MORGAN HILL COVID-19 ECONOMIC R

		FUNDING		RESTAU
Business Outreach				
1	Parklets	$		X
2	Road Diet	$		X
3	Alcohol To-Go*			X
4	Review Curbside Pickup & Drive-Thru Policies			X
5	Temporary Art Installations	$		X
6	Window Activation	$		X
7	Pop Up Retail Opportunities			X
8	Re-evaluate Event Programming/Activation (size, location, hours)	$		X
9	Home Delivery of All Goods*			
10	Small Business Support Through MHCC			X
11	Small Business and Downtown Support Through MHDA			X
12	Buy Local Campaign	$		X
13	Co-Promote			X
	Bundle Media Buys	$		X
14	Maximize Channel 17			X
15	Partner Non-Profits with Businesses			X
16	Promote Regional Hire Program			X
Development Outreach				
17	Explore Placemaking Opportunities in Private Developments			
18	Outreach to Existing Developers			
19	Review Landscaping Policies for Placebranding			
Technical and Financial Resources				
20	Develop Economic Recovery Task Force			X
21	Develop Re-Opening Guidance Handbook			X
22	Identify Business Support Programs (Finance Agreements)			X
23	Explore Small Business Loans/Grants			X
24	Review City Policies (CUPs, PDs, Sign Ordinance, Sidewalk Cafes)			X
25	Evaluate Fee Freeze Program			X
26	Technical Support Through SBDC			X
27	Promote Clear Business Policies			X
28	Comprehensive Prelim City Review			X
29	Review Voluntary Fee to Enhance Wi-Fi			X
30	Use City's Telco Contract to Expand Services to Community	$		

31	Require New Development to invest in Telco Infrastructure			
Miscellaneous				
32	Reinforce Economic Blueprint Goals			X
33	Evaluate Economic Blueprint Work Program			
34	Support Lodging and Tourism Industry Through VMH & SCWA			X
35	Complete VMH Strategic Plan			X
36	Support a VMH Branding Campaign	$		X
37	Develop a City Place Branding/Placemaking Program	$		X

*Legislative Advocacy - Not City's Control

ECOVERY STRATEGIES

RANTS	DOWNTOWN	RETAIL	SMALL BUSINESS	TOURISM	MANUFACTURING	HEALTHCARE	TELCO
	X	X	X	X			
	X	X	X	X			
	X		X	X			
	X	X	X	X	X		
	X	X	X	X			
	X	X	X	X			
	X	X	X	X			
	X	X	X	X			
		X	X		X		
		X	X		X		
	X	X	X	X			
	X	X	X	X			
	X	X	X	X	X	X	
	x	x	x	x	x	x	
	X	X	X	X	X	X	X
	X	X	X	X	X	X	
	X	X	X	X	X	X	
	X			X			
					X	X	
	X			X			
	X	X	X	X	X	X	X
	X	X	X	X	X	X	
		X			X	X	
	X	X	X		X	X	
	X	X	X	X	X	X	
		X	X		X	X	
	X	X	X	X	X	X	
	X	X	X	X	X	X	
	X	X	X	X	X	X	
	X	X	X	X	X	X	X
		X		X	X	X	X

ATTACHMENT 2

			X				X		X		X		X
	X		X				X		X		X		X
	X						X						
	X		X		X		X						
	X		X		X		X						
	X		X		X		X		X		X		

MORGAN HILL COVID-19 ECONOMIC RECOVERY STRATEGIES

		FUNDING	RESTAURANTS	DOWNTOWN	RETAIL	SMALL BUSINESS	TOURISM	MANUFACTURING	HEALTHCARE	TELCO
Business Outreach										
1	Parklets	$	X	X	X	X	X			
2	Road Diet	$	X	X	X	X	X			
3	Alcohol To-Go*		X	X		X	X			
4	Review Curbside Pickup & Drive-Thru Policies		X	X	X	X	X	X		
5	Temporary Art Installations	$	X	X	X	X	X			
6	Window Activation	$	X	X	X	X	X			
7	Pop Up Retail Opportunities		X	X	X	X	X			
8	Re-evaluate Event Programming/Activation (size, location, hours)	$	X	X	X	X	X			
9	Home Delivery of All Goods*				X	X		X		
10	Small Business Support Through MHCC		X		X	X		X		
11	Small Business and Downtown Support Through MHDA		X	X	X	X	X			
12	Buy Local Campaign	$	X	X	X	X	X			
13	Co-Promote		X	X	X	X	X	X	X	
	Bundle Media Buys	$	X	x	x	x	x	x	x	
14	Maximize Channel 17		X	X	X	X	X	X	X	X
15	Partner Non-Profits with Businesses		X	X	X	X	X	X	X	
16	Promote Regional Hire Program		X	X	X	X	X	X	X	
Development Outreach										
17	Explore Placemaking Opportunities in Private Developments			X			X			
18	Outreach to Existing Developers							X	X	
19	Review Landscaping Policies for Placebranding			X			X			
Technical and Financial Resources										
20	Develop Economic Recovery Task Force		X	X	X	X	X	X	X	X
21	Develop Re-Opening Guidance Handbook		X	X	X	X	X	X	X	
22	Identify Business Support Programs (Finance Agreements)		X		X			X	X	
23	Explore Small Business Loans/Grants		X	X	X	X		X	X	
24	Review City Policies (CUPs, PDs, Sign Ordinance, Sidewalk Cafes)		X	X	X	X	X	X	X	
25	Evaluate Fee Freeze Program		X		X	X		X	X	
26	Technical Support Through SBDC		X	X	X	X	X	X	X	
27	Promote Clear Business Policies		X	X	X	X	X	X	X	
28	Comprehensive Prelim City Review		X	X	X	X	X	X	X	
29	Review Voluntary Fee to Enhance Wi-Fi		X	X	X	X	X	X	X	X
30	Use City's Telco Contract to Expand Services to Community	$			X		X	X	X	X

31	Require New Development to invest in Telco Infrastructure							X				X		X		X		X
Miscellaneous																		
32	Reinforce Economic Blueprint Goals			X		X		X				X		X		X		X
33	Evaluate Economic Blueprint Work Program																	
34	Support Lodging and Tourism Industry Through VMH & SCWA			X		X						X						
35	Complete VMH Strategic Plan			X		X		X		X		X						
36	Support a VMH Branding Campaign	$		X		X		X		X		X						
37	Develop a City Place Branding/Placemaking Program	$		X		X		X		X		X		X		X		

*Legislative Advocacy - Not City's Control

MORGAN HILL COVID-19 ECONOMIC RECOVERY STRATEGIES

		FUNDING	RESTAURANTS	DOWNTOWN	RETAIL	SMALL BUSINESS	TOURISM	MANUFACTURING	HEALTHCARE	TELCO
Business Outreach										
1	Parklets	$	X	X	X	X	X			
2	Road Diet	$	X	X	X	X	X			
3	Alcohol To-Go*		X	X		X	X			
4	Review Curbside Pickup & Drive-Thru Policies		X	X	X	X	X	X		
5	Temporary Art Installations	$	X	X	X	X	X			
6	Window Activation	$	X	X	X	X	X			
7	Pop Up Retail Opportunities		X	X	X	X	X			
8	Re-evaluate Event Programming/Activation (size, location, hours)	$	X	X	X	X	X			
9	Home Delivery of All Goods*				X	X		X		
10	Small Business Support Through MHCC		X		X	X		X		
11	Small Business and Downtown Support Through MHDA		X	X	X	X	X			
12	Buy Local Campaign	$	X	X	X	X	X			
13	Co-Promote		X	X	X	X	X	X	X	
	Bundle Media Buys	$	X	x	x	x	x	x	x	
14	Maximize Channel 17		X	X	X	X	X	X	X	X
15	Partner Non-Profits with Businesses		X	X	X	X	X	X	X	
16	Promote Regional Hire Program		X	X	X	X	X	X	X	
Development Outreach										
17	Explore Placemaking Opportunities in Private Developments			X			X			
18	Outreach to Existing Developers							X	X	
19	Review Landscaping Policies for Placebranding			X			X			
Technical and Financial Resources										
20	Develop Economic Recovery Task Force		X	X	X	X	X	X	X	X
21	Develop Re-Opening Guidance Handbook		X	X	X	X	X	X	X	
22	Identify Business Support Programs (Finance Agreements)		X		X			X	X	
23	Explore Small Business Loans/Grants		X	X	X	X		X	X	
24	Review City Policies (CUPs, PDs, Sign Ordinance, Sidewalk Cafes)		X	X	X	X	X	X	X	
25	Evaluate Fee Freeze Program		X		X	X		X	X	
26	Technical Support Through SBDC		X	X	X	X	X	X	X	
27	Promote Clear Business Policies		X	X	X	X	X	X	X	
28	Comprehensive Prelim City Review		X	X	X	X	X	X	X	

29	Review Voluntary Fee to Enhance Wi-Fi			X		X		X		X		X		X		X		X
30	Use City's Telco Contract to Expand Services to Community	$						X				X		X		X		X
31	Require New Development to invest in Telco Infrastructure							X				X		X		X		X
Miscellaneous																		
32	Reinforce Economic Blueprint Goals			X		X		X				X		X		X		X
33	Evaluate Economic Blueprint Work Program																	
34	Support Lodging and Tourism Industry Through VMH & SCWA			X		X						X						
35	Complete VMH Strategic Plan			X		X		X		X		X						
36	Support a VMH Branding Campaign	$		X		X		X		X		X						
37	Develop a City Place Branding/Placemaking Program	$		X		X		X		X		X		X		X		X

*Legislative Advocacy - Not City's Control

CITY OF MORGAN HILL

Budget Workshop Agenda

City Council

Rich Constantine - Mayor
Yvonne Martinez Beltran - Mayor Pro Tem
Larry Carr - Council Member
John McKay - Council Member
Rene Spring - Council Member

Friday, May 15, 2020 9:00 am

Virtual Meeting
Link to join the meeting can be found below

CITY COUNCIL BUDGET WORKSHOP

A Special Meeting of the City Council is called Friday, May 15, 2020 at 9:00 a.m. for the purpose of conducting a workshop on the City's Operating Budget and Capital Improvement Program Budget.

PUBLIC MEETINGS DURING THE COVID-19 EMERGENCY

Public Participation:

In accordance with Executive Orders N-25-20, N-29-20, and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. The Order will be addressed in the following ways:

Members of the public may not physically attend meetings at the Morgan Hill City Council Chamber.

The City Council meeting will be live-streamed on Channel 17 and on the City's website. Members of the public may participate in the meeting remotely through an electronic meeting in the following ways; by either joining the electronic meeting at https://bit.ly/BudgetWorkshop2020 and enter ID: 967 4064 1969 or by calling in (669) 900-9128 enter Meeting ID: 967 4064 1969#.

Public comment for City Council meetings will be accepted via email to ccpubliccomment@morganhill.ca.gov <mailto:ccpubliccomment@morganhill.ca.gov>. Members of the public participating in the electronic meeting wishing to speak may do so during public comment.

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING OF AGENDA

Per Government Code Section 54954.2
Deputy City Clerk Michelle Bigelow

PUBLIC COMMENT

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. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

SCHEDULE

9:00	Introduction
	Budget Overview
	Operations Budget
	Proposed Budget Reductions
11:30	Capital Improvement Program
12:00	Break
1:00	Engage Morgan Hill Community Advisory Group input
	Q&A
	Public Comment
	Council Discussion
3:00	Adjourn

BUDGET WORKSHOP

1. CITY MANAGER'S RECOMMENDED FISCAL YEAR 2020-21 AND 2021-22 OPERATING BUDGET AND FISCAL YEAR 2020-21 THROUGH 2025-26 CAPITAL IMPROVEMENT PROGRAM BUDGET

Recommendation:

Review and discuss the Recommended Budget and additional proposed adjustments to the budget based upon continued monitoring and analysis of the effects of the COVID-19 pandemic on the City finances.

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 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

2020-2021 Strategic Priorities

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

CITY OF MORGAN HILL

CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: May 15, 2020

PREPARED BY: Christina Turner, City Manager
APPROVED BY: City Manager

CITY MANAGER'S RECOMMENDED FISCAL YEAR 2020-21 AND 2021-22 OPERATING BUDGET AND FISCAL YEAR 2020-21 THROUGH 2025-26 CAPITAL IMPROVEMENT PROGRAM BUDGET

RECOMMENDATION(S)
Review and discuss the Recommended Budget and additional proposed adjustments to the budget based upon continued monitoring and analysis of the effects of the COVID-19 pandemic on the City finances.

The City's finances have been severely impacted by the global COVID- 19 pandemic and economic crisis. The latest projection shows the estimated revenue loss from the City's major revenue sources of approximately $17 million over the three fiscal years from the current year FY2019-20 to FY2021-22. These estimates are based on the current information that is available and there remains uncertainty with the economic forecast. Further, we still do not know the long-lasting impacts of COVID-19 or whether full economic recovery will happen when the State of California begins to re-open based on the Governor's framework. This situation is not unique to Morgan Hill. Local governments across California and throughout the U.S. are facing similar deficits resulting from the impacts of COVID-19.

The City has already taken actions to reduce costs while trying to minimize the effects on the level of public services. To date, the City has implemented:

- Hiring freeze, except public safety
- Stricter expenditure controls
- Furlough of temporary and permanent staff members
- Limited travel and training
- Continued evaluating of current contracts and other non-personnel expenditures

During the Virtual City Council Budget Workshop on Friday, May 15, 2020, the Leadership Team will present to the City Council the proposed budget reductions to align City's expenses with reduced revenue.

LINKS/ATTACHMENTS:
1. Fiscal Years 2020-2022 Recommended Operating Budget and CIP Budget (web link)
2. Supplement 1

From: Michelle Bigelow
To: Michelle Bigelow
Subject: FW: Morgan Hill Historical Society
Date: Monday, May 4, 2020 9:40:06 AM

-----Original Message-----
From: Katherine Napoli <kathycnapoli@gmail.com>
Sent: Friday, April 24, 2020 10:41 AM
To: Budget <Budget@morganhill.ca.gov>
Subject: Morgan

Honorable Morgan Hill City Council:
I strongly support continued funding of the Morgan Hill Historical Society. Given the Covid situation, it will almost be impossible to keep VILLA MIRA MONTE operational with the need to have cancelled upcoming fundraising events.
Regards,
Kathy C. Napoli
Sent from my iPhone

City of Morgan Hill
Amendments to FY 2020-21 and 2021-22 Recommended Budget
General Fund

Item #	Department	Revenue/ Expenditure	Description	19-20	20-21	21-22
1	Recreation Service Fees	Revenue	Recreation facilities closure through June 30	(1,200,000)	(673,664)	(446,679)
2	General Fund Taxes	Revenue	Sales Tax		(581,000)	(100,000)
3	General Fund Taxes	Revenue	Transient Occupancy Tax (TOT)		(681,000)	(32,000)
4	General Fund Taxes	Revenue	Other Taxes	(200,000)	(150,000)	(50,000)
Total Revenue Adjustments				**(1,400,000)**	**(2,085,664)**	**(628,679)**
5	Administrative Services	Expenditure	Reallocation of Assistant City Attorney - 25%		(59,596)	(61,906)
6	Administrative Services	Expenditure	Reassign Permanent Part-Time Office Assistant II from Community Services to City Hall		24,000	24,480
7	Administrative Services	Expenditure	Elimination of Non-Centennial Recreation Center (CRC) gym reimbursement		9,000	9,000
8	Administrative Services	Expenditure	City Manager, City Attorney, Management, Professional, and Confidential COLA elimination		71,000	142,000
9	Administrative Services	Expenditure	Human Resources: Reduce/eliminate employee City-sponsored events		7,500	7,650
10	Administrative Services	Expenditure	Council Services and Records Management: New agenda management system		-	11,000
11	Administrative Services	Expenditure	Council Services and Records Management: Reductions in supplies and services		6,500	6,630
12	Administrative Services	Expenditure	Reduce scope of TOT Audits		20,000	20,400
13	Administrative Services	Expenditure	City Manager: Reductions in supplies and services		14,200	14,484
14	Administrative Services	Expenditure	City Attorney: Reductions in supplies and services		21,500	21,930
15	Administrative Services	Expenditure	Laserfiche Annual Contract Increase		(8,515)	(8,685)
16	Administrative Services	Expenditure	Revised loan from the General Fund to Development Services Fund	3,714	647,636	546,088
17	Administrative Services	Expenditure	Revised Year End Projections	193,615		
18	Community Services	Expenditure	Reduction of future building replacement charges (addressed via Quimby Fee)		87,998	90,638
19	Community Services	Expenditure	Eliminate pay increases for Part-Time Temporary employees		45,000	45,000
20	Community Services	Expenditure	Land Development Engineering reorganization		(10,541)	(11,401)
21	Community Services	Expenditure	Recreation and Community Services reorganization		760,000	860,000
22	Community Services	Expenditure	Revised Year End Projections	937,550		
23	Community Services	Expenditure	Reduce service offering at Park Place		30,000	30,000
24	Community Services	Expenditure	Reduce community promotions funding for two years (for details see additional supplement)		61,100	64,100
25	Community Services	Expenditure	Transfer from General Fund to Streets CIP for pavement rehab	1,000,000	-	-
26	Economic Development	Expenditure	Eliminate Part-Time Temporary position in Economic Development		36,400	37,128
27	Economic Development	Expenditure	Development Services reorganization		98,817	205,723
28	Economic Development	Expenditure	Reduction in supplies and services in Economic Development		57,025	58,166
29	Fire	Expenditure	CAL FIRE Contract - Personnel estimated savings	100,000	250,000	200,000
30	Police	Expenditure	Revised Year End Projections	304,489		
31	Police	Expenditure	Eliminate City services for cat sheltering and City's contribution for spay/neuter assistance		35,000	35,700
32	Police	Expenditure	Eliminate Parent Project Training Program		3,000	3,060
33	Police	Expenditure	Eliminate Citizens Police Academy Training Program		7,800	7,956
34	Police	Expenditure	Eliminate annual National Night Out event sponsored by Police Department		10,000	10,200
35	Police	Expenditure	Eliminate DUI Checkpoints		2,500	2,550
36	Police	Expenditure	Eliminate community outreach software platform		7,920	8,078

City of Morgan Hill
Amendments to FY 2020-21 and 2021-22 Recommended Budget
General Fund

Item #	Department	Revenue/ Expenditure	Description	19-20	20-21	21-22
37	Police	Expenditure	Eliminate PD fleet maintenance software subscription		5,000	5,100
38	Police	Expenditure	Eliminate emergency maintenance contract for PD Mobile Command vehicle (shared with the City of Gilroy)		12,500	12,750
39	Police	Expenditure	Eliminate Explorer Training/Conference		5,200	5,304
40	Police	Expenditure	Transition paid Reserves to unpaid		22,000	22,440
Total Expenditure Adjustments				**2,539,368**	**2,279,944**	**2,425,563**

City of Morgan Hill
Amendments to FY 2020-21 and 2021-22 Recommended Budget
Development Services Fund

Item #	Revenue/ Expenditure	Description	19-20	20-21	21-22
1	Revenue	Additional revenue loss		(228,000)	(135,000)
Total Revenue Adjustments			**-**	**(228,000)**	**(135,000)**
2	Expenditure	Eliminate Part-Time Temporary employees in Planning		93,980	128,640
3	Expenditure	Move Senior and Associate Planner to Long Range Planning for one year		389,529	-
4	Expenditure	Land Development Engineering reorganization		210,821	228,011
5	Expenditure	Reallocation of Assistant City Attorney - 25%		59,596	61,906
6	Expenditure	Building: Reductions in supplies and services (contract services)		75,000	150,000
7	Expenditure	Planning: Reductions in supplies and services (training and education)		10,000	10,000
8	Expenditure	Land Development and Engineering: Reductions in supplies and services (contract services)		100,000	102,000
9	Expenditure	Development Services Fee Study		(60,000)	
Total Expenditure Adjustments			**-**	**878,926**	**680,557**

CITY OF MORGAN HILL

Budget Workshop
Fiscal Year 2020-21 and 2021-22
Biennial Budget

May 15, 2020

Impacts to the Community

CITY OF MORGAN HILL

- Service level reductions
- Reduced support to community organizations
- Slower response to community requests
- Limited resources for Council initiated programs

Impacts on our Teammates

CITY OF MORGAN HILL

- Loss of employment for part-time temporary teammates
- Eliminate funding for 8.5 FTE over FY 2019-20 and FY 2020-21
- Loss of contractors working with the City
- Changes in several teammates' job assignments

Agenda

Time	Topic
9:00 am	Introduction Budget Overview Recommended Budget Proposed Budget Reductions
11:30 am	Capital Improvement Program
12:00 pm	Break
1:00 pm	Engage Morgan Hill Community Advisory Group Input Questions & Answers Public Comment Council Discussion
3:00 pm	Adjourn

