



Special 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, October 21, 2020 5:30 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/10212020CityCouncilMtg> or by calling in to: (669) 900-9128, then enter the meeting id: 835 2176 4154.

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.

SPECIAL MEETING

A Special Meeting of the City Council is called at 5:30 p.m. for the purpose of conducting City business including a closed session.

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2
Deputy City Clerk Michelle Bigelow

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

Conference with Real Property Negotiators (Govt Code § 54956.8)

Property: 19665 B, Hale Avenue, Morgan Hill; APN 764-07-005
Agency Negotiators: Chris Ghione, Christina Turner
Negotiating Parties: Santa Clara Valley Habitat Agency
Under Negotiation: Price and Terms of Payment

RECONVENE

CITY MANAGER'S REPORT

CITY MANAGER'S REPORT SUPPLEMENT

CITY ATTORNEY'S REPORT

PRESENTATIONS

YAC Presentation- Asset #10 - Safety

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. ADOPT RESOLUTION SUPPORTING TELECOMMUTING AND OTHER MEASURES TO REDUCE SINGLE-OCCUPANCY VEHICLE TRIPS

Recommendation:

Adopt resolution supporting expanded telecommuting and other measures to reduce single-occupancy vehicle trips and joining the Bay Area Air Quality Management District's Commute Free Tomorrow Initiative.

2. APPROVE APPLICATION FOR INNOVATIVE TRANSIT GRANT PARTNERSHIP WITH RIDECO, INC.

Recommendation:

Authorize the City Manager to execute a Memorandum of Understanding with RideCo, Inc. for the application and implementation of the Valley Transportation Authority's Innovative Transit Grant.

3. APPROVE STORMWATER BEST-MANAGEMENT-PRACTICES OPERATION AND MAINTENANCE AGREEMENT FOR THE WHITTAKER RESIDENCE AT 2295 ROLLING HILLS DRIVE

Recommendation:

1. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement with Gary Whittaker and Wanda Whittaker (property owners) pending review and approval by the City Attorney; and
2. Authorize the recordation of the Agreement.

4. APPROVE PETITION TO CANCEL WILLIAMSON ACT CONTRACT FOR PROPERTY IDENTIFIED BY ASSESSOR PARCEL NUMBER 726-09-002 (WA2017-0001: DIANA-GROSSWEILER)

Recommendation:

Adopt resolution approving the cancellation of the Williamson Act Contract.

5. APPROVE RESOLUTION AUTHORIZING GRANT APPLICATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT-RELATED AGREEMENTS AND DOCUMENTS

Recommendation:

Adopt resolution approving the following actions:

1. Authorizing staff to prepare and submit a Statewide Park Development and Community Revitalization Program Grant Application to the State of California Department of Parks and Recreation for an amount not to exceed \$8,500,000 for the development of the proposed park at Butterfield Boulevard and Monterey Road; and
2. Authorizing the City Manager to negotiate and execute the Statewide Park Development and Community Revitalization Program Grant agreement and other documents, reports, forms, and agreements related to the performance of the identified project.

6. APPROVE PURCHASE OF A POLICE SERGEANT VEHICLE

Recommendation:

1. Approve the purchase of new Police Sergeant Chevrolet Tahoe and associated build-out equipment not to exceed the amount of \$84,641.87, which includes a 10% contingency of \$7,694.72;
2. Approve repurposing of the existing Police Chevrolet Tahoe #141; and
3. Authorize the City Manager to approve the purchase order with Priority 1 Public Safety Equipment Installation, Inc.

7. APPROVE MILLER SPATIAL SERVICES, LLC CONSULTANT AGREEMENT

Recommendation:

1. Authorize the City Manager to execute a consultant agreement with Miller Spatial Services, LLC for the installation and implementation of the Cityworks and SeeClickFix software system for the amount of \$231,810 for the purchase and installation of a Service Request Management (SRM), Asset Management and Customer Relationship Management (CRM) software solution for the Maintenance and Utility Departments; and
2. Authorize the City Manager to execute any associated license agreements for system components upon approval by the City Attorney.

8. APPROVE STATE OF CALIFORNIA, OFFICE OF EMERGENCY SERVICES' UNIVERSAL RESOLUTION DESIGNATING APPLICANT'S AGENT FOR DISASTER ASSISTANCE

Recommendation:

1. Designate City Manager, Finance Director, or Assistant to the City Manager to submit for Disaster Assistance to the State of California, Office of Emergency Services, for the purpose of obtaining certain federal financial assistance; and
2. Direct the City Clerk to certify the Designation of Applicant's Agency Resolution to the State of California, Office of Emergency Services.

