



Regular Meeting Agenda

City Council

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

Wednesday, September 16, 2020 7:00 p.m.

Virtual Meeting

MEETING GUIDELINES

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. We will address the Order 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. Those members of the public wishing to participate remotely may do so via the electronic meeting at:

<https://bit.ly/091620CityCouncilMtg> or by calling in to: (669) 900-9128, then enter the meeting id: 849 7734 2306.

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.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

PRESENTATIONS

YAC PRESENTATION- ASSET # 5- CARING SCHOOL CLIMATE

PROCLAMATIONS

Proclaiming the week of September 17-23 as Constitution Week
Proclaiming the month of September as Firefighter Appreciation Month
Proclaiming the month of September as National Preparedness Month
Proclaiming the month of September as National Hispanic Heritage Month

CITY MANAGER'S REPORT

City Manager Christina Turner

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

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

CONSENT CALENDAR

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

Time Estimate for Consent Calendar: 1 - 10 Minutes

1. ACCEPT ANNUAL REPORTS OF ACTIVITIES BY NONPROFIT PARTNER ORGANIZATIONS

Recommendation:

Accept annual reports from City partner organizations.

2. APPROVE GOVERNMENT CODE SECTION 65915 DENSITY BONUS CONCESSION TO WAIVE A DESIGN AND DEVELOPMENT STANDARD FOR A MARKET RATE HOUSING DEVELOPMENT PROJECT (SD2020-0005 TENNANT-OSITO)

Recommendation:

Adopt resolution approving request pursuant to Government Code Section 65915(b)(1)(A) - Concession to Design and Development Standard 28.b Height and Project Massing of the Residential Development objective standards.

3. ADOPT THE MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES RESOLUTION AND APPROVE PART-TIME TEMPORARY AND SEASONAL, AND ELECTED AND COUNCIL APPOINTED EMPLOYEES SALARY SCHEDULES

Recommendation:

1. Adopt the management, professional, and confidential employees' resolution;
2. Approve part-time temporary, and Seasonal Employees salary schedules; and
3. Approve the elected officials and Council appointed/unrepresented/exempt employees salary schedule.

4. APPROVE SECOND AMENDMENT TO EMERGENCY REPAIR AND MAINTENANCE AGREEMENT WITH SALINAS PUMP

Recommendation:

Approve and authorize the City Manager to execute an amendment for \$115,500 to increase the not to exceed amount to \$658,967, for the current service maintenance agreement with Salinas Pump for on-call routine and emergency repair, maintenance, and rehabilitation of the City's water wells and pump stations.

5. APPROVE THE AUGUST 5, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

6. APPROVE THE AUGUST 19, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

7. APPROVE THE AUGUST 26, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

8. APPROVE HVAC MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a Maintenance Services Agreement to A & B Mechanical, Inc. for \$62,702 for preventative HVAC maintenance for a two-year period plus additional repair costs to be performed on an as-needed basis and pre-approved by City's Maintenance staff; and
2. Authorize the City Manager to execute and administer that certain Maintenance Services Agreement with A & B Mechanical, Inc.

PUBLIC HEARING

9. ADOPT RESOLUTION ESTABLISHING NEW REGULATORY FEES FOR WATER EFFICIENT LANDSCAPING, STORMWATER POLLUTION PREVENTION, AND INCREASING THE ADMINISTRATIVE FEE FOR BACKFLOW PREVENTION

Recommendation:

1. Open/Close public hearing; and
2. Adopt resolution that establishes new regulatory and delinquency fees for water and stormwater programs, and increases the regulatory fee for backflow administration.

Estimated Time: 60 Minutes

OTHER BUSINESS

10. RECEIVE MONTHLY BUDGET UPDATE; JULY 2020 FINANCIAL AND INVESTMENT REPORTS; AND APPROVE NO WATER RATE INCREASES FOR CALENDAR YEAR 2021

Recommendation:

1. Accept and file report; and
2. Approve no water rate increases for calendar year 2021.

Estimated Time: 15 Minutes

11. APPOINT VOTING DELEGATES FOR THE 2020 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE AND APPROVE CITY SUPPORT OF THE LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE RESOLUTION

Recommendation:

1. Appoint a voting delegate and up to two (2) alternate voting delegates to the League of California Cities' Annual Conference;
2. Direct the Clerk team to complete and forward the voting delegate form to the League of California Cities;
3. Confirm "support" position on resolution; and
4. Authorize the City's voting delegate(s) to vote on the resolution to be considered at the League of California Cities (LOCC) annual conference.

Estimated Time: 5 Minutes

FUTURE COUNCIL INITIATED AGENDA ITEMS

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

ADJOURNMENT

NOTICE

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

PUBLIC COMMENT

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

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

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

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

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

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

AMERICANS WITH DISABILITIES ACT (ADA)

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

SUSTAINABLE MORGAN HILL



VISION

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

Choose Morgan Hill

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

City Council Ongoing Priorities

- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining 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





September

Developmental Asset #5

Caring School Climate

School provides a caring and encouraging environment for all.

How does a caring school environment affect youth?

- ❑ Students will feel as though they are supported throughout their decisions.
- ❑ Students will be brave enough to ask for help/guidance whenever needed.
- ❑ Students will feel encouraged and motivated to pursue their dreams.
- ❑ Students will feel safe and respected.





September

Complementary Asset #40

Positive Views of Personal Future

Young person is optimistic about
his/her personal future.

The Importance of a Caring School Environment to a Community's Youth



- ❑ Youth will understand that they have a support system.
- ❑ Youth will gain the qualities needed to become strong and successful individuals.
- ❑ Youth will feel as though they are not alone.
- ❑ Youth will grow up to be caring citizens with admirable values.



How this relates to our community:



❖ Programs that our schools offer:

- Home and School Club
- After School Clubs
- After School Sports
- Homework Help



❖ Individuals that offer support:

- Teachers
- Coaches
- Counselors
- Club Leaders



Homework Center

How to implement a caring school environment



- Discuss school issues and events at home.
- Volunteer at your children's school.
- Try to get to know your children's teachers.
- Ask youth to make a list of ways to make your school more caring.
- Help youth to feel supported and cared about.





CITY OF MORGAN HILL

Communication: YAC Presentation- Asset # 5- Caring School

Packet Pg. 13

NOTE: these pictures were taken prior to COVID-19

How COVID-19 has affected our schooling:

- Jocelyn Jarquin (Media Ambassador)
- Vaishnavi Muralidharan (Co-Developmental Asset Ambassador)
- Alegria Serrano (Co-Developmental Asset Ambassador)

Questions:

- What were some aspects of your school environment that impacted you and the students you worked with for the better? Why?
- What are a few steps you think can be taken to improve our schools' climate during COVID-19?





CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2020

PREPARED BY: Chris Ghione, Public Services Director
APPROVED BY: City Manager

ACCEPT ANNUAL REPORTS OF ACTIVITIES BY NONPROFIT PARTNER ORGANIZATIONS

RECOMMENDATION(S)

Accept annual reports from City partner organizations.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth

Seniors

and Entire Community

Preserving Our Community History

GUIDING DOCUMENTS

Bikeways

Trails

Parks

and Recreation Masterplan

REPORT NARRATIVE:

The City of Morgan Hill partners with various organizations through funding agreements and facility leases. The agreements require that these organizations provide annual reports to the City outlining the activities provided by the organization in relation to the City partnership. Annual reports are based on activities occurring in the prior fiscal year. This item includes reports from the following organizations for the 2019-20 fiscal year:

1. Morgan Hill Historical Society – Funding Agreement
2. Healthier Kids Foundation – Funding Agreement and Facility Use Agreement
3. South Valley Civic Theater – Funding Agreement
4. Community Christian – Facility Lease
5. Boys and Girls Club of Silicon Valley – Funding Agreement and Facility Use Agreement

COMMUNITY ENGAGEMENT: Inform

These reports serve to share with the Community the various activities being offered by these organizations over the last year.

ALTERNATIVE ACTIONS:

This report is informational, and no Council action is necessary. The Council could provide input on the future direction of any of these programs.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council has previously approved agreements with all organizations for facility use and/or funding.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with receiving this report.

CEQA (California Environmental Quality Act):

Not a Project.

Since receiving the attached reports is an administrative program that will not result in a change to the physical environment, this action is not a project under the California Environmental Quality Act.

LINKS/ATTACHMENTS:

1. Healthier Kids Foundation Report
2. Morgan Hill Historical Society Report
3. South Valley Civic Theater Report
4. El Toro Building Community Christian Report
5. Boys and Girls Club Report



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

August 14, 2020

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

Re: City of Morgan Hill Year-End Report for Fiscal Year 2019-2020

Dear Mr. Ghione,

On behalf of Healthier Kids Foundation, I am pleased to provide the City of Morgan Hill with a year-end report on the status of our efforts on the behalf of kids in the Morgan Hill community. Healthier Kids Foundation's mission is to remove health barriers impacting the learning and life success of Silicon Valley youth. We have been honored to work with the City of Morgan Hill in an effort to improve health care access and utilization, change health behavior through education, and advocate for health policy and systems change. Together, we can ensure all City of Morgan Hill youth achieve good health, educational equity, and success in life as productive community members.

FY 19-20 Services

- 9 Morgan Hill children were enrolled into subsidized health insurance, 2 additional children were identified as needing health insurance and are in the process of enrolling.
- 999 children were screened for undetected hearing issues; 5% of kids screened identified with a potential hearing problem.
- 666 Morgan Hill children were screened for undetected dental issues; 34% of kids screened identified as having one or more dental problems.
- 961 Morgan Hill children were screened for undetected vision issues; 8% of kids screened identified as having a potential vision problem.
- 52 parents participated in a 10 Steps to a Healthier You! class.
- 106 Morgan Hill families received referrals for critical and urgently needed resources.
- 547 Morgan Hill families received diapers and other critical baby supplies through the following COVID-19 Diaper Distribution sites: Morgan Hill FRC and Adelante FRC.

Healthier Kids Foundation Core Programming

In the City of Morgan Hill, Healthier Kids foundation identifies children who are not currently covered by health insurance and assists their parents in enrolling them into coverage. Between July 1, 2019 and June 30, 2020, Healthier Kids Foundation successfully identified 11 uninsured Morgan Hill children. Of the 11 children identified, nine have enrolled into a health coverage program. Two children are still in the process of applying for and enrolling into health coverage.

Healthier Kids Foundation's primary channel for identifying uninsured children in Morgan Hill is through the hearing, dental, and vision screenings that are conducted for Morgan Hill Unified School Districted students. Screenings in the Morgan Hill Unified School District typically take place each year in the late spring, because of COVID-19 and the order to shelter in place, the majority of these screenings were cancelled, which ultimately led to a low number of children identified as needing health insurance. Healthier Kids Foundation conducted only 30% of the expected number of screenings in Morgan Hill during FY 19-20. The following sites were cancelled due to the order to shelter in place: Barrett Elementary, Britton Middle, Live Oak High, Los Paseos Elementary, Martin Murphy Middle, Nordstrom Elementary, PA Walsh Elementary, and Sobrato High School.

Healthier Kids Foundation case managers provide follow up to all parents whose child's screening result indicates a potential issue in order to assist the child with accessing the appropriate treatment. There has been a delay in the progress of care for these cases because of parent concerns for COVID-19 exposure risk. Healthier Kids Foundation case managers will continue to follow up until treatment is complete.

Community Outreach: Healthier Kids Foundation's outreach efforts in Morgan Hill is primarily centered on establishing and maintaining a presence among and within the Morgan Hill community. While the City of Morgan Hill provides funding for .33 FTE Program Coordinator to focus on the Morgan Hill community, Healthier Kids Foundation provided additional staff to assist with building relationships among community-based organizations and schools. During the year, Healthier Kids Foundation staff conducted community outreach to the following organizations: Rebekah's Children's Services FRC, Voices Academy, Morgan Hill CABB, Paradise Valley, Morgan Hill Unified School District, and Morgan Hill Summer Fun in The Park.

10 Steps to a Healthier You! (10 Steps): Healthier Kids Foundation delivers 10 Steps workshops to parents and caregivers in the City of Morgan Hill, providing strategies to implement healthy habits at home. During FY 19-20, Healthier Kids Foundation served 52 Morgan Hill residents through the 10 Steps program. Of those who attend a 10 Steps workshop: 97% felt that they had learned new things that they would go home and try; 90% felt the class was very or extremely valuable. This program has been able to continue through the use of Zoom.

Pivoted Services during COVID-19

Healthier Kids Foundation prides itself in providing direct services to children and families where they already are—in their neighborhoods and schools. With the closure of non-essential operations, Healthier Kids Foundation has had to place many primary program activities on hold. However, the need for services among our clients has not stopped. In fact, the need is more serious than ever. Healthier Kids Foundation has taken several steps as an agency to continue to serve the critical needs of our clients during the pandemic.

Needs Tracking and Referrals for Resources: Healthier Kids Foundation has leveraged their case management team to assist families in safely accessing critical support services during this time of crisis. Case managers have been making referrals to agencies who can help Morgan Hill families with essential items like employment, financial, food, diaper, childcare, immigration, mental health resources and much more.

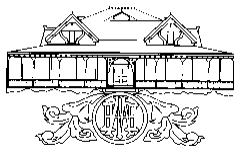
Diaper Distribution: Shelter in place has put an extraordinary burden on families with young children. It is widely known that a shortage exists for toilet paper, paper towels, and other cleaning products. Less obvious is the scarcity of baby supplies, particularly for low income families. In conjunction with FIRST 5 Santa Clara County, Healthier Kids Foundation is supporting families by operating diaper distribution centers throughout the county to help families access the basics like diapers, wipes, and formula.

Childcare: COVID-19 has forced the closure of schools and childcare facilities. For parents who are essential-personnel, this causes a real problem. With the County of Santa Clara County, Healthier Kids Foundation is assisting essential-personnel in accessing childcare services by operating a 1-800 number to connect and enroll their children into local childcare facilities.

Healthier Kids Foundation is extremely grateful to the City of Morgan Hill for its investment in our organization. Do not hesitate to contact me should you have any questions or need additional information. I can be reached by email (laura@hkidsf.org) or phone (408.771.6236).

In community spirit,

Laura Clendaniel
Director of Operations
Healthier Kids Foundation



Morgan Hill Historical Society

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

Date: July 10, 2020

Christina Turner, City Manager
Chris Ghione, Director of Community Services
City of Morgan Hill

Re: Year-end Expense and Revenue Report and Annual Budget for use of City Funds

The Morgan Hill Historical Society is pleased to submit this annual report outlining the past year's expenses and revenues, particularly those included in the City's Operating and Capital Improvement budget. The City supports the MHHS financially in a number of ways. The City has contributed annually to help offset operating costs at the Villa Mira Monte site. In FY 2019/20 that contribution was \$20,000. On top of that, through a Memorandum of Understanding and subsequent agreement, the City is contributing maintenance and capital funds for the upkeep of the site.

The Society greatly values its partnership with the City and is grateful for the variety of ways the City supports our mission. We would also like to acknowledge the efforts of Chris Ghione and his team for regular communications and ongoing assistance which solidifies that partnership.

\$20,000 for Operations of Villa Mira Monte

The MHHS invoiced the City for \$20,000 in FY 2019/20 for ongoing operations support at the Villa Mira Monte site which includes the Hiram Morgan Hill House and the Museum. This generous contribution goes towards utility bills and site maintenance. The Villa Mira Monte site would not be able to be kept up as one of the City's most beautiful parks without this contribution.

September 9, 2017 MOU

The Funding Assistance and Collaboration terms in the 9/9/2017 Memorandum of Understanding call for the following Historical Society actions:

17860 Monterey Road
PO Box 1258, Morgan Hill, CA 95038-1258
408.779.5755
www.morganhillhistoricalsociety.org
MHHS is a non-profit 501(c)(3) organization tax ID#94-256450

1. During construction and improvement projects, Historical Society continues to remain open to the public and offer a wide range of educational and recreational services for the community.
 - ****Due to the Covid-19 pandemic and associated restrictions in Santa Clara County, the Villa Mira Monte site has been closed to the public since April 2020. In addition, all MHHS sponsored events off-site have also been cancelled. Unfortunately, these circumstances and actions have prevented the MHHS from complying with many of the MOU requirements.***
 - Park and grounds open daily from dawn to dusk at no charge. ****Unable to comply***
 - Docent led tours during regular open hours – hundreds of visitors from wide area – about 500 volunteer hours annually. ****Unable to comply***
 - Special tours by appointment – Italy and Japan Sister City Exchange Students and many more. ****Unable to comply***
 - Living History Field Trips for Grades 3-5 – about 900 students per year, over 1,000 volunteer hours per year. ****Unable to comply***
 - Monthly History Conversations, no fee – average of 50 attendees per conversation. ****Unable to comply***
 - Wine tasting – Ended in June 2019
 - Hiram Morgan Hill House is available for use by nonprofits at reduced fees. ****Unable to comply***
 - Community events: Children’s Tea, Prohibition Party, Community Picnic, Founders’ Dinner, Holiday Boutique, Holiday Teas and more. This year a Youth Mariachi Competition was added to the Picnic. ****Unable to comply***
 - Rentals for private events. ****Unable to comply***
 - Volunteers working on Museum collections – about 500 volunteer hours annually. ****Unable to comply***
 - Stories from the Past documentary films for years 2014 – 2020
 - Historic Downtown Walking Tours. ****Unable to comply***
2. The MHHS is in the process of re-evaluating its operations in accordance with its Strategic Plan. In addition, the Covid-19 situation has limited activities at the Society. For these reasons, regular meetings with the City Liaisons, Nichole Martin and Jennie Tucker, as well as other City Staff, have been curtailed. However, MHHS has communicated with City staff from time to time to collaborate on marketing and promoting Villa Mira Monte and Historical Society events and programs, once the Covid-19 restrictions are lifted.
3. The MHHS has met with Mr. Ghione periodically to discuss capital improvements at Villa Mira Monte and other budget matters.
4. Library, Culture and Arts Commission Liaisons remain available and open to discuss matters related to the MHHS mission.
5. Any public safety issues are immediately addressed by the MH Police Department or through Director Ghione when other services are needed.
6. Capital funding improvement discussions are ongoing.

7. Operation funds in the amount of \$20,000 contribute to the educational and recreational programs offered to our community, as well as upkeep of the site to keep it open.
8. Villa Mira Monte would normally remain open to the public as a community resource for education, research and recreation. However, due to Covid-a9 restrictions, the site is closed at least through the end of the 2020 calendar year. Constant Contact emails expand our outreach providing more opportunities for connecting with our cultural heritage.
9. Historical Society has and will continue to apply for grants that support the maintenance, improvements and preservation of Villa Mira Monte. Historical Society was awarded a 2018 Santa Clara County Parks Grant in the amount of \$185,250 for preservation projects. In 2019, the Society applied for and received a grant in the amount of \$969 from Rotary Morgan Hill for the purchase of display stands to be used in the museum and at traveling exhibits. The Society has also received funds from the County's Historical Heritage grant program to further the education of the community. The grant is in two parts: \$21,000 to support three interactive programs teaching about Native American and Hispanic cultural impacts, and \$45,000 for the development of three documentary films on a variety of cultural impacts to our community.
10. Historical Society has annual membership drives with donation requests and fundraising events to raise funds to support Villa Mira Monte's preservation and operation.
11. Historical Society, in collaboration with the City, is changing its marketing materials and makes every effort to include the city in program and media materials.

October 27, 2017 Agreement Between City and Morgan Hill Historical Society

This Agreement provides City funds towards a variety of maintenance and construction projects at the Villa Mira Monte site. Specifically, the City provides a maximum of \$206,000 to the Historical Society for much needed repair and maintenance projects at the Hiram Morgan Hill house, the Museum and at the site in general. Projects identified in the Agreement include driveway improvements, irrigation and lawn improvements, porch repairs, gutter repairs, door and window repairs, and a perimeter fence and camera system. The City's \$206,000 contribution is broken into two parts: \$64,000 from Recreation Impact Funds (Fund 360) and \$142,000 from Park Maintenance Funds (Fund 302).

Status of Expenditures

Below is a summary on project details and funding uses.

Recreation Impact Funds (\$64,000) – All funds have been expended.

FY 2017/18: MHHS invoiced City \$15,770.97 for security cameras

FY 2018/19: MHHS invoiced City \$48,229.03 for perimeter fencing/cameras

City Park Maintenance Funds (\$142,000) – All but \$73,216.22 have been expended.

FY 2018/19: MHHS invoiced City \$848.78 for base rock of driveway and parking lot

FY 2019/20: MHHS invoiced City \$67,935 for painting of Morgan Hill House and Museum

Balance: \$73,216.22

Future projects include painting of repaired veranda, maintenance of trees on Villa Mira Monte site, replacing lawn and irrigation system with lower water-use hardscape and landscaping, re-building porches in the back of the Morgan Hill House, replacing the cellar door, interior painting, refurbish interior flooring, replace furnace, and repairing damaged gutters.

County Parks Historical Heritage Grant for \$185,250 with \$30,000 in Historical Society Funds = \$215,250. The MHHS received a grant in the amount of \$185,250 from the County of Santa Clara Historical Heritage program for the partial renovation of the Morgan Hill House. Renovation work included replacing roof, restoring second story colored glass windows, repairing the exterior south wall, and repairing the veranda structure. The MHHS matched the grant with \$30,000 raised through annual fundraising events and membership dues. We are pleased to announce that the project is nearly completed. Kent Construction finished all structural work on the veranda in June of 2020. All that is left is to paint the veranda. The Society's \$30,000 has been expended for work completed. In addition to the grant work, the Historical Society installed an exterior faux chimney flue on the south wall of the house to replicate the original that was destroyed by earthquakes.

We are attaching our budget document for your information. Please contact me should you have any questions. Rknopf@morganhillhistoricalsociety.com or (408) 621-3617.

Respectfully,

Roger Knopf, President



To: Chris Ghione, Public Services Director, City of Morgan Hill

From: Peter Mandel, South Valley Civic Theatre

Date: 1 September 2020

Subject: Update on the use of City of Morgan Hill grant to SVCT

The City Council of the City of Morgan Hill generously made a grant to the South Valley Civic Theatre (SVCT) in this fiscal year. This ongoing show of support for the performing arts, and SVCT in particular, is a wonderful example of the City leadership investing in the community and a tangible expression of the city's goals. The goal of the grant is to advance the arts and expand the impact and benefit of theater to those children and their families that are less able to financially afford to participate in theater and the performing arts.

This year was, of course, unusual due to the arrival of Covid-19 and the resulting 'shelter-in-place' and ongoing quarantine orders. The SVCT season was cut in half. Only two of the five shows in the season were completed, with a third cut off in the midst of its run when the 'shelter in place' order came through. As the company raises almost all of its income from ticket sales, this has put SVCT in a precarious financial state. While the organization has significant ongoing rental and operational expenses, with the cooperation of the City, it has cut costs as much as possible to control cash flow.

As an additional step, SVCT has staged and filmed 3 productions, under Covid safe conditions, which we have streamed at no charge to our audience online while soliciting donations. This modest income has helped further our financial survival. Two additional productions are planned through the end of the year (all in a virtual performance space in our warehouse created through use of a "green-screen" and video editing).

When we were able to perform live, SVCT did use the City grant to lower the financial impediments to participation. Plans that were in place to expand that outreach for the remainder of the season will, hopefully, be executed when we are again able to perform, with an audience, at the Playhouse.

In particular, SVCT and the Learning and Loving Education Center partnered to give a block of tickets to the center for our children's productions. The center, in turn, used these tickets with the mothers and children they support. Sadly, with the Center closing due to Covid-19, this joint program will not be able to continue when performances begin again. In a similar manner, SVCT also made blocks of tickets for our teen show available to Community Solutions for their outreach efforts.

Due to the grant, SVCT was able to offer to waive the cast fee for every participant in every production that requests it. This is made known to anyone who auditions and again at the first rehearsals. While SVCT fees to participate are already significantly lower than those of other area programs (e.g. less than half the cost of Gilroy recreation children's theater), they still posed a significant financial hurdle for many families. The grant allows us to eliminate this impediment to participation.

Beyond cast fees, families are requested to participate in preparing a production, helping for a minimum number of hours in activities like set construction, marketing, etc. Alternatively, they can donate financially to the production. However some families will not be able to participate in this as they don't

have the time available due to the many hours they work, nor do they have the financial capacity to just donate. Again, we wanted to eliminate this impediment and so we are now able to waive these family participation hours/costs whenever it proved to be an issue due to the city grant.

While costumes are provided at no charge to cast members by SVCT, there are still some personal costume items that the families must provide (e.g. shoes, etc.). With the grant, we were able to help families with those items to again eliminate that financial hurdle.

All of these waivers were handled quietly and tactfully. We required no "evidence" of financial need beyond simply making the request, and while we announced the availability of such waivers broadly including explaining how the city grant has allowed us to take these actions, the family simply needed to make the request to one of the producers of the production at any appropriate opportunity.

SVCT has made great strides in expanding the reach of theatre to the families of Morgan Hill. I believe, and I hope the City of Morgan Hill Council and staff agrees, that the grant Morgan Hill made to SVCT has been well used, even in this abbreviated and challenging year. Hopefully, with careful financial management, and a timely resolution of the Covid-19 quarantine, we will once again be able to bring live theater to the Morgan Hill community.

Respectfully submitted,
Peter Mandel, South Valley Civic Theatre



August 21, 2020

El Toro

Status Report

Quick Facts for 2019/2020:

- AA served approximately 2,100 people per month through 80 meetings per month, with a total of over 15,000 served since September 2019. Meetings were suspended in early April due to Shelter In Place orders.
- NA served approximately 160 people per month through 32 meetings per month, with a total of over 1,100 people served since September 2019. Meetings were suspended in early April due to Shelter In Place orders.
- Renovation of the large room used for AA and NA meetings. This included sound dampening (custom made ceiling panels), installation of new audio/visual equipment, speakers and gear for media playback as well as wireless microphone.
- Total expenditure on the renovation was \$6,258.16.
- Going forward, this room will also be used for Youth Meetings and Celebration Services.

Community Christian would like to thank the City of Morgan Hill for providing this space. El Toro is truly a blessing to this community, and the history of the building is revered and appreciated.

Community Christian Central Offices – 305 West Main Avenue, Morgan Hill, California 95037
(408) 779-4914
info@community-christian.us



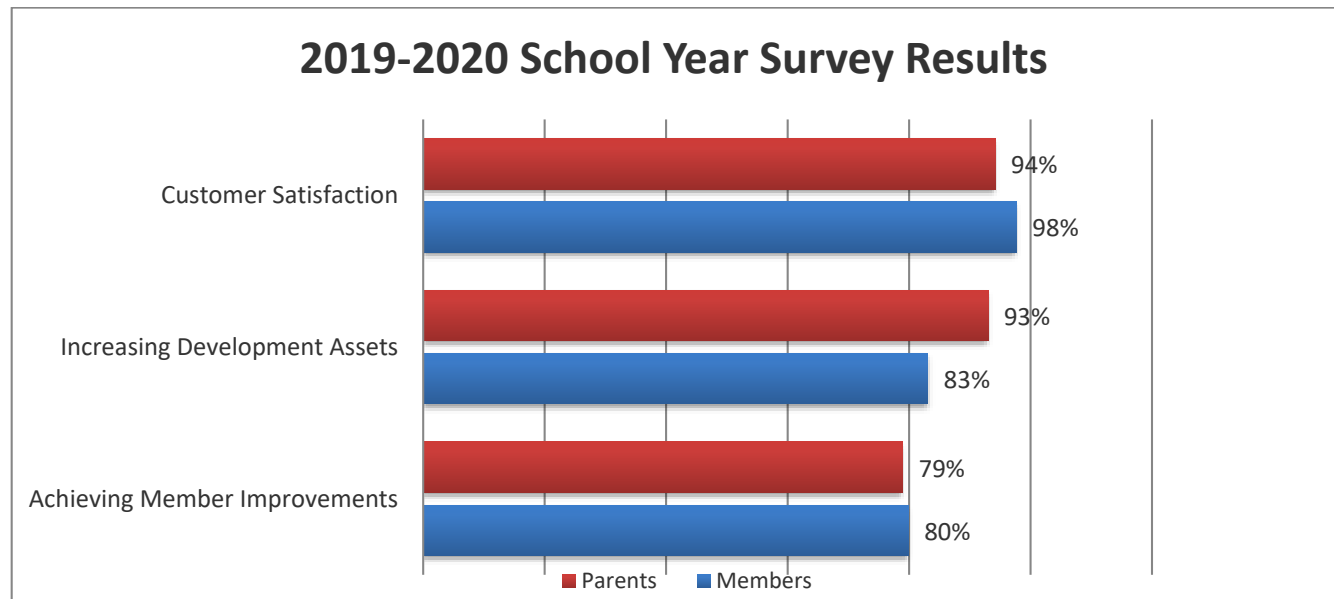
Support from the City of Morgan Hill has been instrumental in ensuring that Boys & Girls Clubs of Silicon Valley continues to offer opportunities for our members to participate in an array of programs that promote positive growth. We are pleased to provide a brief report detailing both our school year and summer highlights.

2019-2020 SCHOOL YEAR SUMMARY

There were three types of questions on our annual survey (five to twenty questions per category): satisfaction, asset development service productivity and agency-specified service productivity. Desirable level of performance is as follows: customer satisfaction (70%+), increasing development assets (60%+) and achieving member improvements (60%+). *See Table 1*

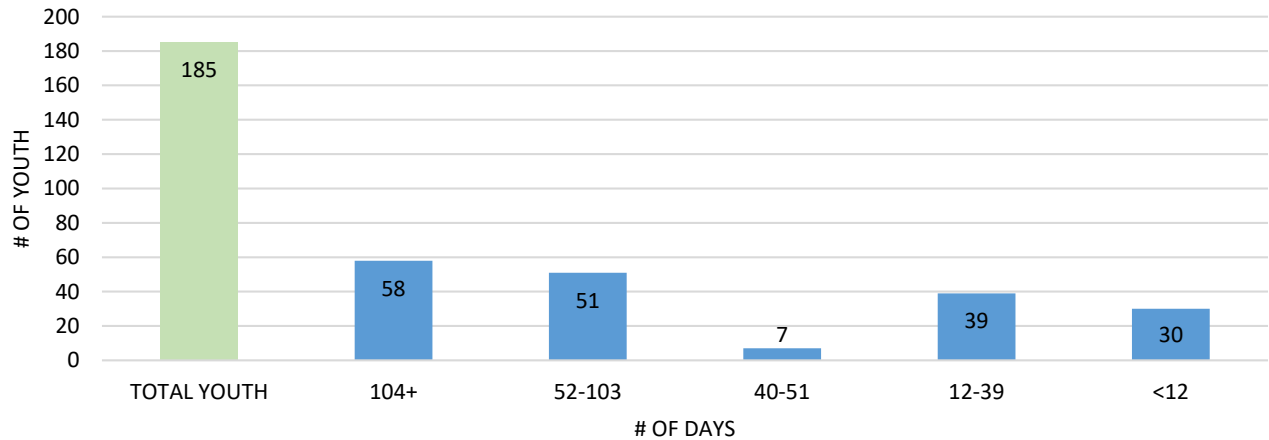
Across all categories we exceeded the threshold. 98% of members and 94% of parents reported being satisfied with our program. 83% of members and 93% of parents reported an increase in developmental assets (i.e., attitudes towards learning, resilience, communication, connectedness, self-efficacy). 80% of members and 79% of parents reported member improvements (i.e., behavior, academic performance, goal setting, making responsible choices).

Table 1

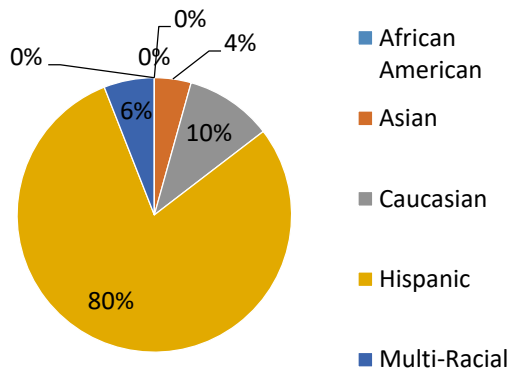


MORGAN HILL CLUBHOUSE DASHBOARD

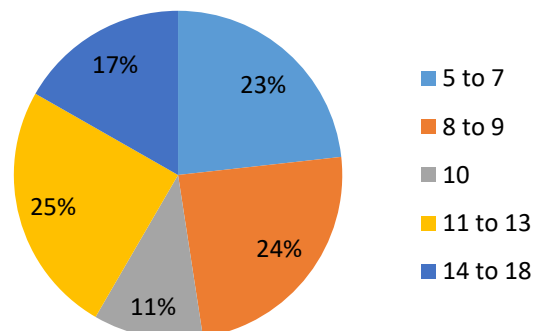
Annual Visits



Ethnicity

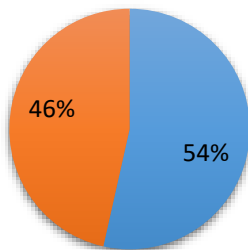


Age %



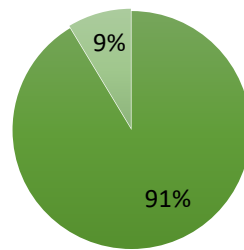
Gender

Male Female

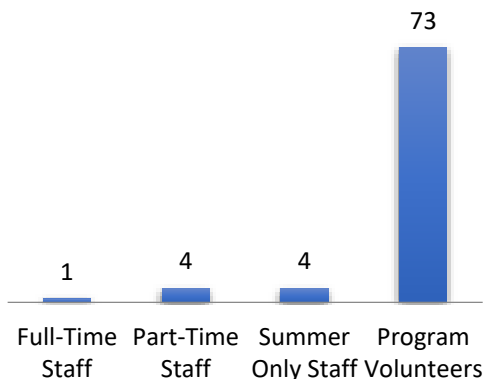


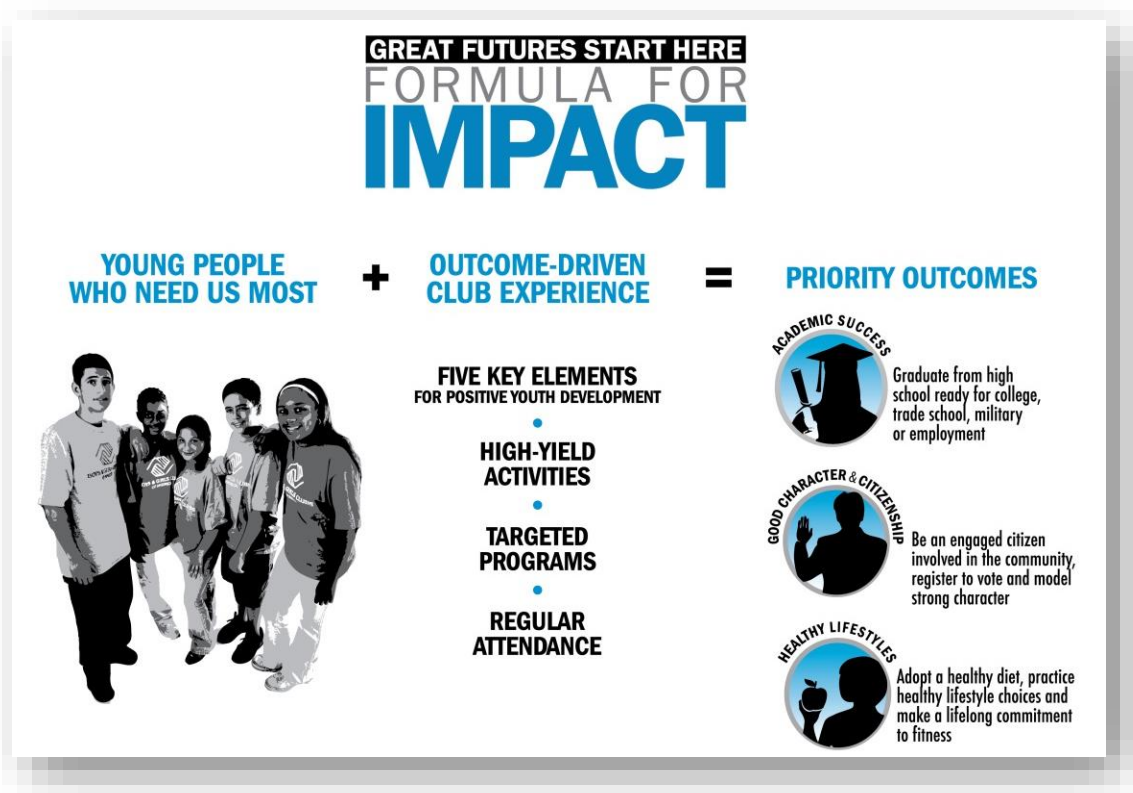
Income

Low-Income Median-Income



Staff and Volunteers



THEORY OF CHANGE AND TARGETED PROGRAMS

2019 – 2020 Targeted Programs by Outcome Area
Academic Success

- **Power Hour:** daily homework assistance and tutoring.
- **KidzSci & NeoSci:** project- and inquiry-based life, earth and physical science program.
- **My.Future:** integrated, project-based digital skills development improving STEM proficiencies.
- **Digital Arts:** project-based programs in digital photography, filmmaking, music and graphic design.
- **CS First:** computer science programs developing foundation skills in coding and problem solving.
- **Robotics:** engineering programs culminating in an assembled, functional robot for competition.
- **Kidz Math:** for our youngest members, building math understanding through cooperative games.
- **Math Matters:** math skills mastery through online tools, small group and individual tutoring.
- **Kidz Lit & Literacy Lab:** literacy programs developing critical thinking, reading and writing skills.
- **Hardy Brain:** kinesthetic learning to improve members' math and English-Language Arts proficiencies.
- **Brain Gain:** a summer learning initiative focusing on Language Arts, writing, science and math.
- **College Bound:** college research; SAT prep; application, scholarship advising and support.
- **Junior Achievement/Money Matters:** work readiness, financial literacy and entrepreneurship.
- **The Arts:** dance, drama, music, painting, printmaking, collage, mixed media, sculpture and more.

Good Character & Citizenship

- **Youth of the Year:** celebrates youth and their service to Club, community and family.
- **Leaders In Training:** job-shadowing with emphasis on leadership and professional skills development.

Healthy Lifestyles

- **SMART Programs:** life-skills training promoting self-efficacy and responsible behavior.
- **Triple Play:** addresses health, fitness and social-emotional development by building cooperation and team skills.
- **Sports Leagues:** year-round leagues focusing on skills, teamwork and sportsmanship.

PROGRAM HIGHLIGHTS

- Due to COVID-19, the Morgan Hill Clubhouse closed in March 2020, and began running virtual programs with Club members with heavy emphasis on social-emotional wellness. Virtual programs were run until Summer programs started where in-person programs could safely begin.
- Park Place ran programs from August 2019 to March 2020, reopening for Summer Programs from June 15-July 31.
- Average weekly attendance for Park Place was 24 youth per week.
- Park Place and Morgan Hill members attended the Great America Winterfest event.
- The Morgan Hill Clubhouse ran mentoring programs funded by the Office of Juvenile Justice and Delinquency Prevention.
- Hosted a combined National Worldwide Day of Play & Day for Kids event, where parents and members participated in activities together including soccer, face painting and a barbecue.
- Celebrated STEM Decathlon, a week designed to encourage members to learn and get involved in science, technology, engineering and math.
- The Morgan Hill Clubhouse ran programs in the Friendly Inn location.
- Morgan Hill Members Santiago Moreno and Ariana Stewart were selected as the 2020 Morgan Hill Clubhouse Junior Youths of the Year. Sofia and Josh both credit the Morgan Hill Clubhouse for being a safe place that feels like a family.
- Morgan Hill members participated in the Ford Driving Dreams essay contest, which highlights what drives their dreams for their future.
- Unfortunately, the Boys & Girls Clubs of Silicon Valley annual cook-off did not happen this year due to COVID-19.
- Ran the Gamma Alpha Reading program every Tuesday, where several enthusiastic volunteers help our members improve their reading skills.

- Hosted its 7th Annual Thanksgiving dinner and hosted over 200 members, families and friends.
- Established sports leagues that compete with local Clubs, including flag football, basketball and soccer.
- Hosted Teen Night to serve teens in the community; every Tuesday from 6:30-8:30pm, the program provides teens with a safe place and positive environment. Teens participate in activities including bowling, movie outings, hiking, ice skating and Santa Cruz beach trips, giving the group a sense of unity and belonging as members of Morgan Hill Clubhouse.
- Worked closely with Gamma Alpha, Morgan Hill Rotary, Family Giving Tree, Specialized, Morgan Hill Historical Society to put on fun and enriching events for our members.

In closing, Boys & Girls Clubs of Silicon Valley is honored to have your support. As we continue our efforts to be both outcomes-driven and data-informed, it is with gratitude that we recognize those who believe in us.

Together, we are creating a brighter future for our community's most vulnerable youth.

Thank you!



CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2020

PREPARED BY: Joey Dinh, Associate Planner
APPROVED BY: City Manager

APPROVE GOVERNMENT CODE SECTION 65915 DENSITY BONUS CONCESSION TO WAIVE A DESIGN AND DEVELOPMENT STANDARD FOR A MARKET RATE HOUSING DEVELOPMENT PROJECT (SD2020-0005 TENNANT-OSITO)

RECOMMENDATION(S)

Adopt resolution approving request pursuant to Government Code Section 65915(b)(1)(A) - Concession to Design and Development Standard 28.b Height and Project Massing of the Residential Development objective standards.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment and Preserving
Open Space and Agricultural Land
Preserving Our Community History

2020-2021 Strategic Priorities

Affordable Housing and Homelessness

GUIDING DOCUMENTS

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

Project Description

Osito Holdings, LLC has submitted Design Review permit and Tentative Map applications. The project is a 16-unit market-rate residential housing development project, consisting of single family attached condominiums. The project site is 0.99 acres. The site is on Tennant Avenue between Church Street and Vineyard Boulevard. The land use of the site is Residential Attached Low (6-16 du/ac) and the zoning is Residential Attached Low Density (RAL 3,500). Details regarding the project have been provided (Attachment 2 and 4).

Concession Request

When a project seeks a density bonus for a housing development in accordance with Government Code 65915, the project is entitled to receive incentives or concessions based on the affordability level of the project.

The project includes 2 moderate-income Below Market Rate (BMR) units and will pay a 0.40 percent fractional fee complying with the City's required 15 percent inclusionary housing requirement. California Density Bonus Law allows, among other things, a market rate ownership project containing at least 10 percent moderate income units to seek one development concession from local standards. Because of this, the applicant

is requesting relief from the Residential Development Design and Development Standard No. 28.b “Height and Project Massing”. This standard requires a major full-height recess at least 10 feet deep for multi-family projects along the length of the building to successfully break the building into smaller discrete masses. The applicant’s request dated July 11, 2020 (Attachment 3) states:

“215 Tennant Ave is a 16-unit condominium in-fill project across from the Tennant Station shopping complex. The project includes 15% affordable housing units. Pursuant to California Government Code Section 65915 (b)(1)(A) which authorizes the City to grant one concession for projects that include at least 10% affordable housing units, we are requesting a major full-height recess concession. Not only is this project including 15% affordable housing units which is above the 10% state mandate, we are also developing a parcel in Morgan Hill that has been undeveloped for decades now. The parcel lies directly off of Tennant Ave which is one of the city’s major arterial streets and we believe that this project will contribute to the development and completeness of the area.

Our project has been designed with recesses to break up the massing of the buildings to comply with the intention of the development standards, however, it does not meet the required 10’ deep recess requirement for multi-family projects. After discussing with staff on how to comply with this requirement, we have concluded that we would have to raise the parapet walls on the building to be 10’ tall at its highest point. This would put the overall height of the building over the 30’ height restriction. It would also make the exterior elevation unproportional and aesthetically unpleasing. Therefore, we are requesting a concession regarding the major full-height development standard so that we may construct these buildings in a proportional and aesthetically pleasing manner.”

As designed, the total building height is approximately 28 feet. The building is 2 stories, with each floor having a height of approximately 10-11 feet, with approximately 1-2 feet of ground and ceiling depth between each floor and the roof. To meet the massing standard, the applicant would need to raise the parapet walls 10 feet. However, this redesign would increase the building height to exceed the 30 foot maximum height limitation within the RAL-3,500 zone district. A concession would then be required for the building height, rather than a concession to the building mass.

Design Standard 28.b was included in the Residential Development Design and Development Standards to implement General Plan Policy CNF-11.22 that encourages larger buildings to be broken up into smaller masses by adding visual breaks. Although the project does not meet the stated standard, the project does provide visual breaks in the overall mass with 3D articulation of the building, varying roof heights, and variety of building materials and colors (Attachment 4). By raising the parapet wall to 10 feet above the ceiling or roof line would be an unnecessary added cost to the project, and a concession would continue to be required.

Findings

Pursuant to Government Code 65915 (d)(1) the City must grant the concessions or incentives unless the City makes written findings, based upon substantial evidence to deny the application based upon the following:

- a. The concession or incentive does not result in identifiable and actual cost reductions, consistent with subdivision (k), to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents of the targeted units to be set as specified in subdivision (c).

The concession request will result in identifiable and actual cost reductions by maintaining the overall building height at 30 feet.

- b. The concession or incentive would have a specific, adverse impact, as defined in paragraph 2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.

Granting the concession for the full height recess will not affect the public health and safety of the physical environment nor will it affect any registered historic resources.

- c. The concession or incentive would be contrary to state or federal law.

The project does meet the intent of the General Plan policy CNF-11.22 in other ways, by breaking up the visual mass of the building with building articulation, varying roof heights, and variety of building materials and colors. By granting the concession, the project would meet the 30 foot maximum height limit restriction set by the zone district development standards.

These findings for denial cannot be made for the project; therefore, the concession request should be granted by the City Council (Attachment 1).

COMMUNITY ENGAGEMENT: Inform

A project development web page has been created on the City website to inform the public of the project application. A site plan and project elevations have been provided for public review. The City will continue to inform the public through the public engagement process as the Design Review permit and Tentative Map are processed.

ALTERNATIVE ACTIONS:

None.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

The City development review functions are cost-recovery, with the fees collected from applicants to cover cost of services. These fees have been collected.

CEQA (California Environmental Quality Act):

A project level environmental assessment will be prepared for the project in conformance with the California Environmental Quality Act. The environmental analysis will be considered during the Design Review permit and Tentative Map phase of the project.

LINKS/ATTACHMENTS:

1. CC Resolution
2. Development Design and Development Checklist
3. Tenannt-Osito Concession Request Letter
4. Project Plans

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE REQUESTED CONCESSION TO WAIVE DEVELOPMENT STANDARD 28.b HEIGHT AND PROJECT MASSING OF THE RESIDENTIAL DEVELOPMENT DESIGN AND DEVELOPMENT STANDARDS FOR THE TENNANT-OSITO PROJECT (SD2020-0005 TENNANT-OSITO) LOCATED ON TENNANT --AVENUE BETWEEN CHURCH STREET AND VINEYARD BOULEVARD (APN: 817-04-059).

WHEREAS, Osito Holdings, LLC submitted an application for the Tennant-Osito Project (Project) a 16-unit residential development project consisting of attached townhome-style condominiums.

WHEREAS, City has determined the application to be incomplete for failure to comply with several items on the City's SB 330 checklist, including the failure to comply with the requirements of the City's Residential Development Design and Development Standards.

WHEREAS, Osito Holdings, LLC has requested a concession for a waiver of a development standard pursuant to the Density Bonus Law (Government Code section 65915) for the Tennant-Osito project (Project) to waive the development standard established by Morgan Hill Residential Development Design and Development Standards requiring full-height recess of at least 10 feet deep along the length of the building.

WHEREAS, granting of the concession will resolve one of the incomplete items so that the project will comply with the Residential Development Design and Development Standards.

WHEREAS, the Residential Attached Low 3,500 (RAL-3,500) allows a maximum building height of up to 30 feet.

WHEREAS, in order to meet the Residential Development Design and Development Standard, the project would have to construct a 10 foot parapet wall above the finished ceiling line. This would also require a project concession because the maximum building height would be exceeded.

WHEREAS, the City's General Plan policy CNF-11.22 encourages larger buildings to be broken up into smaller masses by adding visual breaks in the overall mass.

WHEREAS, Osito Holdings, LLC has submitted a development application for a project which meets the visual breaks and massing intent with building articulation, varying roof heights, and varying building materials and colors.

WHEREAS, the Project is proposing to provide fifteen percent inclusionary units onsite for moderate income households.

WHEREAS, pursuant to Government Code Section 65915(d)(2)(A), the Project is allowed one concession.

WHEREAS, none of the findings for denial of the concessions required by Government Code Section 65915(d)(1) are supported by substantial evidence:

- (A) The concession or incentive does not result in identifiable and actual cost reductions, consistent with subdivision (k), to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).
- (B) The concession or incentive would have specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.
- (C) The concession or incentive would be contrary to state or federal law.

WHEREAS, the proposed project will provide a public benefit of a minimum of ten percent of affordable units, for persons and families of moderate income, incorporated within the project or this concession will become null and void.

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

Section 1. The City Council does hereby find that the foregoing recitals are true and correct.

Section 2. The City Council finds that the project is consistent with the Zoning Ordinance and the General Plan.

Section 3. The City Council of the City of Morgan Hill hereby approves the requested concession for the Tennant-Osito Project.

Section 4. This resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 16th day of September 2020 by the following vote:

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

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

IRMA TORREZ, City Clerk

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 20-0xx, adopted by the City Council at a regular meeting held on September 16, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: CC Resolution [Revision 3] (2848 : Tennant-Osito Concession Request)



Development Services Department
17575 Peak Ave
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

2.b

Development Design and Development Standards Checklist for Housing Development Projects

These requirements and the checklist implement requirements of Senate Bill (SB) 330 Housing Crisis Act of 2019 (Government Code Section 65589.5) and shall remain in effect until SB 330 is rescinded or extended.

All housing development projects must complete the Residential Development Design and Development Standard Checklist (below) demonstrating compliance with the City of Morgan Hill adopted Standards.

Applicant's Name Osito Holdings LLC

Ph # 408.981.9114 Fax # _____

Address PO Box 362 City Morgan Hill

Zip 95038 Email DLHalvorsen@gmail.com

1. Identify the specific location of the proposed housing development project:
 - (A) List all parcel numbers: 817-04-059
 - (B) A legal description is attached. DLH (Initials)
 - (C) Site address, if applicable, is: 215 Tennant Ave
 - (D) Cross streets, if applicable: Church St
2. List the existing uses on the project site and identify major physical alterations to the property on which the project is to be located. Attach additional pages if necessary.

Project site is currently vacant land. Major physical alterations to the property include constructing a street and 16 condominium units.

Site is currently zoned for RAL 3500 which is acceptable.

3. Attached is a site plan showing the location on the property, elevations, showing design, color, and material, and the massing, height, and approximate square footage, of each building that is to be occupied. DLH (Initials)

CONTINUED ON NEXT PAGE

Attachment: Development Design and Development Checklist (2848 : Tennant-Osoto Concession Request)

Residential Development Design and Development Standards Checklist
Housing Development Projects
Page 2 of 7

4. Identify the proposed land uses by number of units and square feet of residential and nonresidential development using the categories in the applicable zoning ordinance. Attach additional pages if necessary.

We plan to keep the existing zoning on the lot by building 16 condominium units divided between 2 buildings. There will be a total of 24,752 sqft of residential living space. Only residential units will be constructed on this property.

5. List the proposed number of parking spaces. Parking lot has 11 spaces. Total of 35 uncovered and 16 covered spaces in project
List the number of spaces that will include EV charging stations. 0

6. Identify any proposed point sources of air or water pollutants. Attach additional pages if necessary.

No point sources of air or water pollutants.

7. Identify any species of special concern known to occur on the property. Attach additional pages if necessary.

No known species of special concern on the property.

8. Identify whether a portion of the property is located within any of the following:

(A) A very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178.	YES ☐ NO ☒
(B) Wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).	YES ☐ NO ☒
(C) A hazardous waste site that is listed pursuant to Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code.	YES ☐ NO ☒
(D) A special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) as	YES ☐

Residential Development Design and Development Standards Checklist
Housing Development Projects
Page 3 of 7

determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency.	NO ☒
(E) A delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by any local building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2.	YES ☐ NO ☒
(F) A stream or other resource that may be subject to a streambed alteration agreement pursuant to Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code.	YES ☐ NO ☒

9. List any historic or cultural resources known to exist on the property. Attach additional pages if necessary.

No known historic or cultural resources on property.

10. Identify the number of proposed below market rate units and their affordability levels. Attach additional pages if necessary.

2 proposed below market rate units at moderate income affordability.

11. The number of bonus units and any incentives, concessions, waivers, or parking reductions requested pursuant to Section 65915. Attach additional pages if necessary.

No special requests.

Residential Development Design and Development Standards Checklist
Housing Development Projects
Page 4 of 7

12. Are you requesting any approvals under the Subdivision Map Act, including, but not limited to, a parcel map, a tentative map, or a condominium map?

☒ YES Identify type of map being sought:

- ☐ Parcel Map
☐ Final Map
☒ Condominium Map
☐ Other: _____

☐ NO approvals are being sought under the Subdivision Map Act

13. The applicant owns the property, or consent from the property owner to submit the application is attached. DLH (Initials)

14. Identify the number of existing residential units on the project site that will be demolished and whether each existing unit is occupied or unoccupied.
0

15. Attached is a site map showing a stream or other resource that may be subject to a streambed alteration agreement pursuant to Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code and an aerial site photograph showing existing site conditions of environmental site features that would be subject to regulations by a public agency, including creeks and wetlands, or

The property is not subject to a streambed alteration agreement. DLH (Initials)

16. Identify the location of any recorded public easement, such as easements for storm drains, water lines, and other public rights of way. Attach additional pages if necessary.

Easement for the purpose of pipe line and utilities recorded July 12, 1950; Recording No. 649353, Book 2012, Page 614, of official records.

Easement for the purpose of a single line poles and wires; recorded September 12, 1995; Recording No. 744039, Book 2281,

Page 255, of official records.

CONTINUED ON NEXT PAGE

Residential Development Design and Development Standards Checklist
Housing Development Projects
Page 5 of 7

RESIDENTIAL DEVELOPMENT ACKNOWLEDGEMENT

I David Halvorsen hereby certify that the statements furnished in this application are true and correct. I have reviewed the [Residential Development Design and Development Standards](#) adopted by City Council Resolution No. 19-065 and have verified compliance with the adopted City Standards:

Applicant Signature: _____ Date: 5/1/2020

Residential Development Design and Development Standards Checklist

Standard Requirement	Sheet or Document location where information can be found	Comments (by Applicant)	Submittal compliance (Office Use Only)		
			Yes	No	N/A
1. Inclusionary Housing and Below Market Rate Program	AS.1	See additional sheet for comments.	☐	☐	☐
2. Accessory Dwelling Unit (ADU) Requirements	N/A		☐	☐	☐
3. Zoning Compliance	AS.1	See chart on sheet AS.1	☐	☐	☐
4. Orientation to an existing Street	C.3 & A.4	See additional sheet for comments.	☐	☐	☐
5. Intersection Sight Distance/Clear Vision Triangle	C.3, L-1	See additional sheet for comments.	☐	☐	☐
6. Sound Walls	N/A		☐	☐	☐
7. Agricultural Buffer	N/A		☐	☐	☐
8. On-site Recreation Amenities	L-1 & L-4	See additional sheet for comments.	☐	☐	☐
9. Water Conservation in Landscaping	L-2 & L-3		☐	☐	☐
10. Landscaping Pan	L-1 - L-4		☐	☐	☐
11. Wildland-Urban Interface Fire Area	N/A		☐	☐	☐
12. Trees	L-1, C.3	See additional sheet for comments.	☐	☐	☐
13. Useable Private and Common Open Space	C.1, L-1, AS.1	See additional sheet for comments.	☐	☐	☐
14. Required On-site Parking Spaces	AS.1	See additional sheet for comments.	☐	☐	☐
15. Parking Design and Development Standards	C.4		☐	☐	☐
16. Parking Lot Layout	C.4		☐	☐	☐

Attachment: Development Design and Development Checklist (2848 : Tennant-Osito Concession Request)

Residential Development Design and Development Standards Checklist
Housing Development Projects
Page 6 of 7

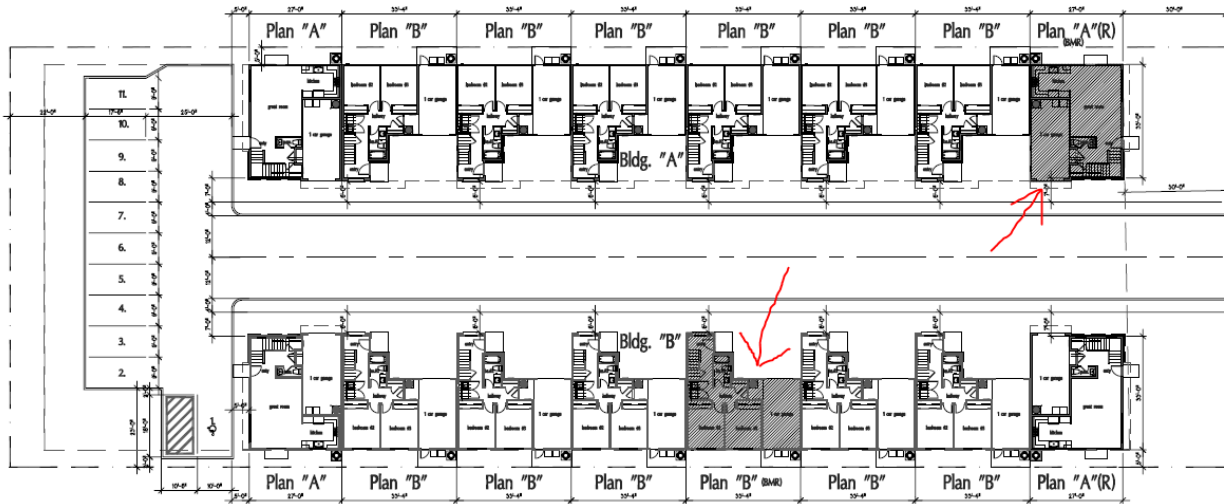
17. Bicycle Parking and Storage	L-1	See additional sheet	☐	☐	☐
18. Exterior Parking Lot Lighting	PM1		☐	☐	☐
19. Parking Area Landscaping	L-1		☐	☐	☐
20. Pedestrian Access	N/A		☐	☐	☐
21. Electric Vehicle Charging Stations	N/A		☐	☐	☐
22. Front Porches	A.2	See additional sheet	☐	☐	☐
23. Balconies	A.2.1	See additional sheet	☐	☐	☐
24. Fences	L-4	See fence detail	☐	☐	☐
25. 360 Degree Architecture	A.4.1-A4.3		☐	☐	☐
26. Exterior Treatments and Materials	A.4		☐	☐	☐
27. Roof Line Variation for three or more units	A.4		☐	☐	☐
28. Height and Project Massing	A.4.1 & AS.1	See additional sheet	☐	☐	☐
29. Separate Structures-Attached Projects	AS.1		☐	☐	☐
30. Building Colors	A.4	See additional sheet	☐	☐	☐
31. Window Design	A.4.1	See additional sheet	☐	☐	☐
32. Glazing	A.4.1		☐	☐	☐
33. Exterior Lighting and Illumination	PM1, A4.2, A4.3	See additional sheet	☐	☐	☐
34. Equipment Screening	A.3, A.4, L-1, L-4	See additional sheet	☐	☐	☐
35. Residential Parking Garages	A.1, A.2, A.3	See additional sheet	☐	☐	☐
36. Garage Door Design	A.4.1	See additional sheet	☐	☐	☐
37. Driveway/Vehicle Pavement	N/A		☐	☐	☐
38. Pavement Design	C.3-C.5	see detail on side of	☐	☐	☐
39. Multi-family Roof Form	A.4		☐	☐	☐
40. Massing for three story buildings or taller	N/A		☐	☐	☐
41. Distinct material changes for three story buildings or taller	N/A		☐	☐	☐
42. Trash Enclosure, Solid Waste and Recyclable Materials	N/A	see additional sheet	☐	☐	☐
43. Arterial Design and Landscaping	L-1		☐	☐	☐
44. Street Improvements	C.3-C.5		☐	☐	☐

Residential Development Design and Development Standards Checklist
Housing Development Projects
Page 7 of 7

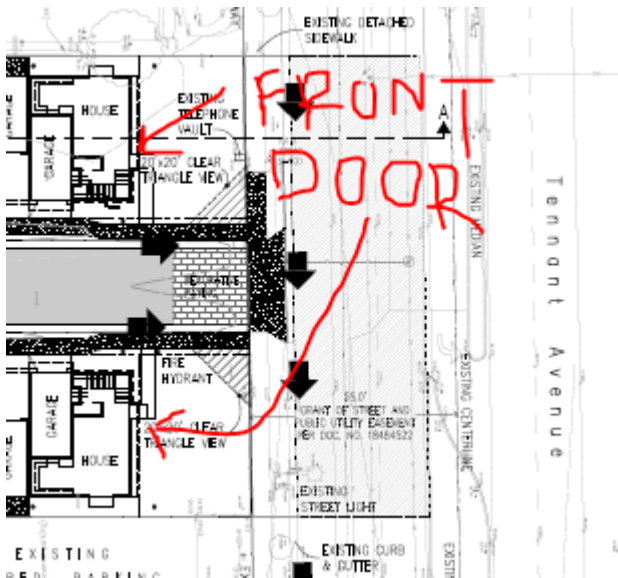
45. Utility Location and Easement	I-1, C.2	see additional sheet for comments	☐	☐	☐
46. Undergrounding Utilities	I-1, C.6		☐	☐	☐
47. Meter Location	C.6		☐	☐	☐
48. Stream Channel and Riparian Setbacks	N/A		☐	☐	☐
49. Landscaping-Parkway/Park Strip Design	L-1		☐	☐	☐
50. Projects abutting developed land	N/A		☐	☐	☐
51. Project abutting undeveloped land	N/A		☐	☐	☐
52. Off-street bicycle and pedestrian connections	N/A		☐	☐	☐
53. Complete Streets	C.3 - C.5	See additional sheet for comments	☐	☐	☐
54. Bicycle and pedestrian improvements (Multi-family projects)	L-1	See additional sheet for comments	☐	☐	☐
55. Internal pedestrian connections	C.3 & L-1		☐	☐	☐
56. Continuous Sidewalks	C.3 & L-1		☐	☐	☐
57. Water Infrastructure	C.6		☐	☐	☐
58. Wastewater Infrastructure	C.6		☐	☐	☐
59. Storm Drainage Infrastructure	seperate doc	See ""SWCP compiled 200406"" doc	☐	☐	☐
60. Storm Water Infrastructure	C.8		☐	☐	☐
61. Floodplain Development	N/A		☐	☐	☐
62. Broadband Connectivity	I-1		☐	☐	☐

Development Design and Development Checklist Additional Comments – 215 Tennant Ave

1. We are constructing 16 units in this project, 2 of which will be built for the Below Market Rate Program. 16 units x 15% = 2.4 units. The two BMR units will be constructed for moderate income affordability. There are two different floor plans in the project. We will construct one floor plan for each BMR unit. There is a total of two buildings in this project. There will be a BMR unit in each building. This project will be constructed in one single phase so both BMR units will be completed at the same time as the market-rate units. The locations of the units are shaded on sheet AS.1. We will pay a fractional fee for the remaining 0.4 unit if required.



4. Sheet C.3 shows the orientation of the buildings to the existing Tennant Ave. The end units on the two buildings have the primary entrances (front doors) facing Tennant Ave showing an orientation to an existing street as shown on the elevation on sheet A.4 and the floor plans on Sheet A.3 and A.3.1.

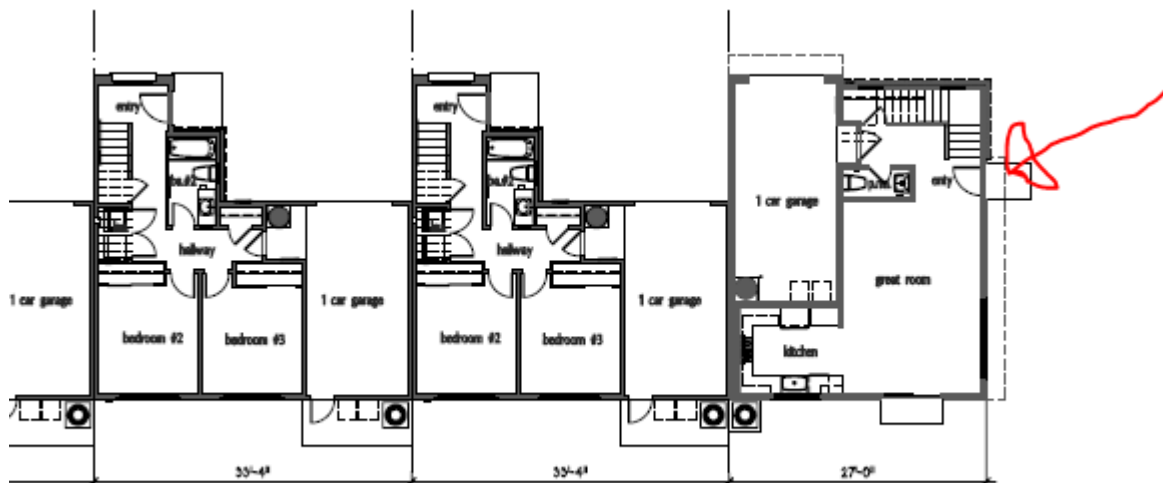
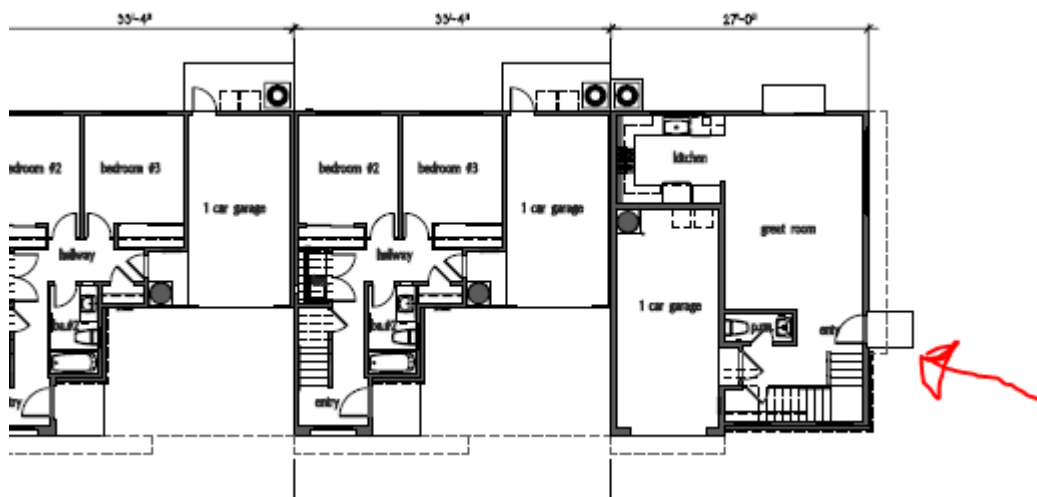




RIGHT SIDE ELEVATION



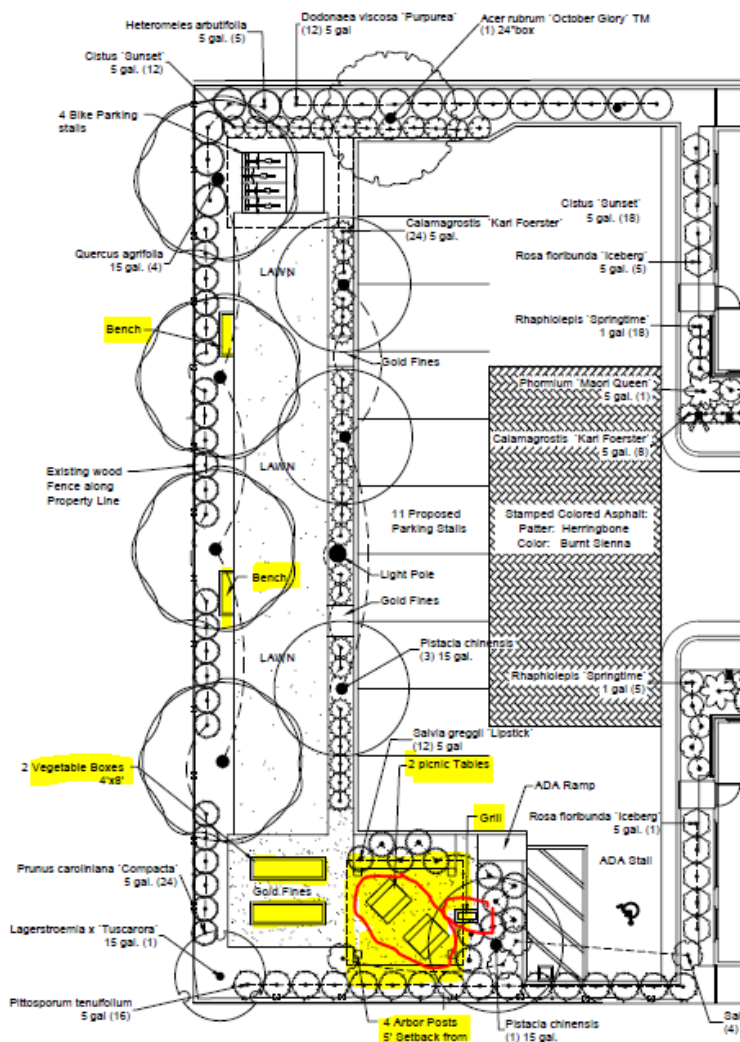
LEFT SIDE ELEVATION



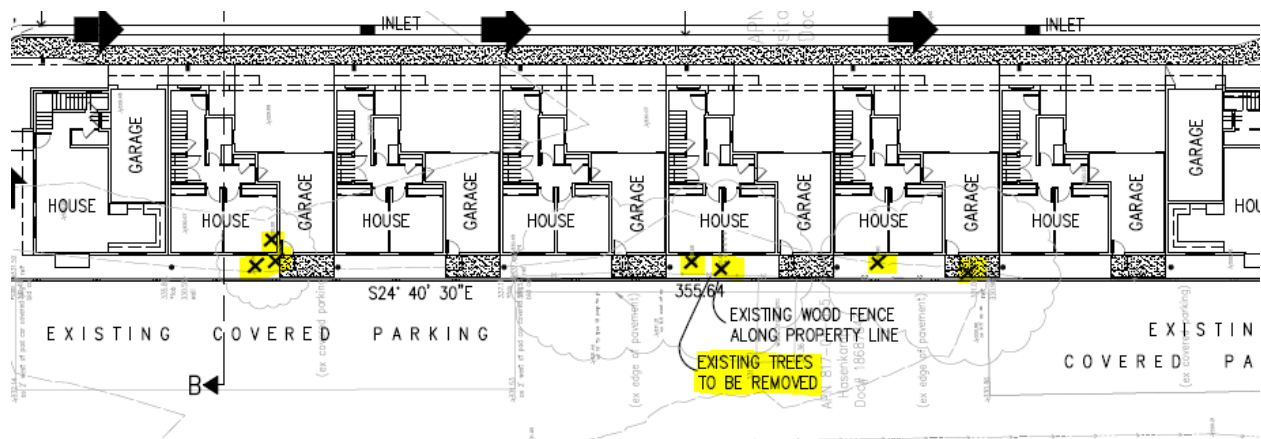
5. Sheets C.3 and L-1 show the clear vision triangles. The trees on the landscape plan have been placed in a position so that when the trees grow tall enough, there will be at least 8' from the ground to the bottom of the canopy to prevent any viewing obstructions.



8. This is a 16-unit project so we are including two Tier 1 (park benches & Barbeque area) and two Tier 2 (Shade trellis & (2) garden plots) amenities. Sheet L-1 shows the location of the amenities and sheet L-4 shows the amenities details.



12. Sheet C.3 shows the existing trees to be removed.

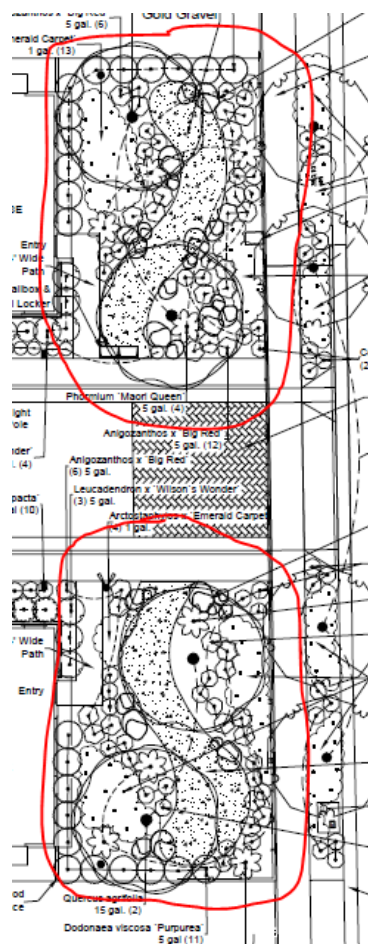
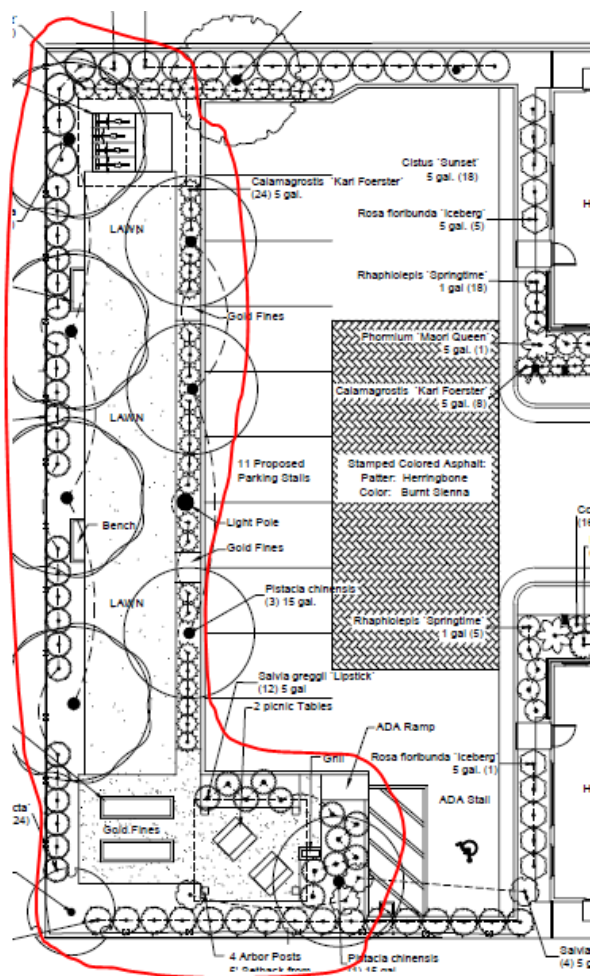


13. We are using the base residential standards for private and common open space. Sheet C.1 shows the calculated common area open space to be 6,799 sqft which is greater than 15% or the required open space. $43,347 \text{ sqft} \times 15\% = 6502 \text{ sqft}$.

PROJECT SUMMARY

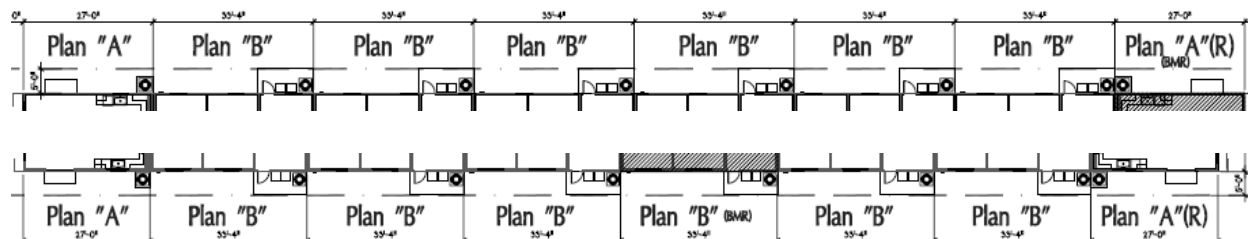
1. GROSS AREA: 43,437 S.F.
2. ASSESSOR'S PARCEL NUMBER: 817-04-059
3. EXISTING LAND USE - VACANT
PROPOSED LAND USE - RESIDENTIAL
4. EXISTING ZONING - RESIDENTIAL ATTACHED LOW DENSITY
PROPOSED ZONING - RESIDENTIAL ATTACHED LOW DENSITY
5. NUMBER OF UNITS - 16 RESIDENTIAL CONDOMINIUMS
6. COMMON OPEN SPACE - 6,799 SQ. FT.

Sheet L.1 shows the location of the common open space.

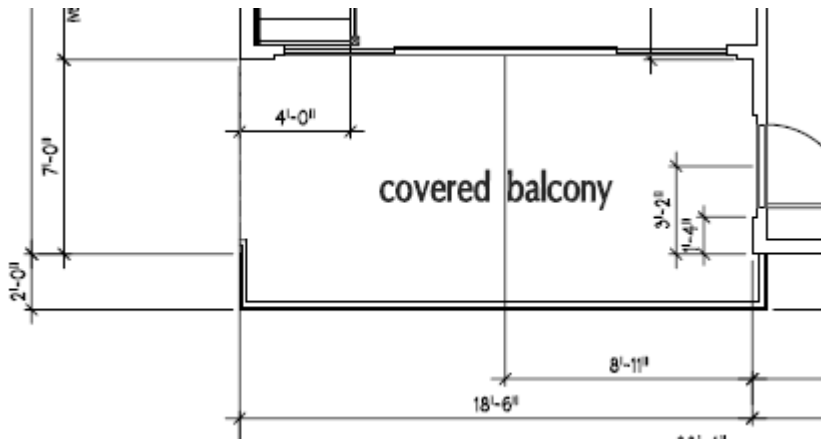


Sheet AS.1 shows the dimension of the private rear yards as 5'x27' for Plan A and 5'x33'4" for Plan B. Sheet A2.1 shows a second story private balcony that measures 9'x18'6" on the (12) plan B units in the project. All (16) units (greater than the required 50%) have the minimum 48 sqft private space. Also, see chart on sheet AS.1

Private spaces in rear yards on sheet AS.1



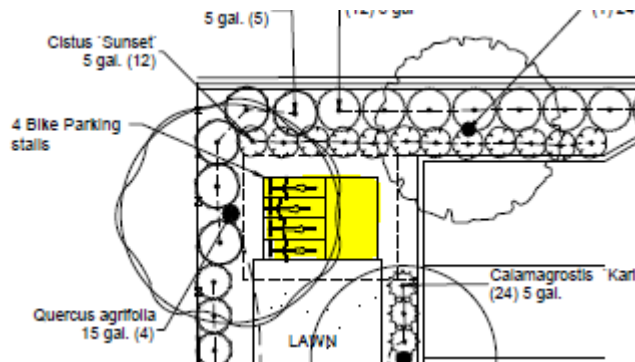
Private spaces on second story balcony on (12) plan B's



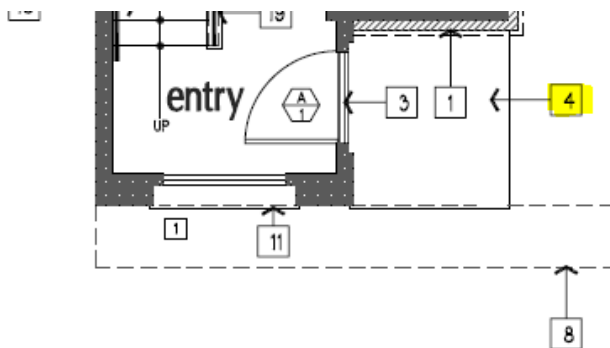
14. There are 11 spaces in the parking lot, 5 of which are for guests and 6 of which are for Plan A uncovered parking. Plans A & B each include 1 covered parking space in the garage. The driveways for Plan B include 2 uncovered parking spaces. See chart on AS.1

PLAN	QUANTITY	SQUARE FOOTAGE	TOTAL SQ.FT.	BEDRMS	BATHRMS	REQUIRED COVERED PARKING PER UNIT	TOTAL REQUIRED COVERED PARKING	INCLUDED COVERED PARKING PER UNIT	TOTAL INCLUDED COVERED PARKING	LOCATION	REQUIRED UNCOVERED PARKING	TOTAL REQUIRED UNCOVERED PARKING	INCLUDED UNCOVERED PARKING	TOTAL INCLUDED UNCOVERED PARKING	LOCATION
1A*	4	1,517	6,068	3	2.5	1	4	1	4	GARAGE	15	6	15	6	PARKING LOT
1B*	12	1,597	18,684	3	2.5	1	12	1	12	GARAGE	15	18	2	24	DRIVEWAY
GUEST PARKING											1 PER 3 UNITS	5	5	5	PARKING LOT
TOTAL	16		24,752				16		16			29		35	

17. Long term parking: Each unit has a garage and enclosed back yard for long-term bicycle parking.
Short-term bicycle parking: There are (4) short term parking spaces (10% of 35 required parking spaces = 3.5 required bike parking) in the landscape area in the rear of the property located on sheet L-1.



22. Sheet A.2 shows 5x6 porches for Plan B's. There are 12 in total. See note (4) on plans.



1ST LEVEL FLOOR PLAN

588.000 SQUARE FEET

FLOOR PLAN KEYNOTES:

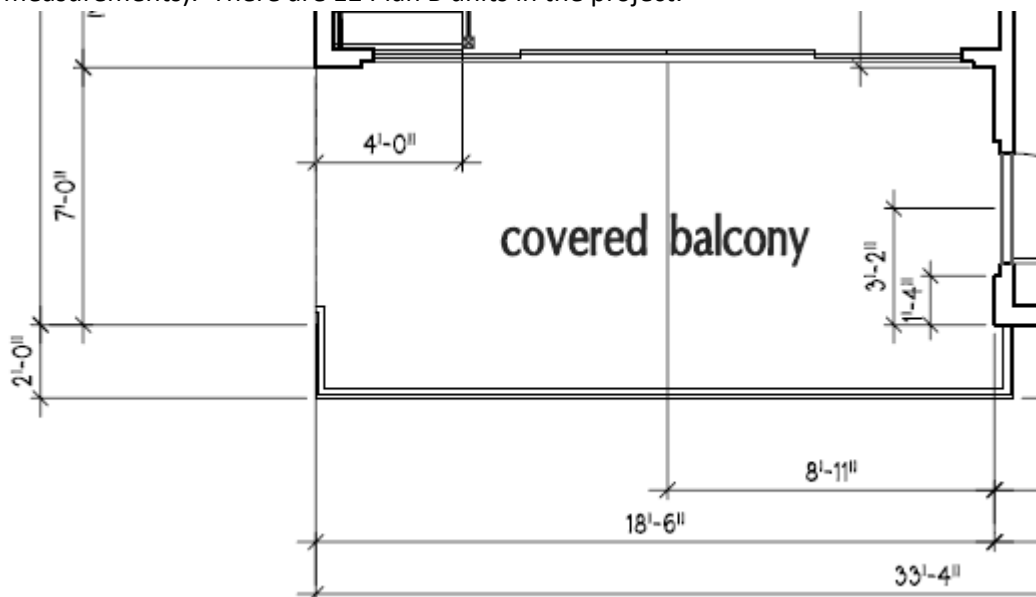
1ST FLOOR KEYNOTES:

EXTERIOR:

1	MASONRY VENEER EXTERIOR WALL FINISH (SEE EXT. ELEVATIONS)	12A	DRYER EXHAUST VENT /
2	GARAGE CONCRETE FLOOR NOSING	12B	TRASH RECEPTICAL STOP
3	BRONZE ANODIZED ALUMINUM ENTRY THRESHOLD	12C	AIR-CONDITIONER LOCATI
4	5'-0" X 6'-0" CONCRETE FRONT DOOR LANDING W/ BROOM FINISH		

GARAGE:

23. Sheet A.2 shows a covered balcony on the 2nd floor of Plan B that measures 9'x18'6" (see sheet A2.1 for measurements). There are 12 Plan B units in the project.



28. Sheet A.4.1 shows the overall building height as 27'8". We will be asking for a concession regarding the "major full-height recess."

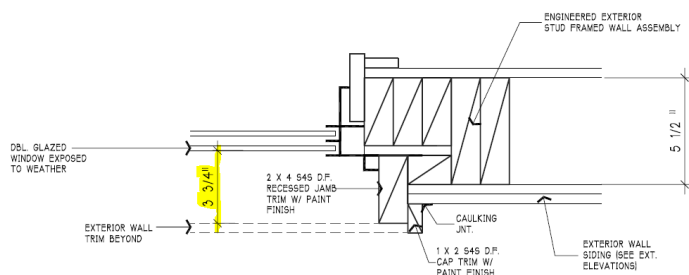
30. Below is a color sample from the manufactures web site that did not get altered when the colored plans were put through the scanner. This shows a better representation of the Terra Cotta color for the roof that does not look "fluorescent orange."



TERRA COTTA
SRI = 43

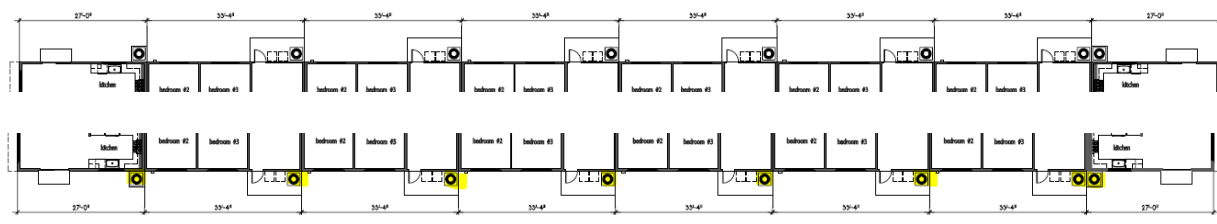
31. The details on sheet A4.2 shows a depth of $3 \frac{3}{4}$ " which exceeds the required $1 \frac{1}{2}$ " glass to exterior trim depth.

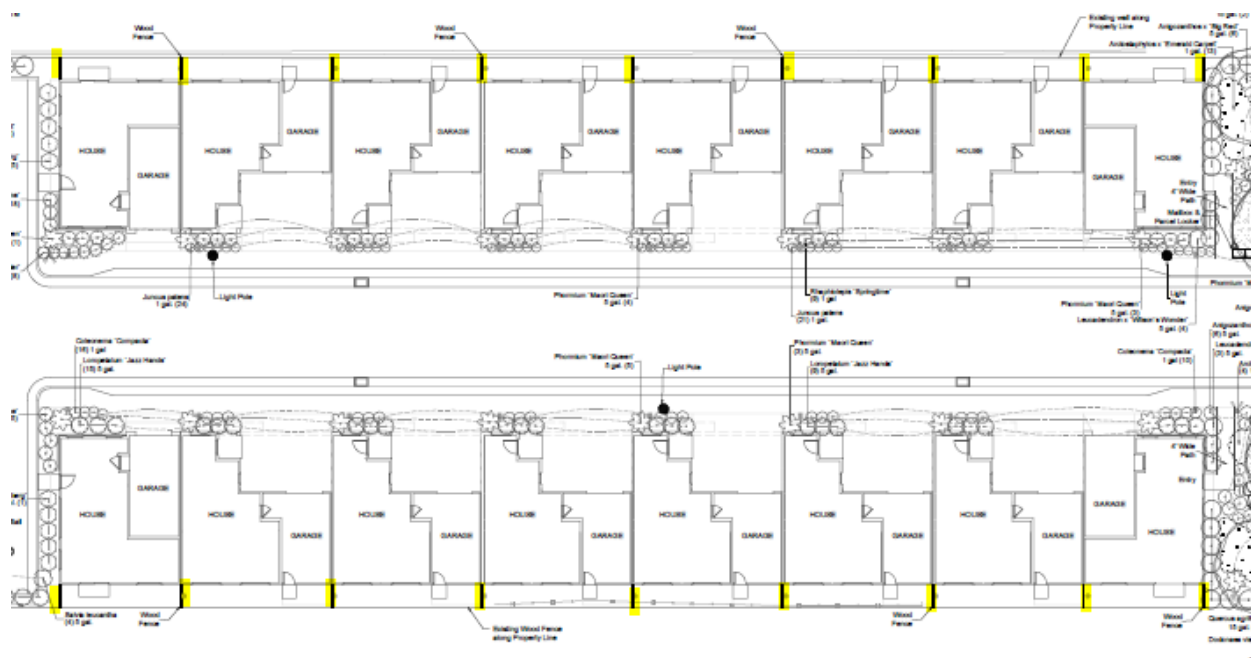
WINDOW HEADER DETAIL



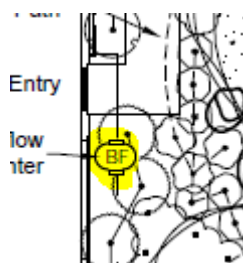
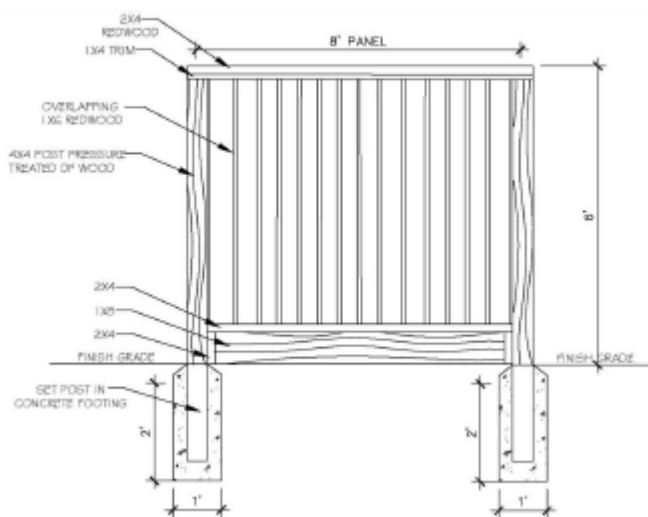
33. Sheet PM1 shows the street light locations and cut sheet. Sheets A4.1 and A4.2 show the lights mounted on the wall along with the wall light cut sheet.

34. Sheets A.3 and A.4 show the equipment in the rear of the units. Sheet L-1 shows the rear yards screened with fences as well as the backflow and irrigation timer screened by the plants. Sheet L-4 shows the fence detail.
Sheet L-1

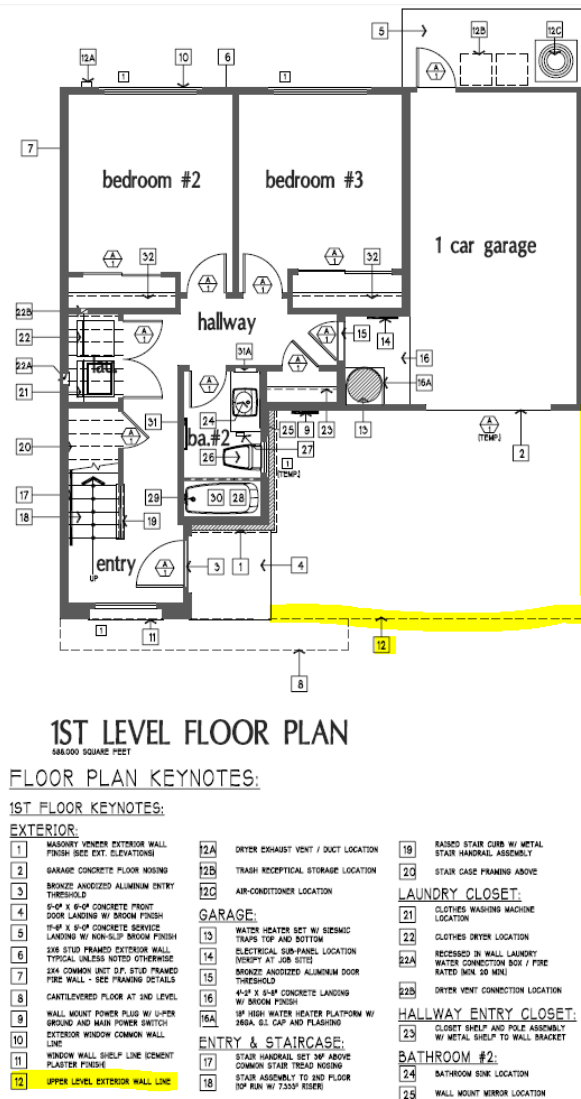
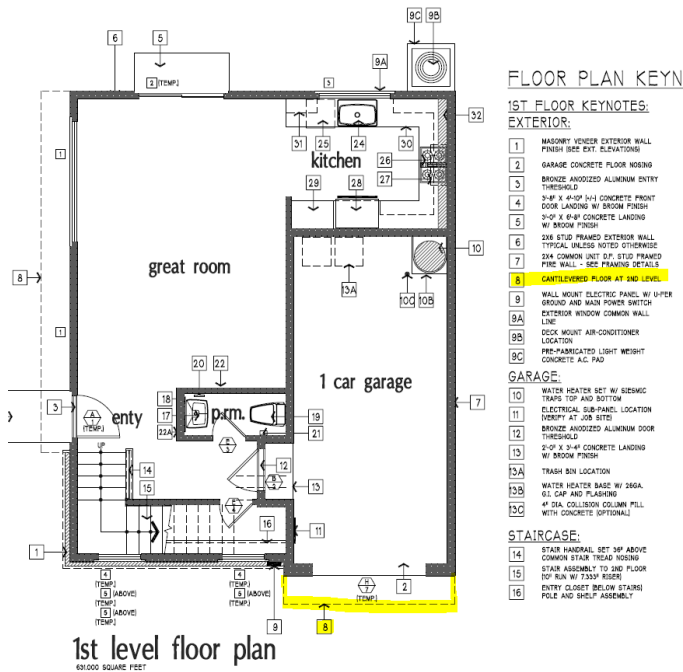




Wood Fence Detail



35. Sheet A.1 shows the second-floor overhanging beyond the garage door for plan A. Sheet A.2 shows the second-floor overhanging beyond the garage door for plan B. The recessed garage doors can also be seen on sheet A.3.

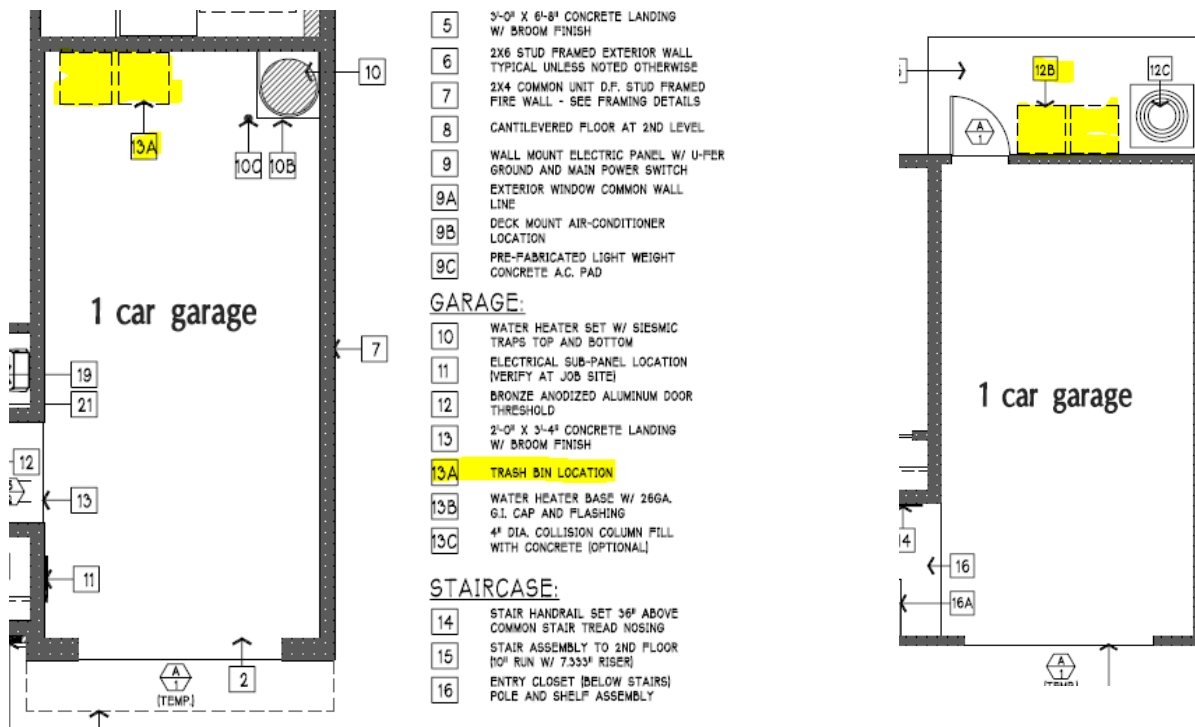


36. Sheet A4.1 shows an image of the translucent glass garage doors.

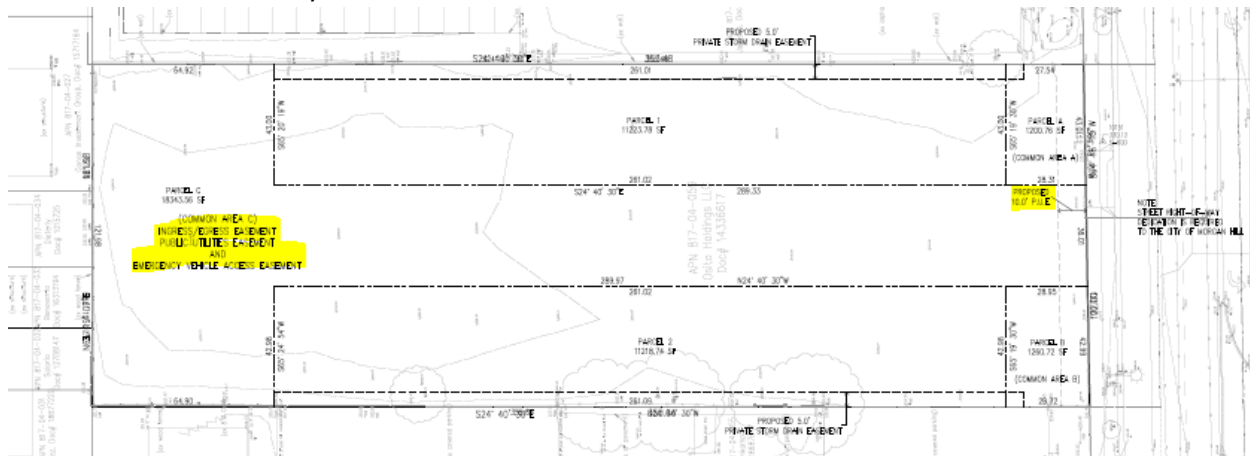


10. CLOPAY GARAGE SECTIONAL OVERHEAD DOOR: AVANTE SERIES 8'-0" X 8'-0" 2 1/2" BRONZE ANODIZED ALUMINUM FRAME W/ FROSTED TEMPERED GLASS DOOR PANELS.

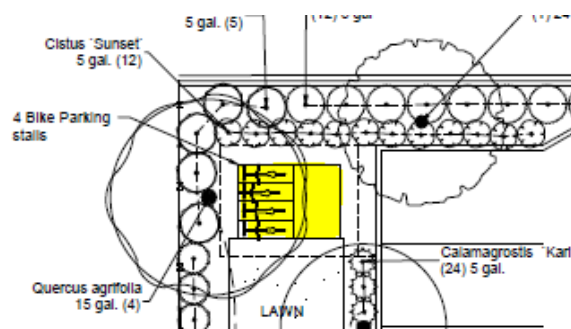
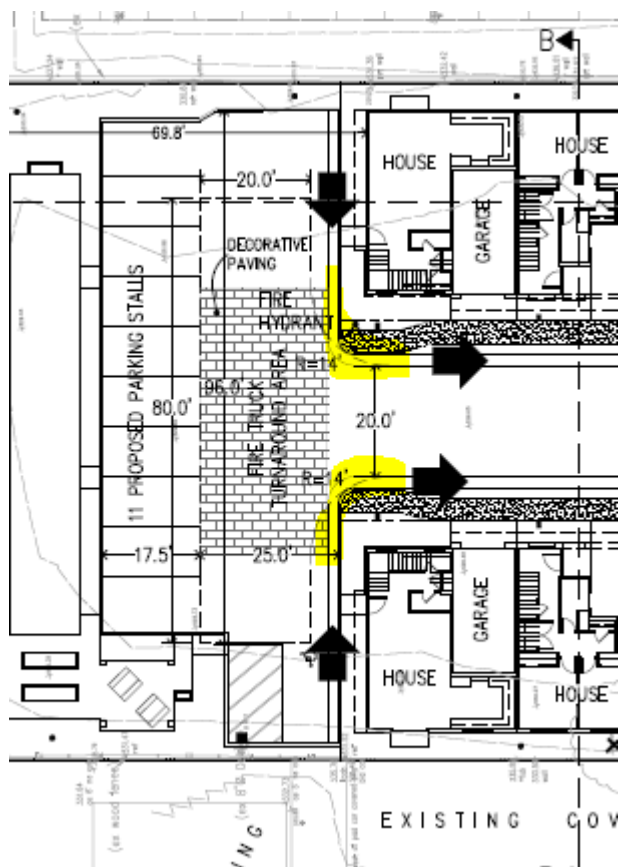
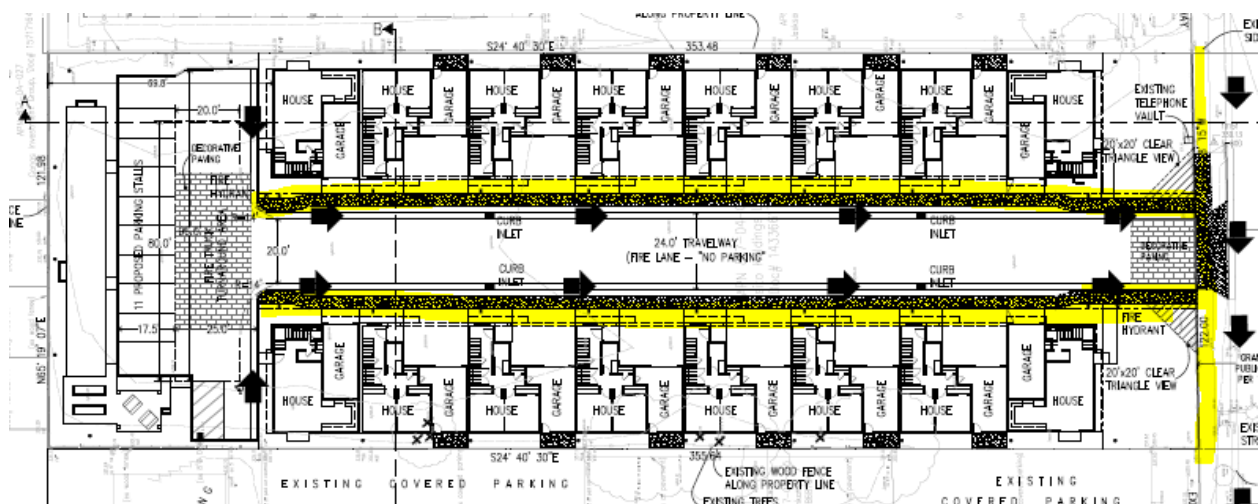
42. Plan A units have a space in the garage for their solid waste and recyclable materials (Sheet A.1). Plan B units have the same space in their rear yard (Sheet A.2).



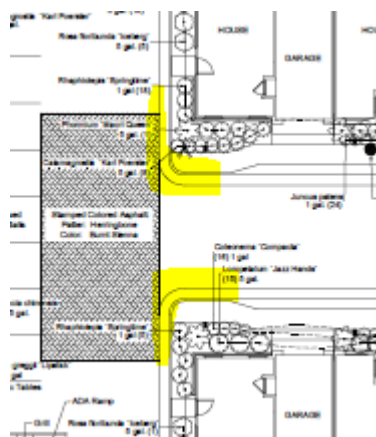
45. Easements noted in yellow.



53. The project incorporates design elements from category A in the form of sidewalks as seen on sheet C.3, category B in the form of traffic calming measure to lower speeds by using shorter curb corner radii as seen on sheet C.3, and category C in the form of bicycle parking as seen on sheet L-1. Sheets C.3 -C.5 give another perspective. Sheet L-1 also shows the sidewalks and shorter curb corner radii.



54. The project incorporates enhanced bicycle and pedestrian improvements such as bicycle storage and traffic calming measures in the form of shorter curb corner radii to reduce automobile traffic speeds as seen on sheet L-1.



Osito Holdings LLC
PO Box 362
Morgan Hill, CA 95038

July 11th, 2020

City of Morgan Hill
1757 Peak Ave
Morgan Hill, CA 95037

RE: 215 Tennant Ave Condominium Project Concession Request

215 Tennant Ave is a 16-unit condominium in-fill project across from the Tennant Station shopping complex. The project includes 15% affordable housing units. Pursuant to California Government Code Section 65915 (b)(1)(A) which authorizes the City to grant one concession for projects that include at least 10% affordable housing units, we are requesting a major full-height recess concession. Not only is this project including 15% affordable housing units which is above the 10% state mandate, we are also developing a parcel in Morgan Hill that has been undeveloped for decades now. The parcel lies directly off of Tennant Ave which is one of the city's major arterial streets and we believe that this project will contribute to the development and completeness of the area.

Our project has been designed with recesses to break up the massing of the buildings to comply with the intention of the development standards, however, it does not meet the required 10' deep recess requirement for multi-family projects. After discussing with staff on how to comply with this requirement, we have concluded that we would have to raise the parapet walls on the building to be 10' tall at its highest point. This would put the overall height of the building over the 30' height restriction. It would also make the exterior elevation unproportional and aesthetically unpleasing. Therefore, we are requesting a concession regarding the major full-height development standard so that we may construct these buildings in a proportional and aesthetically pleasing manner.

Regards,



David Halvorsen

Attachment: Tennant-Osoto Concession Request Letter (2848 : Tennant-Osoto Concession Request)



CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2020

PREPARED BY: Christina Turner, City Manager

APPROVED BY: City Manager

ADOPT THE MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES RESOLUTION AND APPROVE PART-TIME TEMPORARY AND SEASONAL, AND ELECTED AND COUNCIL APPOINTED EMPLOYEES SALARY SCHEDULES

RECOMMENDATION(S)

1. Adopt the management, professional, and confidential employees' resolution;
2. Approve part-time temporary, and Seasonal Employees salary schedules; and
3. Approve the elected officials and Council appointed/unrepresented/exempt employees salary schedule.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Fostering a Positive Organizational Culture
Preserving and Cultivating Public Trust

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

Annually, the City Council considers revisions to the City's existing Management, Professional, and Confidential Employees Resolution based on recommendations from the City Manager and after budget adoption. On June 17, 2020, the City Council adopted the Fiscal Year (FY) 2020-21 and 2021-22 Biennial Budget.

A summary of the components of the recommended Resolution (Attachment 1) are provided below:

- **Base Salary** – All employees covered by the Resolution will not receive a cost of living adjustment (COLA) increase in the current FY. The existing salary schedule effective December 29, 2019 remains in effect.
- **Employee Paid Share of the Employer California Public Employees' Retirement System (CalPERS) Contribution for FY 2020-2021** – The FY 2020-21 CalPERS employee contribution obligation is updated to reflect an increase in employee paid share of the employer CalPERS contribution.
- **Health Care Contributions** – The City's health care contribution to the medical and dental plans for upcoming calendar year 2021 include the following:
 - For employees with family coverage, up to \$2,055/month.

- For employees with employee plus one coverage, up to \$1,568/month.
- For employees with employee only coverage, up to \$832/month.
- **Tuition Reimbursement** – The City’s tuition reimbursement benefit is updated to \$3,000 per FY. This benefit allows opportunities for staff to pursue professional development and growth, a core value of the organization. The benefit is to be utilized for cost of books and tuition for classes or courses beneficial to the employee’s professional development.

In addition, staff is recommending approval of the following two updated salary schedules.

- **Part-time temporary and seasonal employees** – The current schedule has been updated to include additional temporary and seasonal employee classifications (Attachment 2), as well as impacts of the minimum wage changes in California effective January 1, 2021 (Attachment 3).
- **Elected officials and Council appointed employees** – Under recent California CalPERS regulations, the City Council is required to adopt salary schedules for all identified employee positions, including City Council, City Clerk, City Treasurer, City Manager, and City Attorney. Attached (Attachment 4) is the current Elected officials and Council appointed employees’ salary schedule effective July 1, 2019. City Attorney and City Manager have elected to forgo their COLA due July 1, 2020, therefore the salary schedule effective July 1, 2019 remains in effect.

COMMUNITY ENGAGEMENT: Inform

Staff will post the approved Resolution and salary schedules on the Human Resources page as is the City’s practice for labor contracts and salary information.

ALTERNATIVE ACTIONS:

The City Council could decide not to approve or alter the recommended changes to the various components of the Resolution outlined above.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On September 4, 2019, the City Council approved the current Management, Professional, and Confidential Employees Resolution (No. 19-042).

On December 18, 2019, the City Council approved the current Part-Time Temporary and Seasonal Employees salary schedule.

On August 22, 2018, the City Council approved the last Elected Official and Council Appointed Employees salary schedule.

FISCAL AND RESOURCE IMPACT:

As indicated above, there will be no COLA salary increase for all positions covered by the Management, Professional, and Confidential Employees Resolution in the current FY. The projected salary savings are about \$300,000 for the current FY. The budgetary impacts of the recommended changes to the various components of the Resolution, as well as the temporary and seasonal employees pay schedules, are included in the adopted FY 2020-21 budget, therefore no budget appropriations are required.

CEQA (California Environmental Quality Act):

Not a Project - Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. FY2020-21 MGMT Resolution
2. Pt-Time Temp and Seasonal Employees Salary Schedule Updated
3. Pt-Time Temp and Seasonal Employees Salary Schedule effective January 1, 2021.
4. Elected Officials and Council Appointed Positions Effective July 1, 2019

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ADJUSTING THE SALARY SCHEDULE FOR MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES (THIS RESOLUTION RESCINDS RESOLUTION NO. 19-042)

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

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

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

SECTION 1 - SALARY RANGES

~~A. Effective December 30, 2018, base salaries for Groups 1-A, 1-B, 1-C, and 1-D increased by 3.5%.~~

~~See Current Salary Schedule attached as Exhibit A.~~

B.A. Effective December 29, 2019, base salaries for Groups 1-A, 1-B, 1-C, and 1-D, increase by 3.5%.

See Salary Schedule attached as Exhibit AB.

C.B. Groups 1-A, 1-B, 1-C, and 1-D base salary ranges include the employee PERS contribution which is deducted from payroll (See SECTION 3, E-H.)

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

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

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

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

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

**Currently Unfunded Position*

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

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

- A. For "Classic Members" as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA) and in the CalPERS retirement system:
1. Non-Safety (miscellaneous) employees listed in Groups 1-A, 1-B, 1-C, and 1-D will receive

CalPERS retirement benefits under the 2.5% at age 55 plan.

2. Safety (sworn) employees listed in Groups 1-A and 1-B, will receive CalPERS retirement benefits under the 3% at age 50 plan.

B. For "New Members" as defined by PEPRA and in the CalPERS retirement system:

1. Non-Safety (miscellaneous) employees listed in Groups 1-A, 1-B, 1-C, and 1-D will receive CalPERS retirement benefits under the 2.0% at 62 plan.
2. Safety (sworn) employees listed in Groups 1-A and 1-B will receive CalPERS retirement benefits under the 2.7% at age 57 plan.

C. CalPERS defines a "New Member" as:

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

D. Non-Safety (miscellaneous) employees: Beginning with CalPERS rates effective July 1, 2013, the City and Non-Safety (miscellaneous) Management, Professional, and Confidential employees agreed to split future employer rate increases at a 50/50 ratio. This methodology will be used in subsequent years should CalPERS increase the Miscellaneous contribution rates.

E. The Miscellaneous "Classic Members" shall contribute, in addition to the "Classic Members" rate of 8.0%, an additional ~~3.6044.485~~ 11.60412.485% towards the "Classic Members" CalPERS contribution rate for FY ~~2020-21~~ 19-20. The total "Classic Members" employee contribution obligation shall be ~~11.60412.485~~ 11.60412.485%.

F. The Miscellaneous "New Members" shall contribute, in addition to the "New Members" rate of 6.25%, an additional ~~3.6044.485~~ 9.85411.485% towards the "New Members" CalPERS contribution rate for FY ~~2020-21~~ 19-20. The total "New Members" employee contribution obligation shall be ~~9.85411.485~~ 9.85411.485%.

~~G.~~ Safety (sworn) PEPRA employees: Beginning with CalPERS rates effective July 1, 2013, at which time the City's employer contribution PEPRA rate was 11.5%, the City and Association agreed that, beginning with CalPERS PEPRA rates effective July 1, 2013, safety (sworn)

PEPRA employees would not pay less than 11.50% and would split future increases to the City's employer PEPRA contribution rates, including both the normal cost and any unfunded actuarial liability at a 50/50 ratio. For example, the City's employer CalPERS safety PEPRA obligation was 12.114% in FY 16-17 with the PEPRA employees' obligation was at 11.50%. Therefore, City paid half of the 0.614% increase over the base year City's employer PEPRA cost of 11.50% (equal to 0.307%) and safety PEPRA employees paid the other half (also equal to 0.307%). This methodology has been used in each year subsequent to FY 2016-17 and will be used in future years should CalPERS increase the City's employer Safety PEPRA contribution rates. The Safety PEPRA employees CalPERS contributions rate for 2019-2021 shall be ~~13.329~~14.867% (1~~32.00~~32.9867% employee + 1.~~329867~~32.9867% of the employer share).

~~H.~~

I.G.

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

~~K. As soon as administratively feasible, pursuant to Government code section 20516, the City shall amend its contract with CalPERS to convert the additional employee contribution to the employee share.~~

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

A. The City will contribute to the City's medical and dental plans as follows:

1. For employees with family coverage, up to \$1,9~~7600~~7600/month in 20~~2019~~2019 and up to \$~~2,0551,976~~2,0551,976/month in 202~~10~~10.
2. For employees with employee plus one coverage, up to \$1,5~~0800~~0800/month in 20~~2019~~2019 and up to \$1,5~~6808~~6808/month in 202~~10~~10.
3. For employees with employee only coverage, up to \$800/month in 20~~2019~~2019 and up to \$~~832800~~832800/month in 202~~10~~10.
4. Employees enrolling in City health but not using the maximum amount available from the City for their premium category (employee only, employee + 1, employee + family) shall not be entitled to the surplus. Employees enrolling in plans whose cost exceeds the maximum amount available from the City for their premium category shall have the difference deducted on a pre-tax basis from their paycheck.
5. Employees who waive medical coverage and annually provide proof of alternate medical coverage shall be entitled to a taxable health in lieu payment of six hundred ten dollars (\$610) per month.
6. If an employee waives medical and elects dental coverage, the employee will receive the taxable health in lieu payment of six hundred ten dollars (\$610) per month but will

pay the appropriate dental premium.

~~7. The City will implement a cafeteria plan in or before October 2019 consistent with paragraphs 1-6 above.~~

- B. The City will continue to provide coverage under the Concern Employee Assistance Program.
- C. The City will continue to offer an IRS Section 125 program.

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

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

A. Holidays

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

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

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

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

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

B. Sick Leave Accrual

1. Sick Leave credit for employees will be accumulated on the basis of eight hours of sick leave per month (96 hours per year).

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

C. Vacation Leave Accrual

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

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

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

will be working a total of eleven (11) months in the fiscal year). All regular, full-time employees will receive 72 hours of administrative leave each fiscal year following their hire date. Part-time employees have prorated benefits and their total administrative leave hours will be prorated based on their position allocation.

E. Leave Cash Out

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

F. Bereavement Leave

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

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

G. Professional Development

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

1. Tuition Reimbursement Program

Employees are eligible to receive tuition reimbursement of up to \$~~1,500~~3,000 per fiscal year for the cost of books and tuition for classes or courses beneficial to the employee's career development. All classes must be approved in advance by the Department Director or City Manager. Reimbursement will take place upon a successful completion or passing of the course.

2. **Membership Dues**

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

H. **Life and Disability Insurance**

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

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

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

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

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

I. **Retirement Medical Plan**

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

J. **Special Assignment Pay**

Special Assignment Pay may be granted to employees who have assumed, for an extended period, significant additional responsibilities outside their current classification. The request for special assignment shall describe the assignment, justify why it is to be performed by the designated employee, and give a specific duration for completion of the assignment with a start and end date. Special assignment pay is up to 10% above the employee's normal pay rate. The special assignment and related compensation may be revoked at any time at the discretion of the Department Director, or the City Manager or designee. Special Assignment Pay will be requested in advance by the Department Director and authorized by the City Manager or designee, and then processed by the Human Resources Division. Special Assignment Pay shall be discontinued on the date originally identified for completion of the

assignment, unless an extension of specific duration is approved by the City Manager or designee prior to the end of the original assignment end date. This pay will not be considered additional compensation as defined by the California Public Employees' Retirement Systems (CalPERS).

K. Employee Uniform Allowance

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

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

L. Work Schedule

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

M. Auto Allowance

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

N. Cell Phone Allowance

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

SECTION 6 - EFFECTIVE DATE

This resolution shall be effective June 30, 2019. Compensation shall be made available to only those employees covered by this section who are still employed as a Management, Professional, or Confidential employee with the City as of the effective date of this agreement. As of the effective date of this Resolution, Resolution No. 19-035 shall be superseded and rescinded.

City of Morgan Hill
Resolution No.
Page 10 of 12

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the September 16, 2020 by the following vote:

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

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

IRMA TORREZ, City Clerk

∞ **CERTIFICATION** ∞

I, **Irma Torrez, City Clerk of the City of Morgan Hill, California**, do hereby certify that the foregoing is a true and correct copy of Resolution No. 20-XXX, adopted by the City Council at the meeting held on September 16, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: FY2020-21 MGMT Resolution [Revision 4] (2855 : mgmt resolution, temp and appointed salary schedules)

EXHIBIT A

MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEE GROUP SALARY SCHEDULE

Adopted: June 5, 2019

Effective: June 30, 2019

* Currently Unfunded Positions

Job Classification	Bottom of Range Monthly	Top of Range Monthly
Group 1-A: Executive Management		
<i>Assistant City Manager for Administrative Services *</i>	\$13,942	\$18,320
<i>Assistant City Manager for Development Services</i>	\$13,942	\$18,320
<i>Chief of Police</i>	\$13,942	\$18,320
<i>Public Services Director</i>	\$13,942	\$18,320
<i>Community Services Director *</i>	\$13,281	\$17,488
<i>Development Services Director</i>	\$13,281	\$17,488
<i>Economic Development Director</i>	\$13,281	\$17,488
<i>Engineering and Utilities Director *</i>	\$13,281	\$17,488
<i>Finance Director</i>	\$13,281	\$17,488
<i>Communications and Engagement Director</i>	\$11,460	\$15,059
<i>Human Resources Director</i>	\$11,460	\$15,059
<i>Information Technology Director</i>	\$11,460	\$15,059
Group 1-B: Middle Management		
<i>Police Captain</i>	\$11,687	\$15,356
<i>Building Official</i>	\$11,460	\$15,059
<i>Deputy Director for Engineering</i>	\$11,460	\$15,059
<i>Deputy Director for Utilities Services</i>	\$11,460	\$15,059
<i>Housing Manager</i>	\$11,460	\$15,059
<i>Planning Manager *</i>	\$11,460	\$15,059
<i>Program Administrator</i>	\$11,460	\$15,059
<i>Assistant City Attorney</i>	\$10,738	\$14,086
<i>Assistant to the City Manager</i>	\$10,738	\$14,086
<i>Economic Development Manager</i>	\$10,131	\$13,289
<i>Principal Planner</i>	\$10,131	\$13,289
<i>Senior Civil Engineer</i>	\$10,131	\$13,289
<i>Senior Project Manager</i>	\$10,131	\$13,289
<i>Budget Manager</i>	\$9,368	\$12,321
<i>Building Manager *</i>	\$9,368	\$12,321
<i>Communications and Engagement Manager *</i>	\$9,368	\$12,321
<i>Community Services Manager *</i>	\$9,368	\$12,321
<i>Information Services Manager *</i>	\$9,368	\$12,321
<i>Maintenance Manager</i>	\$9,368	\$12,321
<i>Police Support Services Manager</i>	\$9,368	\$12,321
<i>Recreation Manager</i>	\$9,368	\$12,321
<i>Supervising Civil Engineer</i>	\$9,368	\$12,321
<i>Utility Systems Manager</i>	\$9,368	\$12,321
<i>Accounting Manager *</i>	\$8,720	\$11,462
<i>Financial and Policy Analyst</i>	\$8,720	\$11,462
<i>Senior Planner</i>	\$8,720	\$11,462
<i>Community Services Supervisor</i>	\$7,900	\$10,080
<i>Council Services and Records Manager</i>	\$7,900	\$10,080
<i>Deputy City Attorney *</i>	\$7,900	\$10,080
<i>Economic Development Coordinator *</i>	\$7,900	\$10,080
<i>Emergency Services Coordinator</i>	\$7,900	\$10,080
<i>GIS / Land Use Data Administrator</i>	\$7,900	\$10,080
<i>Maintenance Services Coordinator</i>	\$7,900	\$10,080
<i>Older Adult Services Supervisor</i>	\$7,900	\$10,080
<i>Programmer Analyst</i>	\$7,900	\$10,080
<i>Senior Human Resources Analyst</i>	\$7,900	\$10,080
<i>Risk Management Analyst (.50 FTE)</i>	\$3,766	\$4,941
Group 1-C: Confidential Exempt		
<i>Administrative Analyst</i>	\$7,530	\$9,881
<i>Legal Specialist</i>	\$6,775	\$8,914
Group 1-D: Confidential Non-Exempt		
<i>Accounting Technician</i>	\$6,007	\$7,883
<i>Human Resources Technician</i>	\$6,007	\$7,883
<i>Human Resources Assistant *</i>	\$4,704	\$6,154

Attachment: FY2020-21 MGMT Resolution [Revision 4] (2855 : mgmt resolution, temp and appointed salary schedules)

EXHIBIT B

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

Adopted: September 4, 2019

Effective: December 29, 2019

* Currently Unfunded Positions

Job Classification	Bottom of Range Monthly	Top of Range Monthly
Group 1-A: Executive Management		
<i>Assistant City Manager for Administrative Services *</i>	\$14,430	\$18,961
Assistant City Manager for Development Services	\$14,430	\$18,961
Chief of Police	\$14,430	\$18,961
Public Services Director	\$14,430	\$18,961
<i>Community Services Director *</i>	\$13,746	\$18,100
Development Services Director	\$13,746	\$18,100
Economic Development Director	\$13,746	\$18,100
<i>Engineering and Utilities Director *</i>	\$13,746	\$18,100
Finance Director	\$13,746	\$18,100
Communications and Engagement Director	\$11,861	\$15,586
Human Resources Director	\$11,861	\$15,586
Information Technology Director	\$11,861	\$15,586
Group 1-B: Middle Management		
Police Captain	\$12,096	\$15,893
Building Official	\$11,861	\$15,586
Deputy Director for Engineering	\$11,861	\$15,586
Deputy Director for Utilities Services	\$11,861	\$15,586
Housing Manager	\$11,861	\$15,586
<i>Planning Manager *</i>	\$11,861	\$15,586
Program Administrator	\$11,861	\$15,586
Assistant City Attorney	\$11,114	\$14,579
Assistant to the City Manager	\$11,114	\$14,579
Economic Development Manager	\$10,486	\$13,754
Principal Planner	\$10,486	\$13,754
Senior Civil Engineer	\$10,486	\$13,754
Senior Project Manager	\$10,486	\$13,754
Budget Manager	\$9,696	\$12,752
<i>Building Manager *</i>	\$9,696	\$12,752
<i>Communications and Engagement Manager *</i>	\$9,696	\$12,752
<i>Community Services Manager *</i>	\$9,696	\$12,752
<i>Information Services Manager *</i>	\$9,696	\$12,752
Maintenance Manager	\$9,696	\$12,752
Police Support Services Manager	\$9,696	\$12,752
Recreation Manager	\$9,696	\$12,752
Supervising Civil Engineer	\$9,696	\$12,752
Utility Systems Manager	\$9,696	\$12,752
<i>Accounting Manager *</i>	\$9,025	\$11,863
Financial and Policy Analyst	\$9,025	\$11,863
Senior Planner	\$9,025	\$11,863
Community Services Supervisor	\$8,177	\$10,433
Council Services and Records Manager	\$8,177	\$10,433
<i>Deputy City Attorney *</i>	\$8,177	\$10,433
<i>Economic Development Coordinator *</i>	\$8,177	\$10,433
Emergency Services Coordinator	\$8,177	\$10,433
GIS / Land Use Data Administrator	\$8,177	\$10,433
Maintenance Services Coordinator	\$8,177	\$10,433
Older Adult Services Supervisor	\$8,177	\$10,433
Programmer Analyst	\$8,177	\$10,433
Senior Human Resources Analyst	\$8,177	\$10,433
Risk Management Analyst (.50 FTE)	\$3,898	\$5,114
Group 1-C: Confidential Exempt		
Administrative Analyst	\$7,794	\$10,227
Legal Specialist	\$7,012	\$9,226
Group 1-D: Confidential Non-Exempt		
Accounting Technician	\$6,217	\$8,159
Human Resources Technician	\$6,217	\$8,159
<i>Human Resources Assistant *</i>	\$4,869	\$6,369

Attachment: FY2020-21 MGMT Resolution [Revision 4] (2855 : mgmt resolution, temp and appointed salary schedules)

CITY OF MORGAN HILL

PART-TIME TEMPORARY AND SEASONAL EMPLOYEES SALARY SCHEDULE

Salaries effective the pay period including January 1, 2020 – updated September 2020

CLASSIFICATIONS	Bottom Step Hourly	Top Step Hourly
INTERNS		
High School/College Work Experience Student	\$13.00	\$25.00
POLICE DEPARTMENT		
Graffiti Abatement Worker	\$13.00	\$17.00
Per Diem Dispatcher	Hourly rate for Public Safety Dispatcher	
Police Cadet – High School	\$13.00	\$15.00
Police Cadet – Junior College	\$15.00	\$18.00
Police Cadet – College	\$18.00	\$21.00
Level I Reserve Police Officer	Hourly rate for Step A Police Officer	
Level II Reserve Police Officer	90% of hourly rate for Step A Police Officer	
Police Officer Trainee	90% of monthly rate for Step A Police Officer	
Reserve Officer Trainee	\$15.00	
TEMPORARY AND SEASONAL		
Building Coordinator	\$17.00	\$25.00
Clerical Assistant	\$15.00	\$20.00
Cleaning and Safety Representative	\$14.00	\$21.00
Communications Technician	\$15.00	\$30.00
Customer Service Coordinator	\$18.00	\$23.00
Customer Service Representative	\$14.00	\$21.00
Deck Coordinator	\$20.00	\$30.00
Government Access Technician	\$20.00	\$30.00
Fire Plans Examiner/Inspector	\$35.50	\$45.00
Lifeguard	\$14.50	\$18.00
Lifeguard - Lead	\$18.00	\$20.00
Maintenance Worker Assistant	\$15.00	\$20.00
Per Diem Dispatcher	Hourly rate for Public Safety Dispatcher	
Recreation Instructor	\$15.75	\$52.50
Recreation Leader	\$13.00	\$16.00
Recreation Specialist	\$18.00	\$23.00
Retired Annuitant	\$20.00	\$100.00
Senior Recreation Leader	\$16.00	\$21.00

Special Projects Coordinator	\$18.00	\$50.00
Swim Instructor	\$14.00	\$21.00
Swim Instructor - Lead	\$18.00	\$23.00
Welcome Desk Assistant	—\$14.00	\$18.00
Welcome Desk Coordinator	\$18.00	\$23.00

Other Part-Time Temporary or Seasonal positions may be tied to the Salary Schedule for the Bargaining Units which are not listed above. The above list only includes those part-time and temporary positions which are frequently used or are not contained on a bargaining unit salary schedule.

CITY OF MORGAN HILL

PART-TIME TEMPORARY AND SEASONAL EMPLOYEES SALARY SCHEDULE

Salaries effective the pay period including January 1, 2021¹⁰

CLASSIFICATIONS	Bottom Step Hourly	Top Step Hourly
INTERNS		
High School/College Work Experience Student	\$143.00	\$25.00
POLICE DEPARTMENT		
Graffiti Abatement Worker	\$143.00	\$17.00
Per Diem Dispatcher	Hourly rate for Public Safety Dispatcher	
Police Cadet – High School	\$14.00	\$15.00
Police Cadet – Junior College	\$15.00	\$18.00
Police Cadet – College	\$18.00	\$21.00
Level I Reserve Police Officer	Hourly rate for Step A Police Officer	
Level II Reserve Police Officer	90% of hourly rate for Step A Police Officer	
Police Officer Trainee	90% of monthly rate for Step A Police Officer	
Reserve Officer Trainee	\$15.00	
TEMPORARY AND SEASONAL		
Building Coordinator	\$17.00	\$25.00
Clerical Assistant	\$15.00	\$20.00
Cleaning and Safety Representative	\$14.00	\$21.00
Communications Technician	\$15.00	\$30.00
Customer Service Coordinator	\$18.00	\$23.00
Customer Service Representative	\$14.00	\$21.00
Deck Coordinator	\$20.00	\$30.00
Government Access Technician	\$20.00	\$30.00
Fire Plans Examiner/Inspector	\$35.50	\$45.00
Lifeguard	\$14.50	\$18.00
Lifeguard - Lead	\$18.00	\$20.00
Maintenance Worker Assistant	\$15.00	\$20.00
Per Diem Dispatcher	Hourly rate for Public Safety Dispatcher	
Recreation Instructor	\$15.75	\$52.50
Recreation Leader	\$143.00	\$16.00
Recreation Specialist	\$18.00	\$23.00
Retired Annuitant	\$20.00	\$100.00
Senior Recreation Leader	\$16.00	\$21.00

Special Projects Coordinator	\$18.00	\$50.00
Swim Instructor	\$14.00	\$21.00
Swim Instructor - Lead	\$18.00	\$23.00
Welcome Desk Assistant	—\$14.00	\$18.00
Welcome Desk Coordinator	\$18.00	\$23.00

Other Part-Time Temporary or Seasonal positions may be tied to the Salary Schedule for the Bargaining Units which are not listed above. The above list only includes those part-time and temporary positions which are frequently used or are not contained on a bargaining unit salary schedule.

CITY OF MORGAN HILL**ELECTED OFFICIALS AND COUNCIL - APPOINTED/UNREPRESENTED/EXEMPT EMPLOYEES****SALARY SCHEDULE**

As of: July 1, 2019

3.d

Job Classification	Bottom of Range Monthly	Top of Range Monthly	Annual Maximum
Elected Officials			
Mayor	-	\$834	\$10,008
Council Members	-	\$313	\$3,756
City Clerk	-	\$200	\$2,400
City Treasurer	-	\$200	\$2,400
Appointed by the City Council			
City Manager	-	\$20,531	\$246,372
City Attorney	-	\$20,412	\$244,941

Compensation for elected officials per City Ordinance No. 1780 and Council Resolution No. 5235

Attachment: Elected Officials and Council Appointed Positions Effective July 1, 2019 (2855 : mgmt



CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2020

PREPARED BY: Inga Alonzo, Management Analyst
APPROVED BY: City Manager

APPROVE SECOND AMENDMENT TO EMERGENCY REPAIR AND MAINTENANCE AGREEMENT WITH SALINAS PUMP

RECOMMENDATION(S)

Approve and authorize the City Manager to execute an amendment for \$115,500 to increase the not to exceed amount to \$658,967, for the current service maintenance agreement with Salinas Pump for on-call routine and emergency repair, maintenance, and rehabilitation of the City's water wells and pump stations.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure

GUIDING DOCUMENTS

Water System Master Plan

REPORT NARRATIVE:

The City of Morgan Hill operates 17 water wells and 10 booster stations to provide the City's municipal water needs. A Request for Proposal (RFP) was issued on September 21, 2017 to select a service provider for maintenance, repair, rehabilitation, and emergency servicing for the City's water wells and pump stations. The City received one responsive proposal for this RFP from Salinas Pump Company. Council approved a three-year agreement with a not to exceed amount of \$275,000 on November 15, 2017. At the time of the agreement, the not to exceed amount was estimated based on the then current Fiscal Year (FY) 2017-18 budget, as well as history of the last three-year agreement expenditures. The November 15, 2017 staff report referenced under the fiscal impact section that subsequent years of the agreement were subject to budget appropriations by City Council.

In the first year of the agreement, there were several unplanned repairs also needed. Woodland and Encino pump stations required new impellers and Diana #3 well, which had a broken pump shaft, also needed the pump replaced and new pump piping. In the second year, the Boy's Ranch #1 Well suffered a broken well casing which required emergency repairs exceeding \$100,000, adding unanticipated costs to the agreement. On November 7, 2018, Council approved an amendment to increase the not to exceed amount to cover the unforeseen repairs.

As the not to exceed amount for this agreement was estimated based on a history of expenditures in three previous years to this agreement, the estimation has fallen short

of the actual maintenance, repair, and rehab condition assessments for current work required for this infrastructure. The contract increase would cover the increased repair costs and provide for scheduled services for the remainder of the agreement term. Funding for the increased agreement cost has been included in the current Council adopted biennial budget, therefore, no additional appropriations are needed. City staff plan to issue a request for proposals for water system maintenance, repair, rehabilitation, and emergency services after the conclusion of the proposed amendment.

COMMUNITY ENGAGEMENT: Not Applicable

Maintenance, repair, and rehabilitation services for the City's water infrastructure is a necessary function to support basic operations. Therefore, no community engagement was performed.

ALTERNATIVE ACTIONS:

City Council could decide to authorize payment of current invoices, terminate the existing agreement, and direct staff to solicit new bids for the services needed. This action is not recommended as it would leave the City without an on-call service provider in the event that an unanticipated repair to the water system was necessary.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On November 15, 2017, Council approved an agreement with Salinas Pump Company for \$275,000.

On November 7, 2018, due to unforeseen emergency repairs at several sites, Council approved an increase in the not to exceed amount to \$543,467.

FISCAL AND RESOURCE IMPACT:

Sufficient funds were budgeted in the current biennial budget in Fund 653, project 608020. No additional appropriations are required at this time.

CEQA (California Environmental Quality Act):

Categorical Exemption

This project is Categorically Exempt pursuant to Section 15301 of CEQA Guidelines because the work to be performed is repair, maintenance, and/or minor alteration of existing well and pump station facilities involving no expansion of existing use.

LINKS/ATTACHMENTS:

1. Salinas Pump Company Inc. - Second Amendment

SECOND AMENDMENT TO AGREEMENT SALINAS PUMP COMPANY, INC.

This SECOND AMENDMENT TO AGREEMENT is entered into and becomes effective on _____ (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and SALINAS PUMP COMPANY, INC., a California Corporation ("SERVICE PROVIDER").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This SECOND Amendment to Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____.
2. The CITY and SERVICE PROVIDER entered into that "Maintenance Service Agreement" made as of November 27, 2017, for services for a maximum compensation of Two Hundred Seventy-Five Thousand and no/100 dollars (\$275,000.00) ("MAINTENANCE SERVICE AGREEMENT").
3. The CITY and SERVICE PROVIDER entered into a "First Amendment to Agreement" made as of November 20, 2018, under which the maximum compensation under the MAINTENANCE SERVICE AGREEMENT, as amended, was increased to Five Hundred Forty-Three Thousand, Four Hundred Sixty Seven and no/100 dollars (\$543,467.00). The MAINTENANCE SERVICE AGREEMENT and the First Amendment thereto are attached as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

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

A. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

"4.1. **Amount.** Compensation under this Agreement shall not exceed SIX HUNDRED FIFTY-EIGHT THOUSAND, NINE HUNDRED SIXTY-SEVEN AND NO/100 DOLLARS (\$658,967.00) and shall be billed based on the rate and basis set forth in **Exhibit B.**"

B. Paragraph 8.2.2. shall be amended and replaced in its entirety by the following:

"8.2.2. **Workers Compensation.**

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

C. Paragraph 10 shall be amended and replaced in its entirety by the following:

"10. **Compliance with Law.**

10.1. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

10.2. Without limiting the provisions of Section 10.1 above, each worker performing work under this Agreement shall be paid at a rate not less than the prevailing wage as defined in Sections 1771 and 1774 of the Labor Code. The prevailing wage rates are available online at <http://www.dir.ca.gov/dlsr>. SERVICE PROVIDER shall post a copy of the applicable prevailing rates at the Worksite. Pursuant to Labor Code Section 1775, SERVICE PROVIDER and any Subcontractor shall forfeit to CITY as a penalty up to two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the applicable prevailing wage rate. SERVICE PROVIDER shall also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.

10.3. DIR Registration. CITY will not accept a Bid Proposal from or enter into a contract with a SERVICE PROVIDER, without first receiving proof to the satisfaction of CITY that SERVICE PROVIDER and its subcontractors are registered with the California Department of Industrial Relations to perform public work under Labor Code Section 1725.5, subject to limited legal exceptions. Under Labor Code section 1771.4, this Agreement is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

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

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

Prior Judgments against SERVICE PROVIDER and/or its Subcontractors: BY SIGNING THIS AGREEMENT, SERVICE PROVIDER AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT SERVICE PROVIDER OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. SERVICE PROVIDER FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND

COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that SERVICE PROVIDER or any subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or SERVICE PROVIDER learns of such a judgment, decision, or order that was not previously disclosed, SERVICE PROVIDER shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision or order. SERVICE PROVIDER and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision or order within five (5) days of satisfying the final judgment, decision or order. CITY reserves the right to require SERVICE PROVIDER to enter into an agreement with CITY regarding the manner in which any such final judgment, decision, or order will be satisfied.

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

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

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

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(Signatures on Next Page)

2. **Conflicts.** In the event of a conflict between the terms and provisions of this Second Amendment to Agreement and the terms and provisions of the MAINTENANCE SERVICE AGREEMENT or any earlier amendments, the terms of this Second Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

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

ATTEST:

Michelle Bigelow, Deputy City Clerk
 Date: _____

APPROVED AS TO FORM:

Donald A. Larkin, City Attorney
 Date: _____

CITY OF MORGAN HILL

Christina J. Turner, City Manager
 Date: _____

SALINAS PUMP COMPANY, INC.

By: *[Signature]*
 Title: VP Aaron Thornton
 Print Name and Title of Signer.
 If Corporate: Chairman, President or Vice President

Date: 8-19-2020
[Signature]
 By: _____
 Title: CFO Kristi Thornton

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

Date: 8/19/2020

128-04-17-049

**FIRST AMENDMENT TO AGREEMENT
SALINAS PUMP COMPANY, INC.**

This FIRST AMENDMENT TO AGREEMENT is entered into and becomes effective on 11/20/18 (Effective Date), by THE CITY OF MORGAN HILL, a municipal corporation, ("CITY") and, SALINAS PUMP COMPANY, a California Corporation ("SERVICE PROVIDER").

RECITALS

The following recitals are a substantive part of this Agreement:

1. This First Amendment to Agreement is entered into based upon approval of the City of Morgan Hill City Council on November 7, 2018.
2. The CITY and SERVICE PROVIDER entered into that "Maintenance Service Agreement" made as of November 27, 2017, for services for a maximum compensation of TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS AND NO/100 DOLLARS (\$275,000.00) ("MAINTENANCE SERVICE AGREEMENT"). The MAINTENANCE SERVICE AGREEMENT is attached hereto as Exhibit "1" to this Agreement.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Amendments:** All terms and conditions of the MAINTENANCE SERVICE AGREEMENT, as amended, as attached as Exhibit "1," shall remain in full force and effect; except that the following amendment shall be made as set forth below:

A. Paragraph 4.1 shall be amended and replaced in its entirety by the following:

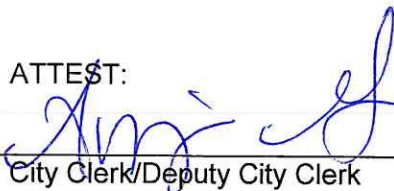
"4.1 **Amount.** Total compensation under this Agreement shall not exceed FIVE HUNDRED FORTY-THREE THOUSAND, FOUR HUNDRED SIXTY-SEVEN DOLLARS AND NO/100 DOLLARS (\$543,467.00) and shall be billed based on the rate and basis set forth in Exhibit "B" Schedule of Compensation Rates attached to the Maintenance Service Agreement made as of November 27, 2017.

2. **Conflicts.** In the event of a conflict between the terms and provisions of this First Amendment to Agreement and the terms and provisions of the MAINTENANCE SERVICE AGREEMENT or any earlier amendment, the terms of this First Amendment to Agreement shall govern and control.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

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

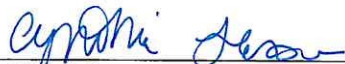
ATTEST:


 City Clerk/Deputy City Clerk

mw Michelle Wilson
 Print Name

Date: 11/20/18

APPROVED AS TO FORM:


 City Attorney

yn Donald A. Larkin
 Print Name

Date: 11-20-18

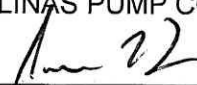
CITY OF MORGAN HILL


 City Manager

Christina J. Turner
 Print Name

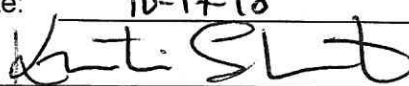
Date: 11/20/18

SALINAS PUMP COMPANY


 By: Aaron Thornton

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

Date: 10-17-18


 By: Kristi Thornton

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

Date: 10-17-18

12804-17-049

EXHIBIT 1

**MAINTENANCE SERVICE AGREEMENT
SALINAS PUMP COMPANY**

THIS AGREEMENT is entered into and becomes effective on 11/27/17 (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Salinas Pump Company a California corporation ("SERVICE PROVIDER") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to action of the Morgan Hill City Council taken on November 15, 2017.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2020 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be On-Call Water Well and Pump Station Repairs, Maintenance and Rehabilitation as further described in Exhibit A.
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$275,000.00. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed Two-Hundred Seventy-Five Thousand dollars and shall be billed based on the rate and basis set forth in Exhibit B. If the City Manager extends the term of this Agreement for up to one year pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed during the extended term period exceed an additional five percent (5%) above the compensation allowed to be paid to SERVICE PROVIDER during the initial term of this Agreement.
 - 4.2. **Billing.** SERVICE PROVIDER shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER on a monthly basis unless otherwise specified in Exhibit B. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or SERVICE PROVIDER shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require SERVICE PROVIDER to complete certain work product

or documents and SERVICE PROVIDER shall deliver to CITY all documents in its possession without additional compensation to SERVICE PROVIDER. The City Manager is authorized to terminate this AGREEMENT on behalf of CITY.

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

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

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

8.1. **Insurance Types and Amounts.**

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

8.1.2. **Automobile Liability.** SERVICE PROVIDER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if SERVICE PROVIDER does not own

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

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

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

8.1.5. Professional Liability.

8.1.5.1. If the performance of SERVICE PROVIDER's work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), SERVICE PROVIDER shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if SERVICE PROVIDER maintains a claims-made policy, SERVICE PROVIDER shall provide written evidence of such insurance to CITY for at least five (5) years after the completion of work performed under this Agreement.

8.1.5.2. If the performance of SERVICE PROVIDER's work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), SERVICE PROVIDER shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data

Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.5.3. If the performance of SERVICE PROVIDER's work or service under this Agreement involves contact with minors, SERVICE PROVIDER shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

8.2.1. **General Liability.**

8.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

8.2.1.2. the insurer waives the right of subrogation against the City of Morgan Hill and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

8.2.1.3. insurance shall be primary non-contributing.

8.2.2. **Workers Compensation.**

The insurer waives the right of subrogation against the City of Morgan Hill and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

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

- 8.4. **Certificates.** SERVICE PROVIDER shall furnish CITY with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to SERVICE PROVIDER's agreement with CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue

Morgan Hill, CA 95037

9. **Non-Liability of Officials and Employees of CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.
10. **Compliance with Law.**
- 10.1. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.
- 10.2. Without limiting the provisions of Section 10.1 above, each worker performing work under this Agreement shall be paid at a rate not less than the prevailing wage as defined in Sections 1771 and 1774 of the Labor Code. The prevailing wage rates are available online at <http://www.dir.ca.gov/dlsr>. SERVICE PROVIDER shall post a copy of the applicable prevailing rates at the Worksite. Pursuant to Labor Code Section 1775, SERVICE PROVIDER and any Subcontractor shall forfeit to CITY as a penalty up to two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the applicable prevailing wage rate. SERVICE PROVIDER shall also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.
- 10.3. DIR Registration. CITY will not accept a Bid Proposal from or enter into a contract with a SERVICE PROVIDER, without first receiving proof to the satisfaction of CITY that SERVICE PROVIDER and its subcontractors are registered with the California Department of Industrial Relations to perform public work under Labor Code Section 1725.5, subject to limited legal exceptions. Under Labor Code section 1771.4, this Agreement is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.
11. **Independent Contractor.** SERVICE PROVIDER is an independent contractor and not an agent or employee of CITY.
12. **Confidentiality.** All data, documents, or other information received by SERVICE PROVIDER from CITY or prepared in connection with SERVICE PROVIDER'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by SERVICE PROVIDER without prior written consent by CITY.
13. **Conflict of Interest and Reporting.** SERVICE PROVIDER shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
14. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of SERVICE PROVIDER is as follows:

Salinas Pump Company
21935 Rosehart Way

5
Updated: October 2016

Salinas, CA 93908

Address of CITY is as follows:

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

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

16. **Maintenance of Records.**

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

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

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

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

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

19. **No Assignment.** Neither this Agreement nor any portion shall be assigned by SERVICE PROVIDER, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY's option, shall terminate this Agreement effective as of the date of such attempted assignment.

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

21. **Defense and Indemnification.**

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

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

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

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

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

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

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

24. **Interpretation.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to,

California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

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

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

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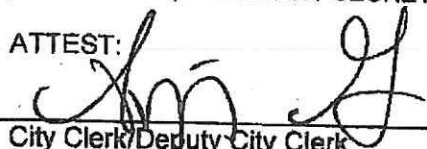
27. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

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

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

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

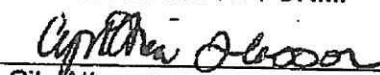
ATTEST:


City Clerk/Deputy City Clerk

 Michelle Wilson
Print Name

Date: 12/4/17

APPROVED AS TO FORM:


City Attorney

 Donald A. Larkin
Print Name

Date: 11-20-17

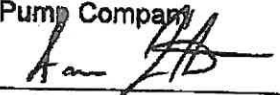
CITY OF MORGAN HILL


City Manager

Christina J. Turner
Print Name

Date: 11-27-17

Salinas Pump Company


By: Aaron Thornton

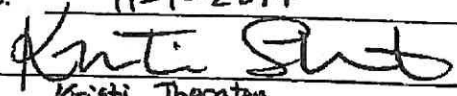
Title:

SVP

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

Date: 11-1-2017

By:


Kristi Thornton

Title:

Secretary

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

Date:

11-1-17

515945

Contractor's License Number(s) (if applicable)

Expiration Date(s)

Seal:

P:\Forms\Consultant Agreements\City Maintenance Service Agreement 10-5-15.Docx

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Updated: October 2016

EXHIBIT A SCOPE OF SERVICES

Task 1 Well Services

The City of Morgan Hill has 17 wells. The well equipment includes a combination of submersible and vertical turbine pumps; ranging in size from 40 to 150 horsepower. Pump depth range from 220 feet to 290 feet and pump columns range in size from 6 inches to 10 inches in diameter. The work includes well pump pulling and installations, water well rehabilitations, well casing removal, repairs and installations, water well video inspections, electric motor repairs, and repair services on various types of pumps and motors at various locations throughout the City. The Contractor shall provide all necessary heavy duty equipment, such as, but not limited to, drilling rig, pump rig, flatbed truck, boom truck, tractor trailer to complete the as requested including transportation to and from Contractor's facility to each City worksite.

Pump Removal/Installation and Servicing

The Contractor shall be qualified to perform water well pumps removal and installation. At the initial setup for pulling a well pump, the Contractor shall perform lockout/tagout of the electrical and hydraulic systems.

Well Video Survey Service

The Contractor shall perform water well video inspections using color video equipment with side scan and down-hole survey views. Videos shall be produced in electronic MP4 format in standard definition with a pixel resolution of 640 x 480 pixels or at higher resolutions. Ability to perform these surveys at higher resolutions will be given higher consideration.

The video survey unit shall simultaneously transpose the City's name, well name, footage and the date of inspection on the monitor screen and the video record. A footage counter/recorder shall read in feet and be accurate within 2 percent of the actual footage.

The video survey camera shall be capable of right angle or normal downhole viewing with a change in camera lens or mechanical movement of the camera. At the direction of the City, the Contractor must be able to provide right angle viewing to view any casing section in a direct elevation view.

Well Rehabilitation and Treatment Services

The Contractor shall be qualified to provide well rehabilitation and treatment services. Furnish all portable engine-driven pumps, necessary to perform well redevelopment and rehabilitation. Costs for temporary piping, sound proofing, and related equipment require approval by the Project Manager.

To perform these tasks, the Contractor shall have the capability to perform mineral analysis, chemical treatment, water quality testing, zone testing, well casing patches and similar casing repairs/improvements, and mechanical treatment on well casings. All chemicals used in treating wells shall be State approved for the purpose intended, must be National Sanitation Foundation (NSF) approved.

The Contractor's estimates shall include the typical type and concentration of chemicals (acids, inhibitors, polymers, neutralizers, etc.) to be used; the appropriate contact time for the chemicals; and the typical procedure for introducing, mixing, and neutralizing chemicals in the well. In addition, the name(s) and phone numbers of any company(ies) that will supply the treatment chemicals shall

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Updated: October 2016

be provided. Completed Material Safety Data Sheets (MSDS) for all chemicals used shall include the methods of mechanical treatment (dual swab, wire/nylon brush, sonar jetting, etc.).

Over the duration of this contract the City has scheduled to following well work items:

- FYE 18 – Dunne #2 and Main #2 Wells
- FYE 19 – Diana #3 and Nordstrom Wells
- FYE 20 – Diana #2 and Diana #4 Wells

Task 2 Pump Station Services

The City of Morgan Hill has 10 pump stations with approximately 32 pumps within the City limits maintained by City staff. There is a combination of pumps ranging in size from 3 hp to 150 hp. The pump stations are a combination of split case, close coupled and can turbine pumps. The City also utilizes Variable Frequency Drive motor systems at several of the stations. The City expects the following types of work will be performed under this task:

1. Repair and/or replacement of pumps and motor
2. Replacement of existing above ground and buried yard valves with new
3. manual and/or electric operated valves including all related piping and parts.
4. Repair/replacement of flow meters including all related piping and parts.
5. Replacement of pump and station control valves including all related piping
6. and parts.
7. Repair or replacement of auxiliary mechanical or electrical equipment. The City reserves the right to furnish replacement well or booster pump motors.
8. Electrical disconnect and hookup of repaired or replacement equipment.
9. Repairs or modifications of well heads as required.
10. Testing of parts, equipment, or material.
11. Measure, set, and recheck field pump impeller lateral settings and field
12. verification of pump and equipment operation.
13. Demolition or removal of existing structures

Over the duration of this contract the City has scheduled to following pump work items:

- FYE 18 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)
- FYE 19 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)
- FYE 20 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

This is a time and materials agreement. See Attached Fee Schedules.

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

FEE SCHEDULES

General Labor and Equipment Rates

Labor Fees

Classification	Prevailing Wage (PW) Hourly Rate	PW- Overtime Rate (OT)	PW Double Time (DT) Rate	Contractor Mark-Up In Percentage	Fully Burdened Rate	Fully Burdened OT Rate	Fully Burdened DT Rate
Laborers-On site							
General Foreman	12.70	19.05	25.40	246	88.00	132.00	176.00
Foreman	12.70	19.05	25.40	246	88.00	132.00	176.00
Crew Leader	12.70	19.05	25.40	246	88.00	132.00	176.00
Crew Member	10.50	15.75	21.00	319	88.00	132.00	176.00
Welder	23.19	34.78	46.38	89.7	88.00	132.00	176.00
Equipment Operator	12.70	19.05	25.40	246	88.00	132.00	176.00
Laborers-In Your Shop							
General Foreman							
Foreman	SAME AS ABOVE						
Crew Leader							
Crew Member							
Welder							

Equipment Fees

DESCRIPTION	MAKE/MODEL /YEAR	HOURLY RATE	OVERTIME RATE	LOCATION AFTER HOURS
Pump or Well Rig	FORD/F650/2004	50.00	75.00	Salinas
Crane (15-20 Ton Size)	Various	350.00	525.00	
Back Hoe	JCB	195.00	292.50	
Dump Truck (12 Yard Minimum)	FORD/F750/2015	175.00	262.50	
Pick-up Truck	FORD/F350/2016	30.00	45.00	

Parts Mark-up Fee

Percentage mark-up to supply parts as needed	% 38
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Billing Rates for Various Tasks (prevailing wages apply)

General Pump Pulling and Installation

Mobilization & Demobilization

\$2500 LS

Two (2) men, rig, and service truck

\$256 /hr

Each additional employee

\$ 88 /hr

Well Rehabilitation

Mobilization & Demobilization

\$2850 LS

Aqua Clear PFD Method (Estimated Hours:)

Two (2) men comb. Rig service truck/Chemical trailer

\$299 /hr

Bore Blast Method (Estimated Hours: Varies)

Two (2) men comb. Rig service truck/Bore blast trailer/Nitrogen gas \$400 /hr

Well Repair

Well Tear Down & Inspection

Two (2) men comb. Rig service truck

\$ 291 /hr

Rebuild Bowl (Estimated Hours: 36)

\$ 88 /hr

Well Cleanout Work

Cable tool method (wire brush)

Two (2) men comb. Rig service truck

\$291 /hr

Airlift Method

Two (2) men, rig and service truck

\$ 291 /hr

Air compressor charge

\$ 185 /hr

Large Crane: 40-ton with two (2) men

\$ 450 /hr

Smaller Cranes	
One (1) man and hydraulic crane - 5-ton	\$ <u>266</u> /hr
One (1) man and hydraulic crane - 8-ton	\$ <u>266</u> /hr
One (1) man and rotary crane - 10-ton	\$ <u>266</u> /hr
Field Service	
One (1) man and delivery truck	\$ <u>118</u> /hr
One (1) man and service truck	\$ <u>118</u> /hr
Two (2) men and service truck	\$ <u>206</u> /hr
Two (2) men and welding truck	\$ <u>206</u> /hr
Electrician	\$ <u>98</u> /hr
Shop Labor	
General shop labor	\$ <u>85</u> /hr
Premium shop labor	\$ <u>88</u> /hr
Machine shop labor	\$ <u>88</u> /hr
Metal spray labor	\$ <u>88</u> /hr
Welding shop labor	\$ <u>88</u> /hr
Closed Circuit Well Television with electronic MP4 copies	\$ <u>1450</u> LS
Wire brush, Bail Well, or Swab rental	\$ <u>291</u> /hr
NPDES Compliance (Baker Tanks, Neutralizing Equip. Lab Fees, fabrication)	\$ <u>9030</u> LS

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

All regular work is to be completed yearly on an on-call as needed basis.

24 hour Emergency service will be on an on-call basis.

Over the duration of this contract the City has scheduled to following well work items:

- **FYE 18 – Dunne #2 and Main #2 Wells**
- **FYE 19 – Diana #3 and Nordstrom Wells**
- **FYE 20 – Diana #2 and Diana #4 Wells**

Over the duration of this contract the City has scheduled to following pump work items:

- **FYE 18 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)**
- **FYE 19 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)**
- **FYE 20 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)**

DRAFT



Meeting Minutes City Council

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

Wednesday, August 5, 2020 7:00 pm

Virtual Meeting

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

CALL TO ORDER

Mayor Constantine called the meeting to order at 7:00 pm.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow called the roll.

Attendee Name	Title	Status	Arrived
Rich Constantine	Mayor	Remote	
Yvonne Martinez Beltran	Mayor Pro Tem	Remote	
Larry Carr	Council Member	Remote	
John McKay	Council Member	Remote	
Rene Spring	Council Member	Remote	

DECLARATION OF POSTING AGENDA

Deputy City Clerk Michelle Bigelow declared the posting of the agenda.

PRESENTATIONS

YAC Presentation
<https://www.youtube.com/watch?v=PDMori2vfks>

Minutes Acceptance: Minutes of Aug 5, 2020 7:00 PM (CONSENT CALENDAR)

PROCLAMATIONS

Centennial Celebration of Women's Right to Vote and Women's Equality Week

RECOGNITIONS

Learning and Loving Center

Chaplain David Whitaker

NEW, PROMOTED, AND RETIRED TEAMMATES PRESENTATION

CITY MANAGER'S REPORT

City Manager Christina Turner announced that the Council summer recess will begin after tonight's meeting. The next meeting of the City Council will be Wednesday September 16, 2020.

We will have a Town Hall on August 13, 2020 at 5:30 pm. The topic of this Town Hall will be Emergency Preparedness covering everything from wildfires to Public Safety Power Shut Offs and talking about emergency plans.

The City will be a location for COVID-19 testing; This is in partnership with the County. Testing will take place in the Council Chamber on August 11, August 25, September 8, and September 22, 2020 from 9:30 am to 4:00 pm by appointment only. The County will be sending sign-up instructions three days prior to the scheduled testing date. The City will post those sign-up instructions as they become available. Appointments will be open to everyone, there are no conditions such as having symptoms or having been exposed to someone who tested positive for COVID-19

The nomination period to run for Mayor, Council Member for Districts A and C, as well as the Treasurer seat closes this Friday. We will be hosting a virtual orientation for candidates on Wednesday, September 2, 2020 at 6:00 p.m.

As part of our budget reductions we are no longer in contract with Santa Clara County for certain services related to the shelter. Today, the County posted some information about the contract and what it means. What was posted is not consistent with the City's understanding, we are going to be working with the County to make sure that we are on the same page about what it means to not have the contract with the County. She assured listeners that the County is building a new animal shelter and residents will be able to use that shelter for certain services. We will be getting more information from the County. We are working with different organizations to see if there is another path to provide some of the services that will not be provided, we will have more to report on this soon. There are services that we will be continuing to provide through our Animal Services Officer and other contracts that we have. We will be sharing more information shortly to provide the community with an update.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin reported out on the closed session items from July 22nd and shared that there was no reportable action.

Minutes Acceptance: Minutes of Aug 5, 2020 7:00 PM (CONSENT CALENDAR)

PUBLIC COMMENT

PUBLIC COMMENT SUPPLEMENT 1

The public comment opened at 7:20 pm. The following people were called to speak:

Brian Faircloth

Noshaba Afzal

Perla Flores

Brittney Sherman

There being no further requests to speak, the public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Larry Carr, Council Member
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

CONSENT CALENDAR

MOTION:

Approving the consent calendar.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	John McKay, Council Member
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

1. AMEND CONFLICT OF INTEREST CODE REPORTING CATEGORIES

Recommendation:

Adopt resolution amending the list of positions subject to the City's Conflict of Interest Code.

2. ACCEPT SUBDIVISION PUBLIC IMPROVEMENTS - VALENCIA PHASE (PH) 1 TRACT 10312 & VALENCIA PH 2 TRACT 10433

Recommendation:

1. Accept the Subdivision Public Improvements for Valencia PH 1 – Tract 10312;
2. Accept the Subdivision Public Improvements for Valencia PH 2 – Tract 10433;
3. Authorize the City Engineer to sign the Notices of Completion; and
4. Direct the City Clerk to file the Notices of Completion with the County Recorder's Office.

3. APPROVE ENGINEERING RELATED SERVICE AGREEMENTS FOR DESIGN PROFESSIONALS FOR ON-CALL PROJECT MANAGEMENT & INSPECTION, ON-CALL ENGINEERING PLAN REVIEW & TECHNICAL SUPPORT SERVICES, AND ON-CALL MAP REVIEW & CITY SURVEYOR SERVICES

Recommendation:

Approve and authorize the City Manager to execute and administer four agreements with contingencies to be specifically authorized by the City Manager:

1. CSG Consultants, Inc. in the amount of \$784,000, with a \$235,200 contingency, for a total contract amount not to exceed \$1,019,200 to provide On-Call Project Management & Inspection Services for various Capital Improvement Program Projects; On-Call Engineering Plan Review & Technical Support Services, and On-Call Map Review & City Surveyor Services for Land Development Engineering;
2. Mott MacDonald Group, Inc. in the amount of \$200,000, with a \$60,000 contingency, for a total contract amount not to exceed \$260,000 to provide On-Call Project Management & Inspection Services for various Capital Improvement Program Projects;
3. Harris & Associates, Inc. in the amount of \$220,000, with a \$66,000 contingency, for a total contract amount not to exceed \$286,000 to provide On-Call Engineering Plan Review & Technical Support Services for Land Development Engineering; and
4. Associated Engineering Surveying Services, Inc. DBA Hanna-Brunetti, in the amount of \$58,000, with a \$17,400 contingency, for a total contract amount not to exceed \$75,400 to provide On-Call Map Review & City Surveyor Services for Land Development Engineering.

4. APPROVE A FIVE-YEAR CONTRACT WITH CENTRALSQUARE FOR TRAKIT PERMITTING SYSTEM

Recommendation:

Approve and authorize the City Manager to execute and administer a five-year contract with CentralSquare Solutions for the purchase of maintenance service, technical support, and software updates for the City's permit tracking software system (TRAKiT) for a not to exceed amount of \$525,197.

5. APPROVE THE JULY 22, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

6. APPROVE THE JULY 24, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

7. APPROVE UPDATE TO SUSTAINABLE MORGAN HILL DOCUMENT

Recommendation:

Review and approve the COVID-19 and equity statement added to the City Council's Sustainable Morgan Hill document.

PUBLIC HEARING

8. CONSIDER REQUEST TO IMPLEMENT GOVERNMENT CODE SECTION 65915(D)(2)(A) FOR ONE CONCESSION UNDER 14.04.090 TO WAIVE PROVISIONS OF CHAPTER 14.04 FOR A MARKET RATE HOUSING DEVELOPMENT PROJECT (SR2020-0020 HALF-DIVIDEND (CROSSWINDS))

Recommendation:

Adopt resolution denying the request for a concession under Government Code Section 65915(d)(2)(A) to waive the requirement to distribute Below Market Rate (BMR) units throughout the project.

Mayor Constantine and Council Members Spring, Martinez Beltran, and Carr shared the ex-parte contacts and what they learned as a result of those contacts.

Community Development Director Jennifer Carman and Assistant City Manager Leslie Little provided the report and presentation.

Applicant Dick Oliver, along with Erik Ramakrishnan provided a presentation and answered questions.

The public hearing opened at 8:41 pm. The following people were called to speak:

Joe Baranowski

Rick Kent

Harry Singla

Miguel Jimenez

There being no further requests to speak, the public hearing closed.

MOTION:

Denying the applicant's request for a density concession and encourage applicant to work with the Planning Department.

RESULT:	DENIED [UNANIMOUS]
MOVER:	Yvonne Martinez Beltran, Mayor Pro Tem
SECONDER:	Rich Constantine, Mayor
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

The meeting recessed at 9:45 pm.

The meeting reconvened at 9:55 pm.

OTHER BUSINESS

9. APPROVAL OF SECOND EMPLOYMENT AGREEMENTS FOR THE CITY MANAGER AND THE CITY ATTORNEY

Recommendation:

1. Approve the Second Employment Agreement with City Attorney Donald Larkin;
2. Approve the Second Employment Agreement with City Manager Christina Turner; and
3. Authorize the Mayor to execute the agreements and any related agreements.

City Manager Christina Turner and City Attorney Donald Larkin recused themselves.

Mayor Rich Constantine provided the report.

The public comment opened at 10:05 pm. The following people were called to speak:

Joe Baranowski

Cecelia Ponzini

There being no further requests to speak, the public comment closed.

MOTION:

Approving the recommended actions.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Larry Carr, Council Member
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Spring asked for a Council discussion regarding animal services.

Council Member McKay asked that information regarding animal services be shared with the public as the situation evolves.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:12 pm.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk

DRAFT



Meeting Minutes City Council

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

Wednesday, August 19, 2020 3:30 pm

Virtual Meeting

SPECIAL MEETING

A Special Meeting of the City Council was called at 3:30 p.m. for the purpose of conducting city business.

CALL TO ORDER

Mayor Constantine called the meeting to order at 3:30 pm.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow called the roll.

Attendee Name	Title	Status	Arrived
Rich Constantine	Mayor	Remote	
Yvonne Martinez Beltran	Mayor Pro Tem	Remote	
Larry Carr	Council Member	Remote	
John McKay	Council Member	Remote	
Rene Spring	Council Member	Remote	

DECLARATION OF POSTING OF AGENDA

Deputy City Clerk Michelle Bigelow declared the posting of the agenda.

Minutes Acceptance: Minutes of Aug 19, 2020 3:30 PM (CONSENT CALENDAR)

PUBLIC COMMENT

Public comment opened at 3:32 pm.

Joe Baranowski was called to speak.

There being no further requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

CONSENT CALENDAR

1. REJECT BIDS FOR TREE MAINTENANCE SERVICES

Recommendation:

Reject all bids for the City's tree maintenance services agreement and direct staff to issue a revised request for proposals.

MOTION:

Approving the consent calendar.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	John McKay, Council Member
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

OTHER BUSINESS

2. ADOPT RESOLUTIONS APPOINTING RICH CONSTANTINE AS MAYOR AND CAITLIN ROBINETT JACHIMOWICZ AS TREASURER DUE TO UNCONTESTED ELECTION AND AMEND RESOLUTION 20-033 TO REMOVE THOSE POSITIONS FROM THE NOVEMBER 3, 2020 BALLOT

Recommendation:

1. Adopt resolution appointing Rich Constantine as Mayor for a full two-year term;
2. Adopt resolution appointing Caitlin Robinett Jachimowicz as Treasurer for a full four-year term; and
3. Adopt amended resolution 20-033 removing the Mayor and Treasurer seats from the November 3, 2020 General Municipal Election.

Mayor Rich Constantine recused himself and left the meeting. Mayor Pro Tem Martinez Beltran took over the meeting.

Deputy City Clerk Michelle Bigelow provided the report.

Public comment opened at 3:41 pm. The following people spoke:
Joe Baraowski

Brian Sullivan

There being no further requests to speak, public comment closed.

MOTION:

Adopting resolution appointing Rich Constantine as Mayor and cancelling the election for the Mayor seat.

RESULT: **FAILED [2 TO 2]**
MOVER: John McKay, Council Member
SECONDER: Larry Carr, Council Member
AYES: Carr, McKay
NAYS: Martinez Beltran, Spring
RECUSED: Constantine

MOTION:

Adopting resolution appointing Caitlin Robinett Jachimowicz as Treasurer for a full four year term.

RESULT: **ADOPTED [3 TO 1]**
MOVER: John McKay, Council Member
SECONDER: Larry Carr, Council Member
AYES: Carr, McKay, Spring
NAYS: Martinez Beltran
RECUSED: Constantine

MOTION:

Adopting amended resolution 20-33 removing the treasurer seat from the November 3, 2020 General Municipal Election.

RESULT: **ADOPTED [3 TO 1]**
MOVER: Rene Spring, Council Member
SECONDER: Larry Carr, Council Member
AYES: Carr, McKay, Spring
NAYS: Martinez Beltran
EXCUSED: Constantine

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Carr requested the following items:

- Receive report on status of County Elections and in Morgan Hill regarding USPS and our mail-in ballots
- Review potential development standards ordinance and consider adoption prior to the approval of any new industrial developments.
- Review of the PUD that overlays the Morgan Hill Ranch Business Park.
- Review of the Development Agreement for the Butterfield-Jarvis Property, existing entitlements and design review process; consider requiring Planning Commission review of Design Permits

ADJOURNMENT

There being no further business, the meeting adjourned at 4:13 pm.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk

Minutes Acceptance: Minutes of Aug 19, 2020 3:30 PM (CONSENT CALENDAR)

DRAFT



Meeting Minutes City Council

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

Wednesday, August 26, 2020 2:00 pm

Virtual Meeting

SPECIAL MEETING

A Special Meeting of the City Council was called at 2:00 p.m. for the purpose of conducting city business.

CALL TO ORDER

Mayor Constantine called the meeting to order at 2:00 pm.

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow called the roll.

Attendee Name	Title	Status	Arrived
Rich Constantine	Mayor	Remote	
Yvonne Martinez Beltran	Mayor Pro Tem	Remote	
Larry Carr	Council Member	Remote	
John McKay	Council Member	Remote	
Rene Spring	Council Member	Remote	

DECLARATION OF POSTING OF AGENDA

Deputy City Clerk Michelle Bigelow declared the posting of the agenda.

Minutes Acceptance: Minutes of Aug 26, 2020 2:00 PM (CONSENT CALENDAR)

CITY MANAGER'S REPORT

None.

CITY ATTORNEY'S REPORT

None.

PUBLIC COMMENT

Public comment opened at 2:01 pm.

There being no requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Larry Carr, Council Member
SECONDER:	Rene Spring, Council Member
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

OTHER BUSINESS

1. ADOPT RESOLUTION RATIFYING PROCLAMATION OF LOCAL EMERGENCY DUE TO SANTA CLARA UNIT (SCU) LIGHTNING COMPLEX FIRE

Recommendation:

Adopt resolution ratifying the August 20, 2020 emergency proclamation due to Santa Clara Unit (SCU) Lightning Complex Fire and evacuation warnings in the City of Morgan Hill.

City Attorney Donald Larkin and City Manager Christina Turner provided the report.

Public comment opened at 2:35 pm.

There being no requests to speak, public comment closed.

MOTION:

Approving the recommended action.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Larry Carr, Council Member
SECONDER:	John McKay, Council Member
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, the meeting adjourned at 2:46 pm.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk

Minutes Acceptance: Minutes of Aug 26, 2020 2:00 PM (CONSENT CALENDAR)



CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2020

PREPARED BY: Cynthia Iwanaga, Management Analyst
APPROVED BY: City Manager

APPROVE HVAC MAINTENANCE SERVICES AGREEMENT

RECOMMENDATION(S)

1. Award a Maintenance Services Agreement to A & B Mechanical, Inc. for \$62,702 for preventative HVAC maintenance for a two-year period plus additional repair costs to be performed on an as-needed basis and pre-approved by City's Maintenance staff; and
2. Authorize the City Manager to execute and administer that certain Maintenance Services Agreement with A & B Mechanical, Inc.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The purpose of this item is to provide the City Council with an opportunity to consider awarding the annual HVAC maintenance services agreement to A & B Mechanical, Inc (Attachment 1). The City has contracted for professional Heating, Ventilation and Air Conditioning (HVAC) preventative maintenance and repair services for many years, most recently with ADVNC Air Technologies, Inc. The City's current maintenance services agreement expires on September 30, 2020.

Proposals for the new annual HVAC maintenance and repair contract were solicited in June. In soliciting proposals for the annual HVAC maintenance contract, the City advertised in the Morgan Hill Times on June 5th and June 12th. The Request for Proposals (RFP) was released on June 15, 2020 on the City website, Public Purchase, and the County of Santa Clara Builders Exchange. Staff also contacted all registered C-20 (HVAC) licensed contractors on the City's Informal Bidder's List.

The proposals were opened on August 6, 2020, and seven proposals were received. Three proposals were rejected as either incomplete or for failure to submit by the deadline. The remaining proposals were evaluated based on weighted average scoring for the contractors' pricing of the following items: price for three quarterly maintenance visits and price for annual maintenance visit.

Proposal narratives from the following four contractors were reviewed by City staff: A & B Mechanical, ADVNC Air Technologies, Environmental Systems, Inc. and Staples Energy. The narratives were scored for previous experience, work quality and

references, qualifications of staff, and organized communication systems. Based on a combination of weighted average scoring for the contractors' pricing and scoring of each contractor's narrative, three contractors were selected to be interviewed. Interviews were conducted with A & B Mechanical, ADVNC Air Technologies and Environmental Systems, Inc. Attached is the scoring summary (Attachment 2).

On August 28, 2020, the City Attorney's Office received a bid protest from Environmental Systems, Inc. (ESI). The protest alleged that A&B Mechanical, Inc., is a non-responsible bidder and is not able to perform the services and scope of work as specified within the RFP. ESI supported this position with various calculations based on 180 pieces of equipment and the prevailing wage requirements applicable to the HVAC scope of work, and concluded that A&B would be performing the work at a financial loss to their Company, resulting in A&B being a non-responsible bidder.

On August 28, 2020, A&B provided its response to the protest. A&B confirmed that their proposal is based on the prevailing labor rate of a "Journeyman HVAC" of \$108.39, but disagreed with the equipment count put forth by ESI, indicating their proposal is based on approximately 150 pieces of equipment. Both ESI and A&B provided additional information on August 31, 2020.

The City Community Services Department team conducted its own evaluation of the protest and response to determine if A&B can perform the work for the amount bid. The City Maintenance Manager confirmed that the equipment count being serviced by this contract is 152 pieces of equipment. The team re-reviewed A&B's proposal, including its performance history, references, and their experience performing public works projects, to assist in the determination. Staff noted that A&B has 23 years of experience providing HVAC maintenance services, including maintenance and repair services at institutional buildings such as hospitals and schools. Public Contract Code Section 1103 defines responsible bidder as "a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the public works contract." Based on the proposal submitted by A&B, and the information available to the City, the City has determined that A&B is a responsible bidder and is able to perform the contract if awarded.

Staff recommends the award of this annual HVAC maintenance service agreement to A & B Mechanical, Inc. for \$62,702 for two years, which is \$31,351 per year subject to future annual budget appropriations by the City Council. In addition to the \$31,351 per year in preventative maintenance costs, the contract would allow for additional repair costs (labor and materials) to be performed on an as-needed basis upon pre-approval by City maintenance staff. The City's actual repair costs will be contingent upon the circumstances and frequency of repair needs. The new agreement will have a two-year term with authorization for the City Manager to execute three consecutive one-year extensions with the annual price increases not to exceed 5% of the prior year's annual pricing. If approved, the initial two-year term will be from October 1, 2020 to September 30, 2022.

COMMUNITY ENGAGEMENT: Not Applicable

As HVAC preventative maintenance and repair services are a regular and expected City service, no efforts were made to inform the community about this proposed agreement.

ALTERNATIVE ACTIONS:

An alternative action is to not approve this agreement, and to direct staff to extend the current contract with ADVNC Air Technologies, Inc. for six months. Staff would release another Request for Proposals (RFP) in October 2020 in anticipation of a new contract starting on January 1, 2021.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council awarded the prior HVAC maintenance services agreement to ADVNC Air Technologies (formerly MTECH, Inc) on July 21, 2017.

FISCAL AND RESOURCE IMPACT:

The \$31,351 in annual HVAC preventative maintenance costs and allowance for additional repair costs will be paid proportionally from the building maintenance budgets for the following facilities: Aquatics Center, Centennial Recreation Center, City Hall, Community and Cultural Center and Playhouse, Council Chamber Building, Friendly Inn, Police Facility, Corporation Yard and The Villas.

CEQA (California Environmental Quality Act):

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

LINKS/ATTACHMENTS:

1. A & B Mechanical HVAC Maintenance Service Agreement_082820
2. HVAC Maintenance RFP Scoring Summary

MAINTENANCE SERVICE AGREEMENT
A & B Mechanical, Inc.
HVAC Preventative Maintenance and Repairs

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

1. **City Authority**. This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. **Term of Agreement**. This Agreement shall cover services rendered from the Effective Date of this Agreement until September 30, 2022 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum of three (3) one-year extensions. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service**. The services to be performed by SERVICE PROVIDER shall be full service maintenance and repair of heating, ventilating, and air conditioning (HVAC) equipment at City facilities as further described in **Exhibit A**.
4. **Compensation**. SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount**. \$62,702.00 for preventative maintenance services plus additional repair costs (labor and materials) performed on an as-needed basis and pre-approved by the City maintenance staff. "Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed Sixty-Two Thousand Seven Hundred Two dollars plus additional repair costs to be performed on an as-needed basis and pre-approved by City Maintenance Staff and shall be billed based on the rate and basis set forth in Exhibit B." If the City Manager extends the term of this Agreement for three (3) one-year extensions pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor and the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement. In no event shall such maximum compensation allowed for each subsequent extended one-year term exceed 105% of the maximum compensation allowed to be paid to SERVICE PROVIDER for the immediately preceding prior year of service.
 - 4.2. **Billing**. SERVICE PROVIDER shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 14 Notices. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses

incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.

5. **Termination.** CITY or SERVICE PROVIDER shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require SERVICE PROVIDER to complete certain work product or documents and SERVICE PROVIDER shall deliver to CITY all documents in its possession without additional compensation to SERVICE PROVIDER. The City Manager is authorized to terminate this AGREEMENT, in whole or in part, on behalf of CITY.

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

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

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

8.1. **Insurance Types and Amounts.**

8.1.1. **Commercial General Liability (CGL).** SERVICE PROVIDER shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection

in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

8.1.5.2. If the performance of SERVICE PROVIDER's work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), SERVICE PROVIDER shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

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

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

8.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

8.2.1.2. the insurer waives the right of subrogation against the City of Morgan Hill and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

8.2.1.3. insurance shall be primary non-contributing.

8.2.2. Workers Compensation.

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

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

8.4. **Certificates**. SERVICE PROVIDER shall furnish CITY with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to SERVICE PROVIDER's agreement with CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. Certificates, including renewal certificates,

may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein

Certificate Holder address:

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

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

10. **Compliance with Law.**

- 10.1. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.
- 10.2. Without limiting the provisions of Section 10.1 above, each worker performing work under this Agreement shall be paid at a rate not less than the prevailing wage as defined in Sections 1771 and 1774 of the Labor Code. The prevailing wage rates are available online at <http://www.dir.ca.gov/dlsr>. SERVICE PROVIDER shall post a copy of the applicable prevailing rates at the Worksite. Pursuant to Labor Code Section 1775, SERVICE PROVIDER and any Subcontractor shall forfeit to CITY as a penalty up to two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the applicable prevailing wage rate. SERVICE PROVIDER shall also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.
- 10.3. DIR Registration. CITY will not accept a Bid Proposal from or enter into a contract with a SERVICE PROVIDER, without first receiving proof to the satisfaction of CITY that SERVICE PROVIDER and its subcontractors are registered with the California Department of Industrial Relations to perform public work under Labor Code Section 1725.5, subject to limited legal exceptions. Under Labor Code section 1771.4, this Agreement is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.
- 10.4. Compliance with Wage and Hour Laws: SERVICE PROVIDER, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state, and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

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

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

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that SERVICE PROVIDER or any subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or SERVICE PROVIDER learns of such a judgment, decision, or order that was not previously disclosed, SERVICE PROVIDER shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision or order. SERVICE PROVIDER and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision or order within five (5) days of satisfying the final judgment, decision or order. CITY reserves the right to require SERVICE PROVIDER to enter into an agreement with CITY regarding the manner in which any such final judgment, decision, or order will be satisfied.

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

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

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

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

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

Address of SERVICE PROVIDER is as follows:

A & B Mechanical, Inc.
26062 Eden Landing Road, Ste. 5
Hayward, CA 94545

Address of CITY is as follows:

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

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

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

17. **Maintenance of Records**.

- 17.1. **Maintenance**. SERVICE PROVIDER shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. SERVICE PROVIDER shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then SERVICE PROVIDER shall retain said records until such action is resolved.
- 17.2. **Access to and Audit of Records**. CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of SERVICE PROVIDER and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of CITY or as part of any audit of CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 17.3. **Ownership of Work Product**. All documents or other information developed or received by SERVICE PROVIDER for work performed under this Agreement shall be the property of CITY. SERVICE PROVIDER shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

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

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

20. **No Assignment.** Neither this Agreement nor any portion shall be assigned by SERVICE PROVIDER, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY's option, shall terminate this Agreement effective as of the date of such attempted assignment.

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

22. **Defense and Indemnification.**

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

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

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

22.4. **Right to Offset.** CITY shall have the right to offset against any compensation due SERVICE PROVIDER under this Agreement any amount due CITY from SERVICE PROVIDER as a result of SERVICE PROVIDER's failure to pay CITY promptly any indemnification arising under this Section (22) and any amount due CITY from SERVICE PROVIDER arising from SERVICE PROVIDER's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

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

23. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement

may be modified or provisions waived only by a subsequent mutual written agreement executed by CITY and SERVICE PROVIDER. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

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

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

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

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

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[Signatures on Next Page]

Attachment: A & B Mechanical HVAC Maintenance Service Agreement_082820 [Revision 2] (2842 : HVAC Maintenance Contract)

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

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

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

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

ATTEST:

CITY OF MORGAN HILL

City Clerk/Deputy City Clerk

City Manager

Michelle Bigelow
Print Name

Christina J. Turner
Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

A & B Mechanical, Inc.

City Attorney

By: _____

Donald A. Larkin
Print Name

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

Date: _____

Date: 8/27/2020

By: _____

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

Date: 8/27/2020

740508

Contractor's License Number(s) (if applicable)

1000014296

Contractor's DIR Registration Number(s) (if
applicable)

Expiration Date(s)

09/30/2021

Expiration Date(s) 06/30/2021

Seal:

U:\Legal Forms\Consultant Agreements\City Maintenance Service Agreement.Docx

EXHIBIT A SCOPE OF SERVICES

Contractor will provide full-service HVAC maintenance and repair services and administer the duties and responsibilities set forth in this contract, in compliance with all applicable laws, regulations, policies and procedures.

The work will include the provision of a complete maintenance and management program including, but not limited to the inspection, preventative maintenance, repair, programming and other tasks and services necessary to ensure safe, well maintained HVAC systems providing quality air for City employees and the public. Preventive maintenance and repairs may include, but not be limited to, rooftop variable air volume cooling units, rooftop cooling/heating package units, and exhaust fans. The Contractor is responsible for providing labor, supervision, materials, equipment, transportation, service and the shop facilities necessary to perform high quality work. Contractor will also be responsible for discarding all used materials.

1-SCOPE OF SERVICE

The Contractor shall provide full-service HVAC maintenance and repair services to City Facilities as outlined in this document. Contractor shall retain professional personnel who have successfully and competently provided municipal facility HVAC maintenance and repair services on projects of similar scope and complexity. It shall be the Contractor's responsibility to develop and implement a routine maintenance program to effectively maintain, to the satisfaction of the City representative, all aspects of HVAC systems in City defined facilities. For the purpose of this contract, routine preventative HVAC maintenance shall be defined as scheduled routine inspection and proactive servicing of HVAC systems so as to facilitate heating/cooling with a minimal downtime. The routine maintenance and all repairs shall be provided in accordance with the highest standards of the industry, skill, workmanship, applicable trade practices, meet warranties and be in conformance with all applicable laws, codes and regulations. The successful Contractor's maintenance program and repairs shall, at a minimum, include but not limited to the specifications outlined herein.

2-SERVICES TO BE PROVIDED

It is the Contractor's responsibility to provide an appropriate level of staffing and provide appropriate tools and vehicles necessary to support all facility HVAC maintenance functions during hours of maintenance and for response after normal working hours. Contractor shall maintain the appropriate CSLB Contractor's license and will comply with all other license, insurance and permit requirements of the City, State and Federal governments, as well as all other requirements of the law.

3- WORK HOURS

Scheduled maintenance and repairs shall typically occur during normal business hours. Facility business hours are:

Aquatics Center: Monday through Friday from 5:00 a.m. to 8:00 p. m., Saturdays from 7:00 a.m. to 12:00 p.m. (summer season to 6:30 p.m.), and Sundays 11:30 a.m. to 6:30 p.m. (summer season only).

Centennial Recreation Center: Monday through Friday from 5:00 a.m. to 10:00 p.m., Saturdays from 6:30 a.m. to 8:00 p.m., and on Sundays from 8:00 a.m. to 6:00 p.m.

City Hall: Monday through Friday 8:00 a.m. to 5:00 p.m.

Community and Cultural Center: Monday through Friday 8:00 a.m. to 5:00 p.m.
Saturday and Sunday 8:00 to 5 :00 p.m.

Gavilan College: Monday through Friday 8:00 a.m. to 5:00 p.m.

Friendly Inn: Monday through Friday 8:00 a.m. to 5:00 p.m.

Police Department: Monday through Friday 8:00 a.m. to 5:30 p.m.

Corporation Yard: Monday through Friday 7:00 a.m. to 3:30 p.m.

Villas: Monday through Friday 8:00 a.m. to 5:00 p.m.

Information Services: Monday through Friday 8:00 a.m. to 5:00 p.m.

4-SERVICE AVAILABILITY

The Contractor shall have trouble-call service available on a twenty-four hours a day, seven days a week basis with a response time not to exceed the following:

EMERGENCIES.....4- hour response time

NON-EMERGENCIES.....24- hour response time

Time to respond shall start when the City calls the problem into Contractor's designated emergency phone number. Additionally, the Contractor shall provide the ability to respond immediately to situations involving the health and safety of employees and/or the public and the comfort and operational capability of any public meeting space. Routine repairs, service requests or other non-urgent tasks shall be completed by journey level staff within one (1) working day from the date of request by City Representative. Contractor's inability to respond to emergencies in a timely manner will result in a penalty fee of \$100. Additionally, the City may perform the emergency work using others and deduct the cost from the Contractor's payment.

5-TROUBLE-CALL/REPAIR SERVICE

Should the City request the Contractor to correct trouble with HVAC equipment between scheduled maintenance examinations, the City shall be responsible for labor and travel costs associated therewith. These costs, as listed in the proposal, will be a critical part of the bid evaluation criteria. Rates shall be firm for the term of the contract. The City reserves the right to contract with others for trouble calls and repairs.

6-TRAVEL TIME FOR PREVENTATIVE MAINTENANCE

Travel time is to be included in the Preventative Maintenance Cost Proposal

7-TRAVEL TIME FOR REPAIRS

A flat travel fee of \$50 will be charged for all repair visits. Hourly rates for additional maintenance and repair of HVAC equipment at City Facilities is listed in Exhibit B- Schedule of Compensation Rates.

8-BILLABLE WORK

All work beyond and in addition to the scope of the contract shall be considered billable hours and will require that an estimate for that proposed work be provided to the City Representative for consideration and approval prior to work being completed. The Contractor shall not bill for unnecessary repairs, for repairs that were not completed satisfactorily, for repairs that did not fix an identified problem, or for facility visits that are made by staff unqualified to complete needed repairs

9-STAFFING, WORKMANSHIP AND QUALITY LEVEL

The Contractor shall provide a staffing level that will provide the desired level of customer service, program support, and HVAC Maintenance and Repair services at designated City facilities. All work shall be performed by journey level staff directly employed and supervised by the Contractor. The Contractor shall provide management and technical supervision through competent supervisors as required. The Contractor shall be responsible for the skills, methods and actions of all employees, Subcontractors and for all work done. The Contractor shall have the knowledge, ability, and technical expertise to remotely monitor, interpret and troubleshoot problems prior to arriving on site utilizing interfaces to any existing or future Energy Management Control System (EMCS), as well as the knowledge, ability, and technical expertise to diagnose and repair components of the EMCS including, but not limited to, sensors, actuators, controllers, man machine interfaces and logic.

10-MAINTENANCE AND REPAIR LOCATIONS

HVAC SYSTEMS TO BE MAINTAINED AT THESE LOCATIONS

BUILDING/FACILITY	ADDRESS	SQUARE FOOTAGE
Aquatics Center (office area)	16200 Condit Road	5,294
Centennial Recreation Center	171 West Edmundson Avenue	54,000
City Hall	17575 Peak Avenue	13,900
Community & Cultural Center & Playhouse	17000 Monterey Road	25,000; 5,000
Council Chambers	17555 Peak Avenue	12,104
Gavilan College	17060 Monterey Road	12,000
Friendly Inn	17666 Crest Avenue	3,168
Police Department & Information Services	16200 Vineyard Boulevard	44,886
City Corporation Yard	100 Edes Court	4,583
The Villas	535 Alkire Avenue	4,500

Please see attached HVAC Equipment List, Filter List, and Quarterly and Annual Preventative Maintenance Schedule

HVAC EQUIPMENT LIST

CITY OF MORGAN HILL HVAC EQUIPMENT LIST			
QTY	MANUFACTUTER	TYPE	MODEL/SIZE
Aquatics Center - 16200 Condit Road			
1	Elite Heating Boiler (Main Bldg.)	Water Boiler	EL-399NVWH; 399,000 BTU/HR
1	Trinity (West Building)	Direct Vent Water Heater	Model LX200WH
1	Carrier	Heater/Air Conditioner	48HJD005-651
2	(Events Room)	Heater/Air Conditioner	Ductless Units
1	(Kitchen)	Air Conditioner	
1	(Kitchen)	Swamp Cooler	
2	(Kitchen)	Exhaust Fan	
Centennial Recreation Center – 171 West Edmundson Avenue			
1	Trane IntelliPak	Air Conditioner (Main Bldg.) AC-1	SXHFC540745E9BD800100WEOG0000TOY8000; Voltage 460; HZ 60; 3 Phase
1	Trane Voyager	Air Conditioner (Fitness Room) AC-2	YCH181C4LOCA; Voltage 460; HZ 60; 3 Phase
1	Trane Voyager	Air Conditioner (Gym Room) AC-3	YCH420A4LTOC6DF400000F0H0000; Voltage 460; 60 HZ; 3 Phase 24 VAC/85AMP
1	Energy Labs, Inc.	Heater/Air Conditioner (Natatorium) IEC-IA	C93228-FHER-L
1	Carrier	Heater/Air Conditioner (Fitness Expansion)	48PGLMO7-A-60-BB
1	Daikin	Air Conditioner (East Side)	RXS12DVJU
1	Daikin	Air Conditioner (West Side)	RXSO9DVJU
1	Reznor	Swamp Cooler (Kitchen)	RPB-300; MAU, Makeup Unit
2	LAARS	Domestic Water Boiler	PNCVO75ONACK28XN; 749,970 BTU/HR
1	Ajax	Water Boiler	WRNG-1500; 1,500,000 BTU/HR
1	Grennheck	Fan (Locker Room)	G-180-B; Voltage 460/3/60
1	Grennheck	Fan (Toilet)	G-131-B; Voltage 115/1/60
1	Grennheck	Fan (Kitchen)	Cube-360-XP-10; Voltage 460/3/60
1	Grennheck	Fan (Pool Equip)	G-131-C; Voltage 115/1/60
1	Grennheck	Fan (Dishwasher)	G-141-B; Voltage 115/1/60

1	Grennheck	Fan (Maintenance Receiving)	G-09-G; Voltage 115/1/60
1	Grennheck	Fan (Electrical Room 134)	SQ-100-B; Voltage 115/1/60
1	Grennheck	Fan (Electrical Room 123)	SQ-140-C; Voltage 115/1/60
City Hall – 17575 Peak Avenue			
2	AC-1 AAON	Heater/Air Conditioner	RN-025-3-0 EB09-EHL; 25 ton; 460 Voltage; 60 HZ; 3 PH
1	Laars	Water Boiler	
1	CU-1 Mitsubishi	Air Conditioner	MUY-A17NA
2	EF-1	Exhaust Fan	S/N: 11500620 0009 Mark EF
Community and Cultural Center and Playhouse – 17000 Monterey Road			
1	Carrier	Heater/Air Conditioner	48HJD006-541; 50,000 BTU's/HR
2	Carrier	Heater/Air Conditioner	48HJF008-541; 180,000 BTU's/HR
3	Mitsubishi	Heater/Air Conditioner	PUGH18CKB; 1 phase unit
1	Trane	Heater/Air Conditioner	TCD180B400GA; Electrical Rating 460/60/3; ten ton unit
1	LARS	Water Boiler	PH 0850 EN 30 K B A A JX; 212,500 BTU's/HR
3		Exhaust Fans	
Council Chambers – 17555 Peak Avenue			
1	Trane	Heater/Air Conditioner	YCH180B4IOHB; 460 Volt; 60 HZ; 3 PH
1	ARI XB 13	Air Conditioner	2TWB3060A1000AA; 208/230 VAC
1	Sanyo	Air Conditioner	C1211; Source 115 Volt; 60 HZ; 1 PH
1	Fujitsu	Air Conditioner	A0V24CL; 208/230 VAC; 60 HZ; 1 PH
1	Trane	Heater/Air Conditioner	YFH180B4LOHB; 460 VAC; 60 HZ; 3 PH
1	Bryant	Air Conditioner	661CP060-C
1	Carrier	Air Conditioner	38QRR060300; 208/230 VAC; 60 HZ; 1PH
1	Bradford White	Water Boiler	MII30R6DS13; Capacity 30 gallons; voltage 240; 50/60 HZ
Gavilan College – 17060 Monterey Road			
1	Trane	Air Conditioner	4 ton
1	Trane	Water Boiler	100,000 BTU
1	Trane	Heat Pump w/Cooling	5 ton
1	First Company	Water Heater	
Friendly Inn – 17666 Crest Avenue			
4	Daikin	Heat Pump	RXYMQ48MVJU; HP=4; 208 Voltage; 1 PH
2	Daikin	Heat Pump	RXYMQ36MVJU; HP=3; 208 Voltage; 1 PH
2	Daikin	Evaporating AC Coil	FXSQ18MVJU; Motor 85W; 208 Voltage; 1 PH
3	Daikin	Evaporating AC Coil	FXSQ12MVJU; Motor 50W; 208 Voltage; 1 PH

1	Daikin	Evaporating AC Coil	FXMQ36MVJU; Motor 270W; 208 Voltage; 1 PH
3	Daikin	Evaporating AC Coil	FXMQ48MVJU; Motor 430W; 208 Voltage; 1 PH
1	Greenheck	Exhaust Fan	SP-A290; Motor 81W; 115 Voltage; 1 PH
1	Greenheck	Exhaust Fan	SP-A200; Motor 48W; 115 Voltage; 1 PH
1	Greenheck	Exhaust Fan	CSP-A110; Motor 51W; 115 Voltage; 1 PH (120 MDF)
Police Department and Information Services - 16200 Vineyard Boulevard			
4	Carrier	Heater/Air Conditioner	Weather Master Series; Package Unit; 48HJD008-641; Voltage 460; 3 PH; 60 HZ
2	Carrier	Heater/Air Conditioner	Weather Master Series; Package Unit; 48HJE004-641; Voltage 460; 3 PH; 60 HZ
4	Carrier	Heater/Air Conditioner	Weather Master Series; Package Unit; 48HJE007-641; Voltage 460; 3 PH; 60 HZ
2	Carrier	Heater/Air Conditioner	Weather Master Series; Package Unit; 48HJD012-641; Voltage 460; 3 PH; 60 HZ
1	Carrier	Heater/Air Conditioner	Weather Master Series; Package Unit; 48HJD005-641; Voltage 460; 3 PH; 60 HZ
2	Carrier	Heater/Air Conditioner	Weather Master Series; Package Unit; 48HGD028AC-6; Voltage 460; 3 PH; 60 HZ
1	Fujitsu	Air Conditioner (Server Room)	
11	Greenheck	Exhaust Fan	
Public Works Corporation Yard - 100 Edes Court			
1	Trane	Heater/Air Conditioner	YCH180B410HB
1	Bryant	Heater/Air Conditioner	601APX060000AAAG; 208 Voltage; 3 PH; 60 HZ
1	Bryant	Heater/Air Conditioner	601APX036000AAAF; 208 Voltage; 3 PH; 60 HZ
2	A O Smith	Water Boiler	DEL 15 102; Capacity 15 gallons
1	Rheem/York	Mini split-system/Heater/Air Conditioner	H1DA048S25A; 208/230 Voltage; 1 PH; 60 HZ
1	Bradford White	Water Boiler	M440T6FBN; D/N:-394; Capacity 40 gallons
1	Fujitsu Halcyon IAQ	Indoor Air Quality/Air Conditioning Unit	
7		Exhaust Fan	(Sewer – 1; Community Service Room – 3; Water Department Room – 3)
The Villas – 535 Alkire Avenue			
8	Bard	Heat Pump w/Cooling	Wall mounted

FILTER LIST

CITY OF MORGAN HILL HVAC EQUIPMENT FILTER LIST			
FACILITY		TYPE	CHANGES/YEAR
Aquatics Center - 16200 Condit Road			
		Disposable Pleated	Quarterly
Centennial Recreation Center – 171 West Edmundson Avenue			
		Disposable Pleated	Quarterly
City Hall – 17575 Peak Avenue			
		Disposable Pleated	Quarterly
Community and Cultural Center and Playhouse – 17000 Monterey Road			
		Disposable Pleated	Quarterly
Council Chambers – 17555 Peak Avenue			
		Disposable Pleated	Quarterly
Gavilan College Building -17060 Monterey Road			
		Disposable Pleated	Quarterly
Friendly Inn – 17666 Crest Avenue			
		Disposable Pleated	Quarterly
Public Works Corporation Yard – 100 Edes Court			
		Disposable Pleated	Quarterly
Police Department and Information Services-16200 Vineyard Blvd.			
		Disposable Pleated	Quarterly
The Villas – 535 Alkire Avenue			
		Disposable Pleated	Quarterly

All filters should have a MERV 13 rating

Aquatics Center

Unit ID	Belts	Filters
AC-1	A36	2-16X25X2
AH-1	D.D.	Washable
AH-2	D.D.	Washable
AH-3	D.D.	1-20x20x1
CU-1	N/A	N/A
CU-2	N/A	N/A
CU-3	N/A	N/A
GEF-1	A24	N/A
TEF-1	A24	N/A
TEF-3	3L180	N/A
MUA-1	A-40	4-16x20x2 2-15.5x27x1 washable

Centennial Recreation Center

The Centennial Recreation Center Unit ID filters are metal framed filters. They are not bag filters.

Unit ID: IEC-1A QTY 24:
24x24x12

Unit ID	Belt	Filters
A/C-1	2-5VX1030, BX90	8-24x24x2, 6-12x24x2
A/C-2	BX77	8-20x25x2
A/C-3	1-BX103, 2-5L520	16-16x20x4
IEC-1A	D.D.	24-24x24x12
A/C-4	AX48	4-16x20x2
CU-1	N/A	N/A
CU-2	N/A	N/A
MUA-1	A34	N/A
B-1`	N/A	N/A
EF-1	D.D.	N/A
EF-2	D.D.	N/A
EF-3	4L380	N/A
EF-4	D.D.	N/A
EF-5	D.D.	N/A

EF-6	D.D.	N/A
EF-7	D.D.	N/A
FC-1	D.D.	Washable
FC-2	D.D.	Washable

City Hall

Unit ID	Belt	Filters
B-1	N/A	8x13 Washable media
PHWP-1	N/A	N/A
SHWP-3	N/A	N/A
SHWP-4	N/A	N/A
AHU-1	BX-55	6-20X25X2 6-20X25X4
AHU-2	BX-55	6-20X25X2 6-20X25X4
ET-1	N/A	N/A
EF-1	4L300	N/A
CU-1	N/A	N/A
FC-1	D.D.	Washable

D.D.=Direct Drive, no belt required

Community Cultural Center

Unit ID	Belt	Filters
AC-1	2-5VX1030, 2-A89	8-24X24X2, 6-12X24X2 8-24x24x12, 6-12x24x12 bag
AC-2	2-5VX1030, 2-A89	8-24X24X2, 6-12X24X2 8-24x24x12, 6-12x24x12 bag
AC-3	1-A36	4-20x25x2
AC-4	2-4L460	2-14x25x2
MUA-1	1-BX62	4-20x25x2, 4-20x25x4
Boiler-1	N/A	N/A
HWP-1	N/A	N/A
EF-1	1-4L240	N/A
KEF-1	2-4L240	N/A
KEF-2	1-4L240	N/A

Play House

Unit ID	Belt	Filters
AC-1	1-A48	4-16x20x2
AC-2	1-A38	2-16x25x2
AC-3	1-A40	3-16x25x2
HP-1	N/A	N/A
HP-2	N/A	N/A
HP-3	N/A	N/A
AH-1	1-A47	2-20x20x2
AH-2	N/A	Washable
AH-3	N/A	Washable

Council Chambers

Unit ID	Belts	Filters
AC-1	BX68	2-20X20X2, 4-20X25X2
AC-2	BX68	2-20X20X2, 4-20X25X2
AH-1	A52	1-16X20X1, 1-20X20X1
AH-2	BX67	2-20X20X2
AH-3	D.D.	1-20X20X1
FC-1	D.D.	Washable
FC-2	D.D.	Washable
FC-4	D.D.	1-12X54X1
FC-3	D.D.	Washable
HP-1	N/A	N/A
HP-2	N/A	N/A
HP-3	N/A	N/A
CU-1	N/A	N/A
CU-2	N/A	N/A
CU-3	N/A	N/A
CU-4	N/A	N/A
EF-1	4L290	N/A
EF-2	4L290	N/A

D.D.=Direct Drive, no belt
required

Gavilan College

Unit ID	Belts	Filters
ACU-1	B40	2-20x20x1
ACU-2	A41	2-16X20X1
ACU-3	B39	2-20x20x1
ACU-4	B40	2-16X20X1
ACU-5	A40	2-20x20x1
ACU-6	A40	2-20x20x1
ACU-7	A41	2-16X20X1
ACU-8	A39	2-20x20x1
ACU-9	B40	2-20x20x1
FC-10	D.D.	Washable
CU-10	N/A	N/A
CU-1	N/A	N/A
CU-2	N/A	N/A
CU-3	N/A	N/A
CU-4	N/A	N/A
CU-5	N/A	N/A
CU-6	N/A	N/A
CU-7	N/A	N/A
CU-8	N/A	N/A
CU-9	N/A	N/A

Friendly Inn

Unit ID	Belts	Filters
HP-1	N/A	N/A
HP-2	N/A	N/A
HP-3	N/A	N/A
HP-4	N/A	N/A
HP-5	N/A	N/A
HP-6	N/A	N/A
FC-1	D.D.	1-14X25X2
FC-2	D.D.	1-14x20x2
FC-3	D.D.	2-16X20X2
FC-4	D.D.	2-16X20X2
FC-5	D.D.	2-16X20X2
FC-6	D.D.	2-16X20X2
FC-7	D.D.	1-14X25X2
FC-8	D.D.	1-14X20X2

FC-9	D.D.	1-14X20X2
EF-1	D.D.	N/A
EF-2	DD	N/A

**D.D.=Direct Drive, no belt
required**

City Corp Yard

Unit ID	Belts	Filters
AC-1	A55	4-20X20X2
AC-2	D.D.	2-10X20X1
AC-3	D.D.	2-14X24X1
CU-1	N/A	N/A
FC-1	N/A	Washable
FC-2	D.D.	1-16X25X2
CU-2	N/A	N/A

Police Department and Information Services

Unit ID	Belt	Filters
A/C-1	A48	4-16x20x2
A/C-2	A36	2-16x25x2
A/C-3	A38	2-16x25x2
A/C-4	A51	4-20x20x2
A/C-5	A36	2-16x25x2
A/C-6	A38	2-16x25x2
A/C-7	A36	2-16x25x2
A/C-8	A48	4-16x20x2
A/C-9	2-B42	9-20x25x2
A/C-10	2-B42	9-20X25X2
A/C-11	A48	4-16x20x2
A/C-12	A37	4-16x16x2
A/C-13	A53	4-20X20X2
A/C-14 (2A)	A38	2-16x25x2
A/C-15 (4A)	A48	4-16X20X2
CU-1	N/A	N/A
FC-1	N/A	Washable
EF-1	D.D.	N/A
EF-2	D.D.	N/A
EF-3	D.D.	N/A
EF-4	2-A57	N/A
EF-5	2-A57	N/A

EF-6	4L260	N/A
EF-7	4L340	N/A
EF-8	3L190	N/A
EF-9	3L190	N/A
EF-10	3L250	N/A
EF-11		N/A

D.D.=Direct Drive, no belt required

The Villas

Unit ID	Belts	Filters
AC-1	D.D.	1- 20X30X1
AC-2	D.D.	1- 20X30X1
AC-3	D.D.	1- 20X30X1
AC-4	D.D.	1- 20X30X1

PREVENTATIVE MAINTENANCE SCHEDULE

Preventative Maintenance Services for all facilities will include a check for proper function of all components and systems, and the following:

Rooftop Variable Air Volume Cooling Units:	
General	
Check for safety hazards.	
Check for debris on the roof and around the equipment and remove.	
Replace air filters.	
Check and set time clocks/EMS schedule.	
Check that all equipment panels are secure.	
Compressor Section	
Check for unusual noise/vibration.	
Check oil sight glass level.	
Check for visual signs of oil/leaks.	
Check suction line temperature.	
Check crankcase heater(s).	
Check for excessive amp draw and current unbalance.	
Check for voltage unbalance.	
Condenser Section	
Check coil(s) cleanliness/fin condition.	
Check for visual signs of oil/leaks.	
Check fan bracketing and blades for cracks/damage/distortion.	
Check all fans are operational and correct rotation.	
Amp all fan motors and compare to nameplate.	
Check that wiring is secure and clear of rotating blades.	
Evaporation Section	
Check coil(s) cleanliness/fin condition.	
Inspect drain pans for cleanliness/standing water.	
Check pan tabs and note if replacement required.	
Check drain line for free flow.	

Check for visual signs of oil/leaks.
Check TXV bulb secure and insulated.
Check sight glass/moisture indication.
Verify proper hot gas bypass valve operation.
Check motor, drive, and blower for unusual noise/vibration.
Amp motor and compare with nameplate.
Check v-belt(s) and sheaves condition, alignment, and tension.
Lubricate motor bearings (do not over-lubricate!)
Lubricate blower shaft bearings.
Lubricate vane assemblies (bldg. must be unoccupied if using aerosol!)
Economizer Section
Check return air/outside air dampers, actuators for free operation.
Lubricate dampers and linkage ball joints.
Verify minimum position properly set.
Lubricate motor bearings (do not over-lubricate!)
Lubricate blower shaft bearings.
Amp motor and compare with nameplate.
Check power exhaust v-belt, sheave, alignment and tension.
Control Panel
Check all contactors and points.
Check for over-heated, burned, or loose wiring/connections.
Check all safety controls.
Check operating controls.
Cycle discharge air controller through all stages; verify unloader operation.
Clean panel and components of dirt and debris.
Rooftop Cooling/Heating Package Units:
General
Check for safety hazards.
Check for debris on roof and around equipment and remove.
Replace air filters.

Check and set time clocks/EMS schedule.
Check that all equipment panels are secure.
Compressor Section
Check for unusual noise/vibration.
Check oil sight-glass level.
Check for visual signs of oil/leaks.
Check suction line temperature.
Check crankcase heater(s).
Check for excessive amp draw and current unbalance.
Check for voltage unbalance.
Condenser Section
Check coil(s) cleanliness/fin condition.
Check for visual signs of oil/leaks.
Check fan bracketing, rain guard and blades for cracks/damage.
Check all fans are operational and correct rotation.
Amp all fan motors and compare to nameplate.
Check that wiring is secure and clear of rotating blades.
Evaporator Section
Check coil(s) cleanliness/fin condition.
Inspect drain pans for cleanliness/standing water.
Check pan tabs and note if replacement required.
Check drain line for free flow.
Check for visual signs of oil/leaks.
Check TXV bulb secure and insulated.
Take coil temperature difference (TD) reading.
Check motor, drive and blower for unusual noise/vibration.
Check sight glass/moisture indication.
Check v-belt(s) and sheaves condition, alignment, and tension.
Lubricate motor bearings (do not over-lubricate!)
Lubricate blower shaft bearings.
Amp motor and compare with nameplate.

Gas Heating Section
Inspect heat exchanger from combustion chamber for cracks.
Verify proper operation of combustion blower.
Verify proper lighting sequence.
Inspect burners and combustion chamber cleanliness and condition.
Check pilot and main burner flame quality.
Check for flame roll-out.
Economizer Section
Check return air/outside air dampers, actuators for free operation.
Lubricate dampers and linkage ball joints.
Verify minimum position properly set.
Lubricate blower shaft bearings.
Amp motor and compare with nameplate.
Control Panel
Check all contactors, coils and contacts.
Check for over-heated, burned, or loose wiring/connections.
Check all safety controls.
Check operating controls.
Cycle unit in all modes and check operation.
Clean panel and components of dirt and debris.
Exhaust Fans:
Inspect belts, bearings and motor operation.
Check flow rate for adequacy using flow meter.

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

Please see attached Schedule of Compensation Rates.

Attachment: A & B Mechanical HVAC Maintenance Service Agreement_082820 [Revision 2] (2842 : HVAC Maintenance Contract)

**Exhibit B-Schedule of Compensation Rates
A & B Mechanical, Inc.**

Scope of Work:

- 1) Two (2) years - HVAC preventative maintenance per facility, including travel time and all anticipated costs (filters, etc.);
- 2) Two (2) years - Annual Coil Cleaning Service;
- 3) Two (2) years - Misc. maintenance and repairs

Line #	Description of Bid Item	Quarterly Inspection Amount	Annual Inspection Amount
1	Aquatics Center	500.00	500.00
2	Centennial Recreation Center	1,760.00	1,760.00
3	City Hall	615.00	615.00
4	Community and Cultural Center and Playhouse	555.00	555.00
5	Council Chamber Building	555.00	555.00
6	Gavilan College Building	495.00	495.00
7	Friendly Inn	610.00	610.00
8	City Corporation Yard	555.00	555.00
9	Police Department	623.00	623.00
10	The Villas	320.00	320.00
11	Total for One Quarterly Inspection	6,588.00	
12	Total for Three Quarterly Inspections	19,764.00	
13	Total for One Annual Inspection		6,588.00
14	Base Bid: Total for 3 Quarterly and 1 Annual Inspection		26,352.00
15	Two Years of Service (Line 14 X 2)		52,704.00
16	Two Years of Annual Coil Cleaning Service (\$4,999 X 2)		9,998.00
	Total Contract Amount for Preventative Maintenance and Annual Coil Cleaning Service		62,702.00
	Two (2) Years of Misc. Maintenance and Repairs per the below rates	As needed and pre-approved by City Maintenance Staff	

Hourly Rates for Additional Maintenance and Repair of Heating, Ventilating and Air Conditioning (HVAC) at City Facilities

8:00 a.m. to 5:00 p.m.	\$165 per hour
5:00 p.m. to 8:00 a.m.	\$170 per hour
Weekends and Holidays	\$175 per hour

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

Three (3) quarterly preventative maintenance visits to be scheduled with the City Maintenance Manager or designated City maintenance staff.

Annual preventative maintenance visits to be scheduled with the City Maintenance Manager or designated City maintenance staff.

Annual coil cleaning services to be scheduled with the City Maintenance Manager or designated City maintenance staff.

Repairs to be scheduled as need with City Maintenance Manager or designated City Maintenance staff.

Attachment: A & B Mechanical HVAC Maintenance Service Agreement_082820 [Revision 2] (2842 : HVAC Maintenance Contract)

City of Morgan Hill

2020 HVAC Maintenance Narrative and Bid Pricing Scores

August 6, 2020 @ 11:00 a.m.

		NARRATIVE SCORING					NARRATIVE SCORING				
		A & B Mechanical	ADVNC Air Technologies	Environmental Systems, Inc.	Staples Energy		Points Available	A & B Mechanical	ADVNC Air Technologies	Environmental Systems, Inc.	Staples Energy
Previous Experience							15.0	12.5	13.0	14.0	12.5
Work Quality							10.0	9.0	9.5	8.5	7.5
Qualifications of Staff							5.0	4.3	4.5	4.0	3.8
Organized Communication Systems							10.0	7.0	9.0	9.0	8.5
SUBTOTAL- NARRATIVE POINTS							40.0	32.8	36.0	35.5	32.3
		BID PRICING					BID PRICING SCORING				
Item	Price from Lowest Bidder	A & B Mechanical	ADVNC Air Technologies	Environmental Systems, Inc.	Staples Energy		Points Available	A & B Mechanical	ADVNC Air Technologies	Environmental Systems, Inc.	Staples Energy
BASE BID: 3 Quarterly Inspections and 1 Annual Inspection	26,352.00	26,352.00	49,396.00	42,975.00	166,176.10		60.0	60.0	32.0	36.8	9.5
SUBTOTAL-PRICING POINTS							60.0	60.0	32.0	36.8	9.5
GRAND TOTAL							100.0	92.8	68.0	72.3	41.8
								1	3	2	4

Point Score is lowest bidder's price divided by each Contractor's price times the number of points available. For example, ADVNC Air's Base Bid Points = $26,352/49,396 \times 60$ points = 32 points



CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2020

PREPARED BY: Anthony Eulo, Program Administrator
APPROVED BY: City Manager

ADOPT RESOLUTION ESTABLISHING NEW REGULATORY FEES FOR WATER EFFICIENT LANDSCAPING, STORMWATER POLLUTION PREVENTION, AND INCREASING THE ADMINISTRATIVE FEE FOR BACKFLOW PREVENTION

RECOMMENDATION(S)

1. Open/Close public hearing; and
2. Adopt resolution that establishes new regulatory and delinquency fees for water and stormwater programs, and increases the regulatory fee for backflow administration.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment and Preserving
Open Space and Agricultural Land

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The purpose of this report is for the City Council to consider adopting a resolution (Attachment 1) that institutes five new fees for special services and increases an existing fee up to the estimated full cost recovery level.

As regulatory mandates passed by the State continue to require the City to complete additional work, it is essential that the City evaluate the costs associated with these mandates and seek funding for these costs in order to ensure that the City is able to maintain other services. The fees addressed in this staff report relate to the State's mandates in the areas of:

- Water Efficiency;
- Stormwater Pollution Prevention; and
- Drinking Water Quality.

While adopting and increasing fees is neither easy nor enjoyable, the alternative to new fees is to continue using the City's General Fund to subsidize these special services. As the General Fund is nearly entirely allocated to the City's highest priority expenditures, like police, fire, and street maintenance services, preserving the General Fund for the highest priority programs is a key strategy for the City. It is important to note that these proposed fees are directly consistent with the following two elements of the City's Adopted Sustainable Budget Strategy:

- Community wide tax resources should be allocated first to support community wide services; and
- Special services designed for only a few should be paid for by user charges and fees.

What Are the Proposed Fees and Who Would Pay Them?

1. **Water Efficient Landscape Ordinance Fee** – this fee would cover the City's costs to review plans and inspect new landscapes to ensure that they are completed in accordance with the City's ordinance that was adopted to meet the State's mandate. This fee would be paid for during development.
2. **Stormwater Postconstruction Best Management Practice (BMP) Initial Setup Fee** – This fee would cover the City's costs to accept and enter postconstruction BMP information from new developments to establish initial mandated state reporting. This fee would be paid for during development.
3. **Stormwater Postconstruction BMP Annual Administration and Monitoring Fee** – This fee would cover the City's costs to solicit, accept, review, monitor, enter, and report on the semi-annual inspections required at nearly every development constructed since 2014. The fee would be paid on an annual basis by the owners/managers/operators of properties with stormwater postconstruction BMPs.
4. **Stormwater Postconstruction BMP Annual Administration and Monitoring Delinquent Fee** – Inspections submitted late require City staff to track the late submission and conduct additional work. This fee would only be paid when the owners/managers/operators of properties with stormwater postconstruction BMPs do not submit valid inspections in time.
5. **Annual Backflow Administrative Fee** – This existing fee is proposed to be increased from its current rate of \$11 up to its estimated cost recovery rate of \$30.67. This cost recovery estimate was acknowledged in 2003 when the fee was adopted, but subsidized because, at the time, the City expected to transition to performing backflow inspections in-house and it was expected that the fee would not be charged for very long. Instead, because it would generate higher costs for our customers, the City performs very few of the required backflow inspections on private properties and the fee remains substantially below its full cost recovery rate. This fee would be paid by the owners/managers/operators of backflow devices connected to the water system.
6. **Annual Backflow Inspection Delinquent Fee** - Inspections submitted late require City staff to track the late submission and conduct additional work. This fee would only be paid when the owners/managers/operators of backflow devices do not submit valid inspections in time.

How Were The Proposed Fees Calculated?

All of the proposed fees were calculated by estimating the number of staff-hours needed to complete the work and multiplying the hour estimate by the fully-burdened hourly rate for the position. The five new fee estimates were developed by staff and the backflow administration fee estimate was completed by the consulting firm Maximus in the 2003

Fee Study they completed for the City. Attachment 2 is the worksheet documenting the detailed calculations.

COMMUNITY ENGAGEMENT: Inform

In addition to properly noticing this public hearing in the Morgan Hill Times, staff directly mailed or e-mailed notice about this proposal to every likely recipient of the fee charges. This included developers and builders; individuals, associations, property owners, and businesses that currently have a stormwater operations and maintenance agreement with the City; and every owner/manager/operator of a backflow water protection device. Attachment 3 of this report is a copy of the City's letters and the related response from the community.

As a result of the public input, staff identified that it will be possible to form small reporting groups of individual homeowners in neighborhoods that do not have a homeowner's association and would otherwise be reporting individually and paying the annual stormwater fee individually. By receiving only one report for the neighborhood, the City's workload will be reduced substantially, and the group will save substantially by paying just a single fee.

ALTERNATIVE ACTIONS:

The Council has discretion to adopt all, some, or none of the proposed fees. As noted above, not adopting a fee results in the need to appropriate funding from the General Fund to pay for the activities necessitated by the State mandate. To be clear, not adopting the fee does not make the mandated work go away, it merely changes how the work is paid for. The exception to the requirement to backfill fee revenues from the General Fund are the Backflow Administration and Delinquency Fees. The subsidy currently in place for backflow owners comes from other fees paid into the Water Fund.

While it is common for proposed fee payers to oppose fee increases and new fees, most of the opposition to the fees was related to the increase in the backflow administration fee due to the sheer number of backflows in existence. While the magnitude of the increase itself is less than \$20 per year per backflow, the percentage increase (179%) was alarming to some. It is worth noting that many properties have more than one backflow.

While staff recommends adoption of the fees as presented, if the Council chooses, an alternative approach for the Backflow Administration Fee could be:

- No fee increase at this time.
- Apply an incremental annual fee increase (example: \$5 increase now and \$5 annual increase in subsequent years).
- Conduct internal fee study and spread out any resulting adjustments called for in the study over a two or three-year period (this could ultimately result in even greater increased fees and may not be feasible in the near term given available staff resources).
- Ensure that this function is separately analyzed in next fee study conducted.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There have been no recent Council or Commission actions on these fees.

FISCAL AND RESOURCE IMPACT:

Revenues for the Water Efficiency and Stormwater fees were included in the Adopted Budget. The included revenues were \$21,000 (FY2020-21) and \$44,000 (FY2021-22). The additional revenue from the increase in the Backflow Administration Fee and Delinquency Fee of approximately \$40,000 will be accounted for in the Water Fund (650).

CEQA (California Environmental Quality Act):

Not a project, as these administrative activities of government will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. Fee Resolution
2. Resolution Exhibit A - Expanded Water Programs Fee Calculation
3. Fee Input Summary

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ESTABLISHING REGULATORY FEES FOR WATER EFFICIENCY AND STORMWATER AND TWO NEW DELINQUENCY FEES AND INCREASING THE REGULATORY FEE FOR BACKFLOW ADMINISTRATION

WHEREAS, Morgan Hill Municipal Code Chapter 3.50 establishes City policy as to the percentage of the City's costs reasonably borne in providing the regulation; and

WHEREAS, the State of California has passed mandates requiring the City to carefully require water-efficient landscaping in new development and to require substantial reporting on the installation, maintenance, and performance of facilities designed to reduce stormwater pollution in new developments; and

WHEREAS, the implementation of these State mandates requires new regulatory fees for water-efficient landscape compliance and stormwater pollution prevention compliance to be established in order to fund the mandated activities; and

WHEREAS, the delinquent submission of mandated inspection reports requires City staff to spend additional time and resources in soliciting and recording the delinquent reports and necessitate the establishment of delinquency fees; and

WHEREAS, the proposed establishment of the fees that are the subject of this Resolution was agendized for consideration by the City Council of the City of Morgan Hill at a duly noticed public hearing of the Council held on September 16, 2020 at which hearing all interested persons were afforded an opportunity to be heard on said proposed fees; and

WHEREAS, the Council heard all relevant testimony and reviewed all written materials submitted in connection with its hearing on this Resolution.

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

1. The City Council finds and determines the fees calculations utilized, as shown in **Exhibit A**, to establish regulatory fees for water efficient landscaping, stormwater pollution prevention, delinquent report submission and to increase the administration fee for backflow devices will not cause fee revenues to exceed the estimated cost reasonably borne of providing the regulation for which the fees are levied.
2. The City Council finds and determines that it is reasonable to annually adjust the fees as set forth above based on the productive hourly rate of the said positions as set forth in

Exhibit A and hereby instructs, authorizes and directs the City Manager to so annually adjust the applicable fees as of July 1 of each fiscal year based upon the factors set forth in the fee calculation.

3. The City Council finds and determines that it is reasonable to continue to annually adjust the fees set forth in Schedule by the Consumer Price Index for Urban Wage Earners and Clerical Workers for the San Francisco, Oakland and San Jose Area, and hereby instructs, authorizes and directs the City Manager to do so annually.
4. The City Manager or his/her designee is hereby authorized and directed to amend the City Fee Schedule to reflect the fees as set forth in Exhibit A.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 16th day of September 2020 by the following vote:

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

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

IRMA TORREZ, City Clerk

⌘ **CERTIFICATION** ⌘

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.20-XXX, adopted by the City Council at the meeting held on September 16, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

Exhibit A

Expanded Water Protection and Efficiency Program Fees (July 2020)

Fee	Purpose	Class	Staffing Cost	Supplies and Services	Total	Notes/Assumptions
Water Efficient Landscape Ordinance	Ensure project landscaping is designed and completed in compliance with City ordinance adopted as required by State Code					Given the wide range in size and complexity of landscape plans, several different fees are needed based on project size and type. Fees for single-family residential projects, which are permitted separately for each residential unit, will be based on .25 hours of Program Administer time and two hours of part-time work. For all other projects, the fees will be based on the size of the landscape. Small project fee (5,000 square feet or less of landscaping) will be based on 1 hour of Program Administer time and five hours of part-time work for each landscape plan processed. In general this is three hours for two plan reviews and coordination with the landscape architect and two hours for inspection and communication with the contractor on the installation and 1 hour of overall oversight and technical assistance. For projects having landscaped areas greater than 5,000 square feet, the fee will be based on 2 hours of Program Administrator work and 12 hours of part-time work. A small mileage reiumbursement charge is included to cover the costs of site visits by part-time staff.
		Small Project (commercial, industrial, institutional, multifamily residential, mixed use, subdivision common areas)	\$341.81	\$5.75	\$347.56	
		Large Project (commercial, industrial, institutional, multifamily residential, mixed use, subdivision common areas)	\$743.62	\$11.50	\$755.12	
		Single-family residential	\$107.95	\$5.75	\$113.70	
Stormwater Postconstruction BMP Initial Setup Fee	Accept and enter postconstruction BMP information from new developments to establish initial mandated state reporting					The time required for the initial setup of each new project is highly dependent on the number of BMPs the project contains and the fee should be based on this number. The general formula is that it takes 3.75 hours of initial setup time for a project with 1 BMP and .75 hours for each additional BMP.
		Base Fee and First BMP	\$595.73	\$0.00	\$595.73	
		Each Additional BMP	\$119.15	\$0.00	\$119.15	
Stormwater Postconstruction BMP Annual Administration and Monitoring Fee	Solicit, accept and enter postconstruction BMP inspection and monitoring reports from existing developments to comply with mandated state reporting					The time required for the annual administration and monitoring of BMPs for each ongoing project is highly dependent on the number of BMPs the project contains and the fee should be based on this number. The general formula is that two times per year it takes 2.5 hours of time for a project with 1 BMP and .5 hours for each additional BMP. The formulas to the left reflect the annual charges recognizing that this activity occurs twice per year.
		Base Fee and First BMP	\$309.38	\$0.00	\$309.38	
		Each Additional BMP	\$30.00	\$0.00	\$30.00	
Stormwater Postconstruction BMP Annual Administration and Monitoring Delinquent Fee (per month of delinquency)	Recover costs associated with soliciting reports from projects that were not submitted in a timely manner	All	\$54.85	\$0.00	\$54.85	Failing to submit one of the semi-annual BMP reports on time results in additional staff work of at least .5 hours for each month a report is delinquent. Fee based on .5 hours of Env. Services Coordinator time.
Annual Backflow Inspection Delinquent Fee (per month of delinquency)	Recover costs associated with soliciting reports from backflow accounts that were not submitted in a timely manner	All	\$42.53	\$0.00	\$42.53	Failing to submit an annual backflow inspection report on time results in additional staff work of at least .5 hours for each month a report is delinquent. Fee based on .5 hours of MSA time.
Annual Backflow Administrative fee	Regular administration of backflow inspection program	All			\$30.67	Fee calculation is taken from User Fee analysis
		Salary Values Used for Calculations				
		PT Staff	\$30.00			
		MSA	\$85.05			
		Engineer	\$158.86			
		Env. Coord.	\$109.69			
		Prog. Admin	\$191.81			

Attachment: Resolution Exhibit A - Expanded Water Programs Fee Calculation [Revision 1] (2806 : New Regulatory Fees)

Attachment B

Community Engagement Activities and Responses

Section 1: Water-Efficient Landscape and Stormwater BMP Reporting Setup Fees



Community Services Department
17575 Peak Ave.
Morgan Hill, CA 95037
(408)779-7271
www.morganhill.ca.gov

September 9, 2020

Company: XXXX
Attention: XXXX

RE: Proposed Annual Fees

Dear XXXX:

As you know, the State of California has passed many mandates onto local governments that require the City to enforce new standards and regulations affecting new development. In order to properly administer these requirements, the City is proposing two new fees for the following purposes:

- The *Water Efficient Landscape Ordinance Fee* will address the City's costs associated with the plan review and inspections associated with the State-mandated water efficient landscaping ordinance. The proposed fee will vary, based on the size of the development, as indicated on the next page; and
- The *Stormwater Postconstruction Initial Setup Fee* will address the costs associated with initially entering all of the information needed in the on-line system the State is requiring the City to maintain to track the operation, maintenance, and effectiveness of onsite stormwater treatment facilities. The proposed fee will vary based on the number of treatment facilities included in the development as indicated on the next page.

The purpose of this letter is to expressly notify you about the proposed fees and solicit any input you may have on their design. If you desire additional information about the fees or have some thoughts on other approaches the City should use to recover these costs, please contact me at anthony.eulo@morganhill.ca.gov or 408-921-6473.

The adoption of these fees is scheduled to be considered by the City Council at a public hearing at the Council meeting on September 16, 2020.

Sincerely,

Anthony Eulo
Program Administrator

Attachment: Fee Input Summary [Revision 1] (2806 : New Regulatory Fees)

Fee	Purpose	Classifications	Amount
Water Efficient Landscape Ordinance	Ensure project landscaping is designed and completed in compliance with City ordinance adopted as required by State Code	Single-family residential (per lot)	\$113.70
		Small Project- less than 5,000 square feet landscaping (commercial, industrial, institutional, multifamily residential, mixed use, subdivision common areas)	\$347.56
		Large Project – over 5,000 square feet landscaping (commercial, industrial, institutional, multifamily residential, mixed use, subdivision common areas)	\$755.12
Stormwater Postconstruction BMP Initial Setup Fee	Accept and enter postconstruction BMP information from new developments to establish initial mandated state reporting	Base Fee and First BMP	\$595.73
		Each Additional BMP	\$119.15

No input from the public was received from the development community regarding these two fees. The only response received was one question regarding applicability of the fee to a development with existing entitlements.

Section 2: Annual Stormwater BMP Administration and Related Delinquency Fees



Community Services Department
17575 Peak Ave.
Morgan Hill, CA 95037
(408)779-7271
www.morganhill.ca.gov

September 9, 2020

XXX

RE: Proposed Annual Stormwater Fees

Dear XXXX:

As you know, the State of California has passed many mandates onto local governments that require the City to enforce standards and regulations that limit the flow of sediment and other pollutants from development sites. Our records indicate that you have entered into an operations and maintenance agreement for the stormwater treatment facilities, commonly referred to as BMPs, on your property.

While property owners remain responsible for BMP operations, maintenance, and inspection, the State is now requiring the City to carefully monitor and report on the condition of these facilities. In order to properly administer these requirements, the City is proposing two new fees for the following purposes:

- The *Stormwater Postconstruction BMP Annual Administration and Monitoring Fee* will address the City's costs associated with soliciting, accepting, and entering postconstruction BMP inspection and monitoring reports from existing developments to comply with mandated state reporting. The proposed fee will vary based on the number of BMPs on a property. The fee calculated for the base report and first BMP will be \$309.38 with an additional fee of \$30 for each additional BMP; and
- The *Stormwater Postconstruction BMP Annual Administration and Monitoring Delinquent Fee* will address the costs associated delinquent submissions of the reports required by a property's operations and maintenance agreement. Delinquent reports require additional staff time to track down and enter on a different schedule. The proposed fee is \$54.85 for each month of delinquency.

The purpose of this letter is to expressly notify you about the proposed fees and solicit any input you may have on their design. If you desire additional information about the fees or have some thoughts on other approaches the City should use to recover these costs, please contact me at anthony.eulo@morganhill.ca.gov or 408-921-6473.

The adoption of these fees is scheduled to be considered by the City Council at a public hearing at the Council meeting on September 16, 2020.

Sincerely,

Anthony Eulo
Program Administrator

Attachment: Fee Input Summary [Revision 1] (2806 : New Regulatory Fees)

Input Received

From: Anthony Eulo
 Sent: Saturday, August 29, 2020 9:37 AM
 To: Susan Dini
 Subject: RE: Storm drains

Thank you for the input. I agree with you 100%.

Our department is taking over this function and has already discussed providing much more notice to property owners. We have no interest in collecting the delinquent fee and would much rather work cooperatively with folks to get their inspections turned in on time. The fee is merely one tool in our toolbox. The primary tools will be giving people ample advance notice, clearly communicating what the requirements are, and answering questions in a timely manner. Unfortunately, there are many folks that won't respond or take the requirement seriously, just because it exists, and for those folks, the fee will hopefully provide the additional motivation needed for us to efficiently administer the program.

I hope that you have a terrific weekend.

Anthony Eulo (pronouns he/him/his)
 Program Administrator

City of Morgan Hill
 Community Services Department
 17575 Peak Ave. Morgan Hill, CA 95037

P: 408-310-4179 C: 408-921-6473
 anthony.eulo@morganhill.ca.gov
 morganhill.ca.gov

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

From: Susan Dini <tapcrazysue@yahoo.com>
 Sent: Saturday, August 29, 2020 8:09 AM
 To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
 Subject: Storm drains

We received the notice about the "BMP fee ". Also noticed the delinquent fee. If you are going to charge this fee I ask you send out the notices at least a month ahead instead of one week. This would give us more time to get this done Susan Dini
 135 Campoli Drive

Sent from my iPhone

WARNING: This message is from an external user. Confidential information such as social security

Attachment: Fee Input Summary [Revision 1] (2806 : New Regulatory Fees)

numbers, credit card numbers, bank routing numbers, gift card numbers, wire transfer information and other personally identifiable information should not be transmitted to this user. For question, please contact the Morgan Hill IT Department by opening a new helpdesk request online or call 408-909-0055.

End

From: Anthony Eulo
Sent: Friday, August 28, 2020 5:04 PM
To: Eric Olson
Subject: RE: Proposed Annual Stormwater Fees

I have talked this over with the folks that will be implementing this, and we all believe that this idea (offering a group fee, so to speak) is fair and makes the most sense. The City's work will be reduced substantially as we are just working with one person and, therefore, the fee should be reduced substantially too. Per the schedule, the group fee would be the base fee of \$309 + \$30 per each of the eight additional BMPs so the total would be \$549. This is quite a bit lower than the alternative of 8*309 or \$2,472.

We are going to include this idea in our report to the City Council. If the fee package is approved, we will then work on some "group agreement language" in the intervening months to present to neighborhoods like yours.

A future challenge could arise when maintenance is needed on a particular BMP facility. At that point, we will still work with the volunteer neighborhood coordinator to ensure that the maintenance is performed and the BMP is back to performing as it should. If the individual property owner(s) for that BMP don't take care of the problem and the City has to work directly with them, we will require that they withdraw from the group, pay a separate fee, and still make the needed corrections. Obviously, if someone is volunteering to be the neighborhood coordinator, others should be cooperative so it doesn't become too much of a burden. Interestingly, many of the BMPs in your neighborhood cross property lines so more than one property owner will need to be involved when this work arises.

Please let me know if this makes sense to you and do feel free to share the idea with your neighbors. I'm happy to answer any questions if something I've written doesn't make sense or if you have other ideas we should consider.

Have a great weekend. Let's hope that the smoke stays away.

Anthony Eulo (pronouns he/him/his)
 Program Administrator

City of Morgan Hill
 Community Services Department
 17575 Peak Ave. Morgan Hill, CA 95037

P: 408-310-4179 C: 408-921-6473
anthony.eulo@morganhill.ca.gov
morganhill.ca.gov

From: Eric Olson <eolson800@gmail.com>
Sent: Friday, August 28, 2020 8:22 AM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: Re: Proposed Annual Stormwater Fees

Hi Anthony,

I think that sounds like a good idea. Should I share/discuss this with my neighbors or wait until I hear from you? in particular should i talk with Jennifer to see if she is willing to take on the added responsibility? If she does not, I can take over it. So we, our neighborhood, will have one contact.

Thanks
Eric

On Thu, Aug 27, 2020 at 7:30 PM Anthony Eulo <Anthony.Eulo@morganhill.ca.gov> wrote:

I can't promise anything, because we are still evaluating if we can do this, but we are looking at doing something akin to combining individual properties like yours into a neighborhood group and having only one fee. We would essentially be treating the neighborhood as if you did have an HOA, run by Jennifer, and only working with her. If we are only working with one person and getting one combined inspection report (which I know is what you get now), the City's time spent gets decreased significantly and so can the fee revenue.

The challenge we are talking through internally is what happens when one day, some of the tanks start failing and maintenance needs arise for some individual homeowners, and the inspection report gets late.....it could get complicated and we need to have a way to ungroup the neighborhood if it isn't working out.

We just need to think and talk this through before proceeding.

At first glance, does this sound like a good idea to you?

Anthony Eulo (pronouns he/him/his)

Program Administrator

City of Morgan Hill

Community Services Department

17575 Peak Ave. Morgan Hill, CA 95037

P: 408-310-4179 C: 408-921-6473

anthony.eulo@morganhill.ca.gov

morganhill.ca.gov

From: Eric Olson <eolson800@gmail.com>
Sent: Thursday, August 27, 2020 6:02 PM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: Re: Proposed Annual Stormwater Fees

Hi Anthony,

Thank you for answering my questions.

You are correct, we do not have an HOA. Our neighbor, Jennifer Domingez is the lead for contacting and scheduling the inspection. The inspector bills each of us individually.

Thanks

Eric

On Thu, Aug 27, 2020 at 5:30 PM Anthony Eulo <Anthony.Eulo@morganhill.ca.gov> wrote:

Yes. You can find the City's fee schedule at <https://www.morganhill.ca.gov/DocumentCenter/View/36894/City-Fee-Schedule-Effective-July-1-2020-PDF>

Some examples of fees to address State mandates are:

#18 - #20 (Environmental Impact Report Work)

#106 (Stormwater Runoff Management Plan Review)

#122-#128 (Various Stormwater Pollution Prevention Plan Reviews)

#141 (Annual Backflow Testing Administration)

#174 - #175 (Hazardous Materials Facility Related Fees)

The Backflow Testing fee is probably the fee most similar to the stormwater fee we are discussing. In this instance, the City is required to ensure that all backflow devices are tested annually. Since not all properties have backflows, only those that do are required to pay the fee.

I have a question for you. I believe that your neighborhood does not have an HOA. However, has some nice person taken the lead to contact the inspector and arrange for common inspections of the BMPs in the neighborhood and the coordinated the inspector's payment?

Anthony Eulo (pronouns he/him/his)

Program Administrator

City of Morgan Hill

Attachment: Fee Input Summary [Revision 1] (2806 : New Regulatory Fees)

Community Services Department

17575 Peak Ave. Morgan Hill, CA 95037

P: 408-310-4179 C: 408-921-6473

anthony.eulo@morganhill.ca.gov

morganhill.ca.gov

From: Eric Olson <eolson800@gmail.com>

Sent: Thursday, August 27, 2020 5:13 PM

To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>

Subject: Re: Proposed Annual Stormwater Fees

Hi Anthony,

Thank you for the response. I understand what you are saying but can you give me an example of what other City employee job functions are paid for directly by a city resident so that the city can comply with a State mandate? What is setting the precedent for funding a city expense in this manner?

Thank you,

Eric

On Thu, Aug 27, 2020 at 3:30 PM Anthony Eulo <Anthony.Eulo@morganhill.ca.gov> wrote:

Hello Eric,

I will include your concerns in the report going to the City Council so they are aware of your input.

To answer your question, the calculated fee is the average time taken to solicit, accept, review, and enter the inspection results into the monitoring system that the state requires multiplied by the employee cost.

With regard to your statement "I cannot think of any reason why we should be held financially responsible for any new responsibility that the city has to the state," all of us in the City become conceptually responsible when the State mandates that the City take an action. This is an undeniable fact. We are the City and the City is us. The question becomes: are there certain individuals, properties, organizations, businesses, etc. that are attached to a mandate or is it something broadly shared by the entire population? In this instance, this mandate only applies to developments constructed since 2014

(and onward) and it is not something required of all properties. For this reason, we propose that a fee on these properties is the correct method of funding compliance with this requirement. The alternative is to use the City's General Fund which is the same fund that is primarily used to pay for police, fire, and street maintenance services.

Anthony Eulo (pronouns he/him/his)

Program Administrator

City of Morgan Hill

Community Services Department

17575 Peak Ave. Morgan Hill, CA 95037

P: 408-310-4179 C: 408-921-6473

anthony.eulo@morganhill.ca.gov

morganhill.ca.gov

From: Eric Olson <eolson800@gmail.com>
Sent: Thursday, August 27, 2020 3:04 PM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: Proposed Annual Stormwater Fees

Hi Anthony,

We received your letter dated 8/14/20 regarding the proposed fee that the city is going to consider for BMPs.

We already have to pay for inspection and report filing twice per year. We are responsible for its operation and maintenance as well. I cannot think of any reason why we should be held financially responsible for any new responsibility that the city has to the state.

Not only do we believe we should not be held responsible for any additional costs, the amount stated in your letter seems exorbitant. What is the basis for \$309.38 + \$30.00/per BMP?

The BMP that we have is a tank/vault that sits underground. It does nothing but sit underground. There is nothing to maintain or monitor. We make sure that there is no debris in the system, which is all that can be done.

Thank you,

Attachment: Fee Input Summary [Revision 1] (2806 : New Regulatory Fees)

Eric Olson

Vintage Estates, Lot 4

1325 Riesling Court

Morgan Hill, CA 95037

End

(Eulo note: while it was not memorialized here, Mr. Swanson and I spoke about the “group program” on the phone and he was supportive of the extra effort the City is taking to make the proposal more reasonable.)

From: Gary Swanson <boosterrocket11@gmail.com>
Sent: Wednesday, August 26, 2020 4:04 PM
To: Anthony Eulo
Subject: Amadora South Revised New Fees For BMPs

When all eleven home owners purchased our properties that included these storm water systems at great expense, we did not expect to be saddled with these escalating fees that have now occurred. It was a surprise to us to be hit soon with \$2,200 bill for an inspection fee on our eleven homes back in 2016 to make sure the drain system was to remain clear of debris. Two years later this expense went to \$3,520. Now we are notified that the projected expense is going to \$6,919. or \$629.00 per household. This is amazing to us since Amadora North across Peebles have NO expense since they have no drain system installed. Those homes built one year earlier.

We would like some transparency on this fee to justify these outrageous costs. In the past these physical inspections take no more than two hours for all eleven homes. The paperwork should not change from Spring to Fall on boiler plate forms that are filed with the city.

I hope you have considered we have been paying thousands in yearly fees in past and this is NOT a new add on fee.

Amadora South

End

From: Anthony Eulo
 Sent: Wednesday, August 26, 2020 11:10 AM
 To: Margaret Sielert
 Subject: RE: Stormwater fee
 Attachments: Vintage_SCM Map.pdf

Ms. Sielert:

I have confirmed with both the development engineer, a field inspector during construction, and the inspector that visits your property annually that there is, indeed, a tank underground on your property.

Per the inspector that visits annually: "Per the attached SCM map parcels 1 through 8 excepting parcel 3 have underground tanks along their backyard fence. Yes; These tanks are built underground and they are all connected to each other. These tanks ultimately drain into the larger tank along Murphy Road near its the intersection to Riesling Court before it drains to city storm drain system. The underground storage tanks collect the increased runoff due to impervious surface areas such as roofs and driveways for the entire subdivision including parcel 3 that does not have a tank due to its location. As stated the drainage impact from parcel 3 also have been equally accounted for with the rest of the parcels in determining the size of the underground storage tanks. There are series of inlets that convey lot surface runoff into the tanks. I have been inspecting the inlets as indication of how the tanks are doing."

The development engineer explained to me that the tank is directly connected to the outlets on the drains.

Your three drains are not the BMP, it is the tank that they drain to and our records indicate that there is just one of those. With the single BMP on your property, the proposed annual fee would be the base fee of \$309.38 with no additional BMP charges.

Anthony Eulo (pronouns he/him/his)
 Program Administrator

City of Morgan Hill
 Community Services Department
 17575 Peak Ave. Morgan Hill, CA 95037

P: 408-310-4179 C: 408-921-6473
 anthony.eulo@morganhill.ca.gov
 morganhill.ca.gov

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

From: Margaret Sielert <mmsielert@comcast.net>
 Sent: Monday, August 24, 2020 1:57 PM
 To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
 Subject: RE: Stormwater fee

Mr. Eulo:

We do not have a HOA. The tanks are on the outside of their fence line facing Murphy on Lot#2.
 Please advise when you have your information.
 Thank you
 Margaret

> On 08/24/2020 1:30 PM Anthony Eulo <anthony.eulo@morganhill.ca.gov>
 wrote:
 >
 >
 > Please be patient while we look into this further.
 >
 > Our records indicate that there should be a tank there. I see one of
 three possibilities.
 >
 > 1. Our records are wrong and there was either an approved field
 > modification or an approved design plan that we aren't showing; 2. The
 > contractor was supposed to install a tank, but didn't, and we didn't
 notice during construction or we
 did notice and the contractor did something nefarious and removed it; or
 3. There is a tank there and
 you are not aware of it.
 >
 > If there is only one tank for the subdivision, it seems to me that we
 need to completely re-evaluate the
 situation for everyone. Do you have an HOA?
 >
 > Anthony Eulo (pronouns he/him/his)
 > Program Administrator
 >
 > City of Morgan Hill
 > Community Services Department
 > 17575 Peak Ave. Morgan Hill, CA 95037
 >
 > P: 408-310-4179 C: 408-921-6473
 > anthony.eulo@morganhill.ca.gov
 > morganhill.ca.gov
 >
 > -----Original Message-----
 > From: Margaret Sielert <mmsielert@comcast.net>
 > Sent: Monday, August 24, 2020 12:58 PM
 > To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
 > Subject: RE: Stormwater fee
 >
 > Mr. Eulo:

> The rain tanks are on property #2 not on Property#1 which we are. We only have the 3 drains on our property.

> Does each home owner have to pay the fee even though the tanks are not on their property?

> Thank you.

> Margaret

> > On August 24, 2020 11:56 AM Anthony Eulo <anthony.eulo@morganhill.ca.gov> wrote:

> >

> >

> > I'm sorry for the delayed response. I needed to confirm what I was telling you.

> >

> > As indicated in the attached sheet, there was a rain tank called for on your property. I suspect it is underground and hidden.

> >

> > Anthony Eulo (pronouns he/him/his)

> > Program Administrator

> >

> > City of Morgan Hill

> > Community Services Department

> > 17575 Peak Ave. Morgan Hill, CA 95037

> >

> > P: 408-310-4179 C: 408-921-6473

> > anthony.eulo@morganhill.ca.gov

> > morganhill.ca.gov

> >

> > -----Original Message-----

> > From: Margaret Sielert <mmsielert@comcast.net>

> > Sent: Friday, August 21, 2020 5:50 PM

> > To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>

> > Subject: Re: Stormwater fee

> >

> > Thank you for the clarification but the tank your referring to is not on our property but the house on the corner of Reisling court.

> > So since we don't have the tank are we still responsible in paying that fee once a year. So that would mean each homeowner in our division would have to pay that fee once or twice a year?

> > Thank you

> > Margaret

> > Sent from my iPhone

> >

> > > On Aug 21, 2020, at 5:07 PM, Anthony Eulo <Anthony.Eulo@morganhill.ca.gov> wrote:

> > >

> > > Yes, certainly.

> > >

> > > BMP literally stands for "Best Management Practice" and, in the stormwater pollution prevention

world, it would best be defined as a feature, facility, or piece of equipment designed to capture and prevent pollution (most often sediment) from reaching the stormwater system. In addition to being an actual "piece" of pollution itself, sediment also carries other pollutants (metals, bacteria, etc.) in stormwater. As the owner of the stormwater system, the City is regulated by the State for pollution in the stormwater system.

> > >

> > > Examples of BMPs that we see in the field include small filters located at individual drains, grassy swales planted along parking lots, underground tanks, to very large treatment units that costs hundreds of thousands of dollars. I understand the BMP on your property is a small tank that collects runoff and gives sediment time to settle out of the runoff before the water is released to the common stormwater system. This tank will need to be periodically cleaned out in order to keep doing its job. The springtime inspection is designed to ensure that the tank is performing correctly.

> > >

> > > The proposed fee would be an annual fee that would be charged once every year. If the proposed fee is adopted, we would send each property owner an invoice each January for that year's services.

> > >

> > > Please let me know if you desire additional information. It is our aim to be transparent and responsive in introducing these fees.

> > >

> > > Anthony Eulo (pronouns he/him/his) Program Administrator

> > >

> > > City of Morgan Hill

> > > Community Services Department

> > > 17575 Peak Ave. Morgan Hill, CA 95037

> > >

> > > P: 408-310-4179 C: 408-921-6473

> > > anthony.eulo@morganhill.ca.gov

> > > morganhill.ca.gov

> > >

> > > -----Original Message-----

> > > From: Margaret Sielert <mmsielert@comcast.net>

> > > Sent: Friday, August 21, 2020 4:42 PM

> > > To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>

> > > Subject: Re: Stormwater fee

> > >

> > > Thank you for the information.

> > >

> > > Can you explain then what is a BMP and that it is a one time fee?
Is this a charge every year?

> > > Margaret

> > >

> > > Sent from my iPhone

> > >
> > >> On Aug 21, 2020, at 2:42 PM, Anthony Eulo
<Anthony.Eulo@morganhill.ca.gov> wrote:
> > >>
> > >> Ms. Sielert:
> > >>
> > >> Our records indicate that you have one BMP on your property so it
would just be the base fee of \$309.38. Your three drains are not the BMP,
it is the tank that they drain to and our records indicate
that there is just one of those.
> > >>
> > >> The fee calculation includes the time to solicit, accept, analyze,
record, and enter both the Fall and Spring inspections so, assuming the
inspections are turned in on time, that would be the total
annual fee.
> > >>
> > >> We are also changing the party responsible for administering this
program and I anticipate that property owners like yourself will be given
ample notice as to when inspections are due. We have little
interest in charging the delinquent fee and would much rather just get the
inspection reports in on time.
> > >>
> > >> Anthony Eulo (pronouns he/him/his) Program Administrator
> > >>
> > >> City of Morgan Hill
> > >> Community Services Department
> > >> 17575 Peak Ave. Morgan Hill, CA 95037
> > >>
> > >> P: 408-310-4179 C: 408-921-6473
> > >> anthony.eulo@morganhill.ca.gov
> > >> morganhill.ca.gov
> > >>
> > >> -----Original Message-----
> > >> From: Margaret Sielert <mmsielert@comcast.net>
> > >> Sent: Friday, August 21, 2020 11:24 AM
> > >> To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
> > >> Subject: Stormwater fee
> > >>
> > >> Mr. Eulo:
> > >> As per our discussion this morning please advise what the fee
> > >> calculation will be for our address at
> > >> 16860 Murphy Avenue Morgan Hill Ca 95037. Is this a fee for each
report as this survey is
required twice a year.
> > >> The report is emailed to the city from the surveyor and your fees
are ridiculous to charge a
homeowner to have it recorded. I will send a letter of my disapproval
separately.
> > >> Thank you
> > >> Margaret Sielert

End

From: Anthony Eulo
Sent: Monday, August 24, 2020 11:22 PM
To: Jeremy Holt
Subject: RE: Proposed Annual Stormwater Fees

Hello Jeremy.

I apologize for the delayed response to your note on Friday. For clarity, I've responded to your questions below directly after the question.

I will include your original e-mail and this response in the Council report so the Council is aware of your input.

Anthony Eulo (pronouns he/him/his)
 Program Administrator
City of Morgan Hill
 Community Services Department
 17575 Peak Ave. Morgan Hill, CA 95037
 P: 408-310-4179 C: 408-921-6473

From: Jeremy Holt <jeremyholt63@gmail.com>
Sent: Friday, August 21, 2020 6:18 PM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: Proposed Annual Stormwater Fees

Hello Anthony,

I have received your presumptive letter in regards to proposed annual stormwater drain fees. I do not want to pay these fees and did not agree to any additional fees when purchasing the home, besides the inspection fees. Please refer to the original contract that I signed when buying the home for this info. It is both dishonest and immoral to change this agreement after I have already purchased the home.

- 1. I do not know about any state of California mandates to enforce standards and regulations. Please be more specific in regards to this.**

Response: The City of Morgan Hill is required to operate in accordance with the provisions of the National Pollutant Discharge Elimination System (NPDES) Permit, which can be found on the State Water Resource Control Board (SWRCB) website at:

https://www.waterboards.ca.gov/water_issues/programs/stormwater/phase_ii_municipal.html. The NPDES Permit comprises detailed provisions that outline control measures and best management practices (BMPs) which the City is required to implement and enforce under State law. The intent of the NPDES Permit is to prevent or reduce pollutants in storm water runoff. NPDES Permit provision *E.6.c Enforcement Measures and Tracking* requires that the City develop and implement enforcement procedures and actions specific to stormwater violations, and detail how the City will address repeat and continuing violations to NPDES Permit requirements by implementing progressively stricter responses as needed to achieve compliance.

- 2. What additional requirements would require the city to do anything besides forward on the results of the inspection that I already paid for? If the inspection isn't enough or valid then why am I paying for the inspection?**

Response: NPDES Permit provision *E.12.i Post-Construction Best Management Practice Condition Assessment* necessitates administration of a program where the City obtains self-certified annual reports from authorized parties demonstrating proper maintenance and operations of structural postconstruction BMPs in order to determine their maintenance condition. The City cannot simply forward your inspection results to the SWRCB because provision E.12.i requires the City to analyze your completed inspection through inventory, mapping, and assessment processes. Should the maintenance level of a structural BMP be found insufficient, NPDES provision E.12.i(c), requires the City to implement appropriate escalating enforcement to ensure proper maintenance of structural BMPs. Enforcement is also required to ensure submittal of the self-certification annual reports.

- 3. Why are you enforcing business shutdowns and generally killing the economy and then asking for more money? Times are tough now and it's not the time to demand more money from already financially struggling homeowners.**

Response: Administering these agreements and checking inspection reports is taking more and more time every year as the number of them grows. It has risen to a critical mass and the City requires additional revenue in order to continue complying with the State's requirements. The alternative is to support these services with the City's General Fund which is heavily dedicated to police, fire, and street maintenance services.

- 4. I already pay a hefty state income tax, property tax, gas tax, sales tax of almost 10%, capital gains tax, DMV fees, taxes on utilities, taxes on cellular phone services, inflated water costs, and license fees. Go ahead and take some funds from those bloated taxes if needed.**

Response: While I cannot comment on taxes paid to other agencies, I can say that the City's water bills are cost recovery fees that are based on the actual costs to run the water system. Revenues from water bills cannot legally be used to subsidize other services. The City does not tax utility or cellular phone services and has the lowest real total tax revenue per capita in Santa Clara County.

- 5. Does there need to be a vote on these proposed changes or can the city just decide they will start enforcing them? If MH can just decide to start enforcing them this is unconstitutional.**

Response: No popular vote is planned for this fee as it is a cost-recovery fee, not a tax. The fee amount has been carefully calculated to merely recover the costs of the service provided.

Please work to be more efficient and stop trying to constantly collect more money on the back of the working man. I am quite unhappy with the mismanagement of money and project by our city government and managers.

End

Concerned Resident, Jeremy Holt

From: Margaret Sielert <mmsielert@comcast.net>
Sent: Tuesday, September 8, 2020 11:35 AM
To: Anthony Eulo
Subject: Proposed Annual Stormwater Fee

Hi Anthony:

As per our conversations I disagree with the City of Morgan Hill with the proposed fees for the BMP as we already pay twice a year to have it inspected as required by the city.

The total fee is not reasonable and really doesn't reflect what you would have to pay an employee to enter a one report that is submitted by email twice a year. Our inspections have never had any problems and homeowners have been very vigilant in keeping debris out of the drains.

I am aware that you have had another conversation with another homeowner that some suggestions are under consideration but I do hope that you will see that these fees should not be our responsibility.

Thank you
Margaret

End

Section 3: Annual Backflow Administration and Delinquency Fees



Community Services Department
17575 Peak Ave.
Morgan Hill, CA 95037
(408)779-7271
www.morganhill.ca.gov

Date

XXXX

RE: Proposed Annual Backflow Administration Fees

Dear Backflow Owner:

Our records indicate that you are the owner/operator/manager of one or more water system backflow devices. These devices ensure that potentially contaminated water is not fed into the local drinking water system. As you probably know, the State of California requires all water system backflow devices to be inspected and tested annually.

While backflow owners remain responsible for backflow inspections, the City is responsible for ensuring that each device is tested annually. In order to properly administer these requirements, the City is proposing adjusting an existing fee and adding a new fee for the following purposes:

- The existing *Annual Backflow Administrative Fee* is proposed to increase from \$11.00 to \$30.67 per backflow device. This is the fee amount calculated in the City's most recent fee study for the water system. This fee is charged once per year to all owners/operators of water backflow devices; and
- The *Annual Backflow Inspection Delinquent Fee* will address the costs associated with delinquent submissions of the required inspection reports. Delinquent reports require additional staff time to track down and enter on a different schedule. The proposed fee is \$42.53 per backflow device for each month of delinquency.

The purpose of this letter is to expressly notify you about the proposed fees and solicit any input you may have on their design. If you desire additional information about the fees or have some thoughts on other approaches the City should use to recover these costs, please contact me at anthony.eulo@morganhill.ca.gov or 408-921-6473.

The adoption of these fees is scheduled to be considered by the City Council at a public hearing at the Council meeting on September 16, 2020.

Sincerely,

Anthony Eulo
Program Administrator

Input Received

From: Jim Angelopoulos <jim@scramblz.com>
Sent: Monday, August 31, 2020 2:19 PM
To: Anthony Eulo
Subject: Re: Back flow

Thank you for the clarification.

On Mon, Aug 31, 2020 at 2:16 PM Anthony Eulo <Anthony.Eulo@morganhill.ca.gov> wrote:

Thank you for your input. I will put this communication into the Council report so the entire Council and Mayor are provided your insights.

To provide some background on the proposal, a fee study was done and accepted in 2003 indicating that the calculated fee for backflow administration by City staff was \$30.67. At the time, the Council decided to keep the fee lower than that.

This service has been subsidized by other revenue sources in the intervening years. The study would have evaluated the time spent by City staff for all aspects of backflow administration, used that data to determine costs, and apportion the costs on a per-backflow

basis. The proposed increase of 179% is being considered to bring the fee up to 2003 costs. While 179% sounds like a high increase, this is because the numbers are low to start with.

Unfortunately, customers who do not fulfill their obligations in a timely manner create additional work for City staff. This essentially results in other customers, who complete their reports on time, subsidizing those that don't. The proposed fee is calculated to cover the costs of this extra work. The delinquency fee is designed to properly assign these costs to the customers creating the costs and, most importantly, to reduce the number of delinquent tests conducted. This approach enables customers to completely avoid the fee by merely completing their inspections on time.

Anthony Eulo (pronouns he/him/his)

Program Administrator

City of Morgan Hill

Community Services Department

[17575 Peak Ave. Morgan Hill, CA 95037](#)

P: 408-310-4179 C: 408-921-6473

anthony.eulo@morganhill.ca.gov

morganhill.ca.gov

From: Jim Angelopoulos <jim@scramblz.com>

Sent: Monday, August 31, 2020 1:09 PM

To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>

Subject: Back flow

I think the proposed 300% back flow fee increase is exorbitant. What exactly are you doing to increase the amount. I've discussed this with a few back flow plumbers and they agree. In addition \$42.53 for late fee per back flow ?? Really

Jim

Jim Angelopoulos

[Scramblz Inc.](#)

(408) 482-5131

End

Attachment: Fee Input Summary [Revision 1] (2806 : New Regulatory Fees)

From: Anthony Eulo
Sent: Friday, August 28, 2020 1:39 PM
To: Kathleen Edmiston
Cc: Michael Duval
Subject: RE: Proposed Annual Backflow Admin Fees s/n w1354

Thank you for the inquiry. The revenues from the backflow administration fee go to cover the City's material and employee costs to run the program. The fee amount was calculated by assessing the total time associated with backflow administration, multiplying that amount by the employee hourly costs, and then adding in material costs like postage. This subtotal was then divided by the total number of backflow devices. The City's most recent fee study for this work calculated the proper fee amount to be \$30.67. At the time this report was accepted in 2003, the City chose to charge roughly 1/3 of the amount. The proposal at this time is to bring the fee up to the full cost-recovery amount so that other funding sources are not subsidizing backflow accounts.

The work on this program consists of the following:

- Manage and update database
- Track when backflow inspections are due
- Send out reminders
- Accept inspection forms
- Inspect inspection forms
- Schedule City staff inspections for those owners not getting inspections from private inspectors
- Enter updated information into the database
- Prepare periodic reports as needed
- Additional tasks as required

At this time, the City does not have an automated system to accept and record inspections. While this is something we will consider and work toward for customer convenience, it is our expectation that the cost savings associated with offering this system will be insignificant as the current system will need to be maintained (for those desiring to do business manually) and electronic systems have costs associated with their creation and maintenance. If there were cost reductions associated with this approach, the City's next fee study would uncover those and the fee will be adjusted accordingly.

Please let me know if you desire additional information on this issue.

Anthony Eulo (pronouns he/him/his)
 Program Administrator

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 Community Services Department
 17575 Peak Ave. Morgan Hill, CA 95037

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From: Kathleen Edmiston <kedmiston@micro-mechanics.com>

Sent: Friday, August 28, 2020 11:37 AM

To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>

Cc: Michael Duval <mduval@micro-mechanics.com>

Subject: Proposed Annual Backflow Admin Fees s/n w1354

Dear Anthony,

We are in receipt off the Proposed annual Backflow Admin fees increase and are concerned.

As we are the ones who timely process the backflow inspection and file the necessary reports with the City, please elaborate on what costs the City would need to recover.

Are inspection reports received electronically?

Does the city have an automated way to record proof of annual test?

Kind Regards,

Kathleen Edmiston

Finance, Purchasing & Materials Mgmt Section Manager

Micro-Mechanics, Inc.

465 Woodview Drive

Morgan Hill, CA 95037

408-779-2927 x 131

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End

Attachment: Fee Input Summary [Revision 1] (2806 : New Regulatory Fees)

From: Anthony Eulo
Sent: Wednesday, August 26, 2020 5:21 PM
To: Ray Romero
Cc: John McKay; daviddindak@gmail.com; Brittney; Yvonne Martinez Beltran; Christina Turner
Subject: RE: Proposed Backflow Admin Fees

Thank you again for your input. I will put this communication into the Council report so the entire Council and Mayor are provided your insights.

To provide some background on the proposal, a fee study was done and accepted in 2003 indicating that the calculated fee for backflow administration by City staff was \$30.67. At the time, the Council decided to keep the fee lower than that. This service has been subsidized by other revenue sources in the intervening years. The study would have evaluated the time spent by City staff for all aspects of backflow administration, used that data to determine costs, and apportion the costs on a per-backflow basis. The proposed increase of 179% is being considered to bring the fee up to 2003 costs. While 179% sounds like a high increase, this is because the numbers are low to start with.

Unfortunately, customers who do not fulfill their obligations in a timely manner create additional work for City staff. This essentially results in other customers, who complete their reports on time, subsidizing those that don't. The delinquency fee is designed to properly assign these costs to the customers creating the costs and, most importantly, to reduce the number of delinquent tests conducted. This approach enables customers to completely avoid the fee by merely completing their inspections on time.

I understand that you believe the backflow testing program to be a "job creation" program. I cannot comment with certainty on the thought process that created this State requirement, but the City is required to abide by State laws while running the water system and must enforce the State law that requires backflows. The City takes drinking water safety very seriously.

The City could choose to self-perform these inspections, but that would likely increase overall water rates noticeably for all customers. The City typically attempts to apportion user fees to those actually consuming a service as opposed to spreading the costs out among all ratepayers. In this particular area, it allows the City to have some of the lowest water rates in the County.

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 Program Administrator

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morganhill.ca.gov

From: Christina Turner <Christina.Turner@morganhill.ca.gov>
Sent: Wednesday, August 26, 2020 10:51 AM

To: Ray Romero <rrrharley@gmail.com>
Cc: John McKay <john.mckay@morganhill.ca.gov>; daviddindak@gmail.com; Brittney <Brittney@morganhill.org>; Yvonne Martinez Beltran <yvonne.martinezbeltran@morganhill.ca.gov>; Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: RE: Proposed Backflow Admin Fees

Hi Ray - thank you for your email and sharing your concerns. Anthony Eulo will respond shortly.

Thank you,
 Christina

CITY OF MORGAN HILL

Christina J. Turner, CPA
 City Manager

17575 Peak Avenue, Morgan Hill, California, USA 95037
 d 408.776.7382 | c 408.839.1705
 e christina.turner@morganhill.ca.gov | www.morganhill.ca.gov
[Facebook](#) | [Twitter](#)

From: Ray Romero <rrrharley@gmail.com>
Sent: Wednesday, August 26, 2020 10:08 AM
To: John McKay <john.mckay@morganhill.ca.gov>; daviddindak@gmail.com; Brittney <Brittney@morganhill.org>; Yvonne Martinez Beltran <yvonne.martinezbeltran@morganhill.ca.gov>; Christina Turner <Christina.Turner@morganhill.ca.gov>
Subject: Proposed Backflow Admin Fees

Hello!

I received a letter from the City of Morgan Hill about proposed fees.

Here's a summation:

- [1] An increase in the backflow testing from \$11 to \$30.67, a 278% increase.
- [2] A new delinquency fee if backflow reports are not complete timely. This proposal is for a penalty of \$42.53 each month the City does not receive their back flow report.

I cannot imagine a normal rational person thinks this proposal is "ok". In real-life business, management moves like this would cause companies to lose customers. I already view the Backflow Testing program as just another jobs creation program. I would like to know the people who conceived the idea of this new proposal. My understanding is the backflow program is a Dept of 1. I cannot imagine it will cost an additional 278% in revenue to sustain her salary and benefits.

As difficult as it is now to manage costs during this abnormal pandemic environment, while running a business, the City proposes to make it harder for businesses to operate. The last operational and tactical moves small businesses want to make are price increases. Small businesses cut costs before anything else in order to maintain profits. Further, small businesses in downtown are having to confront another culture challenge - protesters. While these don't happen every weekend, there is an absolute affect on our quarterly and annual numbers. We/I cannot control the radical protesters, we can control irresponsible decisions/votes on ridiculous fees that harm businesses. We need to stimulate and encourage business, not suppress it.

I strongly oppose an increase to this ridiculous proposal. If anyone has opposing views, please let me know.

Ray Romero CIA CPA MBA
(408) 859-2007

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End

From: Anthony Eulo
Sent: Wednesday, August 26, 2020 11:23 AM
To: Craig van Keulen
Subject: RE: cvk follow up re Tower Back Flow Admin Fee Ltr question

I think that the increased fee revenues will be about \$30,000.

We can look at setting up an electronic submission system and after we do, study to see what the revised administrative costs should be. While I doubt that it would only be \$5 per backflow, it will be a math exercise at that point. Keep in mind that software programs cost money to create and maintain and that the "backflow owners population" would need to be charged those costs so that homeowners like you and me are not subsidizing that discrete class of customers with our water fees.

Anthony Eulo (pronouns he/him/his)
 Program Administrator

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 Community Services Department
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 morganhill.ca.gov

From: Craig van Keulen <cvk@vkvklaw.com>
Sent: Tuesday, August 25, 2020 6:10 PM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: RE: cvk follow up re Tower Back Flow Admin Fee Ltr question

Hi Tony, One more question, how much revenue is expected to be generated annually from the \$30 fee? Also, any way you could set up a portal that business owners could use to upload their certificates and pay their fees to get a \$5 annual charge, since virtually all of the expense for the City from these owners would be eliminated? Maybe charge the non compliant people a penalty or higher fee? Just a thought.
 Thanks, Craig

From: Craig van Keulen
Sent: Tuesday, August 25, 2020 5:50 PM
To: 'Anthony Eulo' <Anthony.Eulo@morganhill.ca.gov>
Subject: RE: cvk follow up re Tower Back Flow Admin Fee Ltr question

Thanks Tony. I appreciate the explanation. Craig

From: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Sent: Tuesday, August 25, 2020 4:05 PM
To: Craig van Keulen <cvk@vkvklaw.com>
Subject: RE: cvk follow up re Tower Back Flow Admin Fee Ltr question

Sure. My understanding is that they do the following:

- Manage and update database
- Track when backflow inspections are due.
- Send out reminders.
- Accept inspection forms.
- Inspect inspection forms.
- Schedule City staff inspections for those owners not getting inspections from private inspectors.
- Enter updated information into the database.
- Prepare periodic reports as needed.

Currently, staff is also reminding/hassling/cajoling owners who fail to act on time to get this done using the same base administration fee. Since this is a major additional activity and can really consume time and energy, we are establishing the delinquent fee so owners taking care of business on time do not wind up subsidizing those that are late. We are hopeful that the additional fee will result in far fewer delinquencies.

Anthony Eulo (pronouns he/him/his)
Program Administrator

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From: Craig van Keulen <cvk@vkvklaw.com>
Sent: Tuesday, August 25, 2020 3:38 PM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: Re: cvk follow up re Tower Back Flow Admin Fee Ltr question

Hi Tony, I did not realize that that is the only source of the math. Are you able to explain to me what the City does for the \$30?
Thanks, Craig

Sent from my iPhone

On Aug 25, 2020, at 2:35 PM, Anthony Eulo <Anthony.Eulo@morganhill.ca.gov> wrote:

As I mentioned, the fee study is currently stuck in an inaccessible archive. I will provide it to you as soon as it becomes available.

Anthony Eulo (pronouns he/him/his)
Program Administrator

City of Morgan Hill

Community Services Department
17575 Peak Ave. Morgan Hill, CA 95037

P: 408-310-4179 C: 408-921-6473

anthony.eulo@morganhill.ca.gov
morganhill.ca.gov

From: Craig van Keulen <cvk@vkvklaw.com>

Sent: Tuesday, August 25, 2020 11:24 AM

To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>

Subject: RE: cvk follow up re Tower Back Flow Admin Fee Ltr question

Hi Tony,

Thanks for the info, but it really does not explain how the City got to this number to begin with. Would you please email me the math, and what the actually does for the \$30 as we pay for all the actual back flow work separately to a certified and approved plumber?

Thanks, Craig

From: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>

Sent: Monday, August 24, 2020 11:34 PM

To: Craig van Keulen <cvk@vkvklaw.com>

Subject: RE: cvk re Tower Back Flow Admin Fee Ltr question

Hello Craig. I hope that you are well as well.

The Fee Study that looked at this issue was approved by the Council in 2003. Unfortunately, our document archiving software just broke in the middle of an upgrade and the City Clerk has been a little busy with fire issues, so I can't access the whole study. Dat, our Finance Director, was able to share one page from the study that listed the calculated fee and the level of subsidy that was chosen at the time.

He was also able to provide the staff report for the adoption in 2003.

While it looks like the costs have gone up 200%, what is actually proposed is bringing the fee up to where it should have been brought up to in 2003. As this is a cost-recovery fee, if it is lower than the charged amount, that means the rest of us ratepayers are making up the difference.

I hope that this answers your question.

Anthony Eulo (pronouns he/him/his)
Program Administrator

City of Morgan Hill

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17575 Peak Ave. Morgan Hill, CA 95037

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anthony.eulo@morganhill.ca.gov

morganhill.ca.gov

From: Craig van Keulen <cvk@vkvklaw.com>
Sent: Monday, August 24, 2020 2:53 PM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: cvk re Tower Back Flow Admin Fee Ltr question
Importance: High

Hi Tony,

I hope you and your family are doing well. Please explain to me and provide me with the supporting study and relevant pages that would result in a 300% increase in the “administrative fee” and costs when we already pay to have a specialized, certified plumber to check the backflow valve and make sure it is compliant? How have the administrative costs at the City to receive completed backflow test paperwork gone up 300%?

Sorry for the bother, but it just makes no sense?

Thanks, Craig

From: CVKSEC <CVKSEC@vkvklaw.com>
Sent: Monday, August 24, 2020 2:44 PM
To: Craig van Keulen <cvk@vkvklaw.com>
Subject: Tower Back Flow Admin Fee Ltr

End

From: Anthony Eulo
Sent: Wednesday, August 26, 2020 9:28 AM
To: Ray Romero
Subject: RE: Proposed Backflow Annual Admin and Delinquent Fee Increase

Your input has been received and will be included in the report presented to the City Council.

Anthony Eulo (pronouns he/him/his)
 Program Administrator

City of Morgan Hill
 Community Services Department
 17575 Peak Ave. Morgan Hill, CA 95037

P: 408-310-4179 C: 408-921-6473
anthony.eulo@morganhill.ca.gov
morganhill.ca.gov

From: Ray Romero <rrrharley@gmail.com>
Sent: Wednesday, August 26, 2020 9:25 AM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: Proposed Backflow Annual Admin and Delinquent Fee Increase

Hello

I just received a letter about new adjustments to 1] annual backflow fee and 2] delinquent fee.

The increases being proposed are absurd. [1] The increase for the City's portion of a ridiculous Govt jobs program represents 278%. What normal rational business increases fees 278%? [2] Water Dept wants to institute a \$42 penalty charged "each month" if someone is late getting their test completed?

I cannot believe how stupid the person or group of people who talked about this proposal. I'm not exaggerating. This idea is some of the worst govt management I have ever seen.

Ray Romero CIA CPA MBA
 (408) 859-2007

End

From: Anthony Eulo
Sent: Tuesday, August 25, 2020 1:19 PM
To: 'Frank Dutra'
Subject: RE: Backflow fee increase

Thank you Mr. Dutra.

I will certainly share your comments as presented.

I want you to know that our City does look for opportunities to reduce costs. We have positions shared with the City of Gilroy and have the least-subsidized recreation programming and facilities around. We have the lowest real tax revenues per capita in Santa Clara County and there just isn't a lot of fat in our budget. We do really evaluate options and opportunities that can save our taxpayers money.

I want to congratulate you for correctly not suggesting that this is a 300% increase as two others have done. It isn't important in the grand scheme of things, but I find it personally disappointing when grown adults misstate simple math concepts.

Anthony Eulo (pronouns he/him/his)
 Program Administrator

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 Community Services Department
 17575 Peak Ave. Morgan Hill, CA 95037

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morganhill.ca.gov

From: Frank Dutra <frank@amtcal.com>
Sent: Tuesday, August 25, 2020 8:54 AM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: RE: Backflow fee increase

Hi Mr. Eulo,

Thank you for your response.

I'm assuming that in your example of the City's lower cost to provide the landscaping services that this is based on a fully burdened expense comparison (ie: City employee wages, benefits, necessary vehicles for landscaping, tools, maintenance, etc.). Assuming this is the case then maybe it would be prudent to explore the cost savings for the City to do all of the backflow testing.

You noted that the City can provide the inspection service but the cost is lower through private entities. The City of Morgan Hill seems to be nimble in its finances so maybe this backflow testing needs a second look to be performed by City employees. If the City can do landscaping at less cost than a landscaping company then it would seem logical that the City could take care of the backflow testing at a lower cost as well.

The bottom line here is that we have to work together to figure out how to lower operating costs for our businesses in our City. I applaud you for seeking input. I don't normally get involved in these issues as running a business is a very fulltime responsibility. I vote for those that I believe are financially responsible so that I don't have to get involved – I want to know that the City leaders are stretching every dollar so that I don't have to pay fees and taxes just because it's easier to raise the fee than it is to do the work of figuring out how to lower or mitigate these costs.

If there is anything I'd like you to share with the City Council it would be this,

"We are under very onerous business conditions in California when it comes to competing with manufacturers in other States. This State's never-ending fees and taxes will cause manufacturers such as myself to eventually leave our State. This is not intended to be a threat but it's a matter of survival for business to follow the path of least economic resistance. We create good paying and clean jobs right here in our community for our community. We create products that defend our Nation and products that clean our air and water. We create Medical products that save lives every day. I can't imagine that a City Council Member or Mayor of any City wouldn't want to brag about out what's being created in their City. The high cost of these bragging rights and these manufacturing jobs is figuring out how to mitigate or lower the costs associated with fees and taxes in our City such as the Backflow Administration Fee being proposed. You are asking for a 180% increase in this fee. What can we do to work together to eliminate this proposed fee increase?"

Respectfully,

Frank Dutra
President

Advanced Machining Techniques, Inc
16205 Vineyard Blvd
Morgan Hill, CA 95037
408-778-4500 x261
www.amtcal.com

From: Anthony Eulo [<mailto:Anthony.Eulo@morganhill.ca.gov>]
Sent: Monday, August 24, 2020 11:00 PM
To: Frank Dutra
Subject: RE: Backflow fee increase

Good evening Mr. Dutra.

It is State law (Title 17, Section 7583) that makes the water supplier, in this case the City, responsible for backflow administration.

I believe that your point about the private sector is well-taken and it is often possible for the private sector to perform a service at a lower cost than the government sector would charge. It is worth noting that this isn't universally true and just recently the City determined, after soliciting bids, that it could provide some park landscaping services at a much lower price than the private sector was bidding.

For backflow inspections, the City already does provide for private sector participation in this program by encouraging users to hire private sector inspectors to conduct the annual tests. The inspection service can be provided by the City, but flexibility is provided to water customers to enable them to shop around and obtain a lower price.

As the City is ultimately responsible for the system, however, we believe that the current public-private model makes the most sense. If legal, establishing and overseeing a contract with a 3rd party for backflow administration would still require City employee oversight and involvement and the time for this work would still need to be recovered from the owners of backflow devices.

I will include your letter of opposition and this response in the Council packet in order to ensure that the Council is aware of your input.

Anthony Eulo (pronouns he/him/his)
Program Administrator

City of Morgan Hill
Community Services Department
17575 Peak Ave. Morgan Hill, CA 95037

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anthony.eulo@morganhill.ca.gov
morganhill.ca.gov

From: Frank Dutra <frank@amtcal.com>
Sent: Monday, August 24, 2020 5:19 PM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: Backflow fee increase

Hi Mr. Eulo,

I received your letter concerning the proposed annual back flow administration fees and of course in this new and strained economy I am opposed to it. Bottom line is that doing business in California is becoming harder and harder as we compete to sell our products to other States where there costs are dramatically lower. We're losing that fight.

My understanding is that the State of CA requires backflow devices to be inspected and tested annually. Currently I pay an approved backflow testing company to provide that inspection service. Why does the City need to administer the device testing? Why couldn't this part of the testing be handled by a small business located here in Morgan Hill? Historically, for profit businesses can deliver services such as described for a fraction of the cost as compared to when Government delivers the same service.

Please give this some consideration. There's no secret that due to the pandemic that it is going to take a long time to dig out of the financial burdens at the business level and the City will be hurt by this as their revenues will be decreased as a result. This would be a small step in the right direction in re-thinking how business and government can work together to keep our Community safe and prosperous.

Respectfully,

Frank Dutra
President

Advanced Machining Techniques, Inc
16205 Vineyard Blvd
Morgan Hill, CA 95037
408-778-4500 x261
www.amtcal.com

End

From: Anthony Eulo
Sent: Tuesday, August 25, 2020 10:27 AM
To: Hannah Phan
Subject: RE: Backflow SN: A242706

Good morning Hannah.

I will include this communication in the Council packet so that the Council receives your input.

As to the number of backflows, a backflow device is legally required for each separate water service that you have serving your building. These devices prevent contaminated water from a site from potentially flowing back into the general water system.

Reducing the number of backflows at your site would, therefore, require reducing the number of water services that the site has. At a minimum, it is common for a site like yours to have a service for the indoor uses, at least one service for the fire sprinklers, and at least one service for the landscape. I am unsure why your site has five separate water services and if they are all required for your current operations. Shutting some off would be a decision you would need to make internally and then let the City know.

I hope that this answers your questions. Please let me know if additional information is required.

Anthony Eulo (pronouns he/him/his)
 Program Administrator

City of Morgan Hill
 Community Services Department
 17575 Peak Ave. Morgan Hill, CA 95037

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anthony.eulo@morganhill.ca.gov
morganhill.ca.gov

From: Hannah Phan <lhphan@tnhmanufacturing.com>
Sent: Tuesday, August 25, 2020 8:53 AM
To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
Subject: Backflow SN: A242706

Good Morning Anthony,

RE: Proposed Annual Backflow Administration Fees

I would like to reach out to you regarding the proposed fee per backflow device for each month of delinquency and would like to bring to your attention that it would be a cost for us since we have 5 backflows on our property A242704, 45208, 134129, A242708, A242706 plus our monthly bill is from \$900-\$1,000 or more per month is already over our budget list.
 Please reconsider the monthly device fee with the County as this will help us a lot.

I am also concern about the 5 backflows on our property if we need all 5 of these to be on? If not, we can have one of them turned off to reduce our monthly water bill. Please advise.

Thank you very much!

AS OF APRIL 8TH, 2020 WE ARE MOVING TO A NEW LOCATION. PLEASE CHANGE YOUR RECORDS TO REFLECT OUR NEW ADDRESS BELOW FOR MAILING & BILLING PURPOSES. THANK YOU!

Best Regards,

Hannah Phan

Human Resources/Office Manager

T&H Manufacturing, Inc.

18430 Sutter Blvd.

Morgan Hill, CA 95037

Phone: (408) 453-2162

Fax: (408) 453-2173

lhphan@tnhmanufacturing.com

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From: Adalberto "Tito" Gonzalez <Agonza9297@Aol.com>
 Sent: Wednesday, August 26, 2020 4:29 PM
 To: Anthony Eulo
 Cc: Anai Virrueta
 Subject: Re: Proposed Annual Backflow Administration Fees - Del Monte Manor Association / Backflow S/N: 3235496

Your welcome, thank you for including our input in these decisions.

We were unaware of this program being subsidized. Yes, it will be helpful to see what tasks are involved with the notices and billing.

Thank you Anthony

Adalberto

On 8/26/2020 4:18 PM, Anthony Eulo wrote:
 > Thank you for the suggestions. We will be evaluating how this is being done now with an eye toward adding efficiencies into the process. I agree that email notifications could be wholly appropriate for this work.
 >
 > Please note that the City is not suggesting that the work has increased. The proposed fee increase is designed to bring the fee up to the actual calculated costs. Currently, backflow owners are being subsidized by other ratepayers for these costs.
 >
 > I've asked the staff responsible for the program to share a list of tasks with me and will share it with you when I receive it.
 >
 > Anthony Eulo (pronouns he/him/his)
 > Program Administrator
 >
 > City of Morgan Hill
 > Community Services Department
 > 17575 Peak Ave. Morgan Hill, CA 95037
 >
 > P: 408-310-4179 C: 408-921-6473
 > anthony.eulo@morganhill.ca.gov
 > morganhill.ca.gov
 >
 > -----Original Message-----
 > From: Adalberto "Tito" Gonzalez <Agonza9297@Aol.com>

> Sent: Wednesday, August 26, 2020 12:10 PM
 > To: Anthony Eulo <Anthony.Eulo@morganhill.ca.gov>
 > Cc: Anai Virrueta <avirrueta@aol.com>
 > Subject: Proposed Annual Backflow Administration Fees - Del Monte
 > Manor Association / Backflow S/N: 3235496
 >
 > Hello Anthony, we received your letter regarding the proposed fee
 increase to the annual backflow
 administration fees. Thank you for informing us of this proposed fee.
 >
 > We wanted to take a moment to let you know that we believe an increase
 > of \$19.67 to the existing \$11.00 charge (total new proposed charge of
 > \$30.67) is alarmingly high and unfair. We already pay for the backflow
 device inspection which runs
 easily over \$100 and so we feel this extra fee for the city to "properly
 administer and ensure that each
 device is tested annually" is too high.
 >
 > The city mails us a letter for a yearly back flow test requirement. Why
 not just email us to inform us of
 that requirement? A simple excel spreadsheet with the same yearly accounts
 and a template form letter
 would suffice to send out a mass email form letter. There is no need to
 spend money on postage, paper,
 and physical time putting all these mailers together.
 >
 > Also, how much more time does it take to mark an account inspection that
 lets you know we have
 completed our back flow testing requirements- that justifies an additional
 \$19.67 increase? I can't
 imagine your staff is taking even 30 minutes per account to pull up a
 backflow address to verify if the
 yearly requirement has been completed. That would be a little over \$1.00
 per minute with a minimum
 of 30 minutes per address...
 > and I'm sure there are hundreds if not thousands of addresses. It seems
 grossly overcharged to us.
 >
 > Our back flow inspectors turn in the inspection paperwork report
 directly to the city so that should
 help expedite the completion time for these annual requests. A completion
 notice should be automated
 with minimal human interface needed except to follow up with delinquent
 accounts. Regarding the
 annual back flow inspection delinquent fee, we agree with that. It's a
 high amount that should deter
 anyone from not completing their testing on time.
 >
 > Are you able to share what the staff process entails when pulling up a
 back flow account to verify if
 annual testing has been completed?
 >
 >
 > Respectfully,

>
> Adalberto & Anay Gonzalez
>
> 408-644-5870
>
> HOA President for Del Monte Manor Association.
>
>
>
>

End



CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2020

PREPARED BY: Dat Nguyen, Finance Director

APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE; JULY 2020 FINANCIAL AND INVESTMENT REPORTS; AND APPROVE NO WATER RATE INCREASES FOR CALENDAR YEAR 2021

RECOMMENDATION(S)

1. Accept and file report; and
2. Approve no water rate increases for calendar year 2021.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure

Preserving and Cultivating Public Trust

2020-2021 Strategic Priorities

Community Engagement and Messaging

Fiscal Sustainability

REPORT NARRATIVE:

As part of the City Council's expectation to maintain a high level of transparency and to be responsible stewards of public funds, staff is providing this monthly budget update, along with the July 2020 financial and investment reports (Attachment 1 and 2).

July 2020 Financial Report

The Revenue and Expense Summary for the month of July is included on the first page of the monthly financial report (Attachment 2). Overall, General Fund revenues total \$0.7 million or less than 2% of the budget as some of the major revenue categories are received later in the fiscal year. Expenditures, including encumbrances, amounted to \$3.3 million.

Budget Update

Property Tax:

The County held its first quarterly property tax update meeting on August 28, 2020 and based on the County's latest projection, excluding excess Educational Revenue Augmentation Fund (ERAF), the City is expected to receive \$13.4 million in property tax revenue for FY 2020-21, net of administration fee, which matches City's budgeted amount. As for excess ERAF, based on County's preliminary estimate, the City is expected to receive \$1.7 million versus \$250,000 budgeted. However, the County's preliminary estimate is subject to the State Controller's Office adjustment, which will not be known until December.

Sales Tax:

There has been no material change to the City's sales tax since the last budget update to the Council on July 26, 2020. While some segments of the industry such as autos and building have been performing better than the initial forecast, other segments such as retail, including restaurants, have seen their forecast revised further downward due to shelter-in-place measures. Staff is expected to have a better estimate once the final numbers for June 2020 are available and after our meeting with the sales tax consultant in October.

Recreation Services:

Membership is trending slightly below budget as well as all other revenues. Staff had previously anticipated gradual reopening to begin in August, but now is expecting facilities and all other programs to remain closed through December, which would result in an additional anticipated net loss of \$0.5 million for the program.

Transient Occupancy Tax (TOT):

The amount received in August for July TOT continues to show an improvement from the prior month. However, the amount is still below our forecast. The hotel industry continues to be one of the most impacted from the health issue that began escalating in mid-February and is expected to be one of the last industries to recover. Occupancy rate continues to trend upward to the 40+ percentage range from the low of 20 percent in April. However, the rise in occupancy rate is offset by the lower average daily rate.

No water rate increase for 2021:

The City is currently in the fifth and final year of the water rate adjustments which were adopted by the Council in 2015. Under normal conditions, the City would have begun a new study which would result in at a minimum a small rate increase for 2021 to offset the costs increase in most item categories. However, as of result of the COVID-19 pandemic imposing massive health and economic burden on our community, coupled with Valley Water forgoing its rate adjustment for FY 2020-21, staff is recommending the Council to adopt no water rate increases for 2021. The projected revenue loss from the anticipated water rate adjustment for 2021 would be partially offset from projected increase in usage and curtailment in expenditures.

COMMUNITY ENGAGEMENT: Inform

Finance staff prepares these financial reports to inform City officials, the Council, the community, and various lenders and stakeholders about the financial health of the organization, which assists each one of the interested parties in making sound financial and investment decisions.

ALTERNATIVE ACTIONS:

No alternative action is recommended, as this is a monthly financial report on City transactions which have already occurred.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council receives and files the financial and investment report for each month. At the September 16, 2015 meeting, City Council recommended monthly financial and

investment reports be agendized under the Consent Agenda, and quarterly financial and investment reports be presented to City Council as an “Other Business” item. Beginning in FY 2020-21, budget reports will be presented to the Council monthly.

FISCAL AND RESOURCE IMPACT:

The preparation of the report is a part of the Finance workplan. Staff does not recommend any budget adjustments at this time.

CEQA (California Environmental Quality Act):

Not a Project.

This report is not a project, as defined in Section 15378 of the State CEQA Guidelines. Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

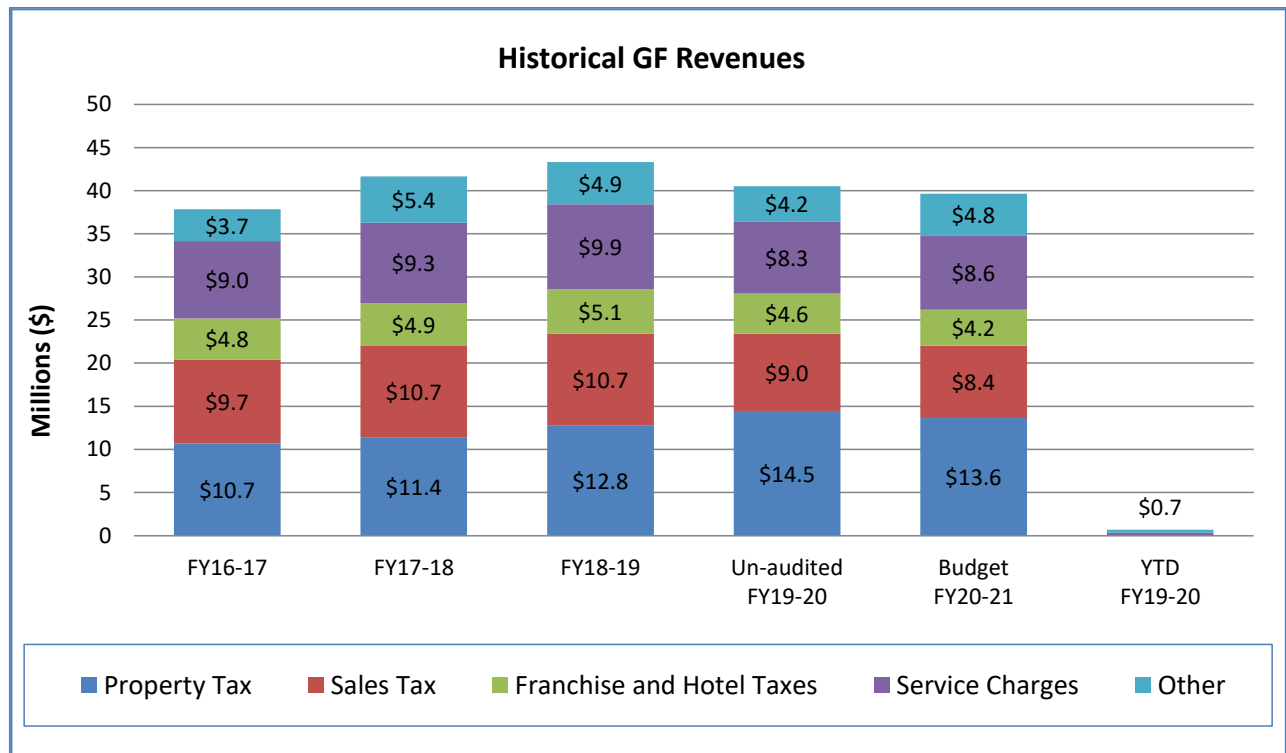
1. July FY2020-21 Financial Statement Analysis
2. July 2020 Financial and Investment Report



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2020-21
FOR THE MONTH ENDED JULY 2020 – 8% OF YEAR COMPLETE

- **General Fund** – Revenues for the month of July totaled \$0.7 million, or less than 2% of the budgeted revenues as some of the major revenue categories such as property tax are received later in the fiscal year. With respect to the property tax revenue forecast, the most recent County’s estimate projected Morgan Hill property tax revenue, excluding the property transfer tax and excess Educational Revenue Augmentation Fund (ERAF), at \$13.4 million for the fiscal year 2020-21, which matches City’s budgeted amount. The preliminary estimate of the City’s excess ERAF is approximately \$1.7 million versus \$250,000 budgeted. The County’s estimate of City’s excess ERAF amount is subject to State Controller’s Office adjustment which is not known until December 2020. Excess ERAF is the money that is returned to the cities, counties, and special districts after schools reach their state-mandated thresholds. Property tax is the largest source of Morgan Hill’s General Fund revenue. However, it accounts for only 34% of the approximately \$39.6 million General Fund revenue. Although property tax tends to be a more predictable revenue source, other major revenue categories such as sales tax and transient occupancy tax, which account for a large portion of the City’s General Fund revenue, are more volatile and tend to fluctuate more with swings in the economy.

The chart below shows historical General Fund revenues by major revenue category from FY16-17 through FY18-19 Actual, Un-audited FY19-20, FY20-21 Budget, and YTD as of July 31, 2020.

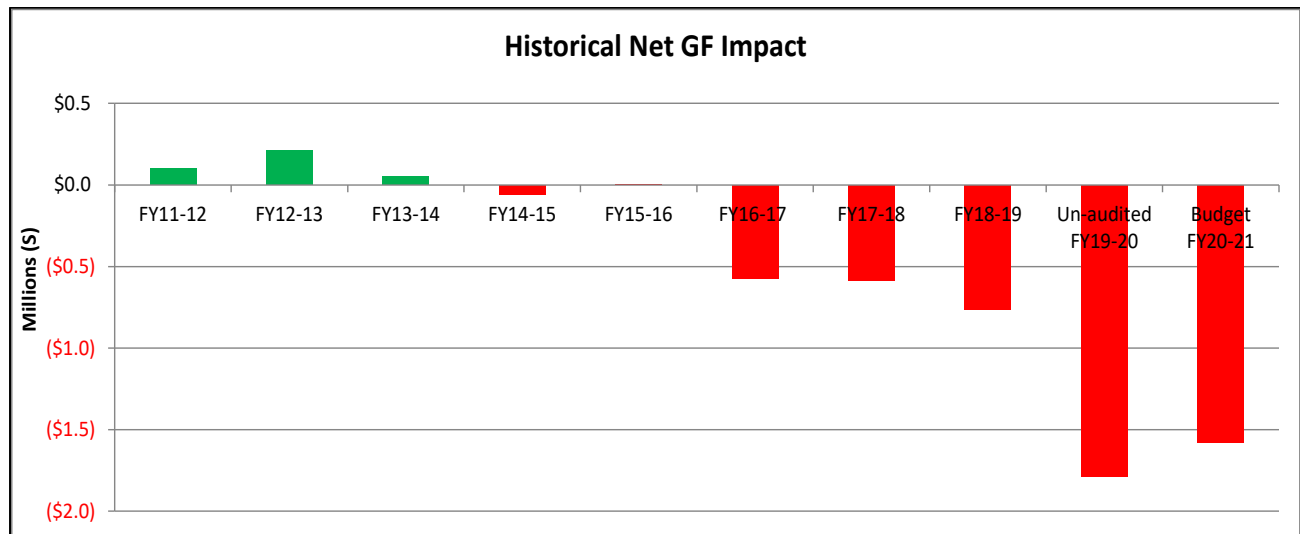


General Fund expenditures and encumbrances as of July 31, 2020 totaled \$3.3 million, of which approximately \$0.6 million is attributable to outstanding encumbrances.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2020-21
FOR THE MONTH ENDED JULY 2020 – 8% OF YEAR COMPLETE

- **Community Services** - The Community Services Department's recreation operations, as reflected in the schedule presented on page 4 of the Monthly Financial and Investments Reports, shows a negative impact to the General Fund of approximately \$0.3 million for the month of July 2020. The large operating loss for recreation operations reflect the continued closure of indoor recreation facilities since March 2020 due to shelter-in-place order as a result of coronavirus pandemic.



Due to longstanding governmental accounting and budgeting convention, the City's recreation operations are not charged for indirect costs (known in Morgan Hill as "General Fund Administration") from the central services departments of City Attorney, City Manager, and Administrative Services. The City's other governmental funds, such as Community Development, and the proprietary funds, such as Water and Wastewater, and the Information Services Fund, are assessed such charges through the City's indirect cost allocation plan, prepared in compliance with the Federal government's OMB Circular No. A-87, which mandates certain calculation and cost allocation practices that must be followed in order to qualify for Federal grant funding, but which also represent best practice for non-grant funded City operations like utilities and information services.

- **Development Services Fund** – Revenues for July totaled \$0.3 million. Expenditures, including encumbrances, totaled \$0.4 million. The fund is projected to borrow \$1.0 million from the General Fund for the current fiscal year.
- **Debt Service Funds** – Expenditures for the month totaled \$1,194. The debt service for the first half of the year includes both interest and principal, while the second half of the year will include interest only. Debt service payments were all scheduled when the bonds were issued, and are budgeted for in the months delineated in the underlying bond documents. The General Fund's portion of the annual debt service payments is approximately \$200,000, less than one percent of the General Fund's budgeted revenues.
- **Wastewater Operations** – Revenues from Sewer Operations for the month of July totaled \$1.1 million. Expenditures and outstanding encumbrances totaled \$0.9 million or 7% of the budget. The table below shows historical Sewer Operations revenues and expenditures from FY16-17 through FY18-19 Actual, Un-audited FY19-20, FY20-21 Budget, and YTD as of July 31, 2020.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2020-21
FOR THE MONTH ENDED JULY 2020 – 8% OF YEAR COMPLETE

(amount in millions)	FY16-17	FY17-18	FY18-19	Un-audited FY19-20	Budget FY20-21	YTD FY20-21
Revenues	9.7	10.3	11.4	11.9	13.3	1.1
Expenditures	9.8	10.8	11.4	12.3	13.3	0.9
Operating Margin	(0.1)	(0.5)	-	(0.4)	-	0.2
Operating Margin without Encumbrances	(0.0)	(0.3)	0.4	(0.1)	-	0.5

- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues from Water Operations for the month of July totaled \$1.7 million. Water Operations expenditures, including outstanding encumbrances, totaled \$1.5 million for the month of July. Without the encumbrances, however, the expenditures amounted to \$0.7 million. The table below shows Water Operations revenues and expenditures from FY16-17 through FY18-19 Actual, Un-audited FY19-20, FY20-21 Budget, and YTD as of July 31, 2020.

(amount in millions)	FY16-17	FY17-18	FY18-19	Un-audited FY19-20	Budget FY20-21	YTD FY20-21
Revenues	10.9	13.0	14.2	15.3	15.6	1.7
Expenditures	11.2	12.1	14.3	16.4	15.6	1.5
Operating Margin	(0.3)	0.9	(0.1)	(1.1)	-	0.2
Operating Margin without Encumbrances	(0.1)	1.4	0.8	(0.1)	-	1.0

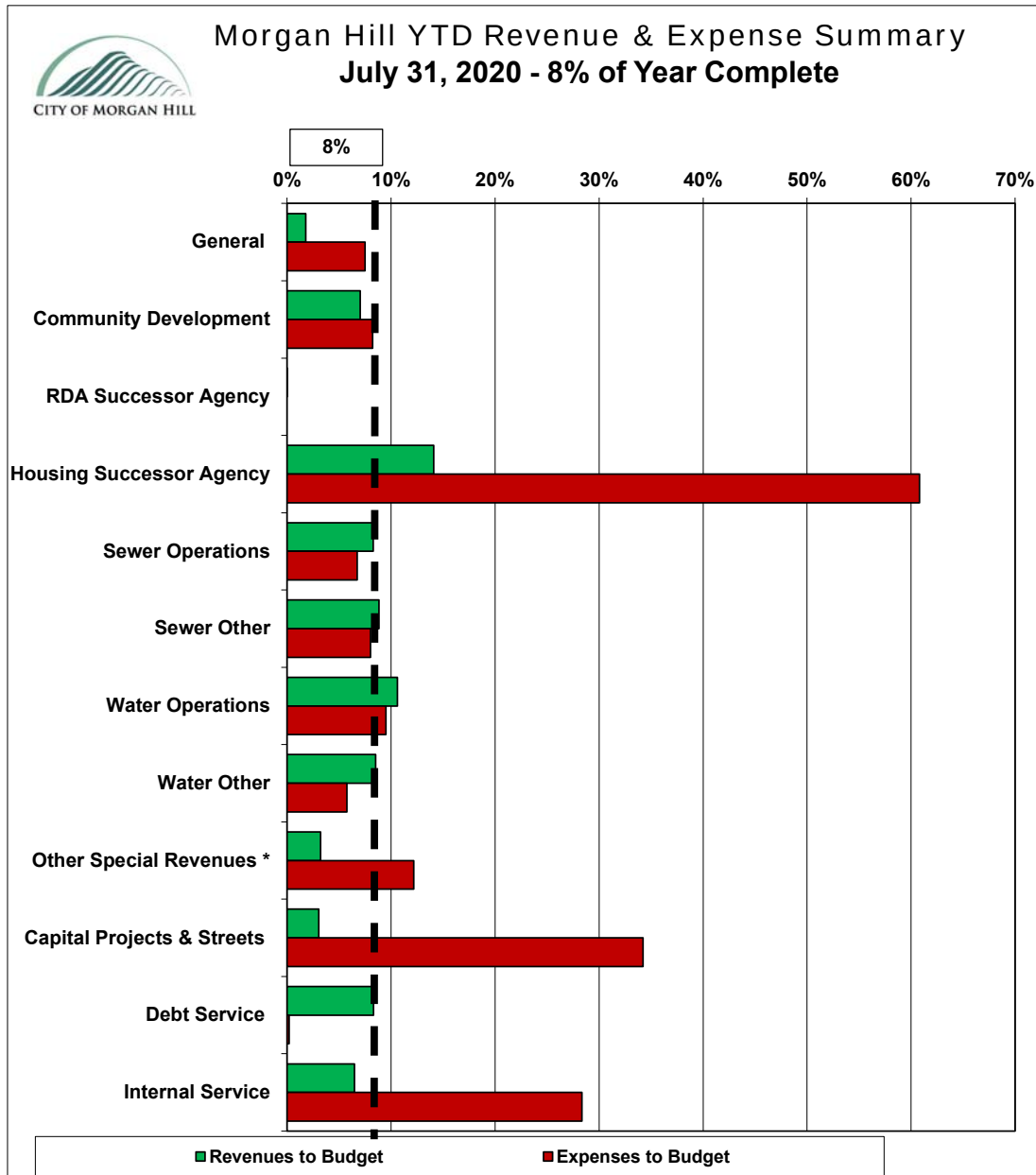
- **Investments** – One security was purchased, and one security was called during the month of July 2020. Total interest earnings received on investments were \$32,000 during the month.

CITY OF MORGAN HILL
Monthly Financial and Investment Reports
July 31, 2020 - 8% of Year Complete



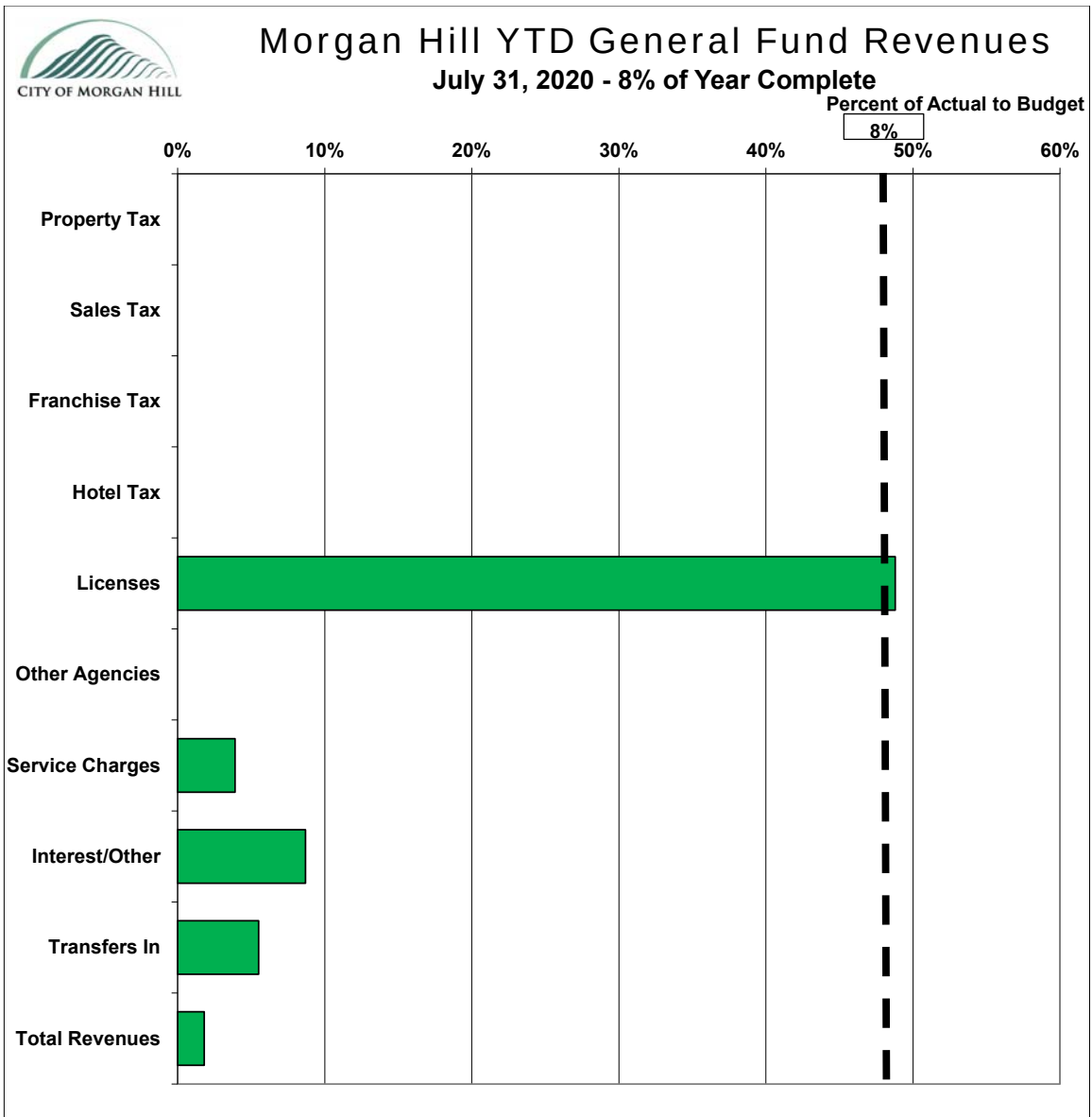
CITY OF MORGAN HILL

Prepared by:
FINANCE DIVISION

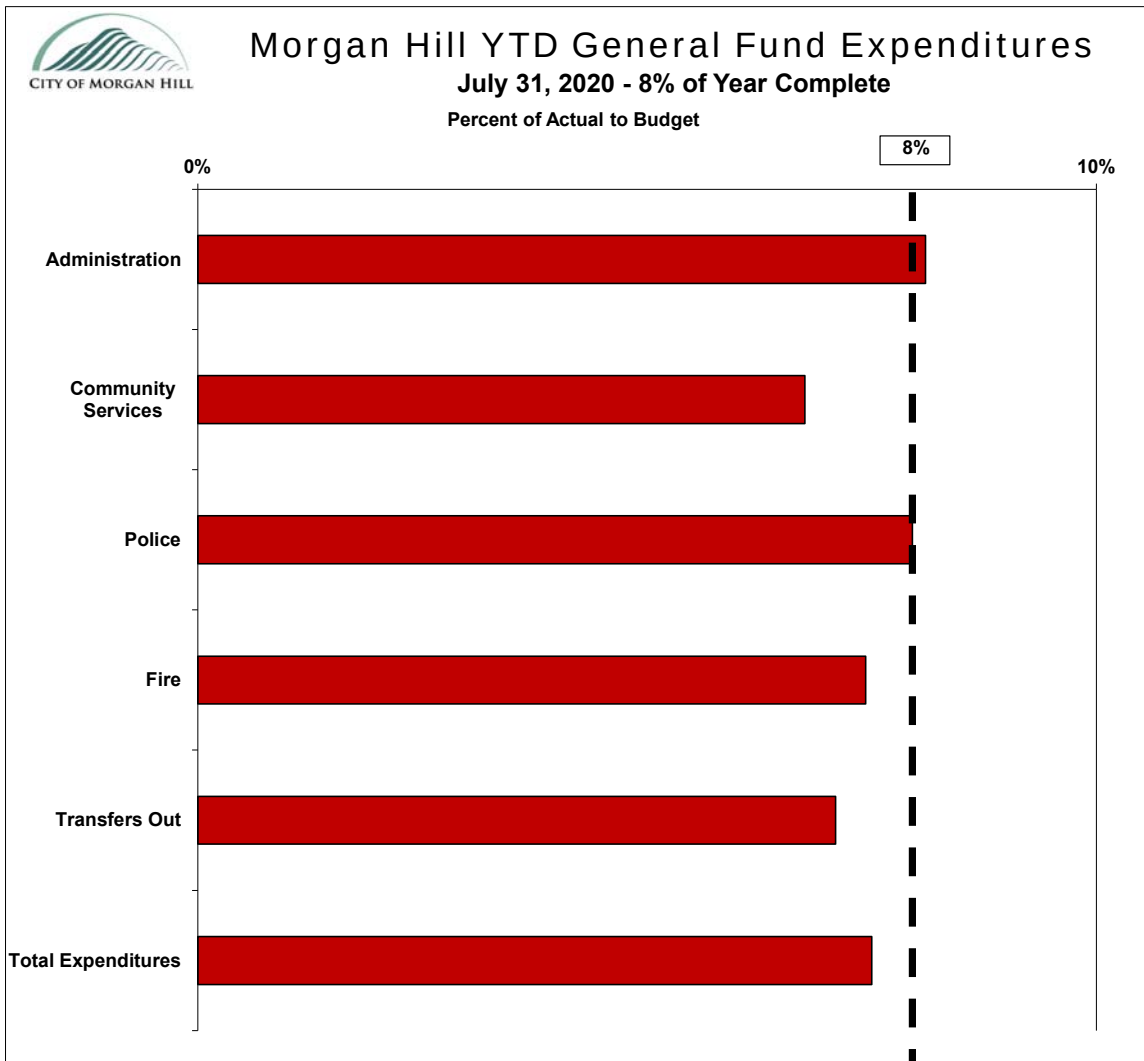


FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 707,797	2%	\$ 3,287,275	7%
Community Development	333,024	7%	399,860	8%
RDA Successor Agency	976	0%	-	n/a
Housing Successor Agency	30,015	14%	604,922	61%
Sewer Operations	1,097,693	8%	898,136	7%
Sewer Other	964,414	9%	1,857,498	8%
Water Operations	1,658,111	11%	1,482,539	10%
Water Other	567,555	8%	278,607	6%
Other Special Revenues *	118,784	3%	582,356	12%
Capital Projects & Streets	924,628	3%	12,224,168	34%
Debt Service	57,728	8%	1,194	0%
Internal Service	760,179	6%	3,578,265	28%
TOTAL FOR ALL FUNDS	\$ 7,220,905	5%	\$ 25,194,819	15%

* Includes all Special Revenue Funds except Community Development, Street Funds, and RDA and Housing Successor Agencies.



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
Property Tax	\$ 13,640,000	\$ -		\$ -	N/A
Sales Tax	8,370,868	-		-	N/A
Franchise Tax	2,351,000	35		-	N/A
Hotel Tax	1,819,000	-		-	N/A
Licenses	185,444	90,540	49%	101,567	-11%
Other Agencies	529,943	-		-	N/A
Service Charges	8,632,432	340,134	4%	1,132,076	-70%
Interest/Other	1,619,336	140,517	9%	63,214	122%
Transfers In	2,483,580	136,571	6%	106,974	28%
TOTAL REVENUES	\$ 39,631,603	\$ 707,797	2%	\$ 1,403,830	-50%



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 4,426,087	\$ 358,406	8%	\$ 381,460	-6%
Community Services	12,794,868	864,661	7%	2,618,900	-67%
Police	17,717,266	1,409,032	8%	1,155,176	22%
Fire	7,062,540	524,969	7%	609,996	-14%
Transfers Out	1,834,702	130,207	7%	156,333	-17%
TOTAL EXPENDITURES	\$ 43,835,462	\$ 3,287,275	7%	\$ 4,921,865	-33%

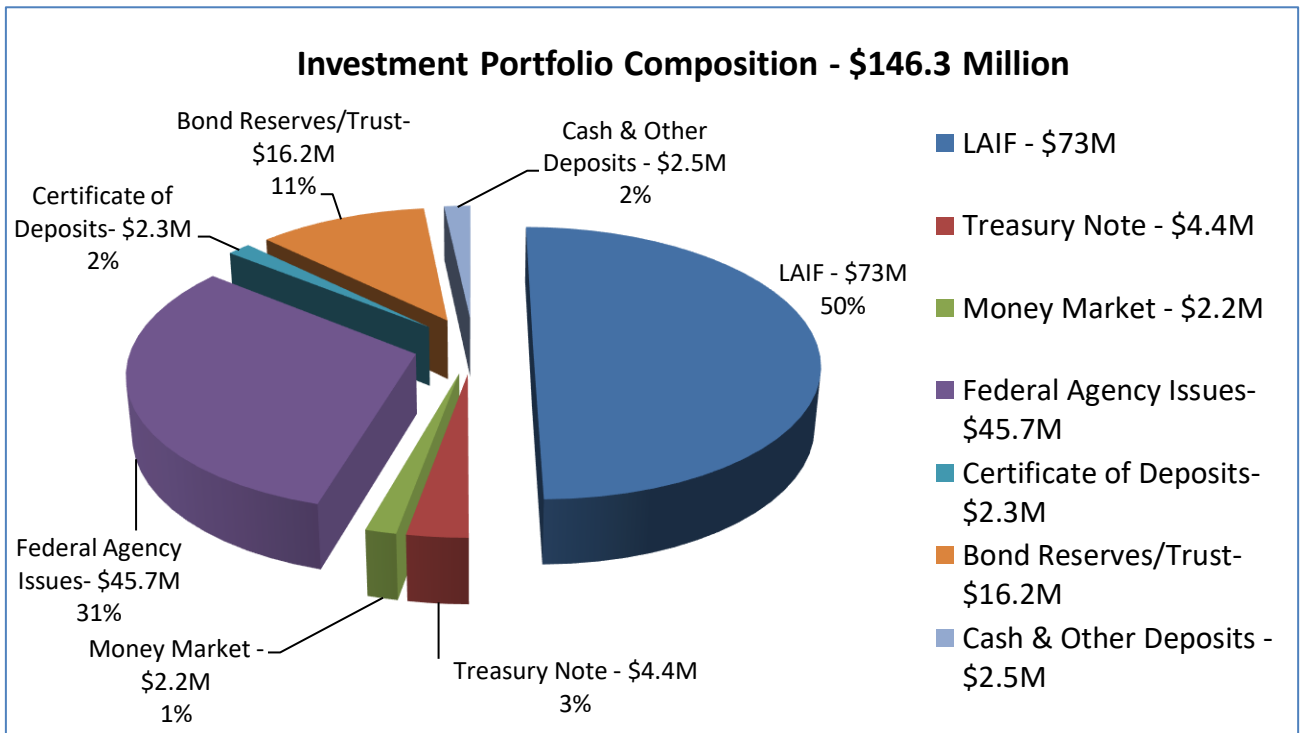


**City of Morgan Hill
Recreation Report - Fiscal Year 2020-21
For the Month Ended July 31, 2020
8% of Year Complete**

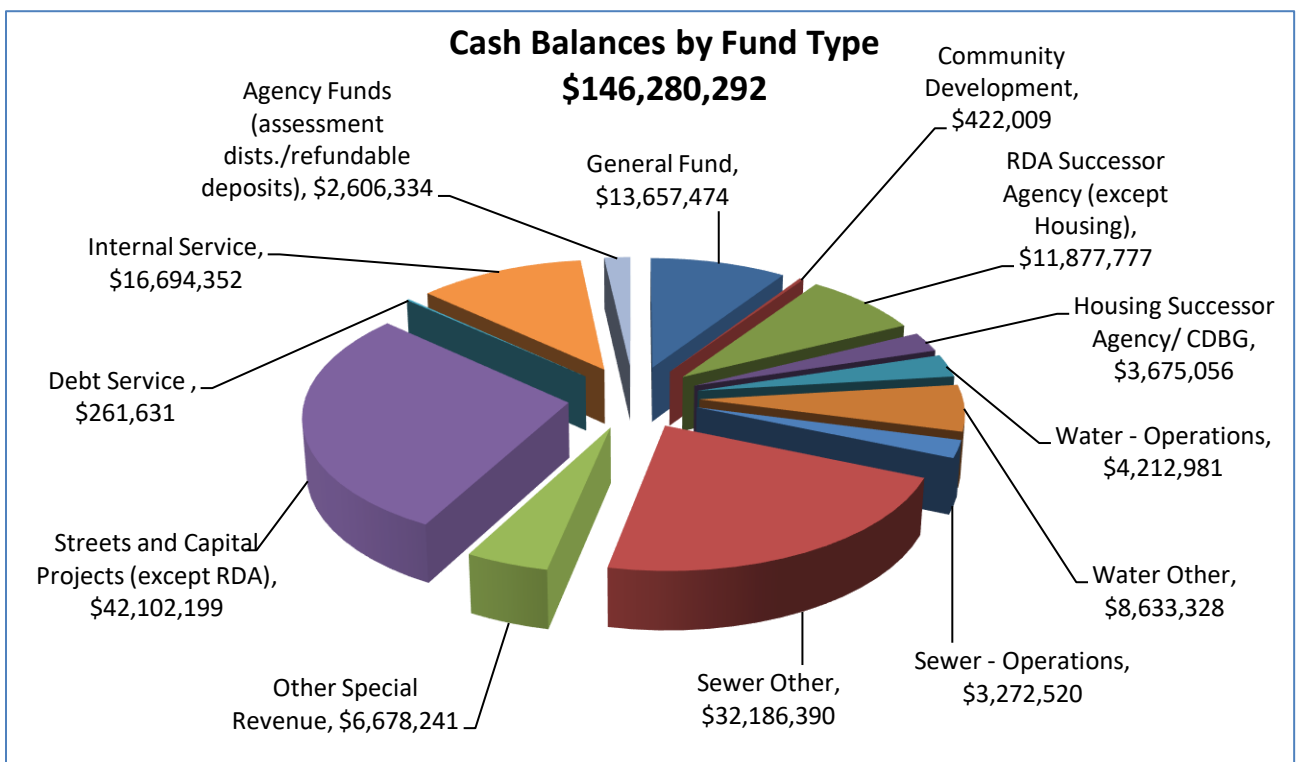
	<u>Budget</u>	<u>July 2020</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 5,068,448	\$ 106,841	\$ 106,841	
Facility Rentals	696,431	70,749	70,749	
Community Services	104,460	-	-	
Transfers in	75,000	6,250	6,250	
Total Revenues	<u>\$ 5,944,339</u>	<u>\$ 183,840</u>	<u>\$ 183,840</u>	3%
Less: Expenditures				
Membership & Program Services	\$ 5,675,307	\$ 269,642	\$ 269,642	
Facility Rentals	1,236,339	79,676	79,676	
Community Services	609,834	28,836	28,836	
Total Expenditures	<u>\$ 7,521,481</u>	<u>\$ 378,153</u>	<u>\$ 378,154</u>	5%
Net Impact without encumbrances	<u>\$ (1,577,142)</u>	<u>\$ (194,313)</u>	<u>\$ (194,314)</u>	
Encumbrances	-	-	118,300	
Net Impact with encumbrances	<u>\$ (1,577,142)</u>	<u>\$ (194,313)</u>	<u>\$ (312,614)</u>	

City of Morgan Hill Monthly Investment Report - July 31, 2020

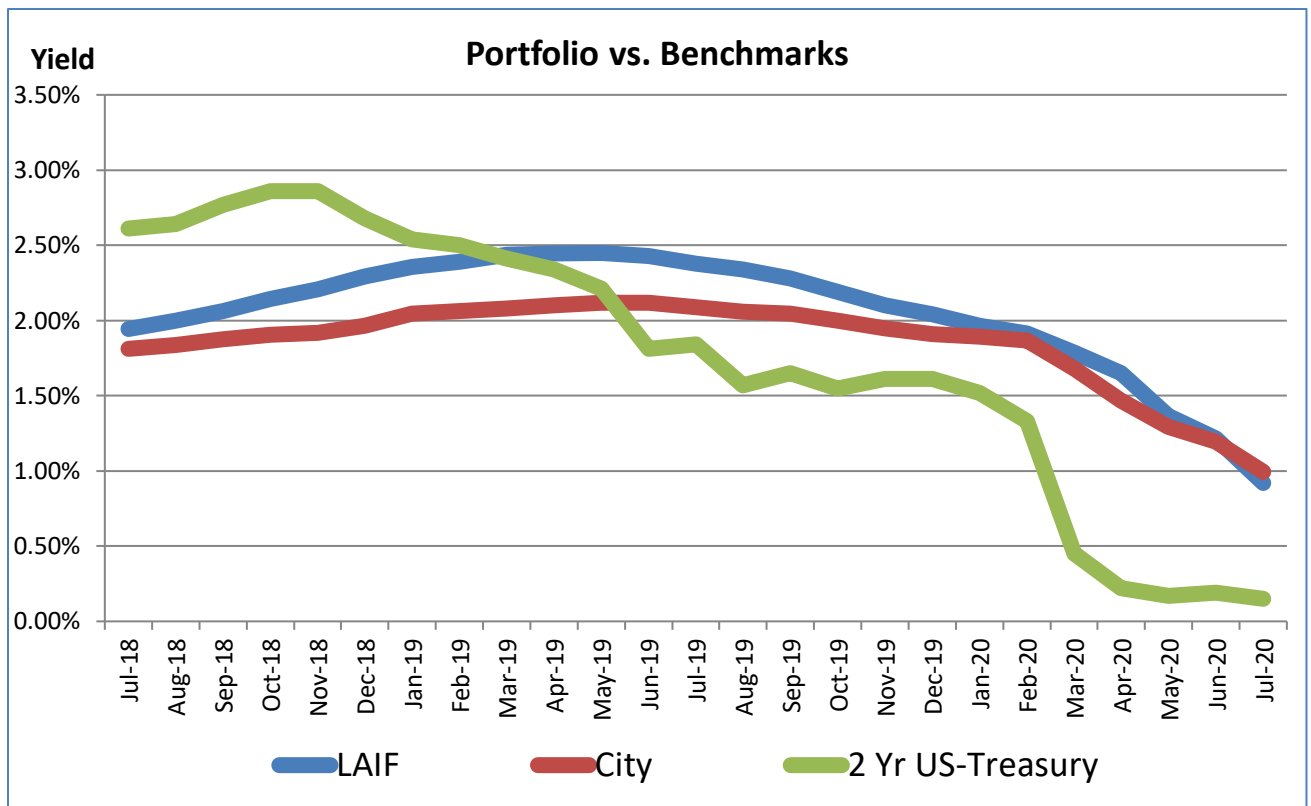
The following are the snapshots of City's investment portfolio as of July 31, 2020. The first chart shows the portfolio composition by investment type:



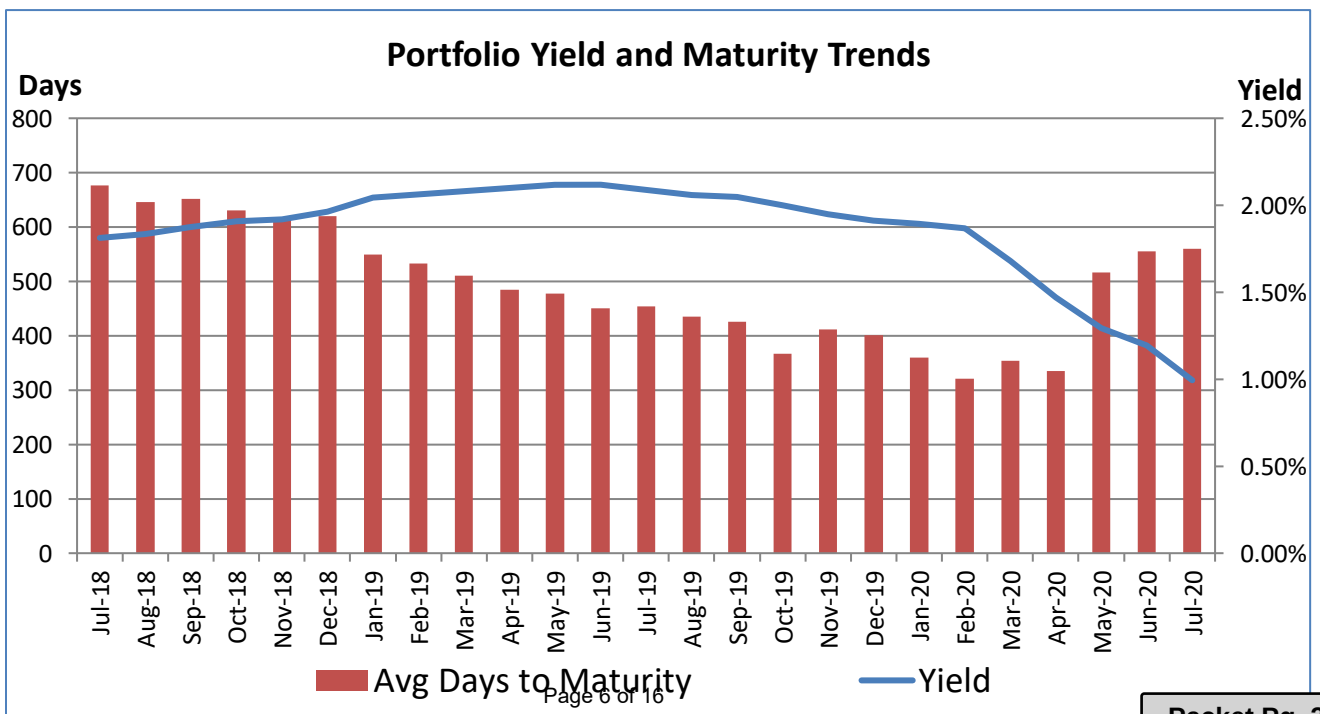
The chart below shows cash balances by fund type reconciled to City's financial system:



The following chart illustrates a yield comparison by month among the City's portfolio, LAIF and 2-Year US Treasury:



The chart below illustrates monthly average days to maturity of the City's portfolio along with the weighted average yield for the past two years:





**City of Morgan Hill
Investment Portfolio Detail
As of July 31, 2020**

Investment Type	Settlement Date	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F		\$ 73,011,399	49.91%	\$ 73,370,089	0.92%		
City Managed							
Fed Natn'l Mortgage Assn	8/25/2016	4,000,000	2.73%	4,053,400	1.40%	8/25/2020	8/25/2021
Treasury Note	4/30/2018	4,362,867	3.28%	4,665,600	2.73%	3/31/2023	3/31/2023
Fed Farm Credit BKS	11/5/2019	3,000,000	2.05%	3,011,250	2.00%	11/5/2020	11/5/2024
Fed Farm Credit BKS	12/13/2019	2,998,692	2.05%	3,014,910	1.90%	12/27/2020	11/27/2024
Fed Farm Credit BKS	3/17/2020	3,000,000	2.05%	3,007,590	1.13%	3/17/2021	3/17/2025
Fed Farm Credit BKS	3/24/2020	2,000,000	1.37%	2,007,740	1.00%	3/24/2021	3/24/2023
Fed Farm Credit BKS	3/25/2020	3,000,000	2.05%	3,016,680	1.20%	3/25/2021	3/25/2025
Fed Farm Credit BKS	4/8/2020	2,000,000	1.37%	2,008,300	0.88%	10/8/2020	4/8/2024
Fed Home Loan Mortgage	4/30/2020	1,690,000	1.16%	1,690,439	0.50%	10/30/2020	1/30/2023
Fed Home Loan Mortgage	5/6/2020	2,000,000	1.37%	2,000,020	0.50%	11/5/2020	5/5/2023
Fed Natn'l Mortgage Assn	5/12/2020	2,000,000	1.37%	2,001,260	0.50%	11/5/2020	5/5/2023
Fed Home Loan Mortgage	5/14/2020	3,000,718	2.05%	3,000,900	0.82%	11/5/2020	5/5/2025
Fed Home Loan Mortgage	5/19/2020	2,000,000	1.37%	2,000,660	0.82%	11/19/2020	5/19/2025
Fed Farm Credit BKS	5/20/2020	3,000,000	2.05%	3,000,060	0.72%	8/20/2020	2/20/2025
Fed Farm Credit BKS	5/27/2020	2,000,000	1.37%	2,001,560	0.73%	11/27/2020	5/27/2025
Fed Home Loan Mortgage	5/28/2020	2,000,000	1.37%	2,000,800	0.80%	11/27/2020	5/27/2025
Fed Home Loan Mortgage	6/3/2020	2,000,000	1.37%	2,002,400	0.60%	12/3/2020	12/3/2024
Fed Home Loan Mortgage	6/11/2020	1,000,000	0.68%	1,000,790	0.80%	12/11/2020	6/11/2025
Fed Farm Credit BKS	6/17/2020	2,000,000	1.37%	2,000,200	0.83%	12/17/2020	6/17/2025
Fed Home Loan Mortgage	7/9/2020	3,000,000	2.05%	3,000,300	0.85%	1/9/2021	7/9/2025
CD - Beal Bank USA	5/13/2020	250,000	0.17%	250,033	0.20%	9/9/2020	9/9/2020
CD - Goldman Sachs Bank USA	5/13/2020	250,000	0.17%	251,500	0.50%	11/13/2020	5/13/2022
CD - Woori America Bank	5/13/2020	250,000	0.17%	250,355	0.30%	5/13/2021	5/13/2021
CD - Safra Nat'l Bank	5/14/2020	250,000	0.17%	250,453	0.35%	5/13/2021	5/13/2021
CD - State Bank of India	5/14/2020	250,000	0.17%	250,555	0.40%	5/14/2021	5/14/2021
CD - American Nat'l Bank	5/20/2020	250,000	0.17%	251,058	0.40%	5/20/2022	5/20/2022
CD - Bank of China/New York	5/21/2020	250,000	0.17%	250,025	0.25%	8/21/2020	8/21/2020
CD - SB One Bank	5/21/2020	250,000	0.17%	250,018	0.20%	8/21/2020	8/21/2020
CD - JP Morgan Chase Bank	5/29/2020	250,000	0.17%	250,863	1.15%	11/29/2020	5/29/2025
Sub Total/Average		\$ 52,302,277	36.05%	\$ 52,739,717	1.13%		
Money Market		\$ 2,221,760	1.52%	\$ 2,221,760	0.04%		
Total City Managed/Average		\$ 127,535,435	87.48%	\$ 128,331,566	0.99%		
Bond Reserve Accounts - Held By Trustees		\$ 12,835,168	8.77%	\$ 12,835,168			
Cash/Deposits		\$ 2,522,285	1.72%	\$ 2,522,285			
PARS Trust		\$ 3,387,404	2.32%	\$ 3,979,217			
GRAND TOTAL/AVERAGE		\$ 146,280,293	100%	\$ 147,668,236			

Attachment: July 2020 Financial and Investment Report (2853 : Monthly Budget Update, July 2020 Financial and Investment Reports, and Adopt



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF JULY 31, 2020
FOR THE FISCAL YEAR OF 2020-21

	Invested in Fund	Yield	Book Value End of Month	% of Total	Market Value
Investments					
State Treasurer LAIF - City	All Funds Pooled	0.92%	\$ 73,011,399	49.91%	\$ 73,370,089
Federal Issues	All Funds Pooled	1.05%	45,689,409	31.23%	45,819,259
US Treasury Notes	All Funds Pooled	2.73%	4,362,867	2.98%	4,665,600
Certificate of Deposits	All Funds Pooled	0.42%	2,250,000	1.54%	2,254,858
Dreyfus Treas Cash Management Acct	All Funds Pooled	0.04%	2,221,760	1.52%	2,221,760
	SUBTOTAL		\$ 127,535,435	87.19%	\$ 128,331,566
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility					
Blackrock Liq Fund	Debt Service	0.01%	0	0.00%	0
Zions Bank - MH Police Facility Lease Revenue Bonds					
Blackrock Liq Fund	Debt Service	0.01%	0	0.00%	0
BNY - RDA Bonds					
Dreyfus Cash Mgmt 521	Successor Fund	0.04%	11,668,555	7.98%	11,668,555
Zions Bank - MH Ranch 2015					
Blackrock Liq Funds Fed Fund -DI -2015	Agency Fund	0.01%	586,787	0.40%	586,787
Zions Bank - Madrone Bus Park Taxable/ Tax Exempt 2015					
Blackrock Liquidity Temp Fund-2015	Agency Fund	0.01%	579,826	0.40%	579,826
	SUBTOTAL		12,835,168	8.77%	12,835,168
Other Cash/Deposits					
General Checking	All Funds		2,485,173	1.70%	2,485,173
Workers' Comp Administrators	Workers' Comp		30,000	0.02%	30,000
Petty Cash & Emergency Cash	General Fund		7,112	0.00%	7,112
PARS - OPEB Trust			2,187,404	1.50%	2,579,617
PARS - PENSION Trust			1,200,000	0.82%	1,399,600
	SUBTOTAL		5,909,689	4.04%	6,501,502
Total Cash and Investments			\$ 146,280,293	100.00%	\$ 147,668,236

CASH ACTIVITY SUMMARY
FY 2020-21

Fund Type	Unaudited 07/1/20 Balance	Change in Cash Balance	7/31/2020 Balance
General Fund	\$ 16,809,776	\$ (3,152,302)	\$ 13,657,474
Community Development	1,019,761	(597,753)	422,009
RDA Successor Agency (except Housing)	11,874,571	3,206	11,877,777
Housing Successor Agency/ CDBG	3,781,789	(106,733)	3,675,056
Water - Operations	3,811,893	401,088	4,212,981
Water Other	8,571,690	61,638	8,633,328
Sewer - Operations	2,704,048	568,473	3,272,520
Sewer Other	32,517,838	(331,448)	32,186,390
Other Special Revenue	6,195,467	482,774	6,678,241
Streets and Capital Projects (except RDA)	41,850,266	251,934	42,102,199
Debt Service	228,203	33,429	261,631
Internal Service	17,734,147	(1,039,795)	16,694,352
Agency Funds (assessment dists./refundable deposits)	2,599,108	7,226	2,606,334
Total	\$ 149,698,556	\$ (3,418,264)	\$ 146,280,293

Note: See Investment Portfolio 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.

Prepared by:

Gina Nazareno, Senior Accountant

Approved by:

Reviewed by:

Dat Nguyen, Finance Director

David Clink, Treasurer



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2020-21
For the Month Ended July 31, 2020
8% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
010 GENERAL FUND							
TAXES							
Property Tax - Secured/Unsecured	\$ 11,354,000	\$ 11,354,000	\$ -	n/a	\$ -	\$ -	n/a
Property Tax - RPTTF Residual Distribution	2,144,000	2,144,000	-	n/a	-	-	n/a
Property Tax - Supplemental Roll	142,000	142,000	-	n/a	-	-	n/a
Sales Tax	8,027,793	8,027,793	-	n/a	-	-	n/a
Public Safety Sales Tax	343,075	343,075	-	n/a	-	-	n/a
Transient Occupancy Taxes	1,819,000	1,819,000	-	n/a	-	-	n/a
Franchise (Refuse, Cable, PG&E)	2,351,000	2,351,000	35	0%	-	35	n/a
Property Transfer Tax	436,000	436,000	-	n/a	-	-	n/a
TOTAL TAXES	26,616,868	26,616,868	35	0%	-	35	n/a
LICENSES/PERMITS							
Business License	154,500	154,500	90,540	59%	98,067	(7,527)	-8%
Other Permits	30,944	30,944	-	n/a	3,500	(3,500)	-100%
TOTAL LICENSES/PERMITS	185,444	185,444	90,540	49%	101,567	(11,027)	-11%
FINES AND PENALTIES							
Parking Enforcement	8,000	8,000	473	6%	-	473	n/a
Bails & Fines	73,645	73,645	-	n/a	-	-	n/a
Administrative Citations	10,079	10,079	5,100	51%	2,186	2,914	133%
TOTAL FINES AND PENALTIES	91,724	91,724	5,573	6%	2,186	3,387	155%
OTHER AGENCIES							
Motor Vehicle in-Lieu	25,392	25,392	-	n/a	-	-	n/a
Other Revenue - Other Agencies	529,943	529,943	-	n/a	-	-	n/a
TOTAL OTHER AGENCIES	555,335	555,335	-	n/a	-	-	n/a
CHARGES CURRENT SERVICES							
Police False Alarm Charge	30,428	30,428	540	2%	180	360	200%
Business License Application Review	37,080	37,080	-	n/a	-	-	n/a
Membership Services & Rec Programs	5,068,448	5,068,448	106,841	2%	818,997	(712,156)	-87%
Facility Rentals	696,431	696,431	70,749	10%	122,112	(51,363)	-42%
Community Services	104,460	104,460	-	n/a	5,056	(5,056)	-100%
General Administration Overhead	1,780,917	1,780,917	148,406	8%	149,285	(879)	-1%
Other Charges Current Services	914,668	914,668	13,598	1%	36,445	(22,847)	-63%
TOTAL CURRENT SERVICES	8,632,432	8,632,432	340,134	4%	1,132,076	(791,942)	-70%
OTHER REVENUE							
Use of money/property	816,362	816,362	28,702	4%	58,218	(29,516)	-51%
Other Revenues	249,858	249,858	106,242	43%	2,810	103,432	3681%
TOTAL OTHER REVENUE	1,066,220	1,066,220	134,944	13%	61,028	73,916	121%
TRANSFERS IN							
One Time Transfer	225,000	225,000	17,082	8%	14,999	2,083	14%
Public Safety	100,000	100,000	-	n/a	-	-	n/a
Fire Impact	-	-	-	n/a	-	-	n/a
Streets	699,706	699,706	-	n/a	25,000	(25,000)	-100%
Park Maintenance	650,000	650,000	54,167	8%	-	54,167	n/a
Police Impact	25,000	25,000	-	0%	2,083	(2,083)	-100%
Sewer Operations	354,437	354,437	29,536	8%	29,321	215	1%
Water Operations	354,437	354,437	29,536	8%	29,321	215	1%
Park Development	75,000	75,000	6,250	8%	6,250	-	n/a
TOTAL TRANSFERS IN	2,483,580	2,483,580	136,571	5%	106,974	29,597	28%
TOTAL GENERAL FUND	39,631,603	39,631,603	707,797	2%	1,403,830	(696,034)	-50%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	698,292	698,292	-	n/a	-	-	n/a
Interest / Other Revenue/Other Charges	1,414	1,414	-	n/a	40	(40)	-100%
202 STREET MAINTENANCE	699,706	699,706	-	n/a	40	(40)	-100%

Attachment: July 2020 Financial and Investment Report (2853 : Monthly Budget Update, July 2020 Financial and Investment Reports, and Adopt



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2020-21
For the Month Ended July 31, 2020
8% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
SPECIAL REVENUE FUNDS							
205 PUBLIC SAFETY TRUST							
Interest Income	842	842	-	n/a	74	(74)	-100%
Police Grant/SLEF/JAG	100,000	100,000	-	n/a	-	-	n/a
205 PUBLIC SAFETY TRUST	100,842	100,842	-	n/a	74	(74)	-100%
206 DEVELOPMENT SERVICES							
Building Fees	2,162,357	2,162,357	158,567	7%	154,708	3,859	2%
Planning Fees	743,344	743,344	47,889	6%	60,979	(13,090)	-21%
Engineering Fees	708,809	708,809	38,368	5%	19,386	18,982	98%
Other Revenue/Current Charges	1,133,225	1,133,225	88,200	8%	2,141	86,058	4019%
206 DEVELOPMENT SERVICES	4,747,735	4,747,735	333,024	7%	237,214	95,809	40%
207 LONG RANGE PLANNING	677,026	677,026	38,074	6%	38,373	(299)	-1%
215 and 216 HCD BLOCK GRANT							
Interest Income/Other Revenue	3,111	3,111	-	n/a	50	(50)	-100%
215 and 216 HCD BLOCK GRANT	3,111	3,111	-	n/a	50	(50)	-100%
225 ASSET SEIZURE	1,893	1,893	-	n/a	103	(103)	-100%
229 LIGHTING AND LANDSCAPE	191,075	191,075	-	n/a	61	(61)	-100%
230 COMMUNITY FACILITIES DISTRICT	1,216	1,216	-	0%	73	(73)	-100%
232 ENVIRONMENTAL PROGRAMS	446,843	446,843	39,202	9%	34,028	5,174	15%
234 MOBILE HOME PARK RENT STAB.	742	742	-	n/a	41	(41)	-100%
235 SENIOR HOUSING	3,793	3,793	-	n/a	181	(181)	-100%
236 HOUSING MITIGATION	2,248,764	2,248,764	40,711	2%	62,031	(21,319)	-34%
240 EMPLOYEE ASSISTANCE	29,068	29,068	797	3%	1,248	(451)	-36%
247 ENVIRONMENT REMEDIATION	2,400	2,400	-	n/a	105	(105)	-100%
250 COMH-SUCCESSOR AGENCY-MHRDA	7,112,060	7,112,060	976	0%	11,649	(10,672)	-92%
255 HOUSING SUCCESSOR AGENCY	213,057	213,057	30,015	14%	4,324	25,691	594%
TOTAL SPECIAL REVENUE FUNDS	16,479,332	16,479,332	482,799	3%	389,595	93,204	24%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	2,384,665	2,384,665	429,626	18%	90,924	338,702	373%
302 PARK MAINTENANCE	359,071	359,071	-	n/a	32,402	(32,402)	-100%
303 LOCAL DRAINAGE	1,693,351	1,693,351	65,000	4%	11,794	53,206	451%
304 LOCAL DRAINAGE/NON AB1600	80,333	80,333	-	n/a	1,234	(1,234)	-100%
306 AGRICULTURE & OPEN SPACE PRESERVATION	178,958	178,958	20,611	12%	185,309	(164,699)	-89%
308 STREET CIP	2,571,010	2,571,010	23,377	1%	88,578	(65,201)	-74%
309 TRAFFIC IMPACT	16,415,755	16,415,755	65,344	0%	37,875	27,469	73%
311 POLICE IMPACT	-	-	-	n/a	12,585	(12,585)	-100%
313 FIRE IMPACT	61,598	61,598	5,389	9%	5,099	290	6%
315 PUBLIC SAFETY FACILITIES IMPACT	923,171	923,171	35,353	4%	-	35,353	n/a
346 PUBLIC FACILITIES NON-AB1600	611,297	611,297	-	n/a	-	-	n/a
347 PUBLIC FACILITIES IMPACT	336,106	336,106	23,545	7%	8,897	14,648	165%
348 LIBRARY	946,889	946,889	98,081	10%	34,343	63,738	186%
350 UNDERGROUNDING	12,817	12,817	-	n/a	681	(681)	-100%
355 SCHOOL PEDESTRIAN/TRAFFIC SAFETY	591,721	591,721	-	n/a	2,852	(2,852)	-100%
360 COMMUNITY/REC IMPACT FUND	1,498,683	1,498,683	158,303	11%	61,376	96,927	158%
375 QUIMBY FEE	1,072,238	1,072,238	-	n/a	-	-	n/a
TOTAL CAPITAL PROJECTS FUNDS	29,737,663	29,737,663	924,628	3%	573,947	350,681	61%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	312,272	312,272	25,825	8%	25,059	766	3%
441 POLICE FACILITY BOND	384,252	384,252	31,903	8%	56	31,847	57074%
TOTAL DEBT SERVICE FUNDS	696,524	696,524	57,728	8%	25,115	32,613	130%



City of Morgan Hill
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8% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% CHANGE
ENTERPRISE FUNDS							
640 SEWER OPERATION							
Sewer Service Fees	12,972,441	12,972,441	1,097,358	8%	893,579	203,779	23%
Interest Income/Transfers	36,691	36,691	-	n/a	2,617	(2,617)	-100%
Other Revenue/Current Charges	267,694	267,694	335	0%	21,714	(21,378)	-98%
640 SEWER OPERATION	13,276,826	13,276,826	1,097,693	8%	917,910	179,784	20%
641 SEWER EXPANSION							
Interest Income	215,876	215,876	418	0%	15,410	(14,992)	-97%
Development Impact Fee	6,225,545	6,225,545	598,768	10%	224,955	373,813	166%
Transfers/Other	-	-	-	n/a	-	-	n/a
641 SEWER EXPANSION	6,441,421	6,441,421	599,186	9%	240,365	358,821	149%
642 SEWER RATE STABILIZATION	44,423	44,423	-	n/a	2,074	(2,074)	-100%
643 SEWER-CAPITAL PROJECT	4,455,944	4,455,944	365,228	8%	241,574	123,654	51%
TOTAL SEWER FUNDS	24,218,614	24,218,614	2,062,107	9%	1,401,923	660,185	47%
650 WATER OPERATION							
Water Sales	14,525,500	14,525,500	1,564,290	11%	1,553,146	11,144	1%
Meter Install & Service	24,600	24,600	3,406	14%	493	2,913	591%
Transfers-In / Interest Income	521,171	521,171	38,644	7%	38,004	640	2%
Other Revenue/Current Charges	572,081	572,081	51,771	9%	17,062	34,710	203%
650 WATER OPERATION	15,643,352	15,643,352	1,658,111	11%	1,608,705	49,406	3%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	62,748	62,748	-	n/a	2,108	(2,108)	-100%
Development Impact Fee	1,689,416	1,689,416	159,531	9%	56,550	102,981	182%
651 WATER EXPANSION	1,752,164	1,752,164	159,531	9%	58,658	100,873	172%
652 Water Rate Stabilization	65,904	65,904	4,167	6%	444	3,723	839%
653 Water Capital Project	4,863,152	4,863,152	403,857	8%	318,133	85,724	27%
TOTAL WATER FUNDS	22,324,572	22,324,572	2,225,666	10%	1,985,940	239,726	12%
TOTAL ENTERPRISE FUNDS	46,543,186	46,543,186	4,287,774	9%	3,387,863	899,911	27%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	1,850,422	1,850,422	157,856	9%	151,678	6,178	4%
740 BUILDING MAINTENANCE	3,486,066	3,486,066	285,413	8%	268,147	17,266	6%
741 BUILDING REPLACEMENT	726,251	726,251	54,865	8%	64,985	(10,120)	-16%
745 CIP ADMINISTRATION	1,721,606	1,721,606	-	n/a	116,848	(116,848)	-100%
760 UNEMPLOYMENT INSURANCE	102,463	102,463	8,333	8%	113	8,220	7300%
770 WORKERS COMPENSATION	876,368	876,368	48,661	6%	67,359	(18,698)	-28%
790 EQUIPMENT REPLACEMENT	1,084,748	1,084,748	84,101	8%	113,951	(29,850)	-26%
791 EMPLOYEE BENEFITS	1,031,234	1,031,234	49,498	5%	65,614	(16,116)	-25%
795 GENERAL LIABILITY INSURANCE	877,248	877,248	71,452	8%	88,682	(17,230)	-19%
TOTAL INTERNAL SERVICE FUNDS	11,756,406	11,756,406	760,179	6%	937,376	(177,198)	-19%
TOTAL FOR ALL FUNDS	\$ 144,844,714	\$ 144,844,714	\$ 7,220,905	5%	\$ 6,717,727	\$ 503,178	7%



City of Morgan Hill
Year to Date Expenses - Fiscal Year 2020-21
For the Month Ended July 31, 2020
8% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
010 GENERAL FUND								
I. ADMINISTRATION								
	CITY COUNCIL	\$ 24,573	\$ 240,845	\$ 24,573	\$ -	\$ 24,573	10%	\$ 4
	CITY ATTORNEY	41,767	717,004	41,767	48,461	90,228	13%	3
	CITY MANAGER	37,473	504,773	37,473	-	37,473	7%	2
	HUMAN RESOURCES	41,395	674,377	41,395	-	41,395	6%	3
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	34,102	616,687	34,102	12,600	46,702	8%	3
	Elections	1,405	186,470	1,405	-	1,405	1%	
	COUNCIL SVCS & RECORDS MGMT	35,506	803,157	35,506	12,600	48,106	6%	3
	FINANCE	88,779	1,485,931	88,779	27,852	116,631	8%	11
	TOTAL ADMINISTRATION	269,494	4,426,087	269,494	88,913	358,406	8%	28
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	269,642	5,675,307	269,642	118,300	387,942	7%	31
	Recreation Facility Rentals	79,676	1,236,339	79,676	-	79,676	6%	8
	Community Services	28,836	609,834	28,836	-	28,836	5%	2
	Park Maintenance	57,009	1,103,136	57,009	23,203	80,211	0%	
	Environmental Services	13,317	314,680	13,317	-	13,317	4%	1
	Street Maintenance	97,279	2,411,237	97,279	20,200	117,480	5%	6
	Downtown Maintenance	12,461	271,270	12,461	36,011	48,473	18%	1
	Cable Television	1,522	23,156	1,522	-	1,522	7%	
	COMMUNITY SERVICES	559,742	11,644,959	559,742	197,714	757,456	7%	51
	CODE COMPLIANCE	10,844	160,479	10,844	-	10,844	7%	1
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	21,183	335,902	21,183	-	21,183	6%	1
	ECONOMIC DEVELOPMENT PROGRAMS	52,804	653,527	52,804	22,374	75,178	12%	3
	TOTAL COMMUNITY SERVICES	644,573	12,794,868	644,573	220,088	864,661	7%	58
III. PUBLIC SAFETY								
	POLICE							
	PD Administration	92,740	1,373,018	92,740	67,716	160,456	12%	5
	Field Operations	499,850	8,536,170	499,850	202,705	702,555	8%	47
	Support Services	160,107	2,370,491	160,107	-	160,107	7%	20
	Emergency Services/Haz Mat	12,207	194,391	12,207	-	12,207	6%	
	Special Operations	224,843	3,452,365	224,843	49,902	274,745	8%	14
	Dispatch Services	98,962	1,790,831	98,962	-	98,962	6%	8
	POLICE	1,088,708	17,717,266	1,088,708	320,323	1,409,032	8%	96
	FIRE	524,394	7,062,540	524,394	575	524,969	7%	49
	TOTAL PUBLIC SAFETY	1,613,102	24,779,806	1,613,102	320,898	1,934,000	8%	1,46
IV. TRANSFERS								
	Other	130,207	1,834,702	130,207	-	130,207	7%	15
	TOTAL TRANSFERS	130,207	1,834,702	130,207	-	130,207	7%	15
	TOTAL GENERAL FUND	2,657,376	43,835,462	2,657,376	629,899	3,287,275	7%	2,49

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City of Morgan Hill
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FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
SPECIAL REVENUE FUNDS								
202	STREET MAINTENANCE	352	703,934	352	-	352	0%	
205	PUBLIC SAFETY/SUPP.LAW	589	107,069	589	-	589	1%	
206	DEVELOPMENT SERVICES FUND							
	Planning	98,273	1,590,704	98,273	33,996	132,269	8%	9%
	Building	119,238	2,114,110	119,238	22,216	141,454	7%	9%
	Engineering	63,834	1,161,439	63,834	62,303	126,137	11%	5%
206	DEVELOPMENT SERVICES FUND	281,345	4,866,253	281,345	118,515	399,860	8%	24%
207	LONG RANGE PLANNING	61,866	1,523,735	61,866	350,722	412,587	27%	2%
215/216	CDBG	447	5,365	447	-	447	8%	
225	ASSET SEIZURE	-	-	-	-	-	n/a	
229	LIGHTING AND LANDSCAPE	5,569	168,662	5,569	11,588	17,157	10%	
230	COMMUNITY FACILITIES DISTRICT	2,016	36,418	2,016	-	2,016	6%	
232	ENVIRONMENT PROGRAMS	22,891	420,519	22,891	-	22,891	5%	2%
234	MOBILE HOME PARK	37	438	37	-	37	8%	
236	HOUSING MITIGATION	38,908	2,494,568	38,908	85,528	124,437	5%	3%
240	EMPLOYEE ASSISTANCE	2,084	28,506	2,084	-	2,084	7%	
247	ENVIRONMENTAL REMEDIATION	111	-	111	-	111	n/a	
250	COMH-SUCCESSOR AGENCY-MHRDA	-	6,936,625	-	-	-	n/a	
255	HOUSING SUCCESSOR AGENCY	113,256	994,782	113,256	491,667	604,922	61%	6%
TOTAL SPECIAL REVENUE FUNDS		529,471	18,286,873	529,471	1,058,019	1,587,490	9%	40%
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	10,527	2,155,622	10,527	6,330,153	6,340,680	294%	2%
302	PARK MAINTENANCE	54,167	675,014	54,167	25,014	79,181	12%	3%
303	LOCAL DRAINAGE	2,489	7,233,369	2,489	203,508	205,997	3%	
304	LOCAL DRAIN. NON-AB1600	235	516,323	235	13,509	13,744	3%	
306	AGRICULTURE & OPEN SPACE PRESERVATION	2,228	132,691	2,228	35,956	38,184	29%	
308	STREET CIP	2,260	5,359,537	2,260	2,844,719	2,846,979	53%	1%
309	TRAFFIC IMPACT	74,941	15,505,443	74,941	106,147	181,088	1%	8%
311	POLICE IMPACT	-	-	-	-	-	n/a	
313	FIRE IMPACT	-	113,293	-	-	-	n/a	2%
315	PUBLIC SAFETY FACILITIES IMPACT	19,525	231,008	19,525	-	19,525	8%	
346	PUBLIC FAC. NON AB1600	632	175,769	632	168,181	168,813	96%	
347	PUBLIC FACILITIES IMPACT	2,273	38,692	2,273	11,418	13,691	35%	
348	LIBRARY IMPACT	18,407	726,889	18,407	476,004	494,411	68%	2%
350	UNDERGROUNDING	92	1,107	92	-	92	8%	
355	SCHOOL PEDESTRIAN & TRAFFIC SAFETY	6,795	172,825	6,795	1,280	8,075	5%	1%
360	COMM/REC CENTER IMPACT	376	1,893,482	376	1,812,981	1,813,357	96%	1%
375	QUIMBY FEE	-	100,000	-	-	-		
TOTAL CAPITAL PROJECTS FUNDS		194,947	35,031,062	194,947	12,028,868	12,223,816	35%	24%
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	865	307,813	865	-	865	0%	
441	POLICE FACILITY BOND DEBT	329	388,040	329	-	329	0%	
TOTAL DEBT SERVICE FUNDS		1,194	695,853	1,194	-	1,194	0%	

Attachment: July 2020 Financial and Investment Report (2853 : Monthly Budget Update, July 2020 Financial and Investment Reports, and Adopt



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2020-21
 For the Month Ended July 31, 2020
 8% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
ENTERPRISE FUNDS								
SEWER								
640	SEWER OPERATIONS	625,213	13,319,581	625,213	272,923	898,136	7%	42%
641	SEWER CAPITAL EXPANSION	27,029	7,487,155	27,029	787,805	814,834	11%	3%
642	SEWER RATE STABILIZATION	93	1,111	93	-	93	8%	-
643	SEWER-CAPITAL PROJECTS	2,490	15,675,065	2,490	1,040,080	1,042,570	7%	1%
TOTAL SEWER FUND(S)		654,825	36,482,913	654,825	2,100,809	2,755,633	8%	47%
WATER								
	Water Operations	639,124	14,583,410	639,124	788,844	1,427,968	10%	54%
	Utility Billing	42,573	863,064	42,573	7,488	50,061	6%	6%
	Water Conservation	4,510	153,047	4,510	-	4,510	3%	-
650	WATER OPERATIONS	686,207	15,599,521	686,207	796,332	1,482,539	10%	61%
651	WATER CAPITAL EXPANSION	45,637	1,012,302	45,637	182,609	228,246	23%	7%
652	WATER RATE STABILIZATION	30	362	30	-	30	8%	-
653	WATER-CAPITAL PROJECTS	1,884	3,841,469	1,884	48,446	50,330	1%	-
TOTAL WATER FUND(S)		733,758	20,453,655	733,758	1,027,388	1,761,146	9%	69%
TOTAL ENTERPRISE FUNDS		1,388,583	56,936,568	1,388,583	3,128,196	4,516,779	8%	1,17%
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	86,245	2,176,957	86,245	298,734	384,979	18%	7%
740	BUILDING MAINTENANCE	121,120	3,450,173	121,120	262,535	383,655	11%	14%
741	BUILDING REPLACEMENT	-	457,000	-	8,846	8,846	2%	-
745	CIP ADMINISTRATION	111,432	1,655,366	111,432	8,310	119,742	7%	11%
760	UNEMPLOYMENT	-	75,000	-	-	-	n/a	-
770	WORKERS COMPENSATION	411,490	860,729	411,490	-	411,490	48%	48%
790	EQUIPMENT REPLACEMENT	-	1,863,653	-	1,223,903	1,223,903	66%	-
791	EMPLOYEE BENEFITS FUND	31,923	625,000	31,923	-	31,923	5%	2%
795	GEN. LIABILITY INSURANCE	1,013,726	1,457,651	1,013,726	-	1,013,726	70%	77%
TOTAL INTERNAL SERVICE FUNDS		1,775,936	12,621,529	1,775,936	1,802,329	3,578,265	28%	1,62%
REPORT TOTAL		\$ 6,547,508	\$ 167,407,348	\$ 6,547,508	\$ 18,647,311	\$ 25,194,819	15%	\$ 5,95%

Attachment: July 2020 Financial and Investment Report (2853 : Monthly Budget Update, July 2020 Financial and Investment Reports, and Adopt

		 City of Morgan Hill Fund Activity Summary - Fiscal Year 2020-21 For the Month Ended July 31, 2020 8% of Year Complete							
Fund No.	Fund	Un-audited Fund Balance 06-30-20	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved
010	GENERAL FUND	\$ 17,906,882	\$ 707,797	2%	\$ 2,657,376	6%	\$ (1,949,579)	\$ 629,899	\$ 15,327,404
TOTAL GENERAL FUND		\$ 17,906,882	\$ 707,797	2%	\$ 2,657,376	6%	\$ (1,949,579)	\$ 629,899	\$ 15,327,404
202	STREET MAINTENANCE	34,027	\$ -	n/a	\$ 352	6%	\$ (352)	\$ -	\$ 33,675
205	PUBLIC SAFETY/SUPPL. LAW	144,643	-	n/a	589	5%	(589)	-	144,054
206	DEVELOPMENT SERVICES	42,502	333,024	7%	281,345	6%	51,679	118,515	(24,334)
207	LONG RANGE PLANNING	1,337,309	38,074	6%	61,866	4%	(23,792)	350,722	962,795
215 / 216	CDBG	52,922	-	n/a	447	8%	(447)	-	52,475
225	ASSET SEIZURE	143,359	-	n/a	-	n/a	-	-	143,359
229	LIGHTING AND LANDSCAPE	186,588	-	n/a	5,569	3%	(5,569)	11,588	169,431
230	COMMUNITY FACILITIES DISTRICT	125,386	-	0%	2,016	6%	(2,016)	-	123,370
232	ENVIRONMENTAL PROGRAMS	398,284	39,202	9%	22,891	5%	16,311	-	414,595
234	MOBILE HOME PK RENT STAB.	58,626	-	n/a	37	8%	(37)	-	58,589
235	SENIOR HOUSING	232,360	-	n/a	-	n/a	-	-	232,360
236	HOUSING MITIGATION	3,702,291	40,711	2%	38,908	2%	1,803	85,528	3,618,566
240	EMPLOYEE ASSISTANCE	61,024	797	3%	2,084	7%	(1,287)	-	59,737
247	ENVIRONMENT REMEDIATION	136,461	-	n/a	111	n/a	(111)	-	136,350
250	COMH-SUCCESSOR AGENCY-MHRDA	(81,471)	976	0%	-	n/a	976	-	(80,495)
255	HOUSING SUCCESSOR AGENCY	3,670,583	30,015	14%	113,256	11%	(83,240)	491,667	3,095,676
260	PUBLIC ART	185	-	n/a	-	-	-	-	185
TOTAL SPECIAL REVENUE FUNDS		\$ 10,245,079	\$ 482,799	3%	\$ 529,471	3%	\$ (46,672)	\$ 1,058,019	\$ 9,140,388
301	PARK DEV. IMPACT FUND	\$ 3,680,623	\$ 429,626	18%	\$ 10,527	0%	\$ 419,099	\$ 6,330,153	\$ (2,230,431)
302	PARK MAINTENANCE	3,451,161	-	n/a	54,167	8%	(54,167)	25,014	3,371,980
303	LOCAL DRAINAGE	12,765,782	65,000	4%	2,489	0%	62,511	203,508	12,624,785
304	LOCAL DRAINAGE/NON-AB1600	1,445,963	-	n/a	235	0%	(235)	13,509	1,432,220
306	AGRICULTURE AND OPEN SPACE PRESERV	5,849,109	20,611	12%	2,228	2%	18,383	35,956	5,831,535
308	STREET CIP	4,759,933	23,377	1%	2,260	0%	21,117	2,844,719	1,936,331
309	TRAFFIC IMPACT FUND	(1,336,384)	65,344	0%	74,941	0%	(9,597)	106,147	(1,452,128)
311	POLICE IMPACT FUND	(582,033)	-	n/a	-	n/a	-	-	(582,033)
313	FIRE IMPACT FUND	3,984,876	5,389	9%	-	n/a	5,389	-	3,990,265
315	PUBLIC SAFETY FACILITIES IMPACT	-	35,353	4%	19,525	-	15,828	-	15,828
346	PUBLIC FACILITIES NON-AB1600	392,026	-	n/a	632	0%	(632)	168,181	223,213
347	PUBLIC FACILITIES IMPACT FUND	839,822	23,545	7%	2,273	6%	21,272	11,418	849,676
348	LIBRARY IMPACT FUND	2,040,252	98,081	10%	18,407	3%	79,674	476,004	1,643,922
350	UNDERGROUNDING	963,796	-	n/a	92	8%	(92)	-	963,704
355	SCHOOL PEDESTRIAN/TRAFFIC SFTY	1,106,709	-	n/a	6,795	4%	(6,795)	1,280	1,098,634
360	COMM/REC CTR IMPACT FUND	2,057,047	158,303	11%	376	0%	157,927	1,812,981	401,993
TOTAL CAPITAL PROJECT FUNDS		\$ 41,418,682	\$ 924,628	3%	\$ 194,947	1%	\$ 729,681	\$ 12,028,868	\$ 30,119,495
420	CIVIC CENTER DEBT	\$ 154,244	\$ 25,825	8%	\$ 865	0%	\$ 24,960	\$ 0	\$ 179,204
441	POLICE FACILITY BOND DEBT	74,357	31,903	8%	329	0%	31,574	0	105,931
TOTAL DEBT SERVICE FUNDS		\$ 228,601	\$ 57,728	8%	\$ 1,194	0%	\$ 56,534	\$ 1	\$ 285,134

 CITY OF MORGAN HILL		City of Morgan Hill Fund Activity Summary - Fiscal Year 2020-21 For the Month Ended July 31, 2020 8% of Year Complete						
Un-audited Fund Balance 06-30-20	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance		
	YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved ¹	Unreserved	

640	SEWER OPERATIONS	\$ 3,165,292	\$ 1,097,693	8%	\$ 625,213	5%	\$ 472,481	272,923	3,364,850
641	SEWER IMPACT FUND*	21,717,172	599,186	9%	27,029	0%	572,157	787,805	21,501,524
642	SEWER RATE STABILIZATION	2,667,854	-	n/a	93	8%	(93)	-	2,667,761
643	SEWER-CAPITAL PROJECTS	9,246,526	365,228	8%	2,490	0%	362,738	1,040,080	8,569,184
650	WATER OPERATIONS	3,878,448	1,658,111	11%	686,207	4%	971,904	796,332	4,054,020
651	WATER IMPACT FUND*	2,780,694	159,531	9%	45,637	5%	113,894	182,609	2,711,979
652	WATER RATE STABILIZATION	2,790,499	4,167	6%	30	8%	4,137	-	2,794,636
653	WATER -CAPITAL PROJECT	4,226,388	403,857	8%	1,884	0%	401,973	48,446	4,579,915
TOTAL ENTERPRISE FUNDS		\$ 50,472,873	\$ 4,287,774	9%	\$ 1,388,583	2%	\$ 2,899,191	\$ 3,128,196	\$ 50,243,867

730	INFORMATION SERVICES	\$ 686,637	\$ 157,856	9%	\$ 86,245	4%	\$ 71,611	298,734	459,514
740	BUILDING MAINTENANCE	415,856	285,413	8%	121,120	4%	164,293	262,535	317,614
741	BUILDING REPLACEMENT	3,042,909	54,865	8%	-	n/a	54,865	8,846	3,088,928
745	CIP ENGINEERING	(108,085)	-	n/a	111,432	7%	(111,432)	8,310	(227,827)
760	UNEMPLOYMENT	131,342	8,333	8%	-	n/a	8,333	-	139,675
770	WORKERS COMPENSATION	2,026,064	48,661	6%	411,490	48%	(362,830)	30,000	1,633,234
790	EQUIPMENT REPLACEMENT	5,816,846	84,101	8%	-	n/a	84,101	1,223,903	4,677,044
791	EMPLOYEE BENEFITS FUNDS	6,548	49,498	5%	31,923	5%	17,575	-	24,123
795	GEN. LIABILITY INSURANCE	1,463,809	71,452	8%	1,013,726	70%	(942,274)	-	521,535
TOTAL INTERNAL SERVICE FUNDS		\$ 13,481,926	\$ 760,179	6%	\$ 1,775,936	14%	\$ (1,015,758)	\$ 1,832,329	\$ 10,633,840

SUMMARY BY FUND TYPE

GENERAL FUND GROUP	\$ 17,906,882	\$ 707,797	2%	\$ 2,657,376	6%	\$ (1,949,579)	\$ 629,899	\$ 15,327,404
SPECIAL REVENUE GROUP	10,245,079	482,799	3%	529,471	3%	(46,672)	1,058,019	9,140,388
DEBT SERVICE GROUP	228,601	57,728	8%	1,194	0%	56,534	1	285,134
CAPITAL PROJECTS GROUP	41,418,682	924,628	3%	194,947	1%	729,681	12,028,868	30,119,495
ENTERPRISE GROUP	50,472,873	4,287,774	9%	1,388,583	2%	2,899,191	3,128,196	50,243,867
INTERNAL SERVICE GROUP	13,481,926	760,179	6%	1,775,936	14%	(1,015,758)	1,832,329	10,633,840
TOTAL ALL GROUPS	\$ 133,754,043	\$ 7,220,905	5%	\$ 6,547,508	4%	\$ 673,397	\$ 18,677,312	\$ 115,750,128

For Enterprise Funds: Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

*Unreserved fund balance includes bond proceeds reserved for projects listed in bond documents.

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

² Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.



CITY COUNCIL STAFF REPORT

MEETING DATE: September 16, 2020

PREPARED BY: Angie Gonzalez, Council Services Assistant

APPROVED BY: City Manager

APPOINT VOTING DELEGATES FOR THE 2020 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE AND APPROVE CITY SUPPORT OF THE LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE RESOLUTION

RECOMMENDATION(S)

1. Appoint a voting delegate and up to two (2) alternate voting delegates to the League of California Cities' Annual Conference;
2. Direct the Clerk team to complete and forward the voting delegate form to the League of California Cities;
3. Confirm "support" position on resolution; and
4. Authorize the City's voting delegate(s) to vote on the resolution to be considered at the League of California Cities (LOCC) annual conference.

COUNCIL PRIORITIES, GOALS & STRATEGIES

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

Community Engagement and Messaging
 Economic Development
 Fiscal Sustainability
 Infrastructure
 Regional Initiatives
 Telecommunications
 Agricultural Preservation
 Affordable Housing and Homelessness
 Transportation

REPORT NARRATIVE:

The League of California Cities (LOCC) will be holding its Virtual Annual Conference October 7-9, 2020. At the Annual Conference, the League will conduct its General Assembly Meeting at which League Members vote on resolutions from member cities and elected officials. These resolutions help guide cities and the League in their efforts to improve the quality, responsiveness, and vitality of local government in California. This year, one resolution has been introduced for consideration at the conference and referred to the appropriate LOCC Policy Committee (Attachment 1). The League's bylaws provide that each city is entitled to one vote on matters affecting municipal or

League policy. The voting delegate and/or alternate(s) must be registered for the conference and present to vote. The memorandum from the League of California Cities requesting the designation of a voting delegate for the League's Annual Conference is attached (Attachment 2).

It has been the City Council's past practice to appoint the Mayor as the primary voting delegate and the Mayor Pro Tem as the alternate voting delegate. Staff is requesting the Council appoint a primary voting delegate and up to two alternate voting delegates. In 2006, the League of California Cities authorized the appointment of up to two alternates to plan for unforeseen situations (bylaw amendment).

The General Assembly meeting will convene virtually on Friday, October 9th at 11:00 am, to consider the resolution that has been brought forward:

A RESOLUTION OF THE GENERAL ASSEMBLY OF THE LEAGUE OF CALIFORNIA CITIES CALLING FOR AN AMENDMENT OF SECTION 230 OF THE COMMUNICATIONS DECENTRY ACT OF 1996 TO REQUIRE SOCIAL MEDIA COMPANIES TO REMOVE MATERIALS WHICH PROMOTE CRIMINAL ACTIVITIES

The Annual Conference Resolutions Packet containing details regarding the resolution is included as an attachment to this report.

By approving the recommendation, our LOCC representatives will have the Council's general guidance for the vote to be taken on the resolution and are authorized to vote on amendments in the manner they deem to be in the best interest of the City.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the League's resolution for consideration.

ALTERNATIVE ACTIONS:

Council could decide to not support the recommended position.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Each year the City Council appoints voting delegates to attend and vote at the League of California Cities Annual Conference.

FISCAL AND RESOURCE IMPACT:

The cost of the conference registration is included in the adopted FY 2020-21 City Council budget.

CEQA (California Environmental Quality Act):

Not a project.

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

LINKS/ATTACHMENTS:

1. 2020 Resolution Packet
2. 2020 Voting Delegate Packet



Annual Conference Resolutions Packet

2020 Annual Conference Resolutions



October 7 – 9, 2020

INFORMATION AND PROCEDURES

RESOLUTIONS CONTAINED IN THIS PACKET: The League bylaws provide that resolutions shall be referred by the president to an appropriate policy committee for review and recommendation. Resolutions with committee recommendations shall then be considered by the General Resolutions Committee at the Annual Conference.

This year, one resolution has been introduced for consideration at the Annual Conference and referred to League policy committees.

POLICY COMMITTEES: Two policy committees will meet virtually at the Annual Conference to consider and take action on the resolution referred to them. The committees are: Governance, Transparency & Labor Relations and Public Safety. These committees will meet virtually on Tuesday, September 29, with the Governance, Transparency and Labor Relations Policy Committee meeting from 9:30 – 11:30 a.m. and the Public Safety Policy Committee meeting from 1:00 – 3:00 p.m. The sponsor of the resolution has been notified of the time and location of the meeting.

GENERAL RESOLUTIONS COMMITTEE: This committee will meet virtually at 1:00 p.m. on Thursday, October 8, to consider the reports of the policy committees regarding the resolutions. This committee includes one representative from each of the League's regional divisions, functional departments and standing policy committees, as well as other individuals appointed by the League president.

GENERAL ASSEMBLY: This meeting will be held virtually at 11:00 a.m. on Friday, October 9.

PETITIONED RESOLUTIONS: For those issues that develop after the normal 60-day deadline, a resolution may be introduced at the Annual Conference with a petition signed by designated voting delegates of 10 percent of all member cities (48 valid signatures required) and presented to the Voting Delegates Desk at least 24 hours prior to the time set for convening the Annual Business Meeting of the General Assembly. This year, that deadline is 12:30 p.m., Thursday, October 8.

Any questions concerning the resolutions procedures may be directed to Meg Desmond at the League office: mdesmond@cacities.org or (916) 658-8224

GUIDELINES FOR ANNUAL CONFERENCE RESOLUTIONS

Policy development is a vital and ongoing process within the League. The principal means for deciding policy on the important issues facing cities is through the League's seven standing policy committees and the board of directors. The process allows for timely consideration of issues in a changing environment and assures city officials the opportunity to both initiate and influence policy decisions.

Annual conference resolutions constitute an additional way to develop League policy. Resolutions should adhere to the following criteria.

Guidelines for Annual Conference Resolutions

1. Only issues that have a direct bearing on municipal affairs should be considered or adopted at the Annual Conference.
2. The issue is not of a purely local or regional concern.
3. The recommended policy should not simply restate existing League policy.
4. The resolution should be directed at achieving one of the following objectives:
 - (a) Focus public or media attention on an issue of major importance to cities.
 - (b) Establish a new direction for League policy by establishing general principals around which more detailed policies may be developed by policy committees and the board of directors.
 - (c) Consider important issues not adequately addressed by the policy committees and board of directors.
 - (d) Amend the League bylaws (requires 2/3 vote at General Assembly).

KEY TO ACTIONS TAKEN ON RESOLUTIONS

Resolutions have been grouped by policy committees to which they have been assigned.

Number	Key Word Index	Reviewing Body Action		
		1	2	3
		1 - Policy Committee Recommendation to General Resolutions Committee		
		2 - General Resolutions Committee		
		3 - General Assembly		

GOVERNANCE, TRANSPARENCY & LABOR RELATIONS POLICY COMMITTEE

		1	2	3
1	Amendment to Section 230 of The Communications Decency Act of 1996			

PUBLIC SAFETY POLICY COMMITTEE

		1	2	3
1	Amendment to Section 230 of The Communications Decency Act of 1996			

KEY TO ACTIONS TAKEN ON RESOLUTIONS *(Continued)*

Resolutions have been grouped by policy committees to which they have been assigned.

KEY TO REVIEWING BODIES

1. Policy Committee
2. General Resolutions Committee
3. General Assembly

ACTION FOOTNOTES

- * Subject matter covered in another resolution
- ** Existing League policy
- *** Local authority presently exists

KEY TO ACTIONS TAKEN

- | | |
|-----|---|
| A | Approve |
| D | Disapprove |
| N | No Action |
| R | Refer to appropriate policy committee for study |
| a | Amend+ |
| Aa | Approve as amended+ |
| Aaa | Approve with additional amendment(s)+ |
| Ra | Refer as amended to appropriate policy committee for study+ |
| Raa | Additional amendments and refer+ |
| Da | Amend (for clarity or brevity) and Disapprove+ |
| Na | Amend (for clarity or brevity) and take No Action+ |
| W | Withdrawn by Sponsor |

Procedural Note:

The League of California Cities resolution process at the Annual Conference is guided by the League Bylaws. A helpful explanation of this process can be found on the League's website by clicking on this link: [Resolution Process](#).

1. A RESOLUTION OF THE GENERAL ASSEMBLY OF THE LEAGUE OF CALIFORNIA CITIES CALLING FOR AN AMENDMENT OF SECTION 230 OF THE COMMUNICATIONS DECENCY ACT OF 1996 TO REQUIRE SOCIAL MEDIA COMPANIES TO REMOVE MATERIALS WHICH PROMOTE CRIMINAL ACTIVITIES

Source: City of Cerritos

Concurrence of five or more cities/city officials

Cities: City of Hawaiian Gardens, City of Lakewood, City of Ontario, City of Rancho Cucamonga, City of Roseville

Referred to: Governance, Transparency and Labor Relations and Public Safety Policy Committees

WHEREAS, local law enforcement agencies seek to protect their communities’ residents, businesses, and property owners from crime; and

WHEREAS, increasingly, criminals use social media platforms to post notices of places, dates and times for their followers to meet to commit crimes; and

WHEREAS, Section 230 of the Communications Decency Act of 1996 currently provides online platforms (including social media platforms) immunity from civil liability based on third-party content and for the removal of content; and

WHEREAS, in the 25 years since Section 230’s enactment, online platforms no longer function simply as forums for the posting of third-party content but rather use sophisticated algorithms to promote content and to connect users; and

WHEREAS, the United States Department of Justice, in its June 2020 report, “Section 230 — Nurturing Innovation or Fostering Unaccountability?,” concluded the expansive interpretation courts have given Section 230 has left online platforms immune from a wide array of illicit activity on their services, with little transparency or accountability, noting it “makes little sense” to immunize from civil liability an online platform that purposefully facilitates or solicits third-party content or activity that violates federal criminal law; and

WHEREAS, current court precedent interpreting Section 230 also precludes state and local jurisdictions from enforcing criminal laws against such online platforms that, while not actually performing unlawful activities, facilitate them; and

WHEREAS, amendment of Section 230 is necessary to clarify that online platforms are not immune from civil liability for promoting criminal activities; and

NOW, THEREFORE, BE IT RESOLVED at the League General Assembly, assembled at the League Annual Conference on October 9, 2020 in Long Beach, California, that the League calls upon the U.S. Congress to amend Section 230 of the Communications Decency Act of 1996 to condition immunity from civil liability on the following:

1. Online platforms must establish and implement a reasonable program to identify and take down content which solicits criminal activity; and
2. Online platforms must provide to law enforcement information which will assist in the identification and apprehension of persons who use the services of the platform to solicit and to engage in criminal activity; and
3. An online platform that willfully or negligently fails in either of these duties is not immune from enforcement of state and local laws which impose criminal or civil liability for such failure.

Background Information to Resolution

Source: City of Cerritos

Background:

Social media platforms are now used as a primary means of communication, including by criminals who use them to advertise locations, dates, and times where the criminal acts will take place. Such communications, because they occur online, render the online platform immune from any civil liability for the costs incurred by law enforcement agencies that respond under Section 230 of the Communications Decency Act of 1996. Immunity from civil liability extends even to injunctive relief, thus preventing local governments from merely seeking an injunction against the online platform to have such a post removed.

The City of Cerritos supports the rights of free speech and assembly guaranteed under the First Amendment, but believes cities should have the ability to hold social media companies liable for their role in promoting criminal acts. Recently, the City suffered thousands of dollars in damages to respond to online threats that the Cerritos Mall would be looted. Anonymous posts on Instagram.com invited followers to “work together to loot Cerritos [M]all” only several days after the Lakewood Mall had been looted, causing thousands of dollars in damages. The posts were made under the names “cerritosmalllooting” and “cantstopusall,” among others. The City of Cerritos had no choice but to initiate response to protect the Mall and the public from this credible threat.

At the same time local governments face historic shortfalls owing to the economic effects of COVID-19, the nation’s social media platforms are seeing a record rise in profits. The broad immunity provided by Section 230 is completely untenable. Online platforms should be held responsible—and liable—for the direct harm they facilitate. Local governments are in no position to bear the costs of the crimes facilitated by these companies alone.

Congress is currently reviewing antitrust legislation and by extension, Section 230’s immunity provisions. The League urges Congress to amend Section 230 to limit the immunity provided to online platforms when they promote criminal activity to provide local governments some measurable form of relief.

League of California Cities Staff Analysis on Resolution No. 1

Staff: Charles Harvey, Legislative Representative
 Bijan Mehryar, Legislative Representative
 Caroline Cirrincione, Policy Analyst
 Johnnie Piña, Policy Analyst

Committees: Governance, Transparency and Labor Relations
 Public Safety

Summary:

This resolution states that the League of California Cities should urge Congress to amend Section 230 of the federal Communications Decency Act of 1996 (CDA) to limit the immunity provided to online platforms where their forums enable criminal activity to be promoted.

Ultimately, the policy objectives proposed under this resolution, if enacted, would incentivize social media companies to establish and implement a reasonable program to identify and remove content that solicits criminal activity.

Background:

The City of Cerritos is sponsoring this resolution in reaction to events whereby persons, using social media platforms to coordinate locations, dates, and times for their planned criminal activity, have committed acts of looting and vandalism resulting in both actual economic harm for targeted businesses, and pecuniary loss to cities who used resources to prevent such acts from occurring when such plans are discovered.

For example, just days after the Lakewood Mall had been looted, the City of Cerritos uncovered online communications via social media that persons were planning to target the nearby Cerritos Mall. Consequently, the city felt compelled to undertake measures to protect the Cerritos Mall, costing the city thousands of dollars to guard against what officials believed to be a credible threat.

Staff Comments:

Overview:

While there is certainly an argument to substantiate concerns around censorship, the use of social media as a tool for organizing violence is equally disturbing.

Throughout much of the 2020 Summer, there have been many reports of looting happening across the country during what were otherwise mostly peaceful demonstrations. Combined with the speculation of who is really behind the looting and why, the mayhem has usurped the message of peaceful protestors, causing a great deal of property damage in the process. Likewise, these criminal actions have upended the livelihood of some small business owners, many of whom were already reeling in the wake of the COVID-19 pandemic.

While social media allows people to connect in real time with others all over the world, organized illegal activity using social media is made easier by the anonymous nature of virtual interactions.

Nation's Reaction to the Murder of George Floyd:

Shortly after the senseless killing of George Floyd by law enforcement on May 26, 2020, civil unrest began as local protests in the Minneapolis–Saint Paul metropolitan area of Minnesota before quickly spreading nationwide to more than 2,000 cities and towns across the United States, and in approximately 60 countries in support of the Black Lives Matter movement. Protests unfolded across the country throughout the entire month of June and into July, and persisted in a handful of cities such as Portland and Seattle into the month of August.

Although the majority of protests were peaceful, some demonstrations in cities escalated into riots, looting, and street skirmishes with police. While much of the nation's focus has been on addressing police misconduct, police brutality, and systemic racism, some have used demonstrators' peaceful protests on these topics as opportunities to loot and/or vandalize businesses, almost exclusively under the guise of the "Black Lives Matter" movement. It has been uncovered that these "flash robs"¹ were coordinated through the use of social media. The spontaneity and speed of the attacks enabled by social media make it challenging for the police to stop these criminal events as they are occurring, let alone prevent them from commencing altogether.

As these events started occurring across the country, investigators quickly began combing through Facebook, Twitter, and Instagram seeking to identify potentially violent extremists, looters, and vandals and finding ways to charge them after — and in some cases before — they sow chaos. While this technique has alarmed civil liberties advocates, who argue the strategy could negatively impact online speech, law enforcement officials claim it aligns with investigation strategies employed in the past.

Section 230 and other Constitutional Concerns

At its core, Section 230(c)(1) of the CDA provides immunity from liability for providers and users of an "interactive computer service" who publish information provided by third-party users. Essentially, this protects websites from lawsuits if a user posts something illegal, although there are exceptions for copyright violations, sex work-related material, and violations of federal criminal law.

Protections from Section 230 have come under more recent scrutiny on issues related to hate speech and ideological biases in relation to the influence technology companies can hold on political discussions.

Setting aside Section 230, there are some potential constitutional issues one could raise, should there be an attempt to implement such a resolution into statute.

¹ The "flash robs" phenomenon—where social media is used to organize groups of teens and young adults to quickly ransack and loot various retail stores—began to occur sporadically throughout the United States over the past ten years.

In the United States, the First Amendment prohibits the government from restricting most forms of speech, which would include many proposals to force tech companies to moderate content. While “illegal” types of speech enjoy limited or no First Amendment protection, the line for delineating between “legal” and “illegal” speech is very difficult to determine. Consequently, one would expect online platforms to push back on whether there is a constitutionally feasible way for them to “identify” protected speech versus unprotected speech, or whether there is a feasible way to define “content which solicits criminal activity.” A law requiring companies to moderate content based on the political viewpoint it expresses, for example, would likely be struck down as unconstitutional.

Nonetheless, private companies can create rules to restrict speech if they so choose. Online platforms sometimes argue they have constitutionally-protected First Amendment rights in their “editorial activity,” and therefore, it violates their constitutional rights to require them to monitor (i.e., “identify and take down”) content that may be protected under the First Amendment. They may also argue, along the same lines, that the government may not condition the granting of a privilege (i.e., immunity) on doing things that amount to a violation of their first amendment rights. This is why Facebook and Twitter ban hate speech and other verifiably false information, for example, even though such speech is permitted under the First Amendment.

With respect to privacy and the Fourth Amendment, online platforms may argue that requiring them to “provide to law enforcement information that will assist in the identification and apprehension of persons who use the services of the platform to solicit and to engage in criminal activity,” turns them into government actors that search users’ accounts without a warrant based on probable cause, in violation of the Fourth Amendment.

Industry Perspective

Unsurprisingly, industry stakeholders have strong opinions for what such changes could mean for their respective business models.

For instance, a Facebook spokesperson recently noted in a Fortune article that, “By exposing companies to potential liability for everything that billions of people around the world say, this would penalize companies that choose to allow controversial speech and encourage platforms to censor anything that might offend anyone.”

The article acknowledges that in recent years, both political parties have put social media companies under increased scrutiny, but they are not unified in their stated concerns. While Republicans accuse the companies of unfairly censoring their post, Democrats complain that these companies fail to do enough to block misinformation, violent content, and hate speech.

The article concludes that there is no way companies like Facebook and Twitter could operate without Section 230, and that the removal of this section would thereby “eliminate social media as we know it.”

Recent Federal Action on Social Media

The President recently issued an *Executive Order on Preventing Online Censorship*. In it, he notes the following:

“The growth of online platforms in recent years raises important questions about applying the ideals of the First Amendment to modern communications technology. Today, many Americans follow the news, stay in touch with friends and family, and share their views on current events through social media and other online platforms. As a result, these platforms function in many ways as a 21st century equivalent of the public square.

Twitter, Facebook, Instagram, and YouTube wield immense, if not unprecedented, power to shape the interpretation of public events; to censor, delete, or disappear information; and to control what people see or do not see.”

Ultimately the President implores the U.S. Attorney General to develop a proposal for federal legislation that “would be useful to promote the policy objectives of this order.” The President is not subtle in communicating his desire to ultimately see legislation heavily slanted toward the preservation of free speech on social media, which some interpret as a maneuver to preempt Twitter and Facebook from regulating speech they otherwise deem as hateful or demonstrably false.

Considerations for Congress

Courts have generally construed Section 230 to grant internet service providers broad immunity for hosting others’ content. Many have claimed that Section 230’s immunity provisions were critical to the development of the modern internet, and some continue to defend Section 230’s broad scope. But simultaneously, a variety of commentators and legislators have questioned whether those immunity provisions should now be narrowed, given that the internet looks much different today than it did in 1996 when Section 230 was first enacted.

One way for Congress to narrow Section 230’s liability shield would be to create additional exceptions, as it did with FOSTA and SESTA². If a lawsuit does not fall into one of the express exceptions contained in Section 230(e)³, courts may have to engage in a highly fact-specific inquiry to determine whether Section 230 immunity applies: Section 230(c)(1) immunity will be inapplicable if the provider itself has developed or helped to develop the disputed content, while Section 230(c)(2) immunity may not apply if a service provider’s decision to restrict access to content was not made in good faith.

Date Storage and Usage Considerations for Cities

Section 2 of the conditions the resolution applies to civil immunity requires that online platforms provide relevant information to law enforcement to assist in the identification and apprehension of persons who use the services of the platform to solicit and to engage in criminal activity. This section would most likely require the development of new procedures and protocols that govern law enforcements usage and retention of such information. Those new policies and procedures would undoubtedly raise privacy concerns depending on how wide the latitude is for law

² The Fight Online Sex Trafficking Act (FOSTA) and the Stop Enabling Sex Traffickers Act (SESTA) create an exception to Section 230 that means website publishers *would* be responsible if third parties are found to be posting ads for prostitution — including consensual sex work — on their platforms.

³ Section 230(e) says that Section 230 will not apply to: (1) federal criminal laws; (2) intellectual property laws; (3) any state law that is “consistent with” Section 230; (4) the Electronic Communications Privacy Act of 1986; and (5) civil actions or state prosecutions where the underlying conduct violates federal law prohibiting sex trafficking.

enforcement to request such information. In those circumstances cities could end up themselves incurring new liability for the governance of data that could either violate certain privacy rules or increase their data governance costs.

Fiscal Impact:

Unlike the costly resources needed to support or oppose a ballot measure, a federal resolution from the League of California Cities that simply urges Congress to undertake certain action should have a negligible fiscal impact, if any monetary impact at all.

Regarding cities, if social media had no immunity for its failure to police content that solicits criminal activity, then an individual city could theoretically save thousands if not millions of dollars, depending on its size and other subjective circumstances. Collectively, cities across the country could potentially save at least hundreds of millions between redress for actual economic harm suffered and/or the cost of preventative measures taken to stop criminal activity from occurring in the first place.

Conversely, if social media platforms were to shut down, due to an inability to comply with a policy requirement to regulate speech on the internet, it is unclear on how cities might be impacted from a fiscal standpoint.

Existing League Policy:

Public Safety:

Law Enforcement

The League supports the promotion of public safety through:

- Stiffer penalties for violent offenders, and
- Protecting state Citizens' Option for Public Safety (COPS) and federal Community Oriented Police Services (COPS) funding and advocating for additional funding for local agencies to recoup the costs of crime and increase community safety.

Violence

The League supports the reduction of violence through strategies that address gang violence, domestic violence, and youth access to tools of violence, including but not limited to firearms, knives, etc.

The League supports the use of local, state, and federal collaborative prevention and intervention methods to reduce youth and gang violence.

Governance, Transparency & Labor Relations:

Private Sector Liability

The League will work closely with private sector representatives to evaluate the potential for League support of civil justice reform measures designed to improve the business climate in California. These measures should be evaluated on a case-by-case basis through the League police process.

Questions to Consider:

Many cities obviously believe that creating civil liability for social media platforms—due to their role in providing the communication mediums for those who organize looting attacks— is key to deterring this organized criminal activity.

If such a change was actually passed by Congress, it would force social media to essentially police every conversation on stakeholders' respective platforms, putting immense pressure on the industry to make subjective determinations about what conversations are appropriate and what are unacceptable.

At the end of the day, there are a few questions to consider in assessing this proposed resolution:

- 1) *What would this resolution's impact be on free speech and government censorship?*
- 2) *What are the expectations for cities when they receive information from a social media platform about a potentially credible threat in their respective communities? Does a city become liable for having information from a social media platform and the threat occurs?*
- 3) *What would the costs be to develop and maintain new data governance policies, including data infrastructure, to store this information?*
- 4) *What is the role of the League in engaging in issues relating to someone's privacy?*

Support:

The following letters of concurrence were received:

City of Hawaiian Gardens
 City of Lakewood
 City of Ontario
 City of Rancho Cucamonga
 City of Roseville

LETTERS OF CONCURRENCE

Resolution No. 1

Amendment to Section 230 of the Communications
Decency Act of 1996

Attachment: 2020 Resolution Packet (2817 : LOCC Voting delegate 2020)



CITY OF HAWAIIAN GARDENS

"Our Youth - Our Future"

August 7, 2020

John Dunbar, President
jdunbar@yville.com
 League of California Cities
 1400 K Street, Suite 400
 Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts.**

This proposed resolution with the required background information will be submitted to the League of California Cities for consideration by the General Assembly at the Annual Conference on October 9, 2020. (Attachments 1 and 2) The intent of the resolution is to address the use of social medial platforms for posting information that leads followers to meet and commit crimes and to also hold these platforms and the persons who post said information civilly and criminally accountable for all costs incurred by the local jurisdictions where the crimes occurred.

The public safety efforts in the City of Hawaiian Gardens would certainly benefit from such legislation. This letter serves to support the City of Cerritos in their efforts to submit of the above mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

Ernie Hernandez
 City Manager

cc Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
 Meg Desmond, League of California Cities - mdesmond@cacities.org
 Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
 Kathy Matsumoto, Assistant City Manager, City of Cerritos - kmatsumoto@cerritos.us

Jeff Wood
Vice Mayor

Ariel Pe
Council Member

Steve Craft
Council Member

Diane DuBois
Council Member



Todd Rogers
Mayor

August 5, 2020

John Dunbar, President
jdunbar@yville.com
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts.**

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This letter serves to support the City of Cerritos in their efforts to submit the above mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

Todd Rogers
Mayor

cc: Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
Meg Desmond, League of California Cities - mdesmond@cacities.org
Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
Kathy Matsumoto, Assistant City Manager, City of Cerritos - kmatsumoto@cerritos.us

Lakewood

CITY OF

303 EAST "B" STREET, CIVIC CENTER

ONTARIO



ONTARIO

CALIFORNIA 91764-4105

(909) 395-2000

FAX (909) 395-2070

PAUL S. LEON
MAYOR

SCOTT OCHOA
CITY MANAGER

DEBRA DORST-PORADA
MAYOR PRO TEM

SHEILA MAUTZ
CITY CLERK

ALAN D. WAPNER
JIM W. BOWMAN
RUBEN VALENCIA
COUNCIL MEMBERS

JAMES R. MILHISER
TREASURER

August 6, 2020

John Dunbar, President
jdunbar@yville.com
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts.**

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This letter serves to support the City of Cerritos in their efforts to submit the above-mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

Alan D. Wapner
Council Member
League of California Cities Board Member

c: Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
Meg Desmond, League of California Cities - mdesmond@cacities.org
Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
Kathy Matsumoto, Assistant City Manager, City of Cerritos – kmatsumoto@cerritos.us

Attachment: 2020 Resolution Packet (2817 : LOCC Voting delegate 2020)



CITY OF RANCHO CUCAMONGA

10500 Civic Center Drive | Rancho Cucamonga, CA 91730 | 909.477.2700 | www.CityofRC.us

August 6, 2020

John Dunbar, President
jdunbar@yville.com
 League of California Cities
 1400 K Street, Suite 400
 Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts.**

This proposed resolution with the required background information will be submitted to the League of California Cities for consideration by the General Assembly at the Annual Conference on October 9, 2020. (Attachments 1 and 2) The intent of the resolution is to address the use of social medial platforms for posting information that leads followers to meet and commit crimes and to also hold these platforms and the persons who post said information civilly and criminally accountable for all costs incurred by the local jurisdictions where the crimes occurred.

On behalf of the City of Rancho Cucamonga, this letter serves to support the City of Cerritos in their efforts to submit the above mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

L. Dennis Michael
 Mayor

cc: Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
 Meg Desmond, League of California Cities - mdesmond@cacities.org
 Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
 Kathy Matsumoto, Assistant City Manager, City of Cerritos - kmatsumoto@cerritos.us

Attachment: 2020 Resolution Packet (2817 : LOCC Voting delegate 2020)



City Council
311 Vernon Street
Roseville, California 95678

August 7, 2020

John Dunbar, President
jdunbar@yville.com
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts.**

This proposed resolution with the required background information will be submitted to the League of California Cities for consideration by the General Assembly at the Annual Conference on October 9, 2020. (Attachments 1 and 2) The intent of the resolution is to address the use of social media platforms for posting information that leads followers to meet and commit crimes and to also hold these platforms and the persons who post said information civilly and criminally accountable for all costs incurred by the local jurisdictions where the crimes occurred.

On behalf of the City of Roseville, this letter serves to support the City of Cerritos in their efforts to submit the above mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

John B. Allard II,
Mayor

Cc: Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
Meg Desmond, League of California Cities - mdesmond@cacities.org
Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
Kathy Matsumoto, Assistant City Manager, City of Cerritos - kmatsumoto@cerritos.us
Jason Gonsalves, Joe A. Gonsalves and Son

Attachment: 2020 Resolution Packet (2817 : LOCC Voting delegate 2020)



Council Action Advised by August 31, 2020

June 30, 2020

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference & Expo – October 7 – 9, 2020**

The League's 2020 Annual Conference & Expo is scheduled for October 7 – 9. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly) on Friday, October 9. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Wednesday, September 30. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures are intended to ensure the integrity of the voting process at the Annual Business Meeting. These procedures assume that the conference will be held in-person at the Long Beach Convention Center as planned. Should COVID-19 conditions and restrictions prohibit the League from holding an in-person conference, new procedures will be provided.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration will open by the end of July at www.cacities.org. In order to cast a vote, at least one voter must be present at the Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the

Attachment: 2020 Voting Delegate Packet (2817 : LOCC Voting delegate 2020)



CITY: _____

**2020 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to the League office by Wednesday, September 30, 2020. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____

Email: _____

Mayor or City Clerk _____
(circle one) (signature)

Date: _____ Phone: _____

Please complete and return by Wednesday, September 30, 2020

League of California Cities
ATTN: Darla Yacub
1400 K Street, 4th Floor
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: dyacub@cacities.org
(916) 658-8254



Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

**MEMORANDUM OF UNDERSTANDING FOR FUNDING ASSISTANCE
BETWEEN THE CITY OF MORGAN HILL AND THE
MORGAN HILL Historical Society FOR OPERATION THE
VILLA MIRA MONTE HISTORICAL PARK**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into and becomes effective on 9/19/17 (Effective Date), by and between the City of Morgan Hill, a municipal corporation, ("City"), and the Morgan Hill Historical Society, a California non-profit corporation ("Historical Society") hereinafter referred to collectively as "Parties."

RECITALS

The following recitals are a substantive part of the MOU:

1. The City Council has made Preserving Our Cultural Heritage an ongoing City Council Priority.
2. The City and the Historical Society desire to support the ongoing preservation, improvement, and use of Villa Mira Monte as a cultural resource for the entire community.
3. The Historical Society is the owner of Villa Mira Monte, a historical site, located at 17860 Monterey Road, Morgan Hill, CA 95037.
4. The City and Historical Society recognize that should the Historical Society become insolvent that ownership of the Villa Mira Monte site reverts to the City of Morgan Hill.
5. The City and the Historical Society desire to support the ongoing operations at Villa Mira Monte in a collaborative effort that provides for the most efficient use of limited public funds.