Biennial Budget Process

January
1st Year
City Council Goal Setting Workshop

February – April
Budget Development

April
Recommended Budget Made Available to the Public

May
Budget Workshop

June
Public Hearing and Budget Adoption

June – January
Monthly Budget Update Check-In and Financial Reporting

January
2nd Year
City Council Goal Setting Workshop

February – June
In-depth Budget Review Process
Mid-Cycle Update (Yr. 2)
Budget Adjustments, as needed

Ongoing Budget Updates

CITY OF MORGAN HILL

- Staff will continue to monitor the budgetary impacts and update City Council and community, coinciding with the Monthly Financials reporting

- Tentative Upcoming Schedule:
  - June 17, 2020 – Budget Hearing/Adoption
  - July 15, 2020 – Council Meeting
  - August – Council Recess (schedule if needed)
  - September 16, 2020 – Council Meeting
  - October 21, 2020 – Council Meeting
  - November 18, 2020 – Council Meeting
  - December 16, 2020 – Council Meeting

CITY OF MORGAN HILL

FISCAL YEARS 2020-2022

RECOMMENDED OPERATING

AND CIP BUDGET

morganhill.ca.gov/budget

Major Funds - Discretionary

CITY OF MORGAN HILL

General Fund

- **Public Safety, Recreation and Community Services, Street and Park Maintenance Services, Economic Development, and Administration**

Major Funds: Non-Discretionary

CITY OF MORGAN HILL

Development Services Fund

- **Provides planning, building and engineering services**

Special Revenue Funds

- **Housing and Environmental Services**

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**

Citywide Recommended Budget Summary (April 22nd)

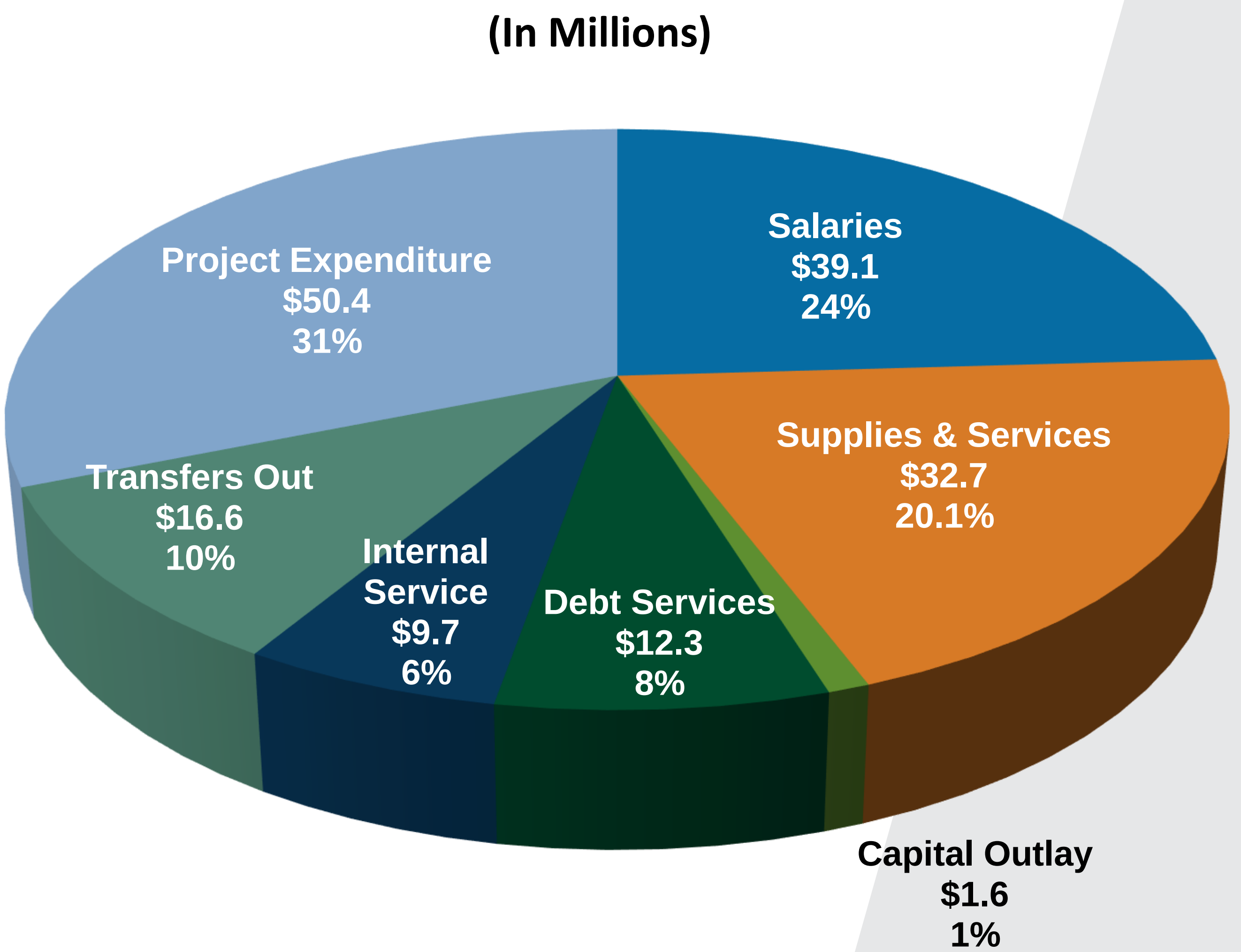
CITY OF MORGAN HILL

(In Millions)

	FY 2020-21	FY 2021-22
Operating Budget	$113.4	$115.7
Capital Improvement Program	48.9	28.6
Total Recommended Budget	$162.3	$144.3

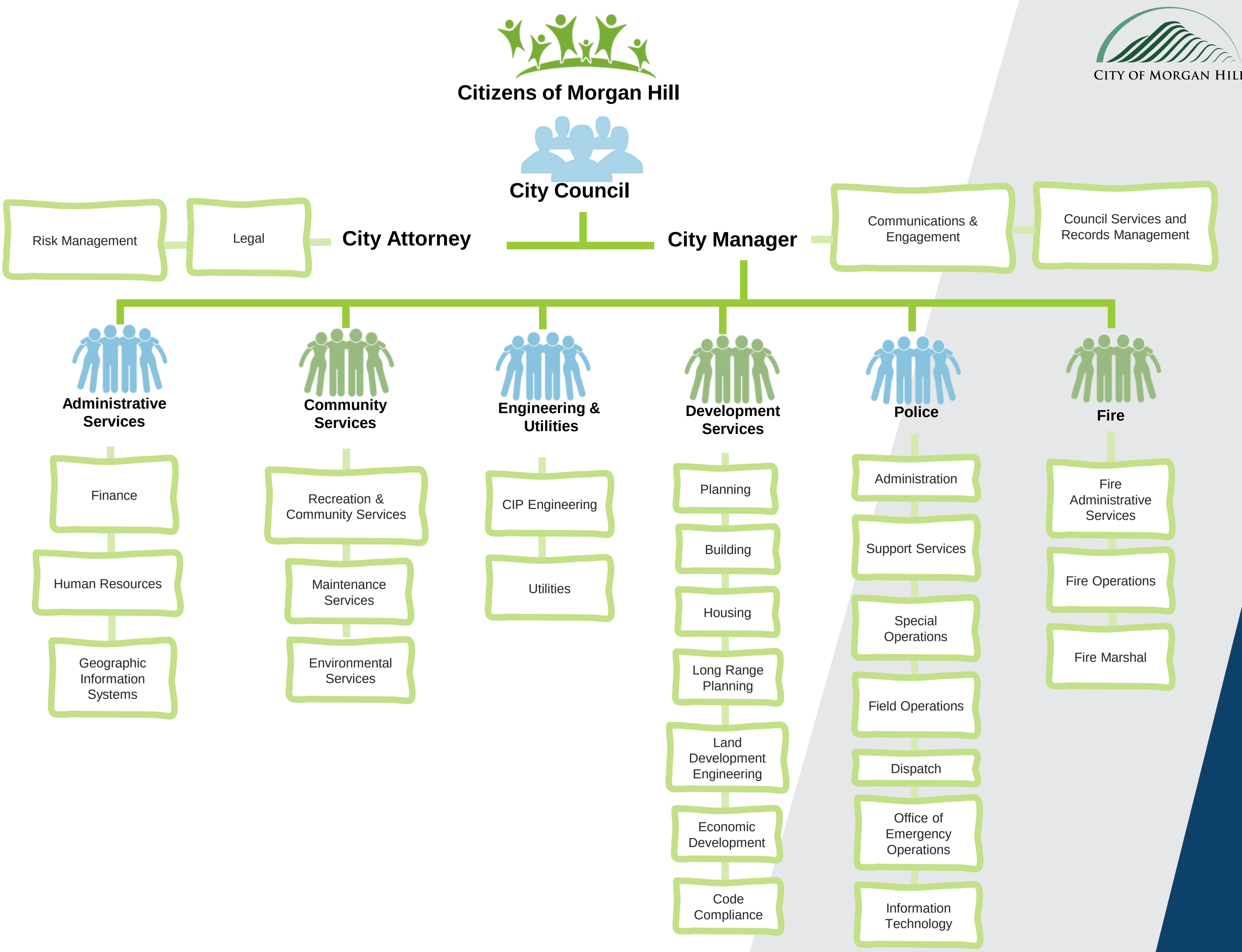
Citywide Expenditures by Category FY 2020-21: $162.3M

CITY OF MORGAN HILL

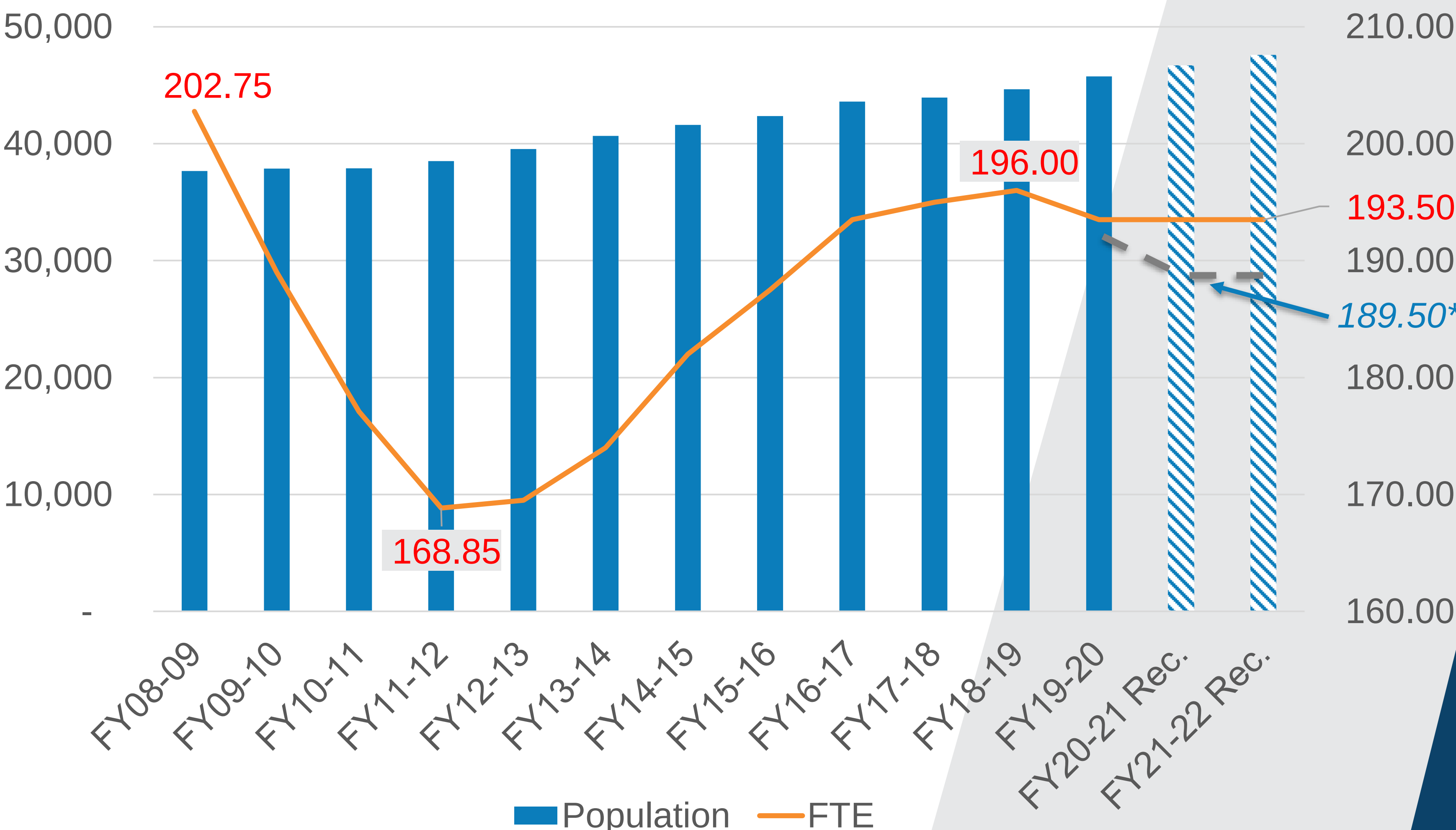


Personnel

CITY OF MORGAN HILL


CITY OF MORGAN HILL
Citizens of Morgan Hill
City Council
Risk Management
Legal
City Attorney
City Manager
Communications & Engagement
Council Services and Records Management
Administrative Services
Finance
Human Resources
Geographic Information Systems
Community Services
Recreation & Community Services
Maintenance Services
Environmental Services
Engineering & Utilities
CIP Engineering
Utilities
Development Services
Planning
Building
Housing
Long Range Planning
Land Development Engineering
Economic Development
Code Compliance
Police
Administration
Support Services
Special Operations
Field Operations
Dispatch
Office of Emergency Operations
Information Technology
Fire
Fire Administrative Services
Fire Operations
Fire Marshal

History of Funded Full-Time Equivalent (FTE)



* Approved FTE = 193.50, through hiring freeze and attrition, the funding will be maintained for 189.50 FTE

FY2020-21 and FY2021-22 assume 2% population growth (10 yr. avg.)

Personnel Changes

CITY OF MORGAN HILL

FY2019-20

- 4.5 FTE Eliminated

FY2020-21

- 2 FTE Unfunded through hiring freeze
- 2 FTE Unfunded through attrition (1/2 Year)

General Fund

CITY OF MORGAN HILL

General Fund Resources by Category FY2020-21: ~~$46.2~~ $43.9 Million

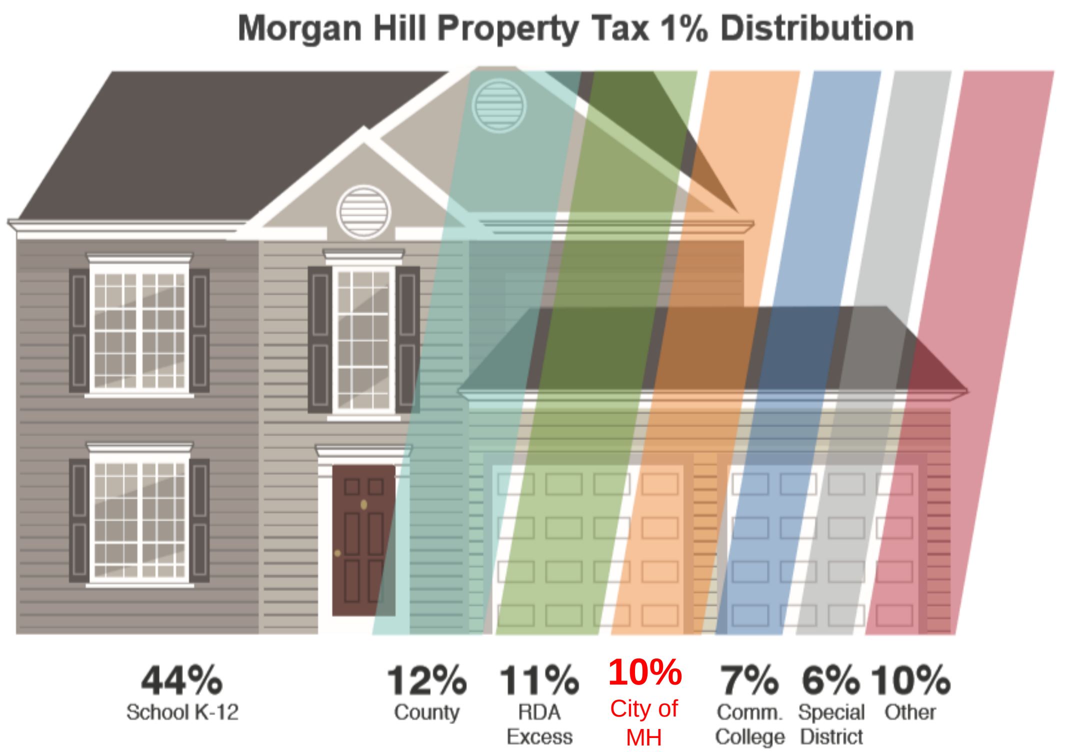
CITY OF MORGAN HILL

(In Millions)

General Fund Resources Category	**(April 22nd) Recommended**	**Adjustments**	**(May 15th) Recommended**	**%**
Taxes	$28.2	($1.4)	26.8	61%
Current Services	$9.8	($0.7)	9.1	21%
Transfers In	$2.5	-	$2.5	6%
Use of Fund Balance	$3.8	($0.2)	$3.6	9%
Other Agencies	$0.6	-	$0.6	1%
Use Of Money & Property	$0.8	-	$0.8	2%
Licenses, Permits & Fines	$0.3	-	$0.3	1%
Other Revenues	$0.3	-	$0.3	1%
TOTAL	**$46.2**	**($2.3)**	**$43.9**	**100%**