9. APPROVE THE SEPTEMBER 16, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

10. APPROVE THE SEPTEMBER 23, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

11. AWARD TREE MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a Maintenance Services Agreement to A Plus Tree, Inc. for up to \$600,000 (\$300,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

12. AWARD ENGINEERED WOOD FIBER AND MULCH MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a maintenance services agreement to JET Mulch, Inc. for up to \$80,000 (approximately \$40,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

13. DECLARE SURPLUS AND APPROVE AUCTION OF TWO BUILDING DIVISION VEHICLES

Recommendation:

1. Declare two vehicles to be surplus; and
2. Authorize the purchasing officer to dispose of the vehicles in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

OTHER BUSINESS

14. ACCEPT DONATION FROM MORGAN HILL COMMUNITY FOUNDATION FOR ANIMAL SERVICES

Recommendation:

Adopt resolution:

1. Accepting a donation from the Morgan Hill Community Foundation (MHCF) in the amount of \$31,509 for reimbursement of expenditures associated with the Santa Clara County Animal Shelter Agreement; and
2. Amending the adopted Fiscal Year (FY) 2020-21 budget in the General Fund (010) to recognize the MHCF donation as revenue, and appropriate \$31,509 in the Police Department budget for associated expenditures.

Estimated Time: 15 Minutes

15. RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2020 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Accept and file report.

Estimated Time: 15 Minutes

16. NON-PROFIT FUNDING AND ORGANIZATION INCLUSIVENESS

Recommendation:

1. Receive information on organizational inclusiveness for organizations receiving City funding; and
2. Provide direction for future policy work as desired.

Estimated Time: 45 Minutes

PUBLIC HEARING (TIME CERTAIN - TO BE HEARD NO EARLIER THAN 7:00 PM)

17. ADOPT ORDINANCE AMENDING THE ZONING CODE TO PROHIBIT HEAVY DISTRIBUTION AND PARCEL SORTING USES, AMEND PROVISIONS RELATED TO LOCAL DELIVERY SERVICES AND CLARIFY THE DEFINITION OF SIGNIFICANT PROJECTS SUBJECT TO DESIGN REVIEW

Recommendation:

1. Open/close the public hearing;
2. Waive the first and second reading of the ordinance; and
3. Introduce the ordinance.

Estimated Time: 90 Minutes

OTHER BUSINESS

18. RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

Recommendation:

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightening Complex fire.

Estimated Time: 30 Minutes

19. FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

Recommendation:

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

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



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

September 16, 2020

Mayor Sam Liccardo
Dave Sykes, City Manager
City of San José
200 E. Santa Clara Street
San José, CA 95113

Dear Mayor Liccardo and Mr. Sykes,

The amount of illegal dumping and trash piling up along the Monterey Road corridor between San José and Morgan Hill is a concern for us. I am sure you are also receiving complaints on the corridor and we would like to collaborate with you to address this situation. As you know this is one of the main gateways between our communities and needs attention.

We understand there are competing priorities for all agencies involved, but I am writing to request action from Union Pacific Railroad and the City of San José.

We have recently heard that this section of Monterey Road will be rehabilitated soon and we are very appreciative of that.

Please contact me about a good time to discuss solutions either by e-mail at rich.constantine@morganhill.ca.gov or by phone 408-313-3305. I look forward to hearing from you.

Best Regards,



Rich Constantine
Mayor

Cc: Sergio Jimenez, City of San José Councilmember, District 2
Christina Turner, City of Morgan Hill City Manager

From: [Ortbal, Jim](#)
To: [Christina Turner](#); [Sykes, Dave](#)
Cc: [Wilcox, Leland](#); [Scott, Rick](#); [Williams, Olympia](#)
Subject: RE: Monterey Road
Date: Tuesday, September 22, 2020 7:28:28 AM

Christina:

Please see the email below ... it describes the joint UPRR and City of San Jose Clean Up effort along the UPRR tracks and Monterey Rd.

Jim Ortbal
Deputy City Manager
City of San Jose

From: Ortbal, Jim
Sent: Monday, September 21, 2020 11:32 AM
To: Liccardo, Sam <sam.liccardo@sanjoseca.gov>; Jones, Chappie <Chappie.Jones@sanjoseca.gov>; Jimenez, Sergio <sergio.jimenez@sanjoseca.gov>; Peralez, Raul <Raul.Peralez@sanjoseca.gov>; Diep, Lan <lan.diep@sanjoseca.gov>; Carrasco, Magdalena <Magdalena.Carrasco@sanjoseca.gov>; Davis, Dev <dev.davis@sanjoseca.gov>; Esparza, Maya <Maya.Esparza@sanjoseca.gov>; Arenas, Sylvia <sylvia.arenas@sanjoseca.gov>; Foley, Pam <Pam.Foley@sanjoseca.gov>; Khamis, Johnny <johnny.khamis@sanjoseca.gov>
Cc: Sykes, Dave <Dave.Sykes@sanjoseca.gov>; Maguire, Jennifer <jennifer.maguire@sanjoseca.gov>; Rios, Angel <Angel.Rios@sanjoseca.gov>; Harkness, Kip <Kip.Harkness@sanjoseca.gov>; Wilcox, Leland <Leland.Wilcox@sanjoseca.gov>; Cicirelli, Jon <Jon.Cicirