,000		\$8,000
MH Downtown Association	Holiday Tree	\$6,000	\$6,000		\$6,000
MH Downtown Association	Downtown Twinkle Lights	\$19,000	\$19,000		\$19,000
Morgan Hill Historical Society	Stories from the Past	\$1,000	\$1,000		\$1,000
Morgan Hill Historical Society	Ongoing Operations	\$20,000	\$20,000		\$20,000
Nueva Esperanza	Posada	\$4,800	\$4,800	\$2,923	\$1,877
Morgan Hill Sentinel Club/Grumaza	Fiestas Patrias	\$3,500	\$3,500		\$3,500
South Valley Civic Theater	Theater Operations	\$15,000	\$12,000		\$12,000
Healthier Kids Foundation	Program Operations in Morgan Hill	\$42,000	\$25,000		\$25,000
Morgan Hill Community Foundation	Philanthropy Night	\$3,750	\$3,750	\$3,750	
Morgan Hill Chamber of Commerce	Friday Night Music Series	\$27,650	\$27,650	\$27,650	
Living Above the Influence	LATI	\$3,060	\$3,060	\$3,060	
South County Faith Based Coalition	Night of Hope	\$1,620	\$1,620	\$1,620	
Poppy Jasper	Poppy Jasper Film Festival	\$5,000	\$3,700	\$3,700	
Nueva Esperanza	Dia De Los Muertos	\$2,500	\$2,500	\$1,348	\$1,152
Morgan Hill Mushroom Mardi Gras, Inc	Morgan Hill Mushroom Mardi Gras	\$30,000	\$2,500		\$2,500
Indian Association of South Santa Clara County	Diwali Celebration	\$4,000	\$2,500		\$2,500
South Valley Symphony	Young Musicians and NextGen2023 Concert	\$7,500	\$2,500		\$2,500
Chabad Jewish Center	Morgan Hill Chanukah Celebration	\$4,698	\$2,500		\$2,500
California Youth Soccer Association	Cinco de Mayo Tournament	\$6,000	\$2,500		\$2,500
		\$260,078.00	\$199,080.00	\$44,051.00	\$155,029.00

City of Morgan Hill
Impact Fee Freeze Program Guidelines

~~June-May 2020~~₂

The Impact Fee Freeze Program establishes and locks City's Impact Fees ~~using the FY 2017-18 rates~~ at the time of the executed agreement for up to three years for

new industrial and commercial development provided the prospect development secures entitlements and submits for building permits within three years of the date of the agreement.

The Impact Fee Freeze Program is intended to support new commercial and industrial development that supports the City's long-term economic sustainability goals identified in the City's General Plan and Economic Blueprint by growing jobs, retaining and attracting new companies and generate positive tax revenue to the City caused by the development through new property, sales, and/or transient occupancy taxes.

Eligibility:

The Impact Fee Freeze Program is eligible for new commercial and industrial development within the City's limits, except for developments that only support uses such as Mini-Storage Units, Stand-Alone Carwashes, Assisted Living, Memory Care, and Congregate Care Facilities or similar uses that do not generate added revenue for the City of Morgan Hill. Applicants must be a fee title owner or be under contract to purchase land.

Program Requirements:

1. Program participants must submit a request in writing indicating interest in the Impact Fee Freeze Program and identify goals of the speculative development, including type, size, location, and general timeframe of development.
2. Applicant must enter into a Fee Freeze Financing Agreement with the City of Morgan Hill agreeing to secure entitlements and submit for building permits for prospect development within three years of the executed agreement.
3. Applicant must provide the City with estimates of construction valuation, projected number of jobs and revenue generated by the uses.
4. Project must be able to generate revenue to repay the 'savings' caused by the Fee Freeze

ATTACHMENT 6

Agreement within 10 years of receiving a completion of the project and receipt of Certificate of Occupancy.

Other:

1. Impact Fee Freeze Agreements generating net savings of up to \$100,000 can be approved by the City Manager; Impact Fee Freeze Agreements generating net savings more than \$100,000 must be approved by the City Council.

2. The City Manager has the authority to modify the Agreement provisions except for the maximum amount, which requires City Council approval.

3. The City Manager may suspend this program at any time if it is determined that the Impact Fee Funds are negatively affected by continuation of the program.

4. Impact Fee Freeze Agreements are assignable.

5. City Manager has the authority to amend Impact Fee Freeze Agreements for minor modifications and provide necessary extensions that do not exceed 24 months.

~~6. The City Manager shall provide an annual review and update of the program to the City Council.~~

6. Impact Fee Funds will be repaid with future tax revenue generated by the new development.