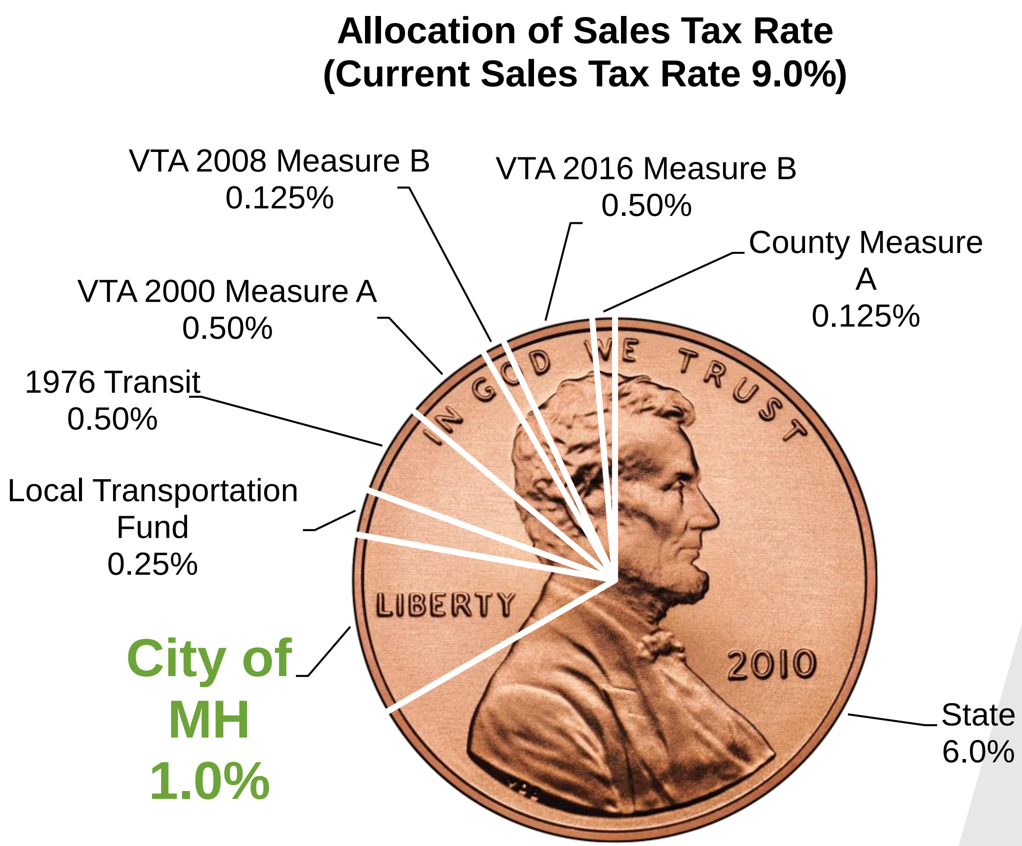
General Fund – Property Tax

FY 2020-21 = $13.8M, 34% of GF



General Fund – Sales Tax

FY 2020-21 = ~~$8.6~~ $8.0M, 20% of GF



City of Morgan Hill

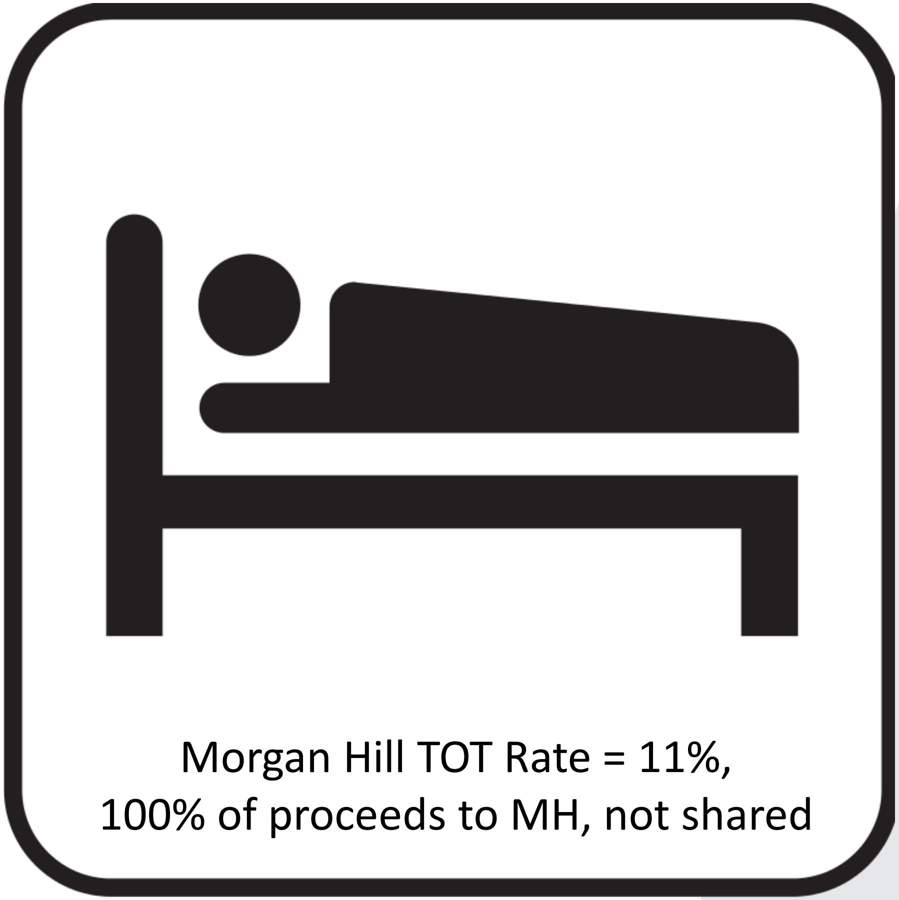
General Fund – Recreation Services

FY 2020-21 = ~~$7.0~~ $6.3M, 16% of GF

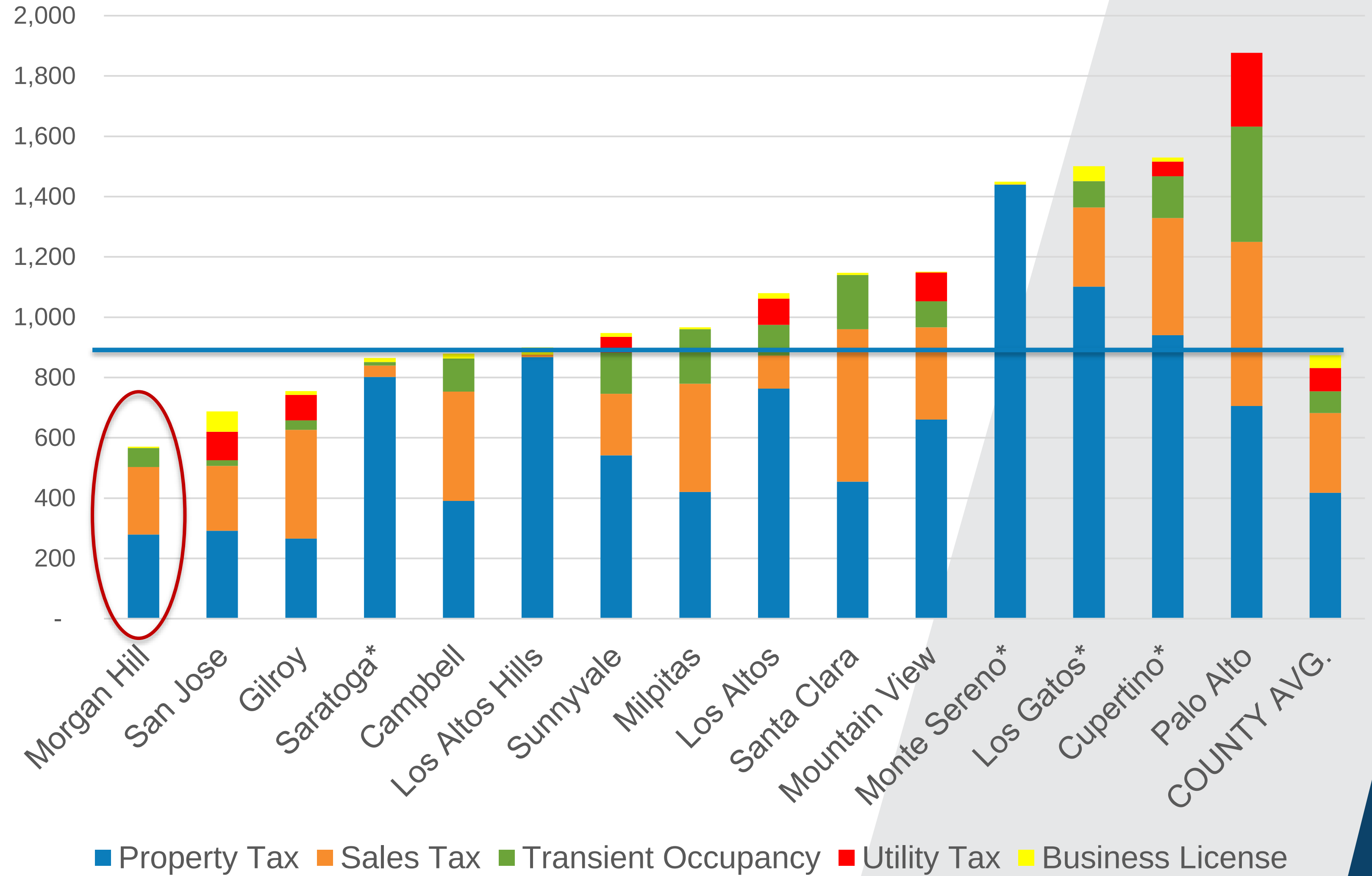
- Recreation
  - Facility Rental Fees
  - Recreation Membership Fees
  - Classes

General Fund – Transient Occupancy Tax

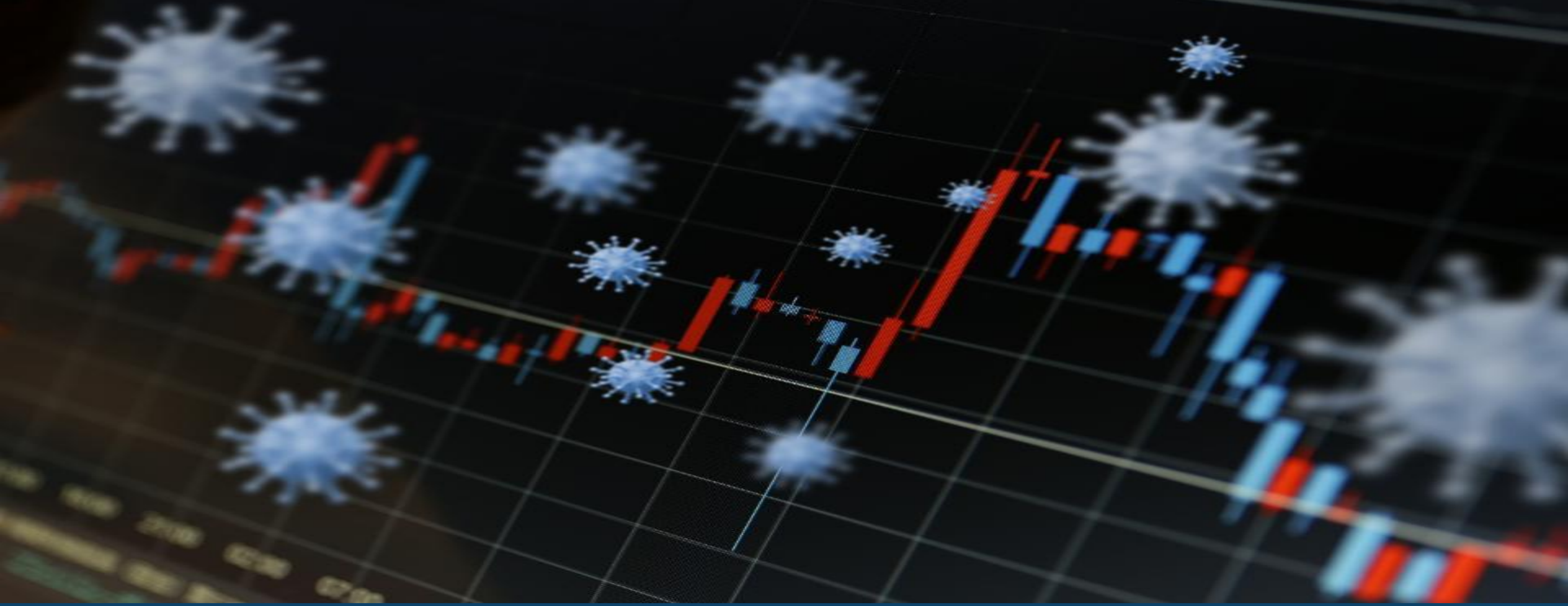
FY 2020-21 = ~~$2.5~~ $1.8M, 5% of GF



General Fund Major Tax Revenue Comparison – Per Capita



*Includes property tax revenues for Santa Clara County Central Fire District



COVID-19
Fiscal Impacts

CITY OF MORGAN HILL

COVID-19 Economic Recovery Assumptions

Phase I:

- <u>Current estimates are aligned with Phase I</u>
- Shelter-in-place lifted end of May with gradual re-opening
- Recreation facilities open in July with reduced/modified service and hours
- Phase back in services and programs
- Similar fiscal impacts as the Great Recession or worse
- Some fiscal impact from second wave of COVID-19

COVID-19 Economic Recovery Assumptions (cont.)

CITY OF MORGAN HILL

Phase II

- Extended shelter-in-place
- Extended facilities' closure and slower phasing back in services and programs
- Significant impact from second wave of COVID-19
- More severe fiscal impacts with further reduction in revenues

Fiscal Impacts of COVID-19 on Major Revenue Sources

CITY OF MORGAN HILL

Property Tax **Loss** Over 3 Fiscal Years

FY2019-20	FY2020-21	FY2021-22	TOTAL
$0.1M	$0.1M	$0.6M	$0.8M

Phase I Assumptions:

- Lag effect
- FY2019-20 higher than budgeted
- 0% growth rate in forecast

Fiscal Impacts of COVID-19 on Major Revenue Sources (cont.)

CITY OF MORGAN HILL

Sales Tax **Loss** Over 3 Fiscal Years (Updated)

FY2019-20	FY2020-21	FY2021-22	TOTAL
$1.5M	~~$1.8~~ $2.4M	~~$1.5~~ $1.6M	~~$4.8~~ $5.5M

Phase I Assumptions:

- Based on estimates from City's sales tax consultant (HdL), with additional modifications
- Includes Governor's delay/defer assistance programs

Fiscal Impacts of COVID-19 on Major Revenue Sources (cont.)

CITY OF MORGAN HILL

Recreation Services **Loss** Over 3 Fiscal Years (Updated)

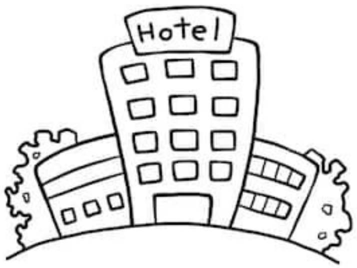
FY2019-20	FY2020-21	FY2021-22	TOTAL
~~$0.9~~ $2.1M	~~$0.8~~ $1.5M	~~$0.4~~ $0.9M	~~$2.1~~ $4.5M

Phase I Assumptions:

- facilities open in July with reduced/modified service and hours
- Decrease in membership and registrants

Fiscal Impacts of COVID-19 on Major Revenue Sources (cont.)

CITY OF MORGAN HILL



Hotel Tax **Loss** Over 3 Fiscal Years (Updated)

FY2019-20	FY2020-21	FY2021-22	TOTAL
$0.9M	~~$0.6~~ $1.3M	~~$0.2~~ $0.3M	~~$1.7~~ $2.5M

Phase I Assumptions:

- Extended occupancy rate of approximately 20% with slower gradual return to normalcy

Fiscal Impacts of COVID-19 on Major Revenue Sources (cont.)

CITY OF MORGAN HILL

Development (Fund 206) **Loss** Over 3 Fiscal Years (Updated)

FY2019-20	FY2020-21	FY2021-22	TOTAL
$1.2M	~~$1.3~~ $1.5M	~~$0.3~~ $0.5M	~~$2.8~~ $3.2M

Phase I Assumptions:

- Estimated 25% reduction in projects and associated revenues in FY 2019-20 & FY 2020-21
- Slower recovery in development activities (FY2021-22)

Fiscal Impacts of COVID-19 on Major Revenue Sources (cont.)

CITY OF MORGAN HILL

Other (Gas Tax and Property Transfer Tax) **Loss** Over 3 Fiscal Years (New)

FY2019-20	FY2020-21	FY2021-22	TOTAL
$0.2M	$0.2M	$0.1M	$0.5M

Phase I Assumptions:

- Gas Tax: reduced consumption due to shelter-in-place
- Transfer Tax: reduced revenue due to halt in real estate transactions due to shelter-in-place

Fiscal Impacts of COVID-19 on Major Revenue Sources (cont.)

CITY OF MORGAN HILL

Total Phase I Revenue **Loss** by Major Revenue Categories Over 3 Fiscal Years (Updated)

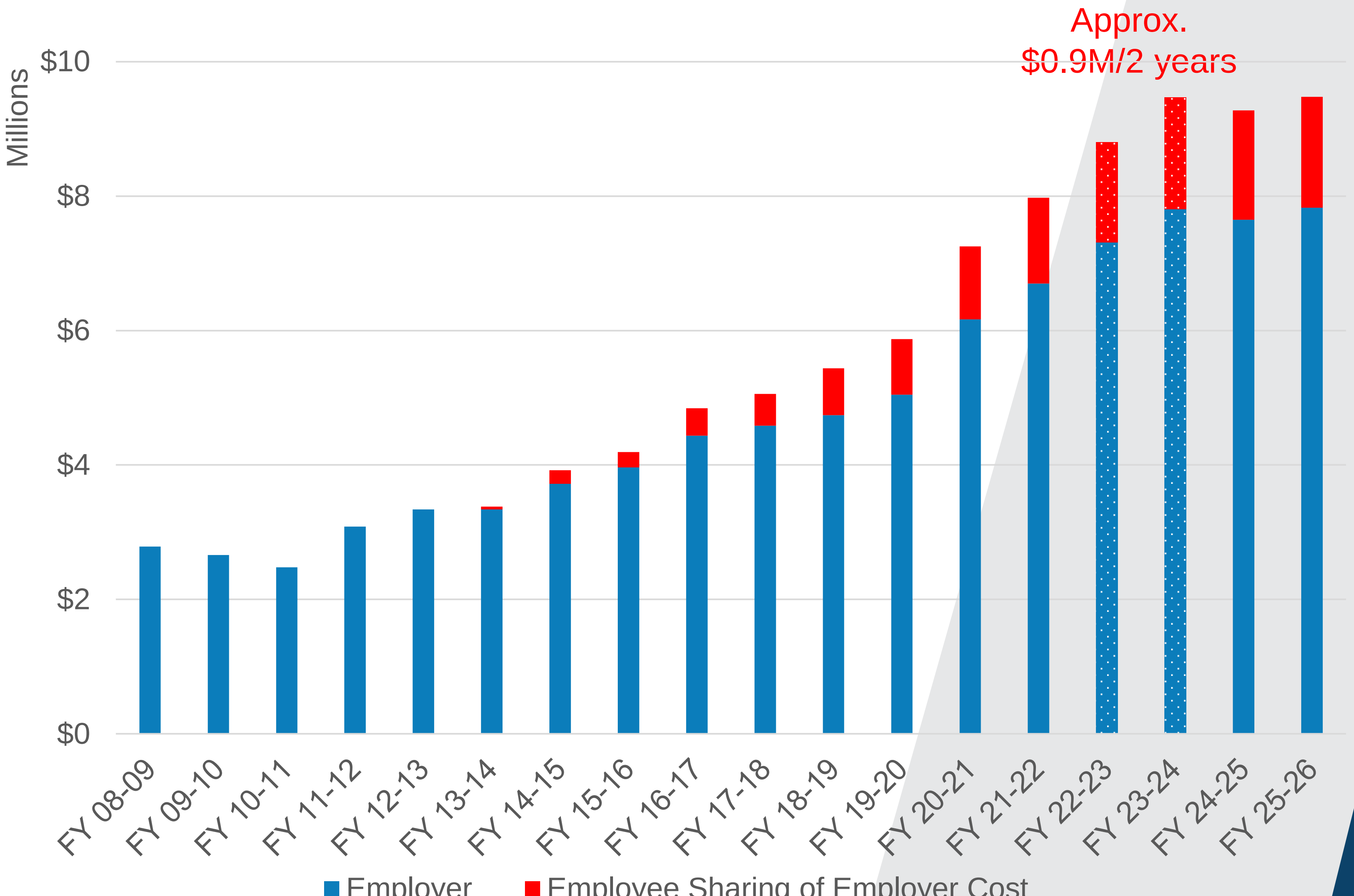
Revenue Type	FY2019-20	FY2020-21	FY2021-22	TOTAL
Property Tax	$0.1M	$0.1M	$0.6M	$0.8M
Sales Tax	$1.5M	$2.4M	$1.6M	$5.5M
Recreation	$2.1M	$1.5M	$0.9M	$4.5M
Hotel Tax	$0.9M	$1.3M	$0.3M	$2.5M
Fund 206	$1.2M	$1.5M	$0.5M	$3.2M
Other (Gas Tax, Transfer Tax)	$0.2M	$0.2M	$0.1M	$0.5M
TOTAL	**$6.0M**	**$7.0M**	**$4.0M**	**$17.0M**

Expenditure Adjustments Included in Recommended Budget

CITY OF MORGAN HILL

- Recreation facility closures
- Recreation cost reductions based on gradual reopening
- Hiring freeze, except public safety
- Election contract services
- Drawdown on General Liability Insurance reserve
- Elimination of all non-essential building maintenance projects

COVID-19 Impact: Pension Cost



Additional Expenditure Reductions and Adjustments

CITY OF MORGAN HILL

Expenditure Reduction and Adjustments Summary

City of Morgan Hill

Fund	Description	YEP 19-20	Rec. 20-21	Rec. 21-22	Total
General Fund (010)	Community Services	$1.9M	$1.0M	$1.1M	$4.0M
General Fund (010)	Police	$0.3M	$0.1M	$0.1M	$0.5M
General Fund (010)	Fire	$0.1M	$0.3M	$0.2M	$0.6M
General Fund (010)	Administration	$0.2M	$0.7M	$0.7M	$1.6M
General Fund (010)	Development Services	-	$0.2M	$0.3M	$0.5M
Dev. Services (206)	Development Services	-	$0.9M	$0.7M	$1.6M
	TOTAL	**$2.5M**	**$3.2M**	**$3.1M**	**$8.8M**

Estimated savings previously included in Recommended Budget = $2.5M (Building Maintenance, General Liability Reserve Draw, Recreation facilities closure etc.)

Community Services - $4.0M

CITY OF MORGAN HILL

- Historic cost recovery rate of 90%
- Should Recreation Cost Recovery not be obtained, other General Fund services will be severely impacted
- Facilities are closed = no revenue

Community Services - $4.0M (cont.)

CITY OF MORGAN HILL

Severe impacts are already occurring

- Almost all part-time teammates have been furloughed
- We don’t know when and if we will bring them back
- Almost all partner staff at the YMCA are furloughed
- Contractor staff not working

Virtual Membership

- Retaining members for when we re-open
- Only 1% of members have opted to continue to pay to support the virtual membership

Community Services - $4.0M (cont.)

CITY OF MORGAN HILL

Re-Opening Facilities

Unknowns

- When can we re-open?
- Under what conditions will we re-open?
- Will members and users come back?