AGREEMENT

1. **City Authority.** This MOU is entered into pursuant to action of the Morgan Hill City Council on June 21, 2017 to provide financial support to the Historical Society for the operation of Villa Mira Monte.
2. **Term of Agreement.** The term of the MOU shall be until June 30, 2020. The City Manager is authorized to extend this agreement for additional terms provided funding has been allocated by the City Council.
3. **Funding Assistance and Collaboration.** City and Historical Society will work together, as described in this section, to support the ongoing operations of Villa Mira Monte.
 - 3.1. City shall commit to support the Historical Society in operating Villa Mira Monte as a public resource for the benefit of the Morgan Hill Community.
 - 3.2. City Shall market, promote, and advertise the Villa Mira Monte site and Historical Society Programs as a component of the City's Community Services system, including use of email blasts, the City's Recreation Activity Guide, and other communication means.
 - 3.3. City shall assign a staff liaison to support the coordination of Historical Society programs into the marketing and promotions plan for the Community Services Department. Staff Liaison will regularly attend Historical Society meetings.
 - 3.4. City shall formally assign the Library, Culture and Arts Commission to support the Historical

Society on operation of Villa Mira Monte.

- 3.5. City shall support protection of the site through the coordination of public safety issues.
 - 3.6. City shall review and consider the funding for capital improvements to Villa Mira Monte during the City's budget as prioritized and approved by the City Council within its Capital Improvement Plan. Capital improvement funding shall be governed by future capital funding agreements.
 - 3.7. City shall support the Historical Society by providing a minimum \$20,000 annually to support operation of the Villa Mira Monte site. Annual payments shall be made by August 15 each year the MOU remains in effect.
 - 3.8. Historical Society shall operate and maintain Villa Mira Monte as a community resource.
 - 3.9. Historical Society Shall consult with the City on the establishment of open public hours for the facility. Prior to changing public hours the Historical Society shall consult with the City. The Historical Society shall commit to providing a minimum of 6 hours of open time per week at Villa Mira Monte, where the site is open free of charge.
 - 3.10. Historical Society shall apply for grants and collaborate with the City in grant applications for the maintenance, improvements and preservation of the Villa Mira Monte site.
 - 3.11. Historical Society shall identify and support the development of new funding sources to support maintenance, improvements and preservation at Villa Mira Monte.
 - 3.12. Historical Society shall provide an annual budget to clarify use of City funds provided for operations and a year-end reporting of expenses and revenues.
 - 3.13. Historical Society shall recognize the City as a partner in all communications and onsite materials.
4. **Termination.** City or Historical Society shall have the right to terminate this MOU, without cause, by giving thirty (30) days' written notice or less under urgent circumstances.
5. **Hold Harmless.** Historical Society shall, to the fullest extent permitted by law, indemnify, defend and hold harmless the City, and its respective elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("Indemnitees") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to access or use of Villa Mira Monte.
6. **Document Review.** Historical Society will, upon reasonable advance written notice from City, make available for inspection to City, books and other documents relating to the Program.

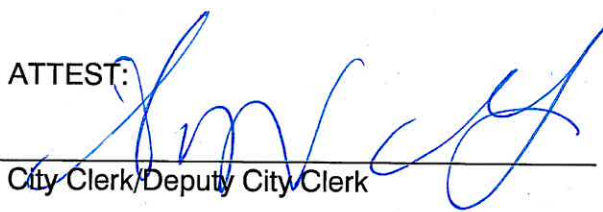
7. **Notice.** Any notice or instrument required or permitted to be given hereunder shall be deemed received upon personal delivery ~~for~~ five (5) days after deposit in any United States mail depository, first class postage prepaid and addressed to the party for whom intended.

For City: City Manager
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

For Historical Society: Morgan Hill Historical Society
17860 Monterey Road
PO Box 1258
Morgan Hill, CA 95038

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

ATTEST:


City Clerk/Deputy City Clerk

for Michelle Wilson

Print Name

Date:

9/21/17

APPROVED AS TO FORM


City Attorney

for Donald A. Larkin

Print Name

Date:

9-18-17

CITY OF MORGAN HILL


City Manager

Steve Rymer

Print Name

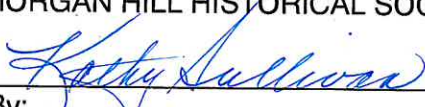
Date:

9/19/17

MORGAN HILL HISTORICAL SOCIETY

By:

Title:


Kathy Sullivan President

Print Name and Title of Signer.

If Corporate: Chairman, President or
Vice President

Date:

September 6, 2017

By:

Title:

Print Name and Title of Signer.

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

Date:

	Actual 2019	Calendar Year 2020												Total 2020	Budgeted	
		January	February	March	April	May	June	July	August	September	October	November	December		Amount ~est	% of Budget
Income	Income Stmt															
Membership Dues	26,635	24,450	3,200	1,070	370	1,220								30,310	30,000	101%
Contributions	6,458	207	151	100	500	49								1,007	7,000	14%
Grant Income	114,163	2,460	-	15,000	-	-								17,460	100,000	17%
Rental Income	14,800	440	1,160	980	-	-								2,580	15,000	17%
Event & Projects	31,831	-	93		(143)	-								(50)	30,000	0%
Merchandse Sales, Net	1,222	41	25	(88)	-	-								(22)	1,000	-2%
Interest Income	5	-	-	-	2	2								4	5	80%
Total Income	195,114	27,598	4,629	17,062	729	1,271	-	-	-	-	-	-	-	51,289	183,005	28%
Expenses																
Grant Construction Expense	81,531	-	-	-	-									-	1	0%
Cleaning	5,200	460	410	410	410	410								2,100	5,000	42%
Credit Card Expense	718	29	-	-	-									29	750	4%
Memberships & Dues	575	-	99	-	-									99	600	17%
Furniture, Fixtures & Equipment	1,770	658	-	-	1,283									1,941	2,000	97%
General Meeting Expense	1,976	-	-	32										32	2,000	2%
Insurance	5,128	500	500	500	69	495								2,064	5,500	38%
Landscaping	15,749	874	874	8,507	1,124									11,379	15,000	76%
Licenses, Permits & Fees	374	-	-	240		4								244	500	49%
Materials	205	-	-	-	65									65	300	22%
Miscellaneous Expense	406	4	52	39										95	500	19%
Museum Exhibits	12,111	1,000	-	-										1,000	12,000	8%
Newsletter Expense	1,589	567	-	637										1,204	1,600	75%
Office Expense	913	-	247	75										322	1,000	32%
Professional Services																
Bookkeeping	2,700	300	300	300	300	-								1,200	3,600	33%
Marketing		-	-	-	710									710		#DIV/0!
Outside Services	297	-	-	-		300								300		
Webmaster	2,600	-	-	-										-	-	
Postage	729	220	-	-	-									220	800	28%
Printing	2,490	-	-	292										292	2,500	12%
Advertising	577	890	-	40										930	600	155%
Repair & Maintenance	9,381	112	120	154		262								648	10,000	6%
Security Systems	550	-	-	-										-	600	0%
Storage Rental	1,620	-	335	-	200	200								735	1,700	43%
Supplies	489	-	-	103										103	500	21%
Property Tax	1,377	-	-	-										-	1,500	0%
Technology	-	-	-	-										-		
Utilities																
Electricity	5,043	664	690	559	442	379								2,734	5,500	50%
Telephone	4,034	330	354	354	354	354								1,746	4,000	44%
Website and Programs		115	388	235	347									1,085	2,000	54%
Total Expenses	160,132	6,723	4,369	12,477	5,304	2,404	-	-	-	-	-	-	-	31,277	80,051	39%
Net Income	34,982	20,875	260	4,585	(4,575)	(1,133)	-	-	-	-	-	-	-	20,012	102,954	19%



City Council Meeting

Item #09

New Regulatory Fees



September 16, 2020

**RESOLUTION ESTABLISHING
REGULATORY FEES FOR WATER
EFFICIENT LANDSCAPING,
STORMWATER POLLUTION
PREVENTION AND INCREASING THE
ADMINISTRATIVE FEE FOR
BACKFLOW PREVENTION**



Why



- State regulatory mandates require the City to take regulatory actions
- City administrative costs to implement State mandates continue to increase
- Per City's Sustainable Budget Strategy:
 - Community wide tax resources should be allocated first to support community wide services; and
 - Special services designed for only a few should be paid for by user charges and fees.

State Mandates

- Water-Efficient Landscaping in New Development
- Stormwater Pollution Prevention
- Water Backflow Devices



Water-Efficient Landscaping in New Development



- City is required to carefully review landscape plans, conduct construction inspections to ensure plans are followed, and produce annual report.
- Fee would be paid by developers during development process and would vary based on development size



Stormwater Postconstruction Setup Fee



- City is required to carefully review stormwater plans in new development and existing fees cover these costs
- New requirements for annual monitoring and reporting, however, are not currently covered
- Fee would cover costs to setup each new development in the on-line reporting system
- Fee would be paid by developers during development process and would vary based on the number of stormwater treatment units (BMPs)



Stormwater Postconstruction Monitoring Fee



- City is required to require all new developments to semi-annually inspect stormwater treatment system
- Inspections must be solicited, accepted, reviewed, entered, monitored, and reported on
- On-line reporting system is time-intensive to use
- The overall time commitment grows with each new development....these inspection requirements are perpetual
- Fee would be paid by property owners and would vary based on the number of stormwater treatment units (BMPs)



Backflow Device Administrative Fee



- Backflow devices ensure that contaminated water doesn't leak back from a private property into the City's water system where it can endanger others
- City is required to require nearly all water customers (nearly every customer except single-family detached residences) to annually inspect backflow devices
- While the 2003 Cost Study called for \$30.67 fee, the City chose a \$10 fee at that time because it was anticipated to be replaced by a new Inspection Fee for City-conducted inspections.



Backflow Device Administrative Fee



- City subsequently chose to not implement universal City inspections because they would increase overall costs to the customer
- Administrative fee should have been subsequently raised to full cost recovery at that time, but never was (currently at \$11)
- Fee would be paid by water customers with backflow devices



Delinquency Fees



- Customers NOT submitting stormwater and/or backflow inspections on time necessitate additional administrative work
- Delinquency fees in these two areas are designed to both discourage delinquent submissions and to ensure that compliant customers are not subsidizing delinquent customers



Customer Engagement



- Letters were sent to “Development Community” list and all customers subject to the annual reporting fees
- Responses attached to the Council report
- Staff’s takeaways from customer input
 - While most customers did not respond, those that did were, as expected, against new fees
 - “Grouping” concept makes sense for stormwater annual fee
 - City should re-analyze these fees with next fee study to see if efficiencies can result in cost reductions which would lead to fee reductions



Next Steps

- If fees approved, development fees would go into effect this Fall, stormwater and backflow annual fees would be first billed in 2021
- Continue to seek out efficiencies to reduce fee levels
- Include these fees in future scheduled fee studies



Not adopting the fees does not make the mandated work go away, it merely changes how the work is paid for. General fund appropriations will be required for the stormwater annual fee in particular.





CITY OF MORGAN HILL



City Council Meeting

Item #10

Monthly Budget Update



September 16, 2020

Overview



- Monthly Budget Update
- Staff does not recommend any budget adjustments at this time

Property Tax



- County estimated City's FY2020-21 tax revenue = \$13.4 million as budgeted
- Preliminary Excess ERAF = \$1.7 million vs. \$250K budgeted
 - Subject to SCO audit and adjustment

Recreation Services



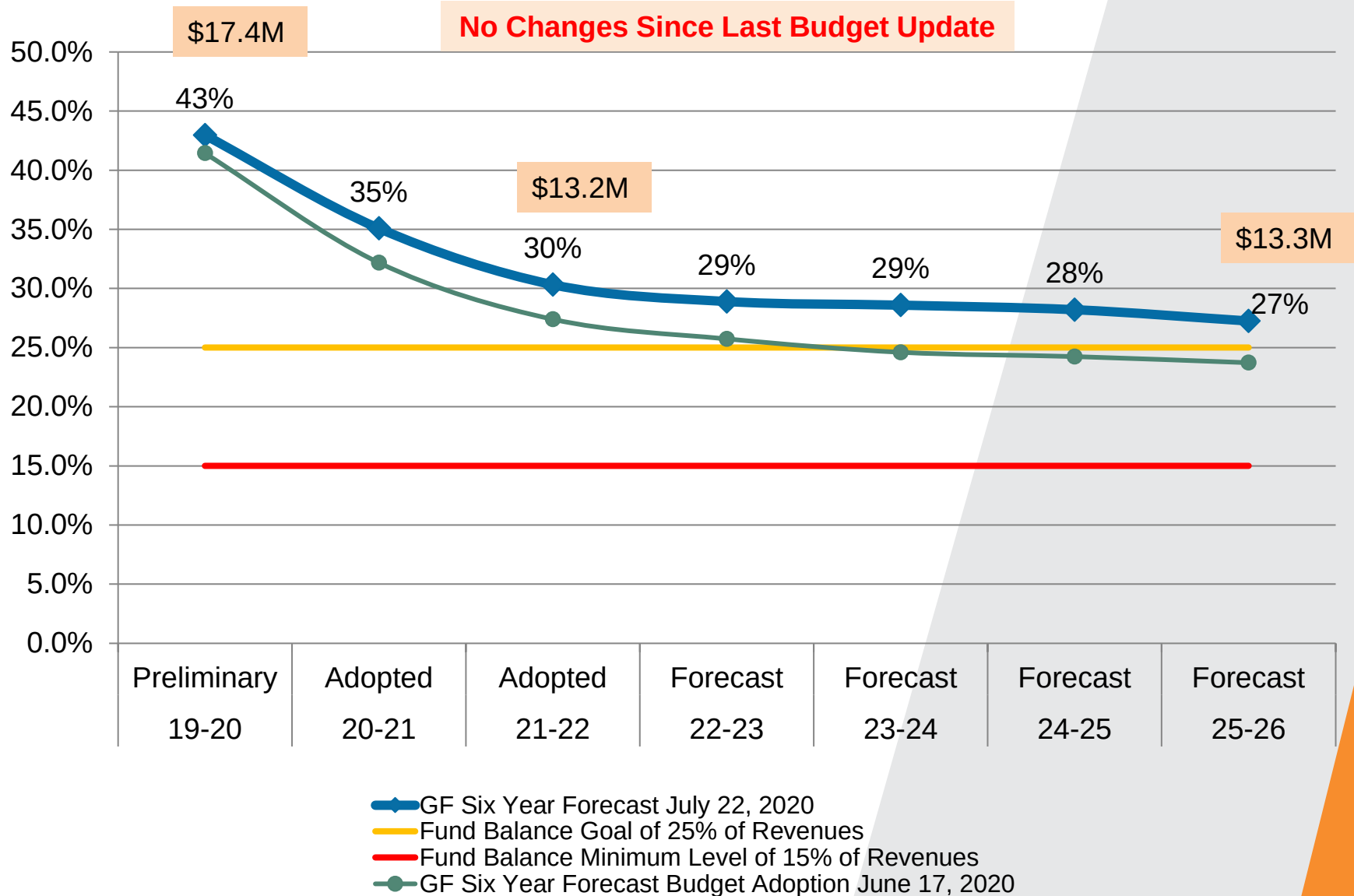
- Gradual opening is taking longer than anticipated
- Project additional \$1 million recreation revenue loss (\$0.5 million net)

Other Tax Revenue



- TOT – Occupancy rate up, but offset by lower average daily rate
- Sales Tax – Meeting with consultant in October

Updated General Fund Forecast



Water Rate Recommendation



- No water rate increases for CY 2021
- Revisit in June 2021

Questions?





City Council Meeting Item #10 Monthly Budget Update



September 16, 2020

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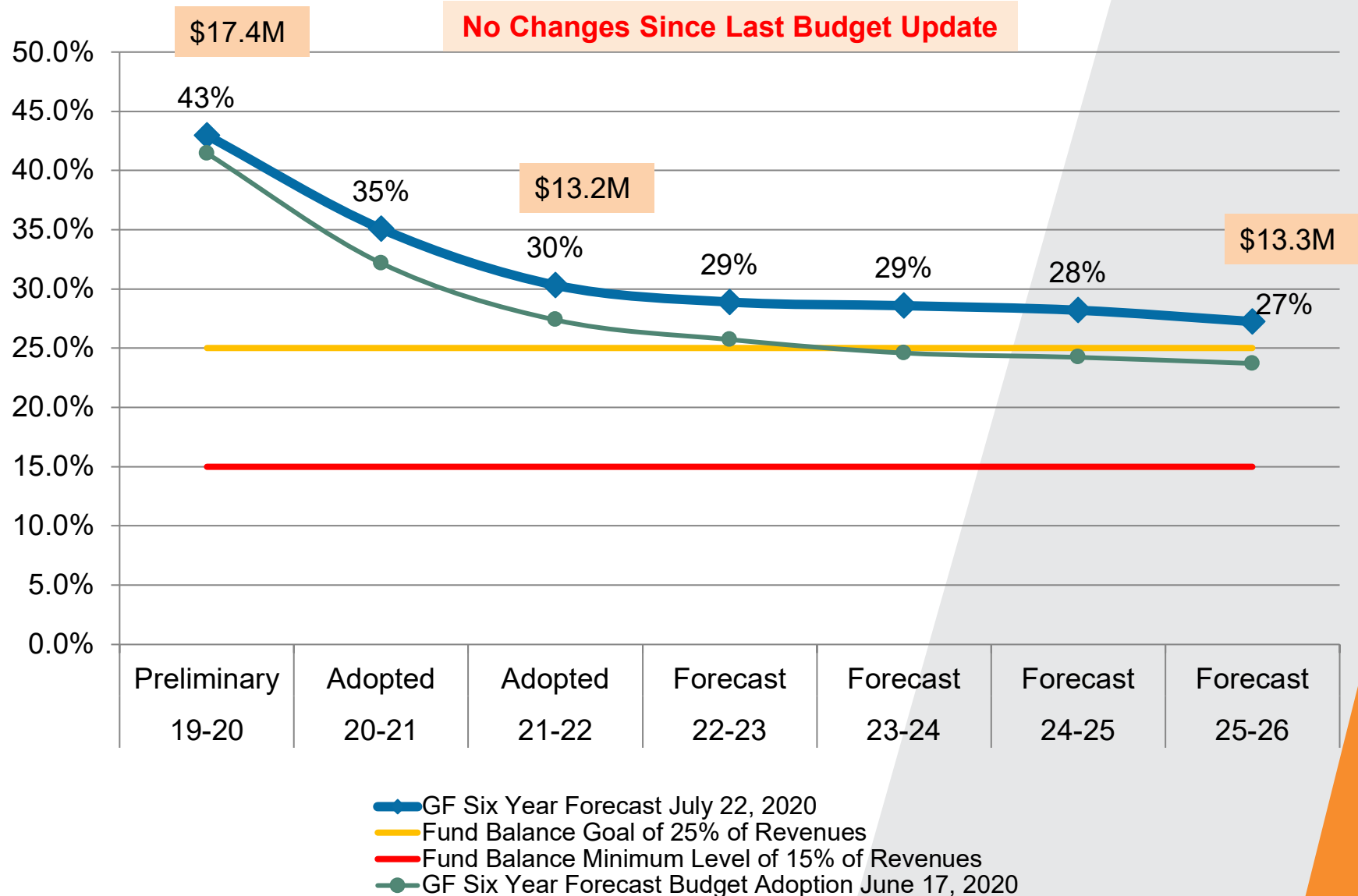
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City Council Meeting Item #09 New Regulatory Fees



September 16, 2020

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REGULATORY FEES FOR WATER
EFFICIENT LANDSCAPING,
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CITY OF MORGAN HILL



Regular Meeting Agenda

City Council

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

Wednesday, September 16, 2020 7:00 p.m.

Virtual Meeting

MEETING GUIDELINES

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. We will address the Order 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. Those members of the public wishing to participate remotely may do so via the electronic meeting at: <https://bit.ly/091620CityCouncilMtg> or by calling in to: (669) 900-9128, then enter the meeting id: 849 7734 2306.

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.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

PRESENTATIONS

YAC PRESENTATION- ASSET # 5- CARING SCHOOL CLIMATE

PROCLAMATIONS

Proclaiming the week of September 17-23 as Constitution Week
Proclaiming the month of September as Firefighter Appreciation Month
Proclaiming the month of September as National Preparedness Month
Proclaiming the month of September as National Hispanic Heritage Month

CITY MANAGER'S REPORT

City Manager Christina Turner

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

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

CONSENT CALENDAR

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

Time Estimate for Consent Calendar: 1 - 10 Minutes

1. ACCEPT ANNUAL REPORTS OF ACTIVITIES BY NONPROFIT PARTNER ORGANIZATIONS

Recommendation:

Accept annual reports from City partner organizations.

2. APPROVE GOVERNMENT CODE SECTION 65915 DENSITY BONUS CONCESSION TO WAIVE A DESIGN AND DEVELOPMENT STANDARD FOR A MARKET RATE HOUSING DEVELOPMENT PROJECT (SD2020-0005 TENNANT-OSITO)

Recommendation:

Adopt resolution approving request pursuant to Government Code Section 65915(b)(1)(A) - Concession to Design and Development Standard 28.b Height and Project Massing of the Residential Development objective standards.

3. ADOPT THE MANAGEMENT, PROFESSIONAL, AND CONFIDENTIAL EMPLOYEES RESOLUTION AND APPROVE PART-TIME TEMPORARY AND SEASONAL, AND ELECTED AND COUNCIL APPOINTED EMPLOYEES SALARY SCHEDULES

Recommendation:

1. Adopt the management, professional, and confidential employees' resolution;
2. Approve part-time temporary, and Seasonal Employees salary schedules; and
3. Approve the elected officials and Council appointed/unrepresented/exempt employees salary schedule.

4. APPROVE SECOND AMENDMENT TO EMERGENCY REPAIR AND MAINTENANCE AGREEMENT WITH SALINAS PUMP

Recommendation:

Approve and authorize the City Manager to execute an amendment for \$115,500 to increase the not to exceed amount to \$658,967, for the current service maintenance agreement with Salinas Pump for on-call routine and emergency repair, maintenance, and rehabilitation of the City's water wells and pump stations.

5. APPROVE THE AUGUST 5, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

6. APPROVE THE AUGUST 19, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

7. APPROVE THE AUGUST 26, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

8. APPROVE HVAC MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a Maintenance Services Agreement to A & B Mechanical, Inc. for \$62,702 for preventative HVAC maintenance for a two-year period plus additional repair costs to be performed on an as-needed basis and pre-approved by City's Maintenance staff; and
2. Authorize the City Manager to execute and administer that certain Maintenance Services Agreement with A & B Mechanical, Inc.

PUBLIC HEARING

9. ADOPT RESOLUTION ESTABLISHING NEW REGULATORY FEES FOR WATER EFFICIENT LANDSCAPING, STORMWATER POLLUTION PREVENTION, AND INCREASING THE ADMINISTRATIVE FEE FOR BACKFLOW PREVENTION

Recommendation:

1. Open/Close public hearing; and
2. Adopt resolution that establishes new regulatory and delinquency fees for water and stormwater programs, and increases the regulatory fee for backflow administration.

Estimated Time: 60 Minutes

OTHER BUSINESS

10. RECEIVE MONTHLY BUDGET UPDATE; JULY 2020 FINANCIAL AND INVESTMENT REPORTS; AND APPROVE NO WATER RATE INCREASES FOR CALENDAR YEAR 2021

Recommendation:

1. Accept and file report; and
2. Approve no water rate increases for calendar year 2021.

Estimated Time: 15 Minutes

11. APPOINT VOTING DELEGATES FOR THE 2020 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE AND APPROVE CITY SUPPORT OF THE LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE RESOLUTION

Recommendation:

1. Appoint a voting delegate and up to two (2) alternate voting delegates to the League of California Cities' Annual Conference;
2. Direct the Clerk team to complete and forward the voting delegate form to the League of California Cities;
3. Confirm "support" position on resolution; and
4. Authorize the City's voting delegate(s) to vote on the resolution to be considered at the League of California Cities (LOCC) annual conference.

Estimated Time: 5 Minutes

FUTURE COUNCIL INITIATED AGENDA ITEMS

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

ADJOURNMENT

NOTICE

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

PUBLIC COMMENT

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

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

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

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

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

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

AMERICANS WITH DISABILITIES ACT (ADA)

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

SUSTAINABLE MORGAN HILL



VISION

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

Choose Morgan Hill

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

City Council Ongoing Priorities

- Enhancing Public Safety
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining 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

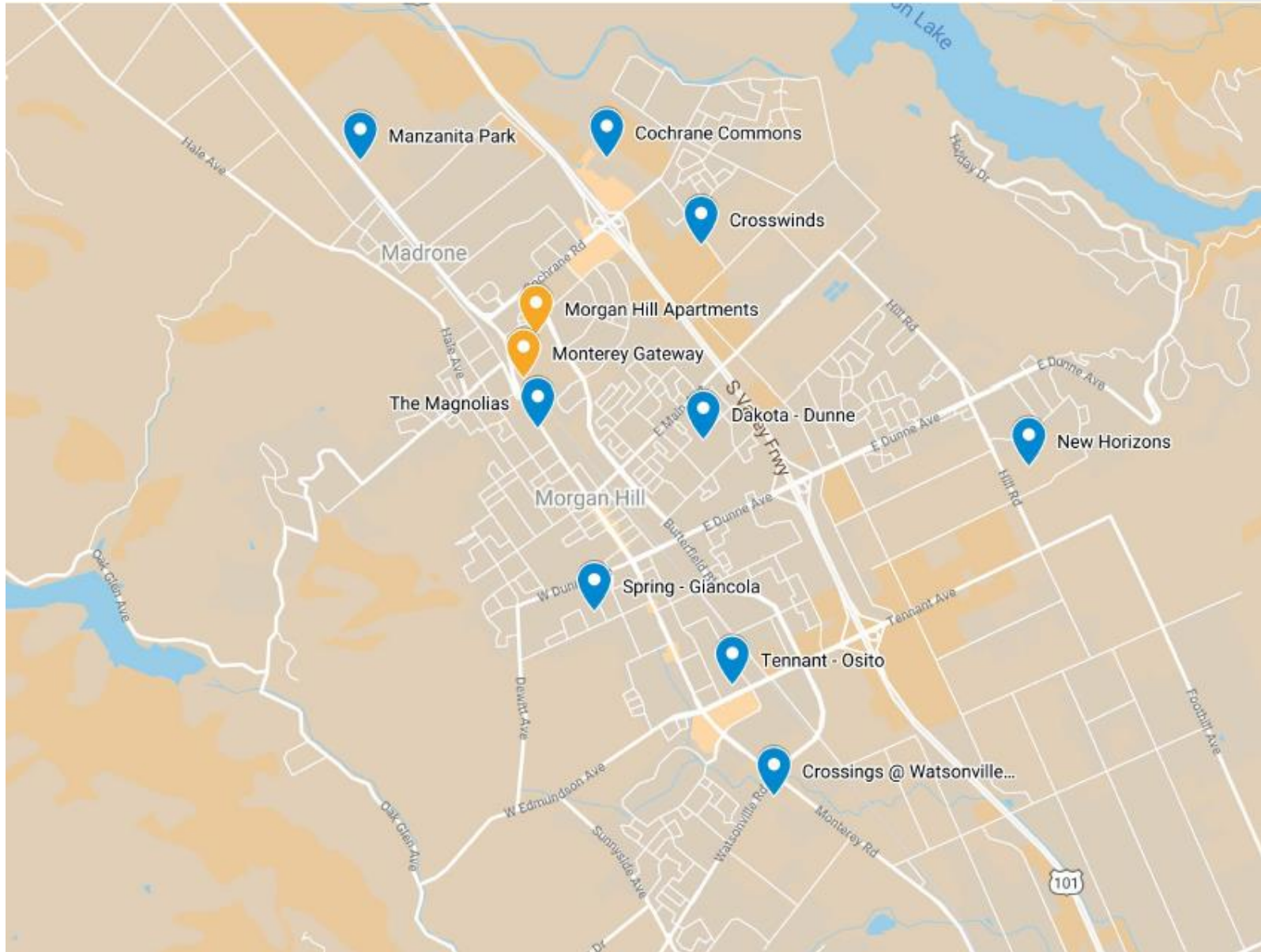
Significant Project Updates



Housing Projects Underway

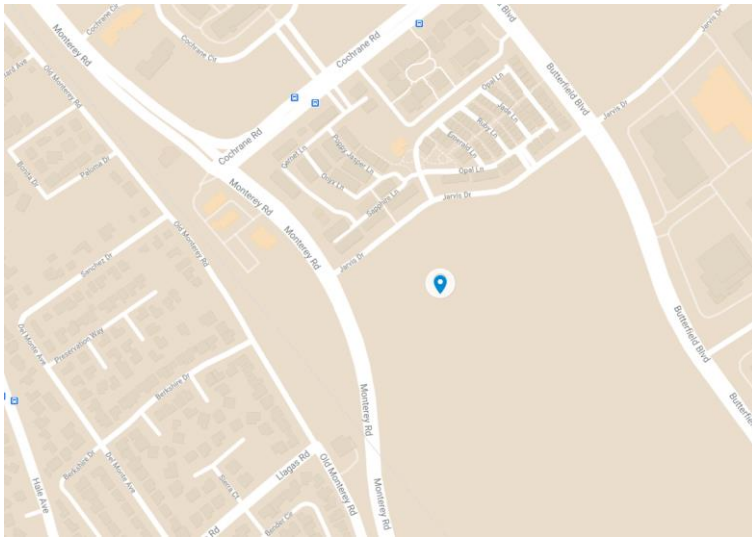


Housing Projects



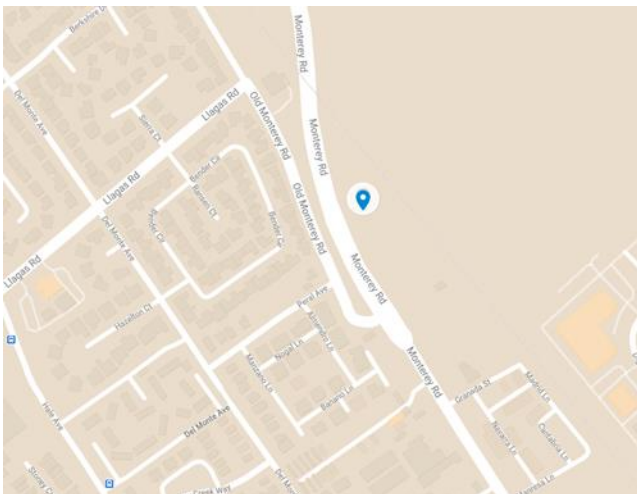
Morgan Hill Apartments (Braddock and Logan)

- 389 Apartments, including 78 very low-income
- Design Permit approved, grading underway
- <http://www.morgan-hill.ca.gov/1959/Morgan-Hill-Apartments>



Monterey Gateway (City Ventures)

- 101 Townhomes
- Design Permit approved
- Building Permits submitted
- <http://www.morgan-hill.ca.gov/1978/Monterey---City-Ventures>

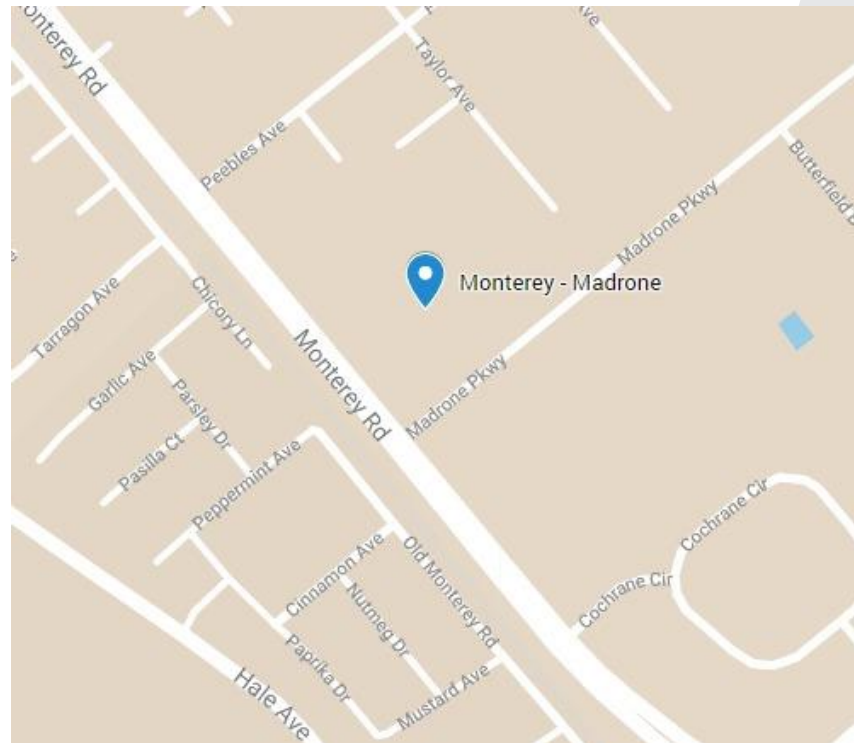


Housing Projects Submitted or Pending



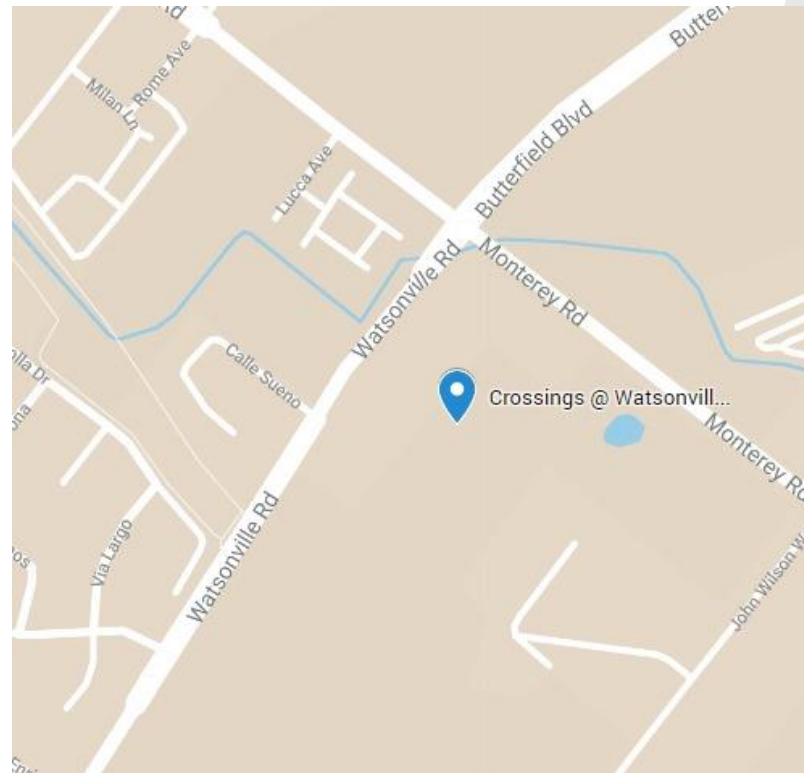
Monterey-Madrone (Jemcor)

- 249 units - 100% Affordable - SB330
- Application Pending



Crossings at Watsonville Road (UHC)

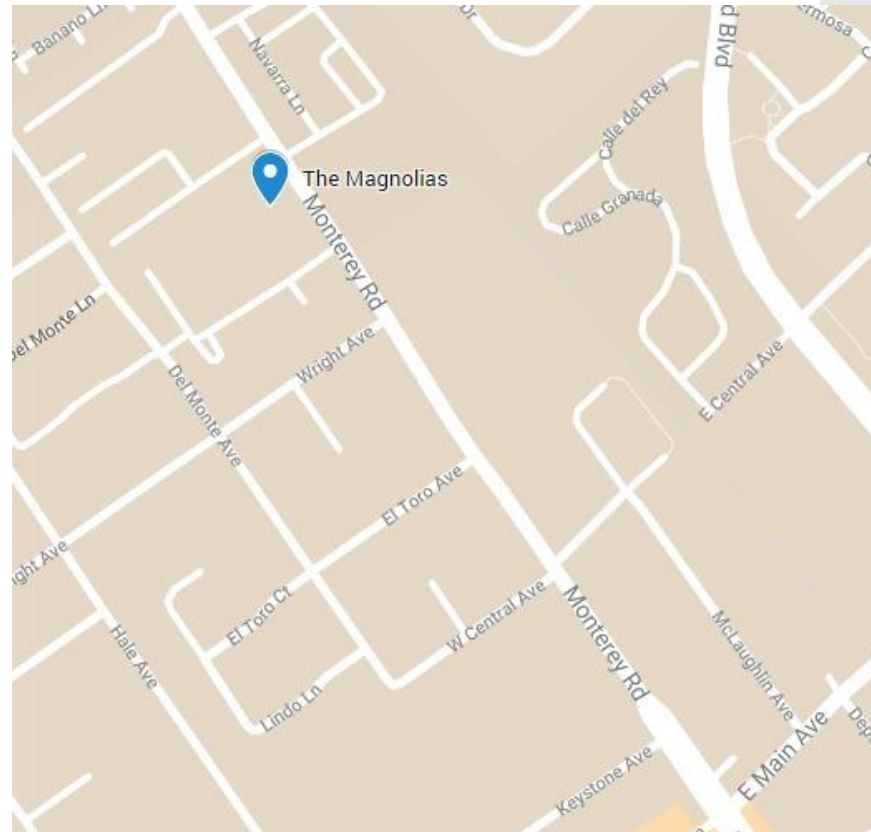
- 73 units - 100% Affordable - SB330
- Application Pending



The Magnolias

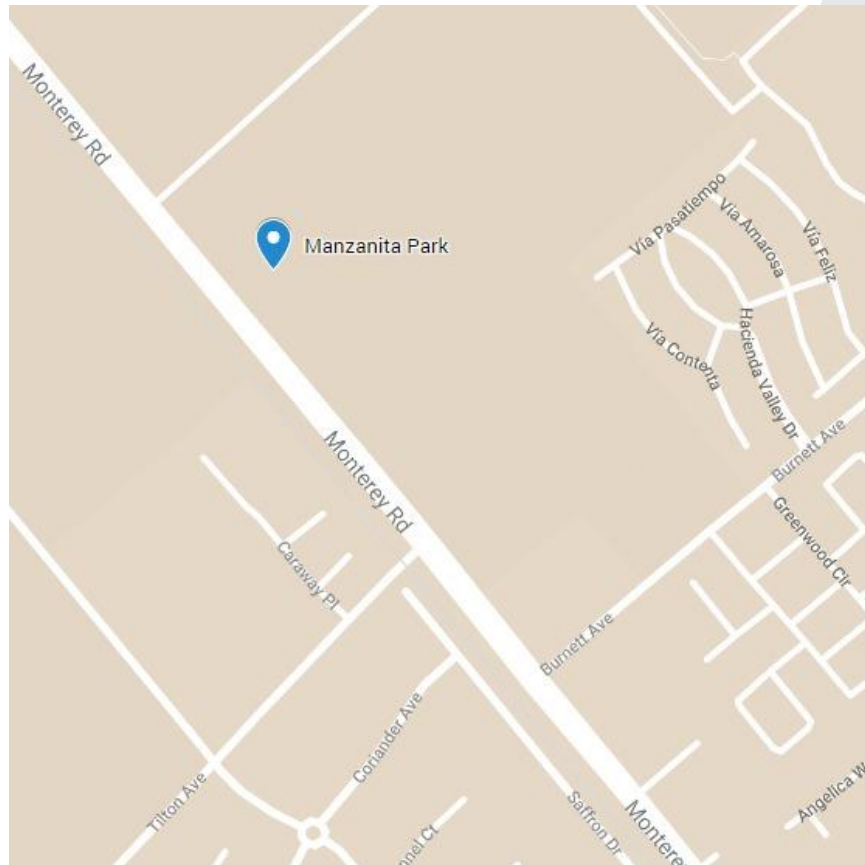
(First Community Housing)

- 66 units - 100% Affordable - SB330
- Application pending



Monterey-Manzanita Park (Dividend)

- 67 units
- Application Pending



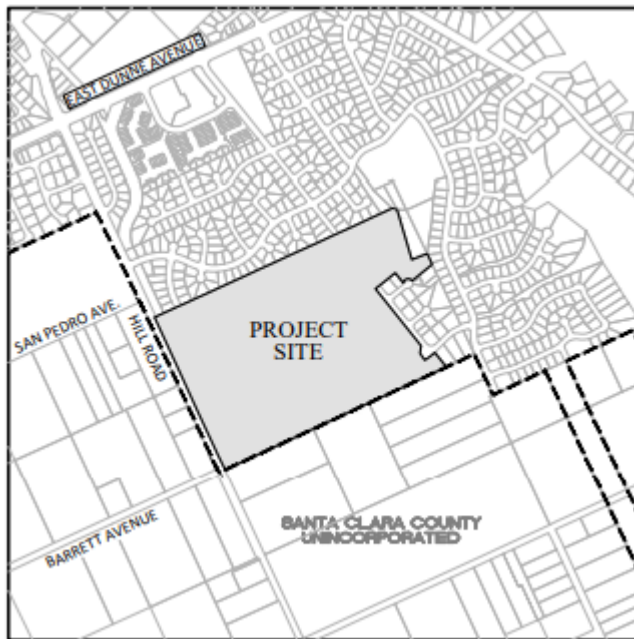
Crosswinds (Dividend)

- 269 units
- Environmental scoping underway
- <http://www.morgan-hill.ca.gov/2042/Half-Dividend-Crosswinds-Residential-Dev>



New Horizons (Morgan Hill Devco)

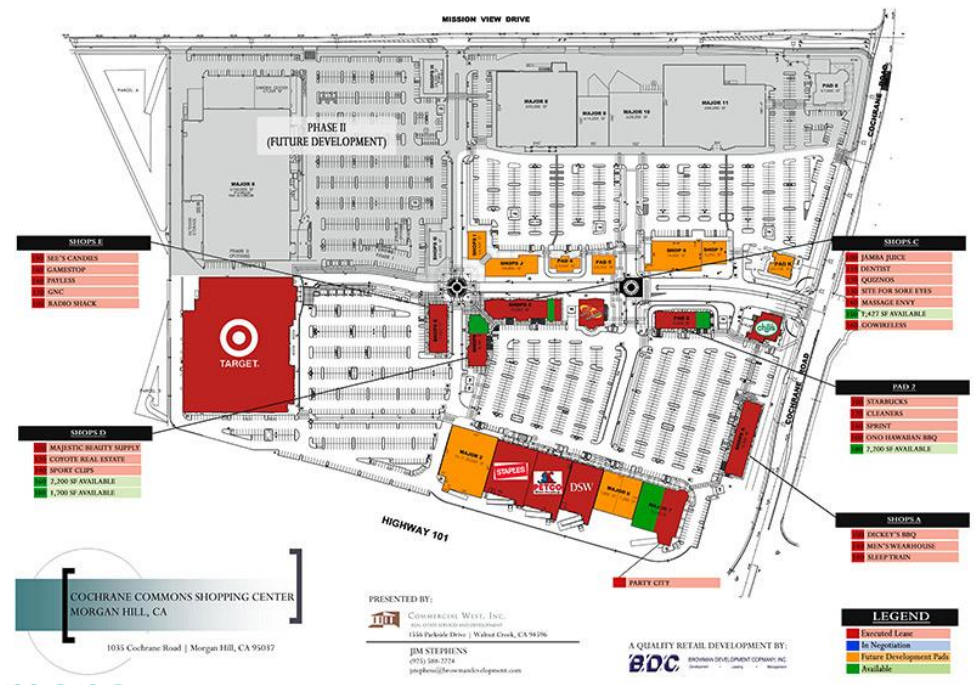
- Proposed General Plan & Zoning amendments
- Environmental scoping underway
- <http://www.morgan-hill.ca.gov/2041/Hill---Morgan-Hill-Devco-LLC>



Cochrane Shopping Center (Browman Development)



- 260 units as part of Planned Development Amendment for Phase 2
- Revised Application pending
- Environmental Review scoping underway



<http://www.morgan-hill.ca.gov/2069/Cochrane-Commons>

Other Housing Projects

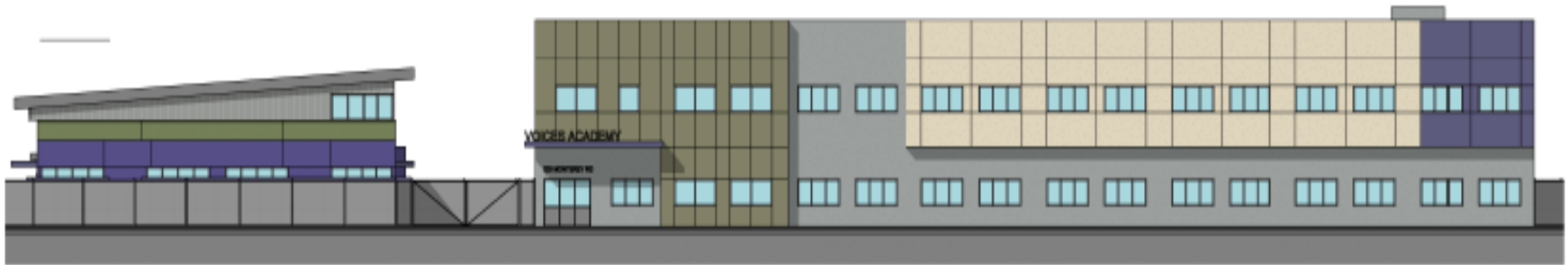
- Spring-Giancola – 23 units
- Application pending
- Tennant-Osito – 16 units
- Application processing
- <http://www.morgan-hill.ca.gov/2066/Tennant-Osito>
- Dakota-Dunne – 4 units
- Application pending

Projects Currently Processing



Voices Charter School

- Approved Conditional Use Permit
- Approved Design Permit
- Modular Construction
- <http://www.morgan-hill.ca.gov/1962/Voices-Charter-School>



DePaul Center

- Remodeling of the DePaul Medical Center is underway
- Planning to be open October 2020



Morgan Hill Technology Park

- 60 acres of Commercial & Industrial
- Zoning & General Plan Amendments
- 1.1M SF of Industrial Development with 3+ acres of commercial
- Final Environmental Impact Report (EIR) underway
- <http://www.morgan-hill.ca.gov/1966/Morgan-Hill-Technology-Park>



Golden State Assembly Expansion



- 40K SF
- Manufacturing, warehouse, and distribution
- Grading completed, finalizing building permits



Butterfield Technology Park

- 600K SF Industrial Park
- Grading underway, Sutter expansion under construction



Techcon

- 40,399 SF R&D, manufacturing and office facility
- Design Permit complete, Building permit processing
- <http://www.morgan-hill.ca.gov/1963/Cochrane-Monument-Land-Co-Techcon>



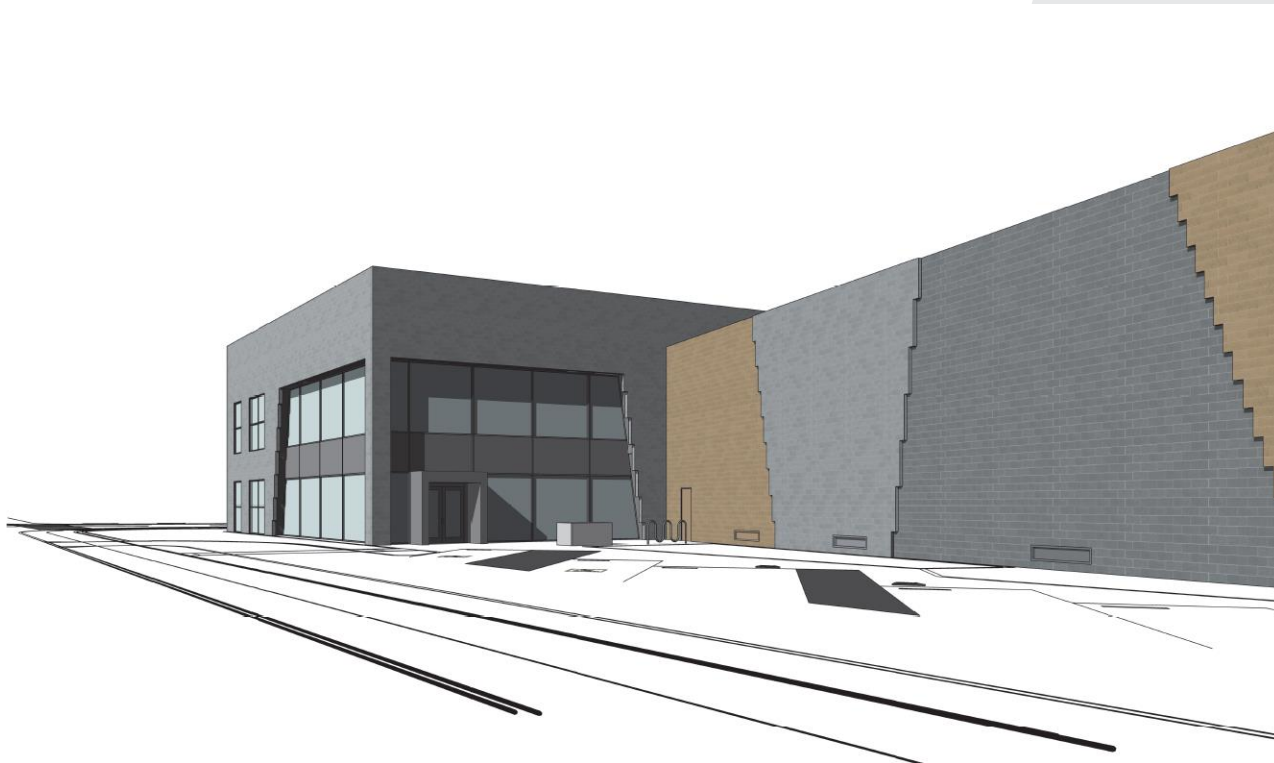
Lillian Commons

- Proposal includes a 55-bed hospital, a 10,000 SF medical office building, a 4,000 SF urgent care facility, 10,000 SF of commercial retail space, open space and trails and approximately 200 multifamily units.
- Planning Commission Review in September
- <http://www.morgan-hill.ca.gov/1961/Lillian-Commons>



Level 10 Construction

- 79K SF Office and Warehouse building
- Approved Design permit
- <http://www.morgan-hill.ca.gov/2055/Railroad-Level-10-Construction>



AU Energy

- 22.4K SF
- 2 Industrial buildings
- Approved Conditional Use Permit
- Design permit nearing completion
- <http://www.morgan-hill.ca.gov/2018/Railroad---Goyal>



Cochrane Commons Shopping Center Phase II

- Re-positioning as “lifestyle” center
(formerly approved for 500,000 retail/multi-screen theater)
- Partially Rezoned in 2014 to Mixed-use Flex
- Planned Development Amendment proposed for new commercial and 260 apartments
- Environmental Review scoping underway



<http://www.morgan-hill.ca.gov/2069/Cochrane-Commons>

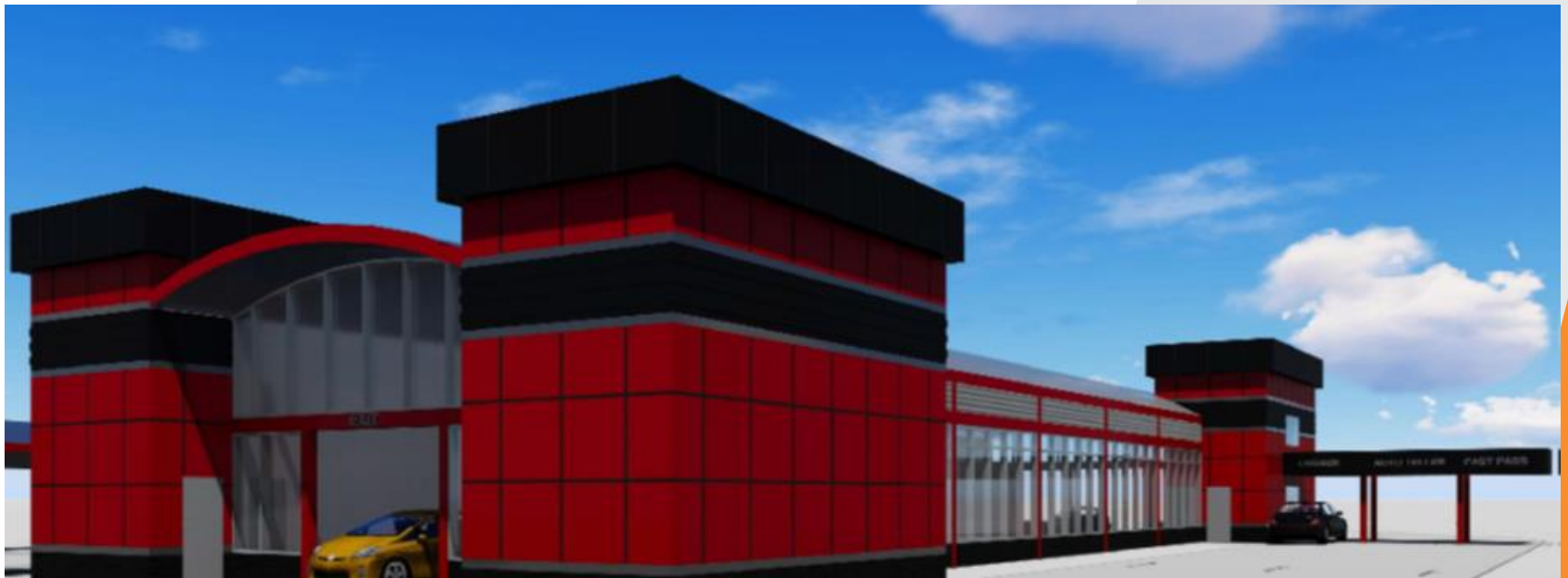
Depot-Latala/The Lumber Yard

- Approved Design permit
- Final street improvement design underway



Zip Thru Car Wash

- Approved Design permit
- Approved Conditional Use Permit
- Building permit processing



Projects Under Construction



Shoe Palace Expansion

- 503K SF
- Headquarters, Office, Warehouse & Distribution
- Shell Construction near completion, landscaping to start
- <http://www.morgan-hill.ca.gov/1960/Shoe-Palace>



Silicon Valley Glass Relocation



- 31K SF new industrial building
- Under construction



Applied Motion Products

- 48K SF
- Office, R&D, Manufacturing and Assembly
- Under construction



Carpenters Training Center Expansion

- 55K SF Training facility
- Under construction



Evergreen Village Shopping Center



- 20-Acre Commercial Development
- Hotel, Gas Station, Retail and Skilled Nursing processing entitlements
- Off site improvements underway
- <http://www.morgan-hill.ca.gov/2068/Evergreen-Village>



Sunsweet Mixed-Use Project

- 83-market rate apartments
- 8K SF of retail
- Construction nearly complete, leasing underway



Granada Hotel and Market Hall



- 60-Room Boutique Hotel, Market Hall, Spa
- Phase I concrete construction complete
- Phase II framing to start construction



Recently Completed Projects



Depot Station Mixed-Use Project



- 29 Housing Units and 8K SF of Retail Condominiums
- Construction complete



Granary Expansion

- 5K SF Retail space
- Construction complete





September

Developmental Asset #5

Caring School Climate

School provides a caring and encouraging environment for all.

How does a caring school environment affect youth?

- ❑ Students will feel as though they are supported throughout their decisions.
- ❑ Students will be brave enough to ask for help/guidance whenever needed.
- ❑ Students will feel encouraged and motivated to pursue their dreams.
- ❑ Students will feel safe and respected.





September

Complementary Asset #40

Positive Views of Personal Future

Young person is optimistic about
his/her personal future.

The Importance of a Caring School Environment to a Community's Youth



- ❑ Youth will understand that they have a support system.
- ❑ Youth will gain the qualities needed to become strong and successful individuals.
- ❑ Youth will feel as though they are not alone.
- ❑ Youth will grow up to be caring citizens with admirable values.



How this relates to our community:



❖ Programs that our schools offer:

- Home and School Club
- After School Clubs
- After School Sports
- Homework Help



❖ Individuals that offer support:

- Teachers
- Coaches
- Counselors
- Club Leaders



Homework Center

How to implement a caring school environment



- Discuss school issues and events at home.
- Volunteer at your children's school.
- Try to get to know your children's teachers.
- Ask youth to make a list of ways to make your school more caring.
- Help youth to feel supported and cared about.





CITY OF MORGAN HILL

Communication: YAC Presentation- Asset # 5- Caring School

Packet Pg. 13

NOTE: these pictures were taken prior to COVID-19

How COVID-19 has affected our schooling:

- Jocelyn Jarquin (Media Ambassador)
- Vaishnavi Muralidharan (Co-Developmental Asset Ambassador)
- Alegria Serrano (Co-Developmental Asset Ambassador)

Questions:

- What were some aspects of your school environment that impacted you and the students you worked with for the better? Why?
- What are a few steps you think can be taken to improve our schools' climate during COVID-19?