Due to COVID-19 a <u>new baseline</u> must be developed

- Minimize structure to reduce costs
- Different needs for re-opening (cleaning and social distancing)
- Continue virtualization and move to online transactions

Community Services - $4.0M (cont.)

CITY OF MORGAN HILL

New Baseline Changes and Budget Reduction Strategy

- New limited hours as Facilities start to open (CRC/AC/CCC)
- Suspend non-fee-based events and promotions
- Suspend operation of Spray Pad at the CCC
- Suspend Masters Swim Program
- Eliminate Marketing and non-fee-based events
- Reduce Mailing of Recreation Activity Guide
- Transfer of resources to future ongoing cleaning and social distancing requirements

Community Services - $4.0M (cont.)

CITY OF MORGAN HILL

Staffing Impacts

- Reduce part-time staff, bring back as needed in appropriate roles
- Update partnership with the YMCA
- Reduce 2.5 FTEs in the Recreation Division via retirement, transfer, and elimination of vacant positions
- Redistribution of duties

Community Services - $4.0M (cont.)

CITY OF MORGAN HILL

Impacts to Community

- Less available hours for all programming at the CRC and Aquatics Center
- Reduce Senior Center Hours and less managerial oversight (Supervisor will take on other roles, support staff will have less hours to focus solely on Seniors)
- Teen Center will be open only 4 days per week instead of 6

Community Services - $4.0M (cont.)

CITY OF MORGAN HILL

Impacts to Community (cont.):

- No special events until funding and staffing levels are restored (Get Fit Event, Summer Fun in the Park, Latin Concert, Latin Zumbathon)
- Spray Pad at the CCC not open until funding and staffing restored
- Reduce Skate Park oversight
- Reduce outreach to gain participation in programs for underserved communities

Community Services - $4.0M (cont.)

CITY OF MORGAN HILL

Impacts to Community (cont.):

- Community Promotions and Support for Partner Organizations
  1. Financial Support for Partner Organizations Hosting Events or Providing Services for the City
  2. Fee Waivers for Rental of Banquet Rooms at CCC
  3. Low Cost or Free Use of Partner Organizations

Police - $0.5M

CITY OF MORGAN HILL

Personnel

- Reserve officer pay eliminated (volunteer basis)

Services

- Elimination of cat sheltering and spay/neuter assistance
- Eliminate National Night Out sponsorship, Citizens Police Academy training, Parent Project training, DUI checkpoints supplies and Explorer training
- Other software subscriptions

Fire - $0.6M

Services

- Savings in CALFIRE contract due to vacancies and/or budget to actuals

Administration/Citywide - $1.6M

CITY OF MORGAN HILL

Personnel

- City Manager, City Attorney, and Management, Professional and Confidential COLA eliminated
- Reassign Office Assistant II (.5 FTE) from Recreation to Utility Billing/City Hall
- Eliminate non-CRC gym reimbursement
- Reduction in salary COLA for forecast years by 1%
- Reallocate Assistant City Attorney into GF (25% - additional cost)

Services

- Reduce services, supplies and training

Development Services - $2.1M

Economic Development

- Reduce PT Temp. staffing
- Reduce supplies and contractual services

Fund 206 loan reduced by $1.1M to $1.7M by following actions:

- Reduction of nearly all training and conferences, but for those required for State Certification (ex. Building Inspectors), ISO rating and/or maintenance of Professional Designations (ex. AICP)

- Reduction in Contract Services by 50% (preserved Stormwater and partial outside Plan Check in Land Development Engineering and Building)

Development Services (cont.)

- Terminate contract for Northeast Quadrant Master Urban Design guidance
- Termination of most Part Time employees
- Shift two Current Planners from Fund 206 (Current Planning) to Fund 207 (Long Range Planning) for one year

Development Services (cont.)

- Remove consultant service projects in Long Range Planning with in-house personnel preparation of State-mandated updates to Housing Element and Safety/Hazard Element as well as amendment to Traffic and Circulation Element and newly required Environmental Justice Element

- Remove plans for preparation of Monterey Corridor Specific Plan preparation and related EIR

Development Services (cont.)

CITY OF MORGAN HILL

- Restructure Development Services to consolidate Land Development Engineering with Engineering and Utilities under direction of Public Services Director to achieve co-funding and flexibility to engineering functions, reducing cost to Fund 206

- Proposal to fund new development services fee study to reflect appropriate cost recovery revenue on existing permits

- Eliminate funding for Assistant City Manager (Development Services) position in January 2021

Development Services (cont.)

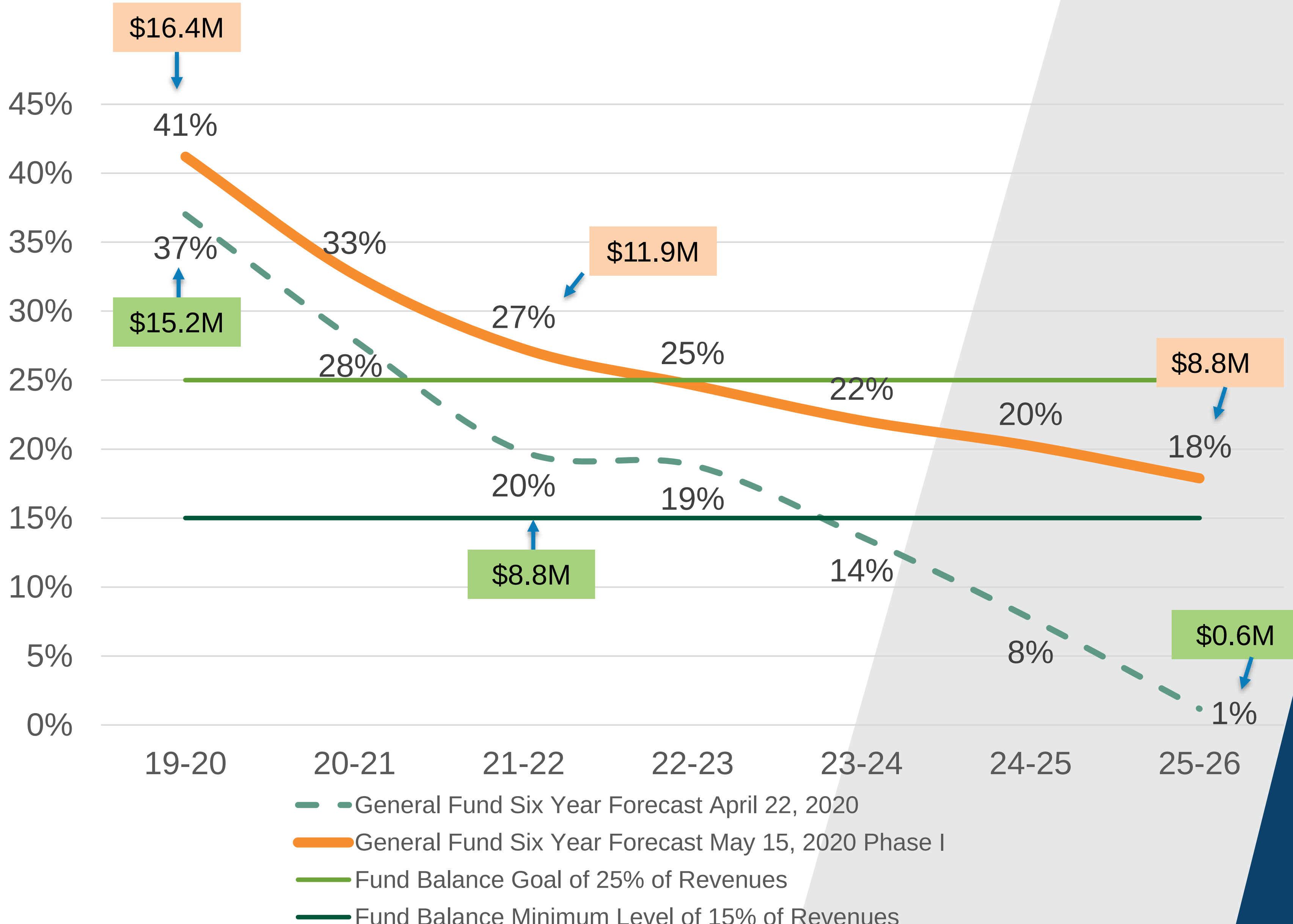
CITY OF MORGAN HILL

Unrecoverable Expenses:

- **Planning**: $514K/year – Public counter, general information, strategic initiatives, and special projects
- **Engineering**: $194K/year – Flood and storm water programs, public counter, general information, and special projects
- **Building**: $117K/year – Public counter, general information, and code compliance

General Fund Six Year Forecast

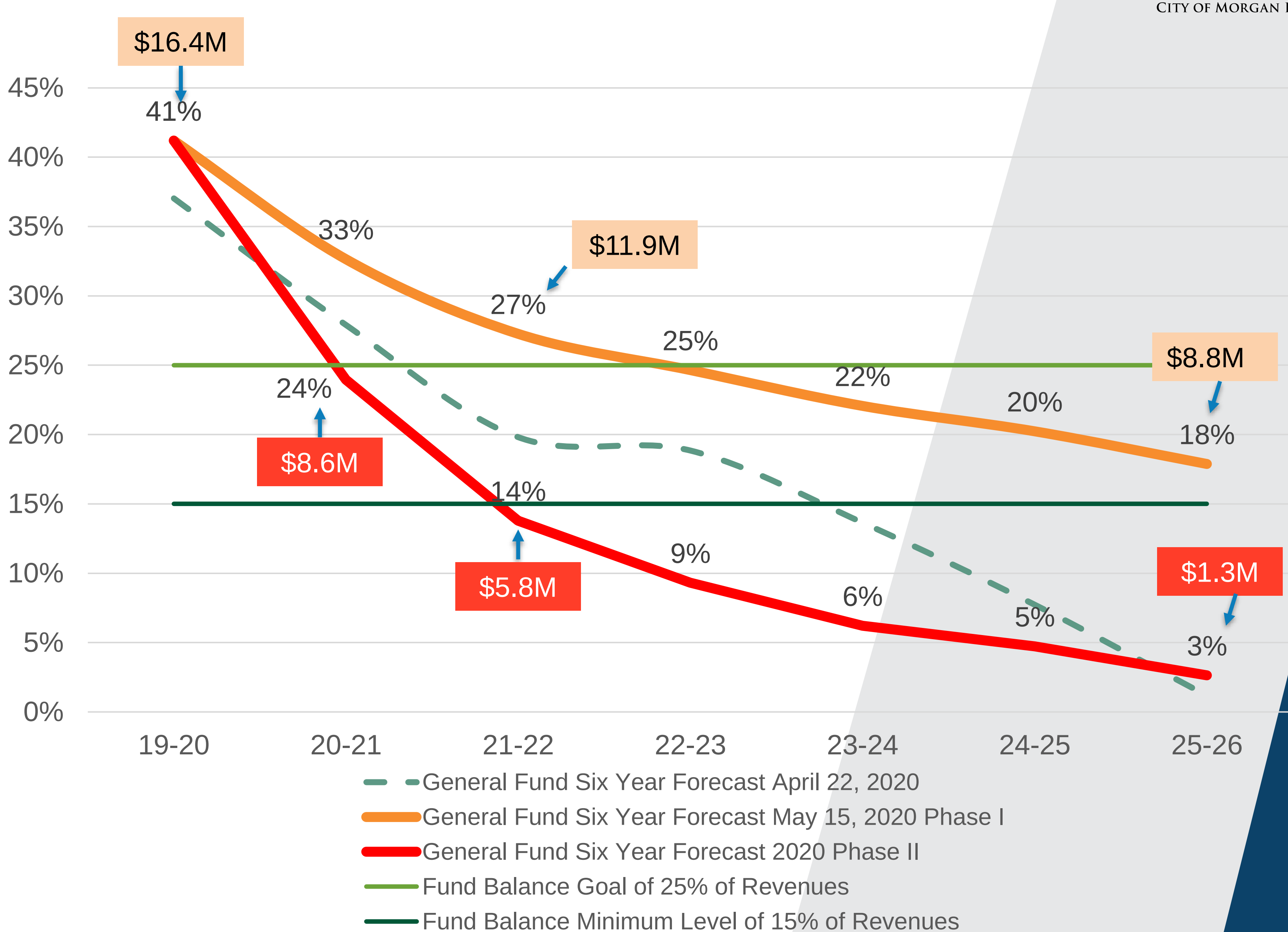
CITY OF MORGAN HILL



Phase II
(Potential Additional Impacts)

City of Morgan Hill

General Fund Six Year Forecast - Phase II



CITY OF MORGAN HILL

Potential Phase II Expenditure Reductions

- Open all bargaining unit contracts to adjust scheduled COLA, enact furloughs or equivalent reductions
- Further reduction in community programs/services
- Additional Departmental reductions in supplies and services
- Suspend Fleet Replacement Contribution (1 FY)
- Suspend Worker's Compensation Contribution (1 FY)
- Suspend General Fund support for Street CIP
- Suspend OPEB Trust Fund contributions

Interfund Loan Policy

CITY OF MORGAN HILL

Interfund Loans and Policy

CITY OF MORGAN HILL

Policy

- Adopted June 7, 2017
- All loans need to be approved by City Council
- Interest rate at investment portfolio or LAIF, whichever is higher
- Maximum term of 10 years

Current Interfund Loans

- Storm Drainage to Traffic Impact for Hale Ave. Extension on October 2018
- $2.25 million repaid in 3 years

Recommended Reserve Policy

CITY OF MORGAN HILL

15%: "If reserves do – or are projected to – fall below the 15% minimum level at any time, then policy action must be taken within 30 days of such event or projection to rebuild actual or projected reserves back up to the 15% minimum level within the subsequent 12 months"

25%: "Similarly, if reserves do – or are projected to – fall below the long term goal of 25% at any time, then policy action must be taken no later than the next fiscal year such that structural budget balance is projected to be regained within three years of the 25% floor being pierced. Once structural budget balance is regained, steady progress toward the 25% long-term goal for reserves must continue"

Liquidity and Cash Balance

Liquidity:

General Fund Balance

- Unrestricted, un-designated
- Cash and short-term receivables less short-term payables
- General Fund Reserve of $17.9M at 6/30/19 mostly comprised of cash and investments of $16.1M

Liquidity and Cash Balance (cont.)

CITY OF MORGAN HILL

CASH ACTIVITY SUMMARY
FY 2019-20

Fund Type	07/1/19 Balance	Change in Cash Balance	3/31/2020 Balance
General Fund	$ 16,094,062	$ (2,968,859)	$ 13,125,203
Community Development	2,835,370	(1,930,700)	904,670
RDA Successor Agency (except Housing)	10,774,671	3,830,862	14,605,533
Housing Successor Agency/ CDBG	4,065,899	(329,728)	3,736,171
Water - Operations	2,862,753	1,014,788	3,877,541
Water Other	6,212,393	2,351,007	8,563,399
Sewer - Operations	1,677,931	1,301,768	2,979,699
Sewer Other	31,500,213	(613,818)	30,886,395
Other Special Revenue	5,130,146	383,166	5,513,311
Streets and Capital Projects (except RDA)	43,758,217	(5,390,006)	38,368,211
Debt Service	240,894	(119,463)	121,431
Internal Service	15,531,375	1,567,853	17,099,228
Agency Funds (assessment dists./refundable deposits)	4,307,504	(1,716,937)	2,590,567
Total	$ 144,991,427	$ (2,620,066)	$ 142,371,361

Note: See Investment Porfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

I certify the information on the investment reports on pages has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill investment policy and all State laws and regulations.

Existing
Unfunded Needs

City of Morgan Hill

Unfunded General Fund Needs

CITY OF MORGAN HILL

Total Annual Unfunded General Fund Needs = **$6M**

- Police $1.3M
- Fire $2.3M
- Building Maintenance and LAD **$0.1M** Updated
- Pavement Rehabilitation **$1.1M** Updated
- Street Maintenance $0.2M
- ~~Park Maintenance $0.7M~~ Addressed via Quimby Fee
- **Operational loss due to RDCS Suspension $1.0M**

Unfunded Liabilities

CITY OF MORGAN HILL

Unfunded Liabilities

CITY OF MORGAN HILL

Total Unfunded Liabilities = **$56.4M**

- Public Employees Retirement System (PERS) - $51.6M
  - Other Postemployment Benefits (OPEB) - $4.8M
  - General Fund Share = 67% or $37.8M

- Current Funded Status
  - Misc. Plan = 71.6%
  - Safety Plan = 68.3%

Pension - Funded Status

CITY OF MORGAN HILL

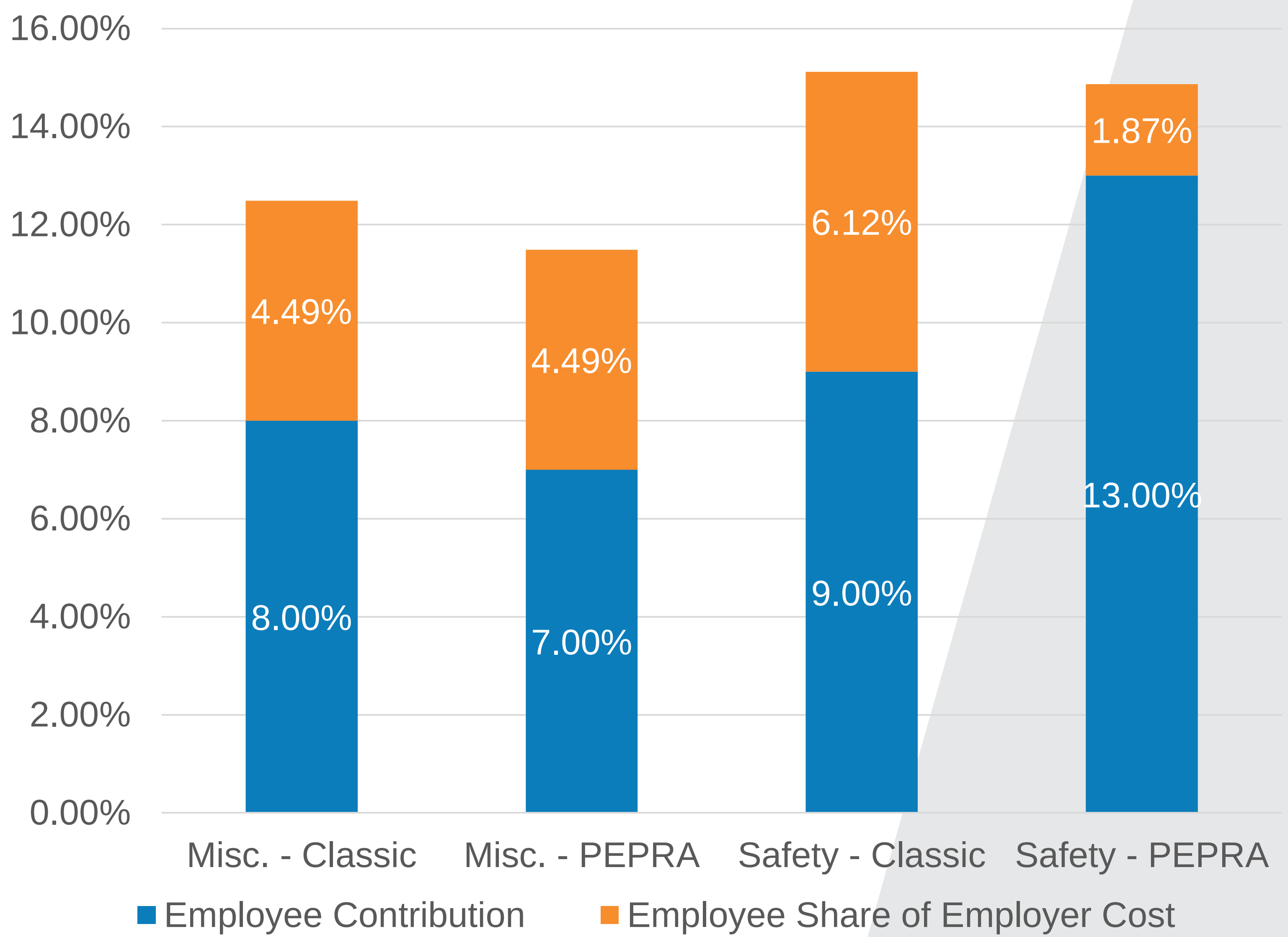
Agency Name	Safety Plan	Misc. Plan
Morgan Hill	68.30%	71.60%
Monte Sereno	N/A	88.20%
Los Altos Hills	N/A	83.60%
Saratoga	N/A	81.80%
Campbell	68.20%	72.20%
Mountain View	69.40%	71.80%
Los Altos	69.30%	70.00%
Santa Clara (County)	67.50%	69.50%
Gilroy	68.10%	68.80%
Sunnyvale	66.40%	68.70%
Milpitas	63.10%	68.50%
Los Gatos	72.00%	68.40%
Cupertino	N/A	66.30%
Palo Alto	62.20%	65.80%
Santa Clara (City)	64.70%	61.00%

Groups	Count	%
Classic	118	67%
PEPRA	57	33%
Total	**175**	**100%**

Valuation reports as of FY17-18.

CalPERS funded status for public agencies is 69.8% as of FY17-18.

Pension – Employee Cost Sharing



Pension – Discount Rate Change

CITY OF MORGAN HILL

- Discount Rate = the expected rate of return on portfolio investments
- In 2016, CalPERS Board changed the discount rate from 7.5% to 7% over three fiscal years, with corresponding incremental increases in payments over 8-year smoothing

Pension – Discount Rate Change
(cont.)

CITY OF MORGAN HILL

- When the discount rate is reduced, it decreases the funded status
- An additional 0.25% reduction = approximately $1M/year, before employee sharing
- CalPERS Board may consider an adjustment this fall

Enterprise Funds

CITY OF MORGAN HILL

Enterprise Funds - Water

- Reduction of revenue to account for bad debt and lower commercial usage offset by increase in grant revenue from Valley Water
  - Anticipate reduced consumption in commercial/industrial, and increased consumption in residential consumption due to shelter-in-place
  - Anticipate increase in bad debt/write-offs due to Governor’s order preventing shut-offs
- <u>Groundwater Charge:</u> Valley Water deferring July 1 increase, Board to revisit amount and time in October 2020

Enterprise Funds - Wastewater

CITY OF MORGAN HILL

- Reduction of revenue by $300K, to account for bad debt and lower commercial usage
  - No impact of increased residential consumption anticipated as it is based on fixed monthly charge adjusted annually
  - Anticipate increase in bad debt/write-offs due to Governor’s order preventing shut-offs

- Planned bond issuance for capital projects outlined in Capital Improvement Program – determining the final amount needed and will return to City Council when appropriate

Sustainable Morgan Hill
2020 – 2021
Strategic Priorities
Work Plan Amended

CITY OF MORGAN HILL

Fiscal Sustainability

CITY OF MORGAN HILL

- **Continue to monitor the COVID-19 impacts and present adjustments as necessary**
- Continue the Engage Morgan Hill efforts (conversation about services, funding and priorities)
- ~~Consider a revenue measure in November 2020~~ (not recommended)
- Employ a sustainable budget strategy and identify funding gap
- Define the funding plans for police and fire services, and the City's infrastructure needs

Affordable Housing and Homelessness

- In preparation for the Statewide 6th Housing Cycle, update the Housing Element of the General Plan to respond to new production mandates. The City will actively participate in the development of formula and allocations of “fair share” housing unit assignments
- Engage the community in decisions about where to locate new housing density requirements and necessary on-going changes to objective design criteria which guide quality development
- Continue to respond to the new and proposed housing legislative and policy matters to the benefit of the community

Affordable Housing and Homelessness (cont.)

CITY OF MORGAN HILL

- Respond to the Governor's 2020 Homelessness initiatives by advocating for direct local dollars and direct access to funding for communities of less than 50,000 population
- Seek out partnerships with non-profit housing developers to create new housing opportunities directly aligned with the City's "fair share" Regional Housing Needs Allocation (RHNA)
- Work with the non-profit owner of affordable units to rehabilitate and extend the life of vital housing supplies at Depot Commons, the Willows, Skeels Hotel, and Villa Ciolino

Community Engagement and Messaging

- Continue to facilitate the Engage Morgan Hill process
- Continue to inform the community about significant development projects
- ~~Provide outreach and engagement with the community on the 2020 United States Census~~ (Completion in August)
- Continue to find better ways to reach members of the community that do not speak English
- **Continue to explore, implement and improve upon the use of tools that allow for virtual meetings, communication and engagement**
- **Continue to monitor and evaluate communication and engagement tools and strategies with a continuous improvement focus**

Economic Development

- Complete Request for Proposal (RFP) process and select provider for telecommunications services for City facilities
- Complete an Industrial Land Preservation Policy
- Complete a Retail Concentration Strategy
- Economic Development Outreach ~~and Education/Awareness Campaign~~
- **Business Resiliency Program**

Transportation

CITY OF MORGAN HILL

- Respond to the Environmental Impact Report on the High-Speed Rail Authority's (HSRA) preferred alternative
- Continue efforts on Hale Avenue extension
- Advocacy will include:
  - Working with the Valley Transportation Authority (VTA), Caltrain, the County, the HSRA and the State to enhance service, secure funding for transportation projects and road maintenance, and protect the community from negative impacts of regional projects
  - Expansion of Highway 101 between Morgan Hill and Gilroy to reduce pass-through traffic and improve commute traffic for South County residents
  - Electrification of commuter rail from San Francisco to Gilroy
  - Funding for priority projects in the South County

Strategies to Address Revenue Impacts

CITY OF MORGAN HILL

Multiple Ways to Address Revenue Impacts

CITY OF MORGAN HILL

- Use of reserves/fund balance ✓
- Reduce expenditures ✓
- Seek COVID-19 State and Federal Funds as available ✓
- New revenue sources including ballot measures and Community Facilities District (CFD)

Other Strategies

CITY OF MORGAN HILL

- Spending money strategically to virtualize (CRM system, Laserfiche, broadband investment, etc.)

- Spend now to save in the future

- Keeping our core services so we can bring services and teammates back as we recover

Capital Improvement Program

CITY OF MORGAN HILL

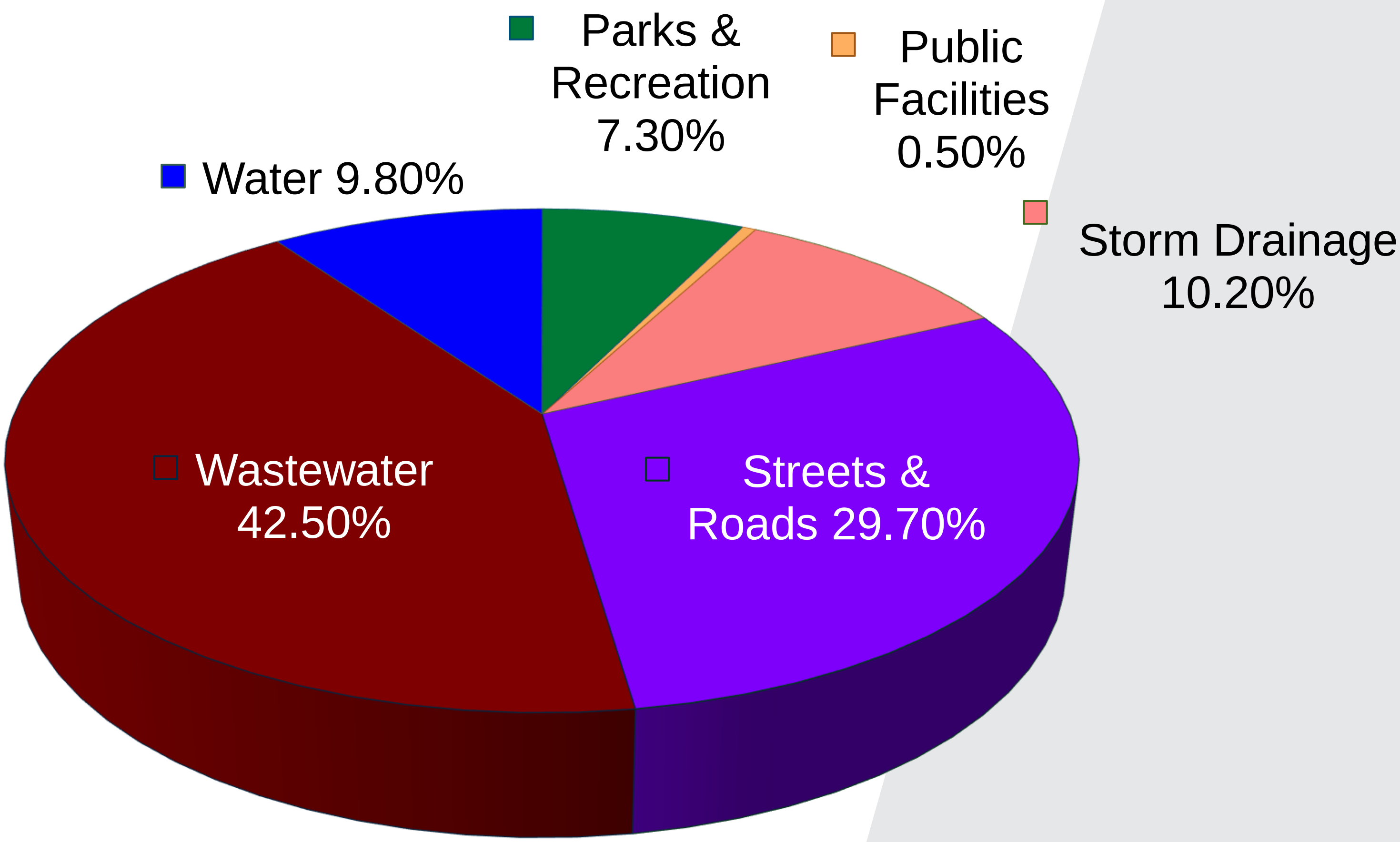
Purpose

- Present FY 2020-21 to 2025-26 Capital Improvement Program
- Discuss Key Projects
- Provide input and feedback on proposed CIP

Capital Improvement Program Summary (Updated)

Project Categories	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Totals
1 Parks & Recreation	$1,998,888	$3,610,000	$4,680,000	$3,250,000	$2,850,000	$1,550,000	$17,938,888
2 Public Facilities	$140,000	$220,000	$5,300,000	$220,000	$500,000		$6,380,000
3 Storm Drainage	$5,500,000	$2,370,000	$2,650,000	$350,000	$2,650,000	$350,000	$13,870,000
4 Streets & Roads	$19,150,000	$3,780,000	$4,650,000	$4,150,000	$4,150,000	$4,200,000	$40,080,000
5 Wastewater	$19,056,599	$13,706,786	$27,468,322	$24,843,700	$6,331,200	$2,393,700	$93,800,307
6 Water	$2,841,023	$4,743,913	$6,722,065	$2,700,000	$1,300,000	$400,000	$18,707,001
Totals	**$48,686,510**	**$28,430,699**	**$51,470,387**	**$35,513,700**	**$17,781,200**	**$8,893,700**	**$190,776,196**

Budget by Project Category FY 2020-21 and 2020-22



Capital Improvement Program
Top 8 Projects FY 2020-21 & FY 2021-22

CITY OF MORGAN HILL

1. Hale Avenue Extension - $16.8M
2. Sewer System Repair and Replacements - $13.1M
3. Sewer Plant Expansion - $11.8M
4. Pavement Rehabilitation Program - $6.1M
5. Llagas Flood Control - $4.5M
6. Water Supply Facility and Water Pipeline Repair and Replacement - $3.1M
7. Storm System Expansion - $2.7M
8. Borello School/Park - $2.0M

Guiding Principles

CITY OF MORGAN HILL

- Projects must be consistent with the goals of the General Plan
- Projects included in an adopted Master Plan
- City Council priorities
- Addressing a maintenance or deficiency issue
- Available revenues to pay for project
- Long term maintenance is considered
- Legal uses of funds

CIP Changes from April 22

CITY OF MORGAN HILL

- Reduced revenue assumptions related to development impact fees
- Reduced revenue assumptions for Measure B and SB1
- Added Non-Profit Center Project

Current Projects Underway

CITY OF MORGAN HILL

- Magical Bridge Inclusive Playground Project
- Tennant Sewer Main Project
- Pedestrian Safety Projects
- Main Avenue Bike Lanes
- Madrone Channel Trail Project
- Butterfield Path Project
- CRC and Library Expansions

Parks and Recreation Highlights
FY 20-21 & 21-22 Projects

CITY OF MORGAN HILL

Borello School Park - $2M

- Joint park/school site off Peet Road

West Little Llagas Creek Trail - $850,000

- Class 1 Trail south of Watsonville Road
- Primarily grant funded
- Limited additional maintenance necessary

Park Renovations - $500,000

- Upgrade existing park and recreation facilities
- Support cost recovery

Parks and Recreation Highlights FY 20-21 & 21-22 Projects (cont.)

CITY OF MORGAN HILL

Sports Facility Planning- $100,000

- Condit Road Facilities Concept Master Plan
- Environmental Review

Park Land Purchase- $500,000

- Potential land bank of neighborhood park

Non-profit Center - $800,000

- Development at CCC
- Will recover cost through tenant leases

Parks and Recreation Highlights Post FY21-22

CITY OF MORGAN HILL

- Potential Sand Volleyball Facilities
- Villa Mira Monte Expansion/Renovation
- Park and Recreation Facility Renovations
- Begin banking funding for Ball Field Center

Public Facilities Highlights

CITY OF MORGAN HILL

- New Fire Station - $5.3M
  Construction Commences FY22-23

- Police Department Expansion FY24-25

Storm Drainage Highlights FY 20-21 & 21-22 Projects

CITY OF MORGAN HILL

Llagas Flood Control - $4.5M

- Project addresses storm water conveyance infrastructure that drains into the Upper Llagas Creek Flood Protection Project

Storm System Expansions $2.5M

- Butterfield Basin Expansion
- Other future expansion projects

Trash Compliance - $50,000

- Infrastructure planning for future mandated compliance projects

Streets and Roads Highlights FY 20-21 & 21-22 Projects

CITY OF MORGAN HILL

Pavement Rehabilitation- $5.8M (2 years)

- Annual program intended to address City's pavement rehabilitation needs
- Primarily dedicated funding sources

Hale Avenue Extension $17M

- Construct Hale Ave from Main to Spring Ave
- Primarily grant funding for construction
- Land acquisition and design completed ($10M)

Sidewalk Repairs- $150,000/yr

- Annual program to address damaged sidewalks

Wastewater Highlights
FY 20-21 & 21-22 Projects

CITY OF MORGAN HILL

Sewer System Repair & Replacements - $13.1M

- Implement the required repairs and improvements needed to reduce inflow and infiltration

Treatment Plant Expansion (SCRWA) - $31.5M

- Increased treatment capacity based on flow and organic loading

Wastewater Highlights FY 20-21 & 21-22 Projects (cont.)

CITY OF MORGAN HILL

Lift Station Improvements - $2.1M

- Renovate existing lift stations and force mains

New Trunk Line - $29.2M

- Planning phase next 2 years
- Construction planned for FY22-23

Wastewater Planning - $230,000

- Update plans including Master Plan

Water Highlights
FY 20-21 & 21-22 Projects

City of Morgan Hill

Well Demolition and Abandonment - $700,000

- Required demolition of unused wells

Water Pipeline Repair and Replacement $1.7M

- Various pipeline improvements to address aging infrastructure and reliability issues in the water distribution system

Holiday Lake Reservoir Improvements- $6M

- Infrastructure improvements (pipes, storage, and pumping capacity) to Holiday Lake water systems to increase water delivery and reliability in the area

Unfunded or Partially Funded Projects

- Ball Field Development
- New Bike and Pedestrian Safety Projects
- Traffic Signal Pre-emption
- Corporation Yard Expansion/Renovation
- Storm System Trash Compliance

Commission Action

CITY OF MORGAN HILL

- Planning Commission Meeting 5/12:
  - Found the proposed CIP consistent with the General Plan
  - Expressed a desire to increase General Fund Spending on Pavement Rehab
- Parks and Recreation Commission Review:
  - Scheduled for June 19

Questions?

CITY OF MORGAN HILL

Engage Morgan Hill
Community Advisory Group Input

CITY OF MORGAN HILL

Questions & Answers
Public Comment
Council Discussion

CITY OF MORGAN HILL

Next Steps

City of Morgan Hill

Upcoming Important Dates

Time	Date	Event	Location
7pm	Wednesday, June 17th	City Council Budget Hearing/Adoption	TBD

Questions?

CITY OF MORGAN HILL

Fee Waiver and Community Use

Presentation to Council for Budget Workshop

Community Services Staff believe there are three areas that should be discussed with the Council as part of the budget reduction strategy. These areas include:

1. Financial Support for Partner Organizations Hosting Events or Providing Services for the City
2. Fee Waivers for Rentals of Banquet Rooms at the Community and Cultural Center
3. Low Cost or Free Use for Partner Organizations

Below is a summary for each area along with specific recommendations.

Area 1: Financial Support for Organizations Hosting Events or Providing Services for the City
The funding for each of the groups is budgeted in the City Council Community Promotions funding or in the Community Services Division budget and supported entirely by the General Fund. Staff is recommending reductions in the funding for these organizations. Should the City's fiscal situation improve, funding may be restored.

Group	Detail
Morgan Hill Downtown Assoc (MHDA) Safe Trick or Treat & Holiday Tree Request $12,000 ($6,000 for each) Recommendation $6,000 Total	In conversations with the MHDA, the group indicated if provided limited funding it will support the Holiday Tree over the Safe Trick or Treat event. Given the current scenario, both the MHDTA and City staff believe the Safe Trick or Treat is highly unlikely to be held in 2020.
Morgan Hill Kiwanis Club Holiday Lights Parade Request $6,000 Recommendation $4,500	The Kiwanis have not discussed as a group, but event representatives have noted that if funding is at 50%, event will be significantly reduced, if there is no funding, they would not host the event.
Independence Day Celebrations Freedom Fest Events Request $30,000 Recommendation $15,000	It is unknown if any events at all will occur in 2020. If the funding was reduced by 50% in future years, the group noted they will try to adapt and may do less. Their priorities will be the fireworks and parade. The $30,000 request was a significant increase from prior years ($24,000).
South Valley Civic Theater Past Annual Funding $10,000 Recommendation $2,500	This funding supports educational outreach activities, tickets, and cast fee waivers to increase access to participants and audiences. These programs would be reduced should funding be reduced.
Healthier Kids Foundation (HKF) Past Annual Funding $20,000 Recommendation $10,000	HKF uses the City's funding as a match for their own funding, which allows for Morgan Hill to receive more significant support than other communities. If funding were eliminated the program would be severely reduced in Morgan Hill, not only reducing Morgan Hill funded programs, but also the matching funding provided by HKF. HKF would be able to continue services for an unknown number of years in a more limited capacity with a 50% reduction in funding.
Morgan Hill Historical Society (MHHS) Past Annual Funding $20,000 Recommendation $15,000	MHHS uses the funding to maintain Villa Mira Monte. Should the MHHS become insolvent, the site would revert to ownership by the City. This could create increased costs for the City. The group is conducting review of minimum cost structure to maintain facility and landscaping.
United Way 211 Past Annual Funding $5,000 Recommendation $0	While the City approved this funding on request from the organization, it was never invoiced to the City nor has the City paid into this in the past.
Boys and Girls Club (BGC) Park Place Program Past Annual Funding $72,000 Recommendation $45,000 Friendly Inn Program	Per the Friendly Inn Lease agreement, the BGC will receive $6,000 in FY 20/21 and $3,000 in FY21/22 and then no funding support for Friendly Inn operations in future years. The BGC separately runs the after-school program at Park Place for the City. The City is recommending funding for that program be reduced from $72,000 annually to $45,000 annually. This will reduce staffing levels, but still allow the program to continue.

Recommendation: $6,000 FY20/21, $3,000 FY21/22, $0 Future years	

Area 2: Fee Waivers for Rentals of Banquet Rooms at the Community and Cultural Center

The following groups request a waiver of fees annually for their events. The Council could consider reducing or eliminating these fee waivers. Fee waiver requests total approximately $6,000. City staff is recommending reducing fee waivers for these groups to 50%.

Indian Association of South Santa Clara County Flag Raising Event Fees Waiver Request: $615	The fee waiver is for the use of amphitheater. The organization pays for City event staff time. Should the fee waiver be eliminated or reduced, IASSC would likely scale down the event, with a flag raising at the CCC and a smaller celebration at a picnic area if available. It is not likely the City would be able to generate significant revenue during the time booked as the Amphitheater is not in high demand during the time of this booking.
AAUW Annual Women's Conference Fees Waiver Request: $2,466	The fee waiver is for use of Full CCC Facility on a Saturday. The organization pays for City event staff time. The AAUW noted they would likely be able to hold a conference with a 50% fee waiver through securing other sponsors or scaling it back a bit. If the entire waiver were eliminated, it would be very difficult, and the organization would have to re-evaluate the event. The event is scheduled to allow for evening bookings of the major banquet rooms at the CCC in the evening, therefore potential revenue is not lost with the hosting of the event.
Morgan Hill Community Foundation Philanthropy Night Event Fees Waiver Request: $3,000	The fee waiver is for use of Full CCC Facility on a Friday. The organization pays for City event staff time. Should the City reduce or eliminate the fee waiver, the MHCF would continue to host the event but may look for an alternative venue. The group would need to reduce the amount they are able to grant out to local organizations or services. The City would make the Friday night available for booking and may receive rental revenue, should the MHCF not host this event.

Area 3: Low Cost or Free Use for Partner Organizations

The City provides low cost use of the City's small meeting rooms for Community organizations for an $18 daily use fee. If the City were able to collect full pricing for these uses, the costs and revenue would total over $17,000 annually. However, after conversations with the 20+ organizations booking under the Community Use Policy, it appears almost all of them would be unable to pay for any significant cost increase and would stop using the facility. For this reason, staff is not recommending any changes to the Community Use Policy.

In addition to the Community Use Policy, the City's rental policy allows for partner organizations to utilize City facilities at no cost. These are partners with the City via contract or government organizations providing service to Morgan Hill and include organizations such as the South County Youth Task Force, County of Santa Clara, the Red Cross and others. While most of these organizations would not pay a fee, these uses are noted as they take up City staff and resources. City staff are not recommending changes in this area at this time but may do so in the future should more long-term changes be necessary.

CITY OF MORGAN HILL

Budget Workshop Agenda

City Council

Rich Constantine - Mayor
Yvonne Martinez Beltran - Mayor Pro Tem
Larry Carr - Council Member
John McKay - Council Member
Rene Spring - Council Member

Friday, May 15, 2020 9:00 am

Virtual Meeting
Link to join the meeting can be found below

CITY COUNCIL BUDGET WORKSHOP

A Special Meeting of the City Council is called Friday, May 15, 2020 at 9:00 a.m. for the purpose of conducting a workshop on the City's Operating Budget and Capital Improvement Program Budget.

PUBLIC MEETINGS DURING THE COVID-19 EMERGENCY

Public Participation:

In accordance with Executive Orders N-25-20, N-29-20, and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. The Order will be addressed in the following ways:

Members of the public may not physically attend meetings at the Morgan Hill City Council Chamber.

The City Council meeting will be live-streamed on Channel 17 and on the City's website. Members of the public may participate in the meeting remotely through an electronic meeting in the following ways; by either joining the electronic meeting at https://bit.ly/BudgetWorkshop2020 and enter ID: 967 4064 1969 or by calling in (669) 900-9128 enter Meeting ID: 967 4064 1969#.

Public comment for City Council meetings will be accepted via email to ccpubliccomment@morganhill.ca.gov <mailto:ccpubliccomment@morganhill.ca.gov>. Members of the public participating in the electronic meeting wishing to speak may do so during public comment.

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING OF AGENDA

Per Government Code Section 54954.2
Deputy City Clerk Michelle Bigelow

PUBLIC COMMENT

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. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

SCHEDULE

9:00	Introduction
	Budget Overview
	Operations Budget
	Proposed Budget Reductions
11:30	Capital Improvement Program
12:00	Break
1:00	Engage Morgan Hill Community Advisory Group input
	Q&A
	Public Comment
	Council Discussion
3:00	Adjourn

BUDGET WORKSHOP

1. CITY MANAGER'S RECOMMENDED FISCAL YEAR 2020-21 AND 2021-22 OPERATING BUDGET AND FISCAL YEAR 2020-21 THROUGH 2025-26 CAPITAL IMPROVEMENT PROGRAM BUDGET

Recommendation:

Review and discuss the Recommended Budget and additional proposed adjustments to the budget based upon continued monitoring and analysis of the effects of the COVID-19 pandemic on the City finances.

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 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

2020-2021 Strategic Priorities

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

CITY OF MORGAN HILL

May 15, 2020 Budget Workshop Meeting chat

00:52:56 Christina Turner: 42 at this point.

00:55:44 Jim Sergi: who is speaking?

00:56:00 Christina Turner: Kathleen King, Healthier Kids Foundation

01:09:07 Michelle Bigelow: Question from Facebook: Tam Bui Since we are on the subject of $$. I notice that our water bill here in MH is almost twice as much as my family in San Jose. Any particular reason?

01:09:48 Rich Constantine: I need a haircut

01:11:52 Harjot Sangha: The City of Morgan Hill bill include services was Water and Wastewater. I believe San Jose bills for water only bimonthly and wastewater is on property tax bills.

01:20:47 John McKay: the General Fund Major Tax Revenue comparison is very sobering.

01:23:01 Michelle Bigelow: Comment from Facebook: Miguel Cabrera The shortsighted vision of the MH Residents not voting for Measure A. has really really hampered additional revenue for the City of MH.

01:23:26 Anthony Eulo: Water rates in Morgan Hill are substantially lower than in San Jose. Please contact me if you would like to compare bills so we can better understand the concern.

01:24:07 John McKay: We must work together as a community to deal with issues impacting the entire community

01:25:18 Jim Sergi: hotel is on line downtown?

01:27:51 Jim Sergi: commercial taxes will drop

01:28:50 Jim Sergi: larry stone will agree on this lost of valve is very high

01:32:03 Jim Sergi: bank will not loan now it is a mess

01:33:24 Jim Sergi: good news on the hotel downtown thank you

01:42:17 John McKay: We are in uncharted territory. The dramatic loss of business so quickly, the unknown future of how the coronavirus might continue to impact us, how long the federal government can continue to provide stimulus, how many businesses we actually lose in MH, etc... the potential is there to rebound quickly but I believe we must plan on the conservative side as is indicated in current budget proposal, yes, using great recession experience. How we behave now and going forward as a community will have an impact on revenues and services the city can provide and at what levels we provide. Never before has it been more important for the entire community to support this community.

01:45:26 Jim Sergi: no pool this summer is the killer of the ymca you are right

01:46:29 Jim Sergi: vistmorgan hill is going to help?

01:47:42 Anthony Eulo: Steve Levy - can you elaborate a bit on what you had in mind? I'm unsure if you mean the private sector donating to support needed services, the private sector operating for-profit businesses to provide a service, or something else entirely.

01:48:29 Sean Voss: Did the CRC and Aquatic Center operate pre- covid-19 at a net profit?

01:50:23 Sean Voss: For Donald Larkin, in relation to fund 206 and in line with Councilman Spring's question about new revenues, what are the regulations around how much you can charge for various permits, and is there an SLA on turn-around for permit decisions

01:50:23 Jim Sergi: good nes

01:50:39 Jim Sergi: news can you vote on our stuff

01:50:43 Michelle Bigelow: question from Facebook: Tam Bui not really a good question but can we at least try to convince Costco to open a store in MH. That would be great for Sales Tax.

01:51:04 Chris Ghione: Recreation as a whole for the City operated at 90% cost recovery. CRC and Aquatics operations, excluding free services at the Senior Center, would run at complete cost recovery.

01:51:05 Jim Sergi: who did rich replace

01:52:07 Anthony Eulo: A councilmember from Los Gatos was the past representative.

01:53:03 Rich Constantine: Rob Rennie from Los Gatos

01:53:46 Michelle Bigelow: For all of our attendees, please feel free to type any questions you have in the chat box. You can also raise your hand and the Mayor will call you to speak during public comment

01:57:45 Anthony Eulo: In response to the permit revenue charges question, the City can only charge the cost of staff time as a direct cost, that it takes to process the permit

01:59:52 Leslie Little: In response to the question regarding the rules for establishing permit fees, the City is limited to charging for direct costs related to the actual time that it takes to process a permit. Fees and charges are highly regulated by the State

02:10:39 Jim Sergi: I thought it draws down on the fund you put into for unemployment?

02:34:15 Jim Sergi: ++

02:42:57 Jim Sergi: looks like a new fee base

02:43:46 Jim Sergi: just drain the pools and fill with dirt thank you California

02:57:38 Jim Sergi: to much liability for the chamber .

03:07:59 Jim Sergi: how many on this stie as of now ?

03:14:29 Michelle Bigelow: Jim, I think you are asking how many attendees do we have? if yes, there are 65 people particpating

03:16:54 Donald Larkin: 65 on Zoom, which doesn't include Facebook, channel 17, or the webcast.

03:17:26 Donald Larkin: 65 on Zoom, which doesn't include Facebook, channel 17, or the webcast.

03:19:04 Maureen Tobin: We have reached 568 on our Facebook page

03:22:29 Jody McRoberts: I attend Summer Fun in the Park. It's a good event, but I think it's low-priority. So I totally understand if it can't continue for a while.

03:22:40 Michelle Bigelow: question from facebook: Juan Miguel Could the Cannabis tax help offset costs of community programs? Has there been talk about leveraging this available revenue source?

03:25:43 Anthony Eulo: Isn't the answer: Any new tax measure could be used to support community programs if it is supported by the voters. There are not current plans to present a ballot measure to the community.

03:31:16 Jody McRoberts: How much does the Citizens Police Academy cost? (Perhaps it's difficult to estimate.)

03:36:34 Jim Sergi: use the 2 new backhoes for police work?

03:48:03 Harjot Sangha: Citizens Police Academy training is about $8,000.

03:58:29 Michelle Bigelow: comment from facebook: Juan Miguel Thank you for your answer. I remember the meeting and outcome in the fall. I just think that, given the severity of the cuts proposed to the budget, and the new normal we will experience due to COVID, the city ought to consider every revenue option, and reconsider their vote if necessary.

03:59:22 Sean Voss: City Manager should be recognized and praised for taking personal and managerment COLA cuts for the betterment of the city and citizens.

04:01:33 Rich Constantine: Agreed!!

04:01:51 Yvonne Martinez Beltran: Yes, great leadership, a team player indeed. Thank you to both Christina and our City Attorney Don Larkin

04:15:31 Joe Baranowski:Sorry if this was covered I had to drop off for a bit. Can

04:16:01 Joe Baranowski:Can u give ex of ‘strategic inits’ planning expense?

04:16:16 Joe Baranowski:Same for “special projects"

04:23:01 Joe Baranowski:The fiscal 2019 year end accounting statement showed total Dev Services expenses last fiscal year was ~$7.9M. The projected cost reductions show today was $1M in each of next 2 fiscal years. By math that would represent ~13% , is that the right way to look at the projected cost reductions as percentage?

05:15:57 Kathy Sullivan: On behalf of the Morgan Hill Historical Society, I want to convey our appreciation for the very difficult budget reductions made by City Staff and Council’s difficult decisions ahead in approving the budget. Retaining some funding for City Partners ensures ongoing services that support essentials for quality of life for Morgan Hill residents. Many of these services involve dedicated volunteers that save City budget dollars. Working together, we all contribute in reducing the pain our community is feeling.

05:22:38 Monica Delgado: Rick, I believe the $3.7 million dollar difference you're referencing not seeing in Phase I, is the revenue loss in Fund 206 and Other Funds.

05:36:58 Monica Delgado: The $17 million revenue loss is on all major revenue sources, whereas the graph with the orange line you're referring to is only the General Fund.

05:59:56 Rakesh Chabra: I also support opening Cannibus stores and generating sales tax revenues for Morgan Hill...

06:05:17 Anthony Eulo: To Yvonne R - Thank you for the suggestion. I don't think that there is any way for the City to gain revenue through testing. Medical services are not subject to sales tax. In addition, if the City were involved, I think community priorities would certainly dictate making testing available at the lowest price possible in order to maximize the health benefit to our community.

06:05:39 Michelle Bigelow: If you get is fixed, please raise your hand again

06:06:02 Michelle Bigelow: looks like you just did :)

06:06:13 Anthony Eulo: Susan - thank you for the comment

06:08:40 Maureen Tobin: To Yvonne R. - Additionally, testing is currently available at no cost.

06:11:59 Jim Sergi: nimbys are so friendly , welcome to morgan hill

06:15:50 Rick Kent: I wholeheartedly agree with Joe on the Trammell Crow development. The current plans have no business in Morgan Hill.

06:20:04 Rakesh Chabra: very happy to hear the owner of a Cannibus shop in SJ, how they have already developed a SAFE plan for opening in MH. if someone doesn't want to use the store, they don't have to, just like Alcohol stores and cigarette vendors. PLEASE approve.

06:21:33 Jim Sergi: let them have their pot store it will not help cheaper to buy it on the streets

06:22:28 Jim Sergi: hale been 40 years lets kick the can down the road

06:23:00 Anthony Eulo: Yvonne - thank you again for the suggestion. I believe the most likely testing site is the De Paul Medical Center and that building does not pay property taxes as it is owned by the County.

06:28:42 Jim Sergi: zzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzzz

PRINCIPLES TO GUIDE THE SUSTAINABLE BUDGET STRATEGY

The City Council has adopted the following principles to guide the Sustainable Budget Strategy:

A. Critical services should be maintained to the greatest extent possible.
B. Resources should be allocated to the highest priority services.
C. No city services or functions should be exempt from evaluation.
D. "Across the Board" approaches shall be avoided because they are not aligned with the Council's and community's priorities.
E. Reductions in service should position the City to take advantage of economic recovery.
F. Budget reductions should be ongoing and not simply "one time only."
G. Council should commit to support employees during the transition and assist those who may be adversely impacted.
H. Employees and their recognized bargaining units should be actively involved in developing options and implementing the transition.
I. The City should continue to invest in building organizational capacity by supporting training and employee development.
J. Community wide tax resources should be allocated first to support community wide services.
K. Special services designed for only a few should be paid for by user charges and fees.
L. Administrative and operational efficiencies should be maximized before pursuing new tax revenue.
M. Reserves and one-time revenues should be used first to invest in capital outlay items that could reduce long range operating costs and, thereafter, fund transition expenses.
N. New services should not be added, nor existing services expanded unless they are highly valued by the community and there is a willingness to pay for them.
O. There should be regular monitoring of financial performance and opportunities to make mid-course corrections as warranted.
P. City policies that may inhibit economic development, especially new retail development, should be reviewed regularly and modified.

From:	Michelle Bigelow
To:	Michelle Bigelow
Subject:	FW: Morgan Hill Historical Society
Date:	Monday, May 4, 2020 9:40:06 AM

-----Original Message-----
From: Katherine Napoli <kathycnapoli@gmail.com>
Sent: Friday, April 24, 2020 10:41 AM
To: Budget <Budget@morganhill.ca.gov>
Subject: Morgan

Honorable Morgan Hill City Council:
I strongly support continued funding of the Morgan Hill Historical Society. Given the Covid situation, it will almost be impossible to keep VILLA MIRA MONTE operational with the need to have cancelled upcoming fundraising events.
Regards,
Kathy C. Napoli
Sent from my iPhone

From:	mmajjasie
To:	CC Public Comment
Subject:	Statement re: Cannabis in Morgan Hill
Date:	Wednesday, May 13, 2020 9:32:56 AM

Esteemed Members of the City Council of Morgan Hill:

I would like to state that I am a 59 year old woman and have been using cannabis for several years to help me sleep and help with my anxiety. Each time I get cannabis, I drive the 25 minutes into San Jose and give them my money and my taxes (which are significant, about 25%).

When I go, I am greeted by a security guard who reviews my license before letting me in to the dispensary. When I get in, I go into a lobby where my license is reviewed again. I am asked to stay in the lobby if there are too many people in the dispensary at the moment. When I get in and get my supply, I then pay with "Hyper" (which links to my bank account) which allows me to not have to carry cash.

So as you can see, this is very safe and would be extremely tough for minors to gain access. I think Morgan Hill could benefit financially from having a dispensary here. There are plenty of people driving into San Jose to get their cannabis and allowing the city of San Jose to reap the benefits in the way of taxation.

I believe that Morgan Hill would benefit greatly financially from a dispensary here. MALISHA KUMAR (Phillips) is a lovely woman with a lovely family who is highly educated in the science of cannabis. I believe her knowledge of cannabis and her compassion give her the unique ability to responsibly open and operate the dispensary.

I hope you will give this your serious consideration. Thank you!

Michelle Majjasie
870 West Main Ave.
Morgan Hill, CA 95037

Sent via the Samsung Galaxy S10, an AT&T 5G Evolution capable smartphone

Budget Workshop
AGENDA DATE: 05/15/2020
SUPPLEMENT # 3

From: Michelle Bigelow
To: Angie Gonzalez
Subject: FW: Budget Workshop Input
Date: Thursday, May 14, 2020 2:22:48 PM

-----Original Message-----
From: Chris Ghione
Sent: Thursday, May 14, 2020 7:43 AM
To: Lisa Voss <lfbenson@gmail.com>
Cc: Christina Turner <Christina.Turner@morganhill.ca.gov>
Subject: RE: Budget Workshop Input

Hi Lisa,
Thanks for the additional thoughts. We understand your feelings on the project and are passing your comments on to the City Council. I am just trying to share information and answer your questions. I am not trying to change your opinions. To answer your question in this email, there is a plan line that has determined the roadway route through the area.

I would again offer to have a discussion on parks, roads and the long term planning of the City. I've not always been in this role so like you I've had to do a lot of research on the background of the project when I took responsibility managing and implementing it. I have lived here for nearly 20 years and raised my kids here, so I would be very happy to sit down to talk on your thoughts on parks and roadways and to help discuss how you can become involved in the planning processes in the future. Decisions are made in these areas based on planning with significant public input and we would love to have you involved going forward.
Thanks,
Chris

-----Original Message-----
From: Lisa Voss <lfbenson@gmail.com>
Sent: Thursday, May 14, 2020 7:10 AM
To: Chris Ghione <Chris.Ghione@morganhill.ca.gov>
Cc: Christina Turner <Christina.Turner@morganhill.ca.gov>
Subject: Re: Budget Workshop Input

Chris,

The city should be allowed to spend its traffic fees as it sees fit and where. I just don't believe this would need to be refunded, that's ridiculous. You're just searching for excuses. You need to accept responsibility and not pass the buck to people in charge years ago or these other separate projects. Either you are going to represent your constituents and enact policies aligned with democratic wishes or you're not. You completely ignore the public, as it is.

Phase 2 was probably imagined before all of the housing was developed. (I remember when those fields were empty.) Have you looked at the houses there now? It seems physically impossible to connect DeWitt to Sunnyside without doing massive damage. I don't believe it. The whole project then becomes problematic because of the traffic back up that will result. It's going to be a disaster.

What is happening to our town is a massive tragedy. Before long, we will be another endless concrete sprawl like SJ. It is not inevitable, but it's discouraging that people making decisions can't even see it. Constituents have been asking for years to prioritize preserving our rural character, and it goes unheeded every time a decision has to be made. We didn't even manage to develop a proper park during a boom time. Everything looks really bleak for MH.

It should be illegal to develop a town without adequate parks. 127 acres to the recommended 1000. You are in denial.

Thank you,
Lisa

From: Chris Ghione <Chris.Ghione@morganhill.ca.gov>
Sent: Wednesday, May 13, 2020 5:44 PM
To: Lisa Voss <lfbenson@gmail.com>
Cc: Christina Turner <Christina.Turner@morganhill.ca.gov>
Subject: RE: Budget Workshop Input

Hi Lisa,
Thanks for the questions. I'll try to answer your questions below, but would be happy to talk to you more as well. I am not trying to change your opinion and very much respect it. I am only sharing the information that would be used to support a decision. Decisions in the past have been made to get us to the point where we are now and we no option but to work from our current situation.
Thank you again,
Chris

-----Original Message-----
From: Lisa Voss <lfbenson@gmail.com>
Sent: Wednesday, May 13, 2020 5:00 PM
To: Chris Ghione <Chris.Ghione@morganhill.ca.gov>
Cc: Christina Turner <Christina.Turner@morganhill.ca.gov>
Subject: Re: Budget Workshop Input

Hi Chris,

Thank you for your response.

-Developers get to choose the specific projects for which their traffic impact fees are dedicated? Why would the legal language be written in so restrictive a way? It should be city officials and residents who decide what should be done or not with the fees to mitigate traffic. I really can't

imagine the City's lawyers would allow such poorly written contract terms.
Impact fees are charged using specific provisions of the State Government Code and tied to the City's General Plan and a nexus study. There is not a contract with the developers. The City follows state law to collect funds for new infrastructure that supports growth for the City. The City must work in the confines of the laws that are provided to us as an entity of the State. The planning work on this project has been underway for several years and many decision points have occurred along the way. There has been significant public involvement including opposition with these decisions in the past. Public involvement also helped to guide the City's planning and informed the decisions that were made by the City Council.
-How does the $100,000s compare to the money to be spent on additional road maintenance or the money to be spent to pay for project overruns?
You are correct that there will be maintenance involved in maintaining the road. For cost overruns, we have not constructed the project, but have a good record of completing our projects on budget. However, without a doubt their could be additional unforessen costs. To account for this we include a contingency for unforeseen project costs in the project budget.
-I am sorry to hear someone had eminent domain used against them for something like this--that's really deplorable and unfortunate. Otherwise, I don't know about the flood project or how necessary it is when there is not the gray infrastructure/road development that necessitates it. There is a ton of spring water in this area under El Toro. If the land were left as permeable soil, which makes a ton of sense, considering that natural feature, it might do the job for free.
Eminent domain was used to acquire the property from PG&E when the company staff informed the City it would be near impossible to transfer the property through a normal sale process due to complications with their bankruptcy and the State public utilities Commission. The flood control project will improve West Little Llagas Creek so flooding is eliminated for hundreds of residents and businesses throughout the City. It is also a project that has been planned for decades.
-Have you counted how many residents use this land daily, right now, to walk, themselves, their children, their dogs? They do it right now, no money required. It's a dirt trail. No one wants anything more there. It's free, as is. Maybe plant some more trees. You are taking away the only natural walkway for miles. It's unhealthy and wrong.
Also, on nextdoor, the county is currently surveying for feedback on dog parks. They are not opposed to funding parks.
Thank you, I appreciate the information and we have worked with the County in the past on several projects.
-Sean and I both voted for Measure B. We want Caltrain improvements, BART extensions, better roadside bike/walkways and maintenance. Few who voted for Measure B wanted this pork-barrel bridge to nowhere. I'd love to see my tax dollars go to better projects. How about some better Caltrain/bus schedules to the south bay? This project has so much community opposition, which was never regarded.
The team at the City definitely agrees on the need for additional bus and Caltrain service. The City is advocating for this increased service, we believe Measure B should help provide that Caltrain service in the future. Unfortunately the funding for the Measure is very specific and multiple buckets of funding have been established and we would not be able to move the Hale Avenue money to those areas even if that was desired by the City.
-I've lived in MH almost my whole life, apart from the first few years in south SJ and some years away at college or in SF. The only time I've ever driven by St. Catherine's was to go to church or

drop/pick up my sister at school. Or I go to the library. This extension will do little to reduce traffic in that area, which is pretty light as is, apart from people visiting those places at specific congested times, which causes a lot of back up and still will. Very few really use those roads to commute. Traffic in that area will worsen with the extension as more traffic is brought to the area by Waze or Google for people heading to Gilroy and beyond. All of DeWitt, Edmundson, Sunnyside will be a traffic jam because it'll bottleneck there. All of the backroads bicyclists and runners, and there are a lot, will be in much greater danger on the backroads, beyond the extension's bike paths.
I understand you have a different opinion here, what is still planned after this project is Phase 2 of the Hale Avenue extension which will align Dewitt with Sunnyside Avenue.

Again, growing up here, I couldn't disagree with you more that there are places in nature for the kids to go play. I really suffered for this growing up because we didn't even have Harvey Bear in SM. There are so few real--not mini neighborhood--parks. They are too little to play baseball at Paradise or other school fields--they don't have that option. The CC is really just a parking lot for the Rec Center and its buildings. They can soon go play underneath the Butterfield Overpass? That's the leftover space they get? Otherwise, they don't get to trespass onto most any of the open space since it's ag. We have to drive far away to find somewhere. MH deserves better. Who are you comparing us to? Fremont? Los Banos? Is that your vision for MH? Philosophically speaking, will you pave until there is nothing left? Parks and kids are not a priority because it doesn't bring in revenue and they are not a powerful constituent.
I am comparing to industry standards, but I understand Morgan Hill is unique and our residents and community members want the best for parks and open spaces. The City has invested significantly in parks and recreation and open space for an extended period of time. We are very proud of the recent parks that we have downtown, our soon to be constructed inclusive playground as well as many other park projects we have been working on. I do understand you have a different opinion and respect that.

Sean and I will attend the Friday workshop, work and childcare permitting.

Thank you,
Lisa

Sent from my iPhone

From: Chris Ghione <Chris.Ghione@morganhill.ca.gov>
Sent: Wednesday, May 13, 2020 9:04 AM
To: lfbenson@gmail.com
Cc: Christina Turner <Christina.Turner@morganhill.ca.gov>
Subject: RE: Budget Workshop Input

Hi Lisa,
Thank you for your comments. We will be submitting them to the City Council as public comment for the Capital Improvement Program Budget review at the Budget Workshop this Friday. I did reach out to Shawn via email previously ,after he sent me the survey, to ask if he wanted to meet and discuss the project. I would like to make sure and reiterate this offer. I am going to share with you some of

the background information on the Hale Avenue Extension that might be helpful for you in understanding any decision that might be made.

Overall we believe the project to be significant benefit to the City and our residents and that is why past actions and approvals have been made. The project continues to align with the City's General Plan and commitment to Vision Zero. The project also previously underwent a significant environmental review process, which included public comments and responses. Should the City reconsider the construction of Hale Avenue there would be several impacts that need to be understood. In the case of this project, there has been significant investment over the last decade and commitments made that could create a heavy price related to turning back. Some of the top issues include:

- The land acquisition for the project was funded through traffic impact fees collected for this purpose over the last decade. If the project does not go forward those funds would likely need to be refunded to developers with a total cost of approximately $8 million. This could be a significant risk to the City's General Fund.
- The County of Santa Clara transferred land to the City of Morgan Hill for the specific purpose of constructing the roadway. The County purchased this property with County Road Funds and if the City does not use the property for the roadway the City will need to pay the County back for the properties worth hundreds of thousands of dollars.
- The City has utilized eminent domain on purchases for the roadway to support being first in line for the County funding. Additionally, the Water District's flood control project has significant need for part of the property taken by eminent domain. Not constructing the roadway could potentially jeopardize this acquisition and jeopardize that project as well.
- Some of the land may be able to be reserved for open space or park space, but the acquisition would need to be funded through the Park Impact Fund, which would require a loan for this purpose. This could potentially reduce park acquisition and development funding for much of the next decade eliminating existing future park plans. This property is not included in the City's current Parks Master Plan for this purpose, nor would the City staff recommend this property be taken on as a park as there would not be adequate funds to pay for the ongoing maintenance.
- The funding from Measure B for construction of the project estimated at $16.5 million dollars would be lost to the City and be moved to other County priorities to the north. Even hesitation on moving forward with the project will risk these dollars, as the City staff and elected officials have worked very hard to get this project to the top of the list for funding in a very competitive program area.
- The Hale Avenue Extension will be a community benefit in many ways above just the basic traffic congestion improvement. It will be consistent with Vision Zero, improving safety by taking cars off of residential streets and creating a separated bikeway and pedestrian path. This includes improving safe routes to school for PA Walsh and St. Catherine's schools.

I also do appreciate your comments on parks and Morgan Hill does strive to provide significant parks and open space. This is done through a combination of public and private park spaces and outlined in our Bikeways, Trails, Parks and Recreation Master Plan, which was updated in 2017. The plan and priorities within was developed with very significant input and direction taken directly from the community. The City is not lacking in park space per resident as compared to other cities across the state, and when City protected open space is included the City is a leader in this area.

Thank you again for your comments and thoughts. I would be happy to meet with you and discuss the project further. As previously noted Hale Avenue extension is included in the proposed Capital Improvement Program Budget that will be reviewed at the Council Budget Workshop.

Thank you,
Chris

Chris Ghione
Public Services Director
Engage With Us!

City of Morgan Hill
Community Services, Engineering and Utilities
17575 Peak Avenue, Morgan Hill, California, USA 95037

P: 408.782.9154 | **C:** 408.427.6196
chris.ghione@morganhill.ca.gov
morganhill.ca.gov | facebook | twitter

Sign up to receive news updates from the City of Morgan Hill!

From: Lisa Voss <lfbenson@gmail.com>
Sent: Tuesday, May 12, 2020 11:59 AM
To: Budget
Subject: Budget Workshop Input

Hi,

I'm writing regarding the budget workshop's survey mentioned in the April 30th meeting to request that you add an item of obvious importance to many constituents: reducing the deficit of parks/open space acreage.

Morgan Hill is grossly lacking in proper parks, especially for our youngest and oldest people. Trespassing and climbing a steep hillside like El Toro, seismically unsafe dam spillways, dangerous roadside pathways, leftover spaces under overpasses and oft-neglected, 'mini' neighborhood parks are insufficient by measurable, objective standards like those of the American Planning Association. Our town deserves better than to be a bedroom-, commuter-focused community. As our last open fields rapidly develop into strip malls and suburban sprawl, I hope you'll do better for posterity. As we develop, try to think Saratoga, not Fremont? Contemporary city planning involves some green spaces and vibrant, denser, walkable centers.

Furthermore, you're missing a great opportunity to add interest and visitation to downtown by not having the Hale Avenue Extension instead be a charming, rural park--perhaps, call it, lower El Toro Park. It would be a place to stroll through nature before/after visiting downtown's restaurants and bars. People don't want to hang out in the center median with cars speeding by on either side.... Unfortunately, you are following the recommendations of planners from the 60s, planners who probably didn't include any women or mothers amongst them, and turning every last space into gray infrastructure. It's a real shame what's happening to this town, and it's not progress.

In summary, please consider all of your constituents--not just the commuters and developers--and stop neglecting parks and open space in Morgan Hill.

Thank you,

Lisa Voss

From: Danielle Scatena
To: CC Public Comment
Subject: Budget Meeting Comment
Date: Wednesday, May 13, 2020 2:38:48 PM

Dear City Council,

I am unable to make it to the budget meeting, but am very curious why the City of Morgan Hill is not taking advantage of the 6% cannabis tax revenue? As I understand it, we already have a local woman who is ready to open when she is allowed to do so. I'm not for a bunch of shops to open up, but one is better than none. I personally don't use cannabis, but I find it foolish not to take advantage of free money for the city of MH. I know a few people that use cannabis for medical purposes, and they have to go to San Jose….that means San Jose is getting extra money off of Morgan Hill residents. Why are we not taking advantage of this for ourselves? I can understand being nervous about allowing it here, but it already is here and that isn't going to change. Let's get smart and take advantage of this extra money for Morgan Hill and stop allowing other cities to take money away from us.

Let's get smart and take advantage of an extra 6% sales tax revenue on cannabis!

Regards,
Danielle Scatena

From: Greta salmi
To: CC Public Comment
Subject: Urge you to vote for allowing cannabis products in Morgan Hill
Date: Wednesday, May 13, 2020 8:07:07 PM

I am writing to urge you to vote affirmatively to allow cannabis products To be sold in Morgan Hill. It is a safe, viable source of revenue and we have a local woman ready to go! Many of us appreciate these products. They have much to offer medicinally and otherwise And we need to be Able to access these products safely, locally, with the revenue staying here in Morgan Hill.
Sincerely,
Greta and Joel Salmi

Sent from my iPhone

Healthier Kids Foundation
4040 Moorpark Avenue, Suite 100
San Jose, CA 95117
Phone: 408.564.5114
Fax: 408.326.2711
www.hkidsf.org

May 12, 2020

Budget Workshop
AGENDA DATE: 05/15/2020
SUPPLEMENT # 6

Mayor Rich Constantine
Mayor Pro Tem Yvonne Martínez Beltrán
Larry Carr
John K. McKay
Rene Spring

City Manager Christina Turner
Public Services Director Chris Ghione

Dear Mayor Constantine, Speaker Pro Tem Martinez Beltran, Morgan Hill City Council Members, and Staff,

At Healthier Kids Foundation, we realize that these are extremely tough times for cities due to the COVID 19 pandemic and that it might be tough to fund us again the next fiscal year at the same level as you have in the past. We appreciate the partnership we have had for the last six years and hope that it will continue. The spirit of the partnership and collaboration is just as important as the funding.

We have worked closely with the City Council, the Morgan Hill Unified School District, the South County Collaborative, and many of the other CBO's working with families in the area.
Over the last five years, we have completed 22,219 vision/dental/hearing screenings in Morgan Hill schools, successfully helped assist parents in receiving 1876 services for their children, and 246 children received glasses with our help. In the last four years, we have identified and helped 131 children enroll in health insurance, mostly Medi-Cal. We had started our work in the schools in March this school year and we were not able to do all our screenings due to school closures. This was unfortunate because we find your district superintendent and the nurses in the school district some of our favorite people to work with. Also, through our school efforts, we find many Morgan Hill children that need insurance. We didn't get a chance to do much of this during the current school year.
This year, we are making a special effort to find the children that need Medi-Cal. With so many parents out of work, we believe Medi-Cal will be an option that parents will need to turn to. We have opened a 1-877-557-0093 phone line for parents to use to call us to help with enrollment and we plan to advertise our efforts more in your area during the next couple of months.

We wish that things could be different, and that life could return to normal, but it may take time and we just want to reinforce how much we appreciate working with Morgan Hill. It is a place we all enjoy and especially working with your staff and the Morgan Hill students and parents we spend time with.

Thank you for your partnerships,
Kathleen M. King
CEO
Healthier Kids Foundation

Healthier Kids Foundation

Free Application Assistance for Health Care Coverage

FOR FAMILIES IN SANTA CLARA COUNTY




Your family may qualify for: medical, vision, dental, prescription and mental health services. Call us for more information.

REQUIREMENTS | YOU WILL NEED:

1. Proof of income
2. Proof of Address
3. Birth Certificate
4. Household must meet an income requirement
   If you are a household of 4 and make $3,013 gross per month or less, the whole family (adults and children) may qualify for Medi-Cal
5. Live in Santa Clara County

No Contact/Over the Phone

No in-person appointment needed

Call us at:

1-877-557-0093

English, Español, Tiếng Việt

Healthier Kids Foundation is a family forward health agency that gives children and those who love them the education and cutting edge tools they rightfully deserve to live a healthy life. At Healthier Kids Foundation, we believe preventative care at an early age makes things fair. Visit us at **www.hkidsf.org** to learn more.

4040 Moorpark Avenue, Suite 100 | San Jose, Ca. 95117 | 408.564.5114

Budget Workshop
AGENDA DATE: 05/15/2020
SUPPLEMENT # 7

Morgan Hill Historical Society
To preserve and share the history of Morgan Hill, and its environs, to inspire a sense of community.

May 14, 2020

To: Chris Ghione and City of Morgan Hill Budget Review Team

From: MHHS Budget Review Team

RE: Morgan Hill Historical Society (MHHS) Response Proposed Budget Cuts

Chris,

In response to Staff's much deliberated recommendation received from you today, I make this statement on behalf of the MHHS. The budget and partnership information we submitted to you on May 8th stands. The organization is going to have significant funding challenges, but we are committed to continue our work to maintain and operate Villa Mira Monte within budget limitations.

Given the City's growing deficit due to the COVID-19 crisis, Staff's proposed funding recommendation to be presented to the Council is very reasonable. Even dollar is precious in maintaining Villa Mira Monte as a community asset and educational resource. Any funding approved for the MHHS will be greatly appreciated and used to assist with essential maintenance and operational costs. We are scaling back on all non-essential activities and will comply with all County and City health guidelines for preventing the spread of COVID-19.

We are very thankful for the continued support we receive from the City Council and City Staff.

Best regards,

Kathy Sullivan, President

17860 Monterey Road
P.O. Box 1258, Morgan Hill, CA 95038
408.779.5755 | www.morganhillhistoricalsociety.org
Tax ID 94-2562450

Morgan Hill Historical Society
To preserve and share the history of Morgan Hill, and its environs, to inspire a sense of community.

May 8, 2020

To: Chris Ghione and City of Morgan Hill Budget Review Team

From: MHHS Budget Review Team

RE: Morgan Hill Historical Society (MHHS) Response to the Economic Impact of Covid-19

Purpose: To report on MHHS's Budget Review Team's recommendation to its BOD of a revised budget for 2020-2021 reflecting the realities of both the near-term and long-term economic impact of Covid-19 on both entities revenues.

Over the past month, as the realization that Covid-19 was going to have an economic impact on the revenues of the MHHS, the Executive Committee in consultation with its Operational Directors have come up with the following findings:

1. Operating Revenue year over year will decrease by 40%-62%. In 2019 operating revenue was $96,000, including the $20,000 annual partnership contribution from the City. The 2020 revenue is projected to be $37,000 (no City contribution) to $57,000 (including $20,000 annual contribution defined in the MOU with the City). The $37,000 budgeted income equals the membership dues and contribution from the prior year and may be optimistic. The past recurring revenue items that will be lost in 2020 and possibly in 2021 are rental income of $15,000, annual fund raisers (Teas and Boutiques) of $32,000 and merchandise sales of $1,000.

2. The MHHS has two primary responsibilities:
   a. Maintaining the Villa Mira Monte Property (Hiram Morgan Hill House, Morgan Hill Museum, Centennial History Trail and grounds)
   b. Maintaining and perpetuating the Morgan Hill Historical Society.

3. To that end after determining that revenue would be greatly reduced, we looked at the expense area of the income statement through the lens of minimum expenditures to sustain points 2a & 2b.

4. We are recommending to the Board of Directors for approval a budget with 2020 operational expenses of $55,000, a reduction of $24,000 from 2019's $79,000. This is a significate reduction for an all-volunteer organization that has always operated at a bare bones" level.

17860 Monterey Road
P.O. Box 1258, Morgan Hill, CA 95038
408.779.5755 | www.morganhillhistoricalsociety.org
Tax ID 94-2562450

5. Therefore, the net impact:

	2019 Actual	2020 w/ City Funds	2020 w/o City Funds
Revenue	$96,000	$57,000	$37,000
Expense	79,000	55,000	55,000
Net	$17,000	2,000	-18,000

Best regards,

Kathy Sullivan

Kathy Sullivan, President

Morgan Hill Historical Society
To preserve and share the history of Morgan Hill, and its environs, to inspire a sense of community.

City of Morgan Hill Partnership Statement

May 8, 2020

The **relationship** of the MHHS and the City is **unique and special** to our community because it provides for the preservation of Villa Mira Monte (VMM), our City's most historic site, in a very cost-effective way. The two entities are further tied together as a result of the City's reversionary interest in VMM.

In 1986 the City of Morgan Hill acquired the historic landmark VMM with the home built by our City's namesake, as a community asset. The site is home to the historic 1884 Hiram Morgan Hill House. It was listed on the National Register of Historic Places on May 25, 1978, as a result it falls under the National Park Service and the Secretary of the Interior's guidelines and requires that the site be preserved in perpetuity for community educational and recreational benefit.

Due to the lack of City resources to renovate the badly deteriorating structure, it was boarded up and sat in ill-repair for 10 years. In 1993 the City offered the MHHS fee title to the site and a Redevelopment Agency (RDA) grant of $350,000 to renovate the house and have it open to the public within 5-years. MHHS agreed and added supplemental funding to complete the work and opened the house for its first public event in 1998. In order for the City to protect the "communities' interest and investment" in the property it placed a condition in the title that gives the City of Morgan Hill a reversionary interest if the MHHS fails to maintain, protect and preserve the property and structure as an historic site.

In 2005 the Morgan Hill Museum (formerly the Acton Farm House, built on Warren Ave. in 1911 and moved to the Civic Center on Main Ave. in the early 1980's) was moved to VMM, renovated and reopened in 2006. The Centennial History Trail was built in 2006 in recognition of the City's 100th birthday on November 10, 2006.

The MHHS is an all-volunteer organization whose mission is to preserve and share the history of Morgan Hill, and its environs, and to inspire a sense of community. For the past 27-years the MHHS has successfully preserved, maintained and operated Villa Mira Monte. VMM provides the ideal location to collect and share the stories of how our community developed into the City we love.

In 2012 MHHS approached the City to form a partnership whereby **the entire community**, through City funds, would share in funding for the site's preservation, maintenance and operation. In 2017 the City and MHHS entered into a Memorandum of Understanding defining a partnership whereby the City provides supplemental funding to support the preservation, maintenance and operation of the site. Because the MHHS is a non-governmental entity, consisting of all-volunteers, it can preserve, maintain and operate the site much more cost effectively than the City. The City has the ability to leverage the resources that MHHS brings to this partnership by providing nominal financial support.

It is anticipated that this Partnership will continue to be supported through City Council's allocation of City funds and support service.

Best regards,

Kathy Sullivan

Kathy Sullivan, President

From: Geri Giorgetti
To: CC Public Comment
Subject: Cannabis
Date: Thursday, May 14, 2020 7:40:11 PM

To who it may concern,

I'm in my seventies and CBD is my life now and THC is our sleeping aid, it would be nice if we didn't have to drive to San Jose.
I have many older friends living here and they would like to see the Cannabis Store here in Morgan Hill. I would rather have all the taxes go to Morgan Hill and not San Jose, thank you for listening.

Sincerely,

Geri Giorgetti

Sent from my iPad

From: Michelle Bigelow
To: Michelle Bigelow
Subject: FW: Community Promotions Update - Budget Workshop 5/15
Date: Friday, May 15, 2020 7:20:49 AM

From: Dennis Bettencourt <dbetco@yahoo.com>
Sent: Thursday, May 14, 2020 1:25:30 PM
To: Nichole Martin <nichole.martin@morganhill.ca.gov>
Cc: Mary Lou Conragan <mconragan@msn.com>; Craig Kennedy <craig.kennedy@gmail.com>
Subject: Re: Community Promotions Update - Budget Workshop 5/15

HI Nichole,
I plan to listen in on the budget workshop, but in case I'm not available, here are my thoughts.

As of today, the Morgan Hill Kiwanis Club is still planning on holding a Holiday Lights Parade on Dec 7. Obviously, this assumes several things and the whole club would need to decide to support the parade. Some concerns I have are:

1) Social Distancing and Shelter In Place rules would need to be relaxed enough to support this kind of activity
2) The schools would need to allow for participation by clubs, bands, cheer leaders, etc. (What's a parade without a band?)
3) The city would need to support the parade and the Holiday tree.
4) We have a minimum number of participants. (Typically we have about 60 participants, less then 30 or 40 would probably make us rethink the parade)

With this in mind, we are moving forward with parade planning.
Assuming the first three items are not an issue, we will start contacting perspective participants late September or Early October for a commitment to participate in the parade.

Thanks so much

Dennis Bettencourt dbetco@yahoo.com

On Thursday, May 14, 2020, 11:54:15 AM PDT, Nichole Martin <nichole.martin@morganhill.ca.gov> wrote:

Hi Dennis,

Great question. The 25% reduction recommendation is based on the requested funding amount ($6,000). You're welcome to participate in the virtual meeting, or you can also submit a letter/comment in writing to the City Council. Written comments/letters should be submitted today. The workshop is the discussion and a final decision will be at a future Council meeting. I hope this helps. Let me know if you have any questions.

Nichole Martin

Community Services Supervisor

City of Morgan Hill

Community Services Department

17575 Peak Avenue, Morgan Hill, CA 95037

P: 408.310.4694

nichole.martin@morganhill.ca.gov

morganhill.ca.gov | facebook | twitter

From: Dennis Bettencourt <dbetco@yahoo.com>
Sent: Thursday, May 14, 2020 10:21 AM
To: Nichole Martin <nichole.martin@morganhill.ca.gov>
Cc: Mary Lou Conragan <mconragan@msn.com>
Subject: Re: Community Promotions Update - Budget Workshop 5/15

Thanks so much for all your help Nichole.

I'll try to attend on line.

I had asked for $6,000 for the parade, the recommendation we discussed was for $4,400 - roughly a 25% reduction.

Is there a further reduction of 25% - ie $3,300 - or is the $4,400 still in the recommended budget ?

If there is anything I can do to help secure funding, please let me know.

Thanks again,

Dennis

------ Original Message ------

From: "Nichole Martin" <nichole.martin@morganhill.ca.gov>

To: "Dennis Bettencourt" <dbetco@yahoo.com>; "Mary Lou Conragan" <mconragan@msn.com>

Sent: 5/13/2020 4:14:20 PM

Subject: Community Promotions Update - Budget Workshop 5/15

Hi Dennis, Mary Lou,

I hope this email finds you both well. Thank you for taking time to talk with me a few weeks ago regarding the community promotions funding. The City Council will hear the administration's recommendation on Friday, May 15th at the Budget Workshop to reduce funding (meeting information is below). We will be recommending a reduction in funding for all community promotions funding requests. We are recommending a reduction of 25% for the Kiwanis Holiday Lights Parade's total request. We believe the timing will be near the start of the meeting between 9am and noon on Friday.

City Council Budget Workshop 9:00 a.m. - 3:00 p.m.
The recommendations regarding community partners will take place between 9am and noon.

Public Participation During COVID-19 Pandemic

In accordance with Executive Orders N-25-20, N-29-20, and guidance from the California Department of Public Health on gatherings, remote public participation is allowed.

The Order will be addressed in the following ways:

- Members of the public may not physically attend meetings at the Morgan Hill City Council Chamber.
- The City Council meeting will be live-streamed on Channel 17 and on the City's website.
- Members of the public may participate in the meeting remotely through an electronic meeting in the following ways; by either joining the electronic meeting at https://bit.ly/05062020CityCouncilMeeting and enter ID: 955 1620 0723 or by calling in (669) 900-9128 enter Meeting ID: 955 1620 0723#

- Public comment for City Council meetings will be accepted via email to ccpubliccomment@morganhill.ca.gov.

Members of the public participating in the electronic meeting wishing to speak may do so during public comment.

Nichole Martin

Community Services Supervisor

City of Morgan Hill

Community Services Department

17575 Peak Avenue, Morgan Hill, CA 95037

P: 408.310.4694

nichole.martin@morganhill.ca.gov

morganhill.ca.gov | facebook | twitter

From: Laura Gonzalez-Escoto
To: CC Public Comment
Subject: New revenue source
Date: Friday, May 15, 2020 8:24:54 AM

Please reconsider allowing the sales of cannabis in a manner publically discussed at the Planning Commission. While it will not solve the budget crisis it will bring in some new revenue. As well, I know many seniors with certain health conditions who rely upon the use of cannabis products to help treat their health problems. Thank you for your consideration.

Get Outlook for Android

From: D. Muirhead
To: CC Public Comment
Subject: comment on LAFCO breaking news
Date: Friday, May 15, 2020 10:30:15 AM

The comment by Mayor and City Manager on finally getting LAFCO
commissioner (Cities Assoc appointment) who will represent
South County interests shows neither person understands the
independent (County-wide) requirement of LAFCO commissioners
as required by state law.

Doug Muirhead, Morgan Hill

Budget Workshop
AGENDA DATE: 05/15/2020
SUPPLEMENT # 12

From: D. Muirhead
To: CC Public Comment
Subject: comment on reductions from packet
Date: Friday, May 15, 2020 10:32:50 AM

Don't understand how departments can reduce supplies and services
(what was unneeded?)
  Council Services and Records Management
  City Manager
  City Attorney
  Economic Development
Details only given for Development Services
  Building: Reductions (contract services)
  Planning: Reductions (training and education)
  Land Development and Engineering: Reductions (contract services)
I have requested in past years that you tell us about the training
  being received but you chose not to.
  Appropriate training allows one to "work smarter" and in my case
  was also enjoyable; you should allow selected training

Don't understand what reorganization means in structure and/or services
  Land Development Engineering
  Recreation and Community Services
  Development Services

CAL FIRE Contract - Personnel estimated savings
Is this due to Governor's request that all state employees take 10% pay cut?

Governor is requesting that all state employees take 10% pay cut.
City is only looking at COLA elimination City Manager, City Attorney,
  Management, Professional, and Confidential.

Given concerns about mental health impacts of Covid
do not eliminate Police Parent Project Training Program ($3K)

Doug Muirhead, Morgan Hill

May 15, 2020 Budget Workshop Meeting chat

00:52:56 Christina Turner: 42 at this point.

00:55:44 Jim Sergi: who is speaking?

00:56:00 Christina Turner: Kathleen King, Healthier Kids Foundation

01:09:07 Michelle Bigelow: Question from Facebook: Tam Bui Since we are on the subject of $$. I notice that our water bill here in MH is almost twice as much as my family in San Jose. Any particular reason?

01:09:48 Rich Constantine: I need a haircut

01:11:52 Harjot Sangha: The City of Morgan Hill bill include services was Water and Wastewater. I believe San Jose bills for water only bimonthly and wastewater is on property tax bills.

01:20:47 John McKay: the General Fund Major Tax Revenue comparison is very sobering.

01:23:01 Michelle Bigelow: Comment from Facebook: Miguel Cabrera The shortsighted vision of the MH Residents not voting for Measure A. has really really hampered additional revenue for the City of MH.

01:23:26 Anthony Eulo: Water rates in Morgan Hill are substantially lower than in San Jose. Please contact me if you would like to compare bills so we can better understand the concern.

01:24:07 John McKay: We must work together as a community to deal with issues impacting the entire community

01:25:18 Jim Sergi: hotel is on line downtown?

01:27:51 Jim Sergi: commercial taxes will drop

01:28:50 Jim Sergi: larry stone will agree on this lost of valve is very high

01:32:03 Jim Sergi: bank will not loan now it is a mess

01:33:24 Jim Sergi: good news on the hotel downtown thank you

01:42:17 John McKay: We are in uncharted territory. The dramatic loss of business so quickly, the unknown future of how the coronavirus might continue to impact us, how long the federal government can continue to provide stimulus, how many businesses we actually lose in MH, etc... the potential is there to rebound quickly but I believe we must plan on the conservative side as is indicated in current budget proposal, yes, using great recession experience. How we behave now and going forward as a community will have an impact on revenues and services the city can provide and at what levels we provide. Never before has it been more important for the entire community to support this community.

01:45:26 Jim Sergi: no pool this summer is the killer of the ymca you are right

01:46:29 Jim Sergi: vistmorgan hill is going to help?

01:47:42 Anthony Eulo: Steve Levy - can you elaborate a bit on what you had in mind? I'm unsure if you mean the private sector donating to support needed services, the private sector operating for-profit businesses to provide a service, or something else entirely.

01:48:29 Sean Voss: Did the CRC and Aquatic Center operate pre- covid-19 at a net profit?

01:50:23 Sean Voss: For Donald Larkin, in relation to fund 206 and in line with Councilman Spring's question about new revenues, what are the regulations around how much you can charge for various permits, and is there an SLA on turn-around for permit decisions

01:50:23 Jim Sergi: good nes

01:50:39 Jim Sergi: news can you vote on our stuff

01:50:43 Michelle Bigelow: question from Facebook: Tam Bui not really a good question but can we at least try to convince Costco to open a store in MH. That would be great for Sales Tax.

01:51:04 Chris Ghione: Recreation as a whole for the City operated at 90% cost recovery. CRC and Aquatics operations, excluding free services at the Senior Center, would run at complete cost recovery.

01:51:05 Jim Sergi: who did rich replace

01:52:07 Anthony Eulo: A councilmember from Los Gatos was the past representative.

01:53:03 Rich Constantine: Rob Rennie from Los Gatos

01:53:46 Michelle Bigelow: For all of our attendees, please feel free to type any questions you have in the chat box. You can also raise your hand and the Mayor will call you to speak during public comment

01:57:45 Anthony Eulo: In response to the permit revenue charges question, the City can only charge the cost of staff time as a direct cost, that it takes to process the permit

01:59:52 Leslie Little: In response to the question regarding the rules for establishing permit fees, the City is limited to charging for direct costs related to the actual time that it takes to process a permit. Fees and charges are highly regulated by the State

02:10:39 Jim Sergi: I thought it draws down on the fund you put into for unemployment?

02:34:15 Jim Sergi: ++

02:42:57 Jim Sergi: looks like a new fee base

02:43:46 Jim Sergi: just drain the pools and fill with dirt thank you California

02:57:38 Jim Sergi: to much liability for the chamber .

03:07:59 Jim Sergi: how many on this stie as of now ?

03:14:29 Michelle Bigelow: Jim, I think you are asking how many attendees do we have? if yes, there are 65 people particpating

03:16:54 Donald Larkin: 65 on Zoom, which doesn't include Facebook, channel 17, or the webcast.

03:17:26 Donald Larkin: 65 on Zoom, which doesn't include Facebook, channel 17, or the webcast.

03:19:04 Maureen Tobin: We have reached 568 on our Facebook page

03:22:29 Jody McRoberts: I attend Summer Fun in the Park. It's a good event, but I think it's low-priority. So I totally understand if it can't continue for a while.

03:22:40 Michelle Bigelow: question from facebook: Juan Miguel Could the Cannabis tax help offset costs of community programs? Has there been talk about leveraging this available revenue source?

03:25:43 Anthony Eulo: Isn't the answer: Any new tax measure could be used to support community programs if it is supported by the voters. There are not current plans to present a ballot measure to the community.

03:31:16 Jody McRoberts: How much does the Citizens Police Academy cost? (Perhaps it's difficult to estimate.)

03:36:34 Jim Sergi: use the 2 new backhoes for police work?

03:48:03 Harjot Sangha: Citizens Police Academy training is about $8,000.

03:58:29 Michelle Bigelow: comment from facebook: Juan Miguel Thank you for your answer. I remember the meeting and outcome in the fall. I just think that, given the severity of the cuts proposed to the budget, and the new normal we will experience due to COVID, the city ought to consider every revenue option, and reconsider their vote if necessary.

03:59:22 Sean Voss: City Manager should be recognized and praised for taking personal and managerment COLA cuts for the betterment of the city and citizens.

04:01:33 Rich Constantine: Agreed!!

04:01:51 Yvonne Martinez Beltran: Yes, great leadership, a team player indeed. Thank you to both Christina and our City Attorney Don Larkin

04:15:31 Joe Baranowski:Sorry if this was covered I had to drop off for a bit. Can

04:16:01 Joe Baranowski:Can u give ex of 'strategic inits' planning expense?

04:16:16 Joe Baranowski:Same for "special projects"

04:23:01 Joe Baranowski:The fiscal 2019 year end accounting statement showed total Dev Services expenses last fiscal year was ~$7.9M. The projected cost reductions show today was $1M in each of next 2 fiscal years. By math that would represent ~13% , is that the right way to look at the projected cost reductions as percentage?

05:15:57 Kathy Sullivan: On behalf of the Morgan Hill Historical Society, I want to convey our appreciation for the very difficult budget reductions made by City Staff and Council's difficult decisions ahead in approving the budget. Retaining some funding for City Partners ensures ongoing services that support essentials for quality of life for Morgan Hill residents. Many of these services involve dedicated volunteers that save City budget dollars. Working together, we all contribute in reducing the pain our community is feeling.

05:22:38 Monica Delgado: Rick, I believe the $3.7 million dollar difference you're referencing not seeing in Phase I, is the revenue loss in Fund 206 and Other Funds.

05:36:58 Monica Delgado: The $17 million revenue loss is on all major revenue sources, whereas the graph with the orange line you're referring to is only the General Fund.

05:59:56 Rakesh Chabra: I also support opening Cannibus stores and generating sales tax revenues for Morgan Hill...

06:05:17 Anthony Eulo: To Yvonne R - Thank you for the suggestion. I don't think that there is any way for the City to gain revenue through testing. Medical services are not subject to sales tax. In addition, if the City were involved, I think community priorities would certainly dictate making testing available at the lowest price possible in order to maximize the health benefit to our community.

06:05:39 Michelle Bigelow: If you get is fixed, please raise your hand again

06:06:02 Michelle Bigelow: looks like you just did :)

06:06:13 Anthony Eulo: Susan - thank you for the comment

06:08:40 Maureen Tobin:To Yvonne R. - Additionally, testing is currently available at no cost.

06:11:59 Jim Sergi: nimbys are so friendly , welcome to morgan hill

06:15:50 Rick Kent: I wholeheartedly agree with Joe on the Trammell Crow development. The current plans have no business in Morgan Hill.

06:20:04 Rakesh Chabra: very happy to hear the owner of a Cannibus shop in SJ, how they have already developed a SAFE plan for opening in MH. if someone doesn't want to use the store, they don't have to, just like Alcohol stores and cigarette vendors. PLEASE approve.

06:21:33 Jim Sergi: let them have their pot store it will not help cheaper to buy it on the streets

06:22:28 Jim Sergi: hale been 40 years lets kick the can down the road

06:23:00 Anthony Eulo: Yvonne - thank you again for the suggestion. I believe the most likely testing site is the De Paul Medical Center and that building does not pay property taxes as it is owned by the County.

06:28:42 Jim Sergi: zz

From: Chris Ghione <Chris.Ghione@morganhill.ca.gov>
Sent: Wednesday, May 13, 2020 5:44 PM
To: Lisa Voss <lfbenson@gmail.com>
Cc: Christina Turner <Christina.Turner@morganhill.ca.gov>
Subject: RE: Budget Workshop Input

Hi Lisa,
Thanks for the questions. I'll try to answer your questions below, but would be happy to talk to you more as well. I am not trying to change your opinion and very much respect it. I am only sharing the information that would be used to support a decision. Decisions in the past have been made to get us to the point where we are now and we no option but to work from our current situation.
Thank you again,
Chris

-----Original Message-----
From: Lisa Voss <lfbenson@gmail.com>
Sent: Wednesday, May 13, 2020 5:00 PM
To: Chris Ghione <Chris.Ghione@morganhill.ca.gov>
Cc: Christina Turner <Christina.Turner@morganhill.ca.gov>
Subject: Re: Budget Workshop Input

Hi Chris,

Thank you for your response.

-Developers get to choose the specific projects for which their traffic impact fees are dedicated? Why would the legal language be written in so restrictive a way? It should be city officials and residents who decide what should be done or not with the fees to mitigate traffic. I really can't imagine the City's lawyers would allow such poorly written contract terms.
Impact fees are charged using specific provisions of the State Government Code and tied to the City's General Plan and a nexus study. There is not a contract with the developers. The City follows state law to collect funds for new infrastructure that supports growth for the City. The City must work in the confines of the laws that are provided to us as an entity of the State. The planning work on this project has been underway for several years and many decision points have occurred along the way. There has been significant public involvement including opposition with these decisions in the past. Public involvement also helped to guide the City's planning and informed the decisions that were made by the City Council.
-How does the $100,000s compare to the money to be spent on additional road maintenance or the money to be spent to pay for project overruns?
You are correct that there will be maintenance involved in maintaining the road. For cost overruns, we have not constructed the project, but have a good record of completing our projects on budget. However, without a doubt their could be additional unforessen costs. To account for this we include a contingency for unforeseen project costs in the project budget.
-I am sorry to hear someone had eminent domain used against them for something like this--that's really deplorable and unfortunate. Otherwise, I don't know about the flood project or how necessary it is when there is not the gray infrastructure/road development that necessitates it. There is a ton of spring water in this area under El Toro. If the land were left as permeable soil, which makes a ton of sense, considering that natural feature, it might do the job for free.

Eminent domain was used to acquire the property from PG&E when the company staff informed the City it would be near impossible to transfer the property through a normal sale process due to complications with their bankruptcy and the State public utilities Commission. The flood control project will improve West Little Llagas Creek so flooding is eliminated for hundreds of residents and businesses throughout the City. It is also a project that has been planned for decades.

-Have you counted how many residents use this land daily, right now, to walk, themselves, their children, their dogs? They do it right now, no money required. It's a dirt trail. No one wants anything more there. It's free, as is. Maybe plant some more trees. You are taking away the only natural walkway for miles. It's unhealthy and wrong.

Also, on nextdoor, the county is currently surveying for feedback on dog parks. They are not opposed to funding parks.

Thank you, I appreciate the information and we have worked with the County in the past on several projects.

-Sean and I both voted for Measure B. We want Caltrain improvements, BART extensions, better roadside bike/walkways and maintenance. Few who voted for Measure B wanted this pork-barrel bridge to nowhere. I'd love to see my tax dollars go to better projects. How about some better Caltrain/bus schedules to the south bay? This project has so much community opposition, which was never regarded.

The team at the City definitely agrees on the need for additional bus and Caltrain service. The City is advocating for this increased service, we believe Measure B should help provide that Caltrain service in the future. Unfortunately the funding for the Measure is very specific and multiple buckets of funding have been established and we would not be able to move the Hale Avenue money to those areas even if that was desired by the City.

-I've lived in MH almost my whole life, apart from the first few years in south SJ and some years away at college or in SF. The only time I've ever driven by St. Catherine's was to go to church or drop/pick up my sister at school. Or I go to the library. This extension will do little to reduce traffic in that area, which is pretty light as is, apart from people visiting those places at specific congested times, which causes a lot of back up and still will. Very few really use those roads to commute. Traffic in that area will worsen with the extension as more traffic is brought to the area by Waze or Google for people heading to Gilroy and beyond. All of DeWitt, Edmundson, Sunnyside will be a traffic jam because it'll bottleneck there. All of the backroads bicyclists and runners, and there are a lot, will be in much greater danger on the backroads, beyond the extension's bike paths.

I understand you have a different opinion here, what is still planned after this project is Phase 2 of the Hale Avenue extension which will align Dewitt with Sunnyside Avenue.

Again, growing up here, I couldn't disagree with you more that there are places in nature for the kids to go play. I really suffered for this growing up because we didn't even have Harvey Bear in SM. There are so few real--not mini neighborhood--parks. They are too little to play baseball at Paradise or other school fields--they don't have that option. The CC is really just a parking lot for the Rec Center and its buildings. They can soon go play underneath the Butterfield Overpass? That's the leftover space they get? Otherwise, they don't get to trespass onto most any of the open space since it's ag. We have to drive far away to find somewhere. MH deserves better. Who are you comparing us to? Fremont? Los Banos? Is that your vision for MH? Philosophically speaking, will you pave until there is nothing left? Parks and kids are not a priority because it doesn't bring in revenue and they are not a powerful constituent.

I am comparing to industry standards, but I understand Morgan Hill is unique and our residents and community members want the best for parks and open spaces. The City has invested significantly in parks and recreation and open space for an extended period of time. We are very proud of the recent parks that we have downtown, our soon to be constructed inclusive playground as well as many other park projects we have been working on. I do understand you have a different opinion and respect that.

Sean and I will attend the Friday workshop, work and childcare permitting.

Thank you,
Lisa

Sent from my iPhone

> On May 13, 2020, at 9:04 AM, Chris Ghione <Chris.Ghione@morganhill.ca.gov> wrote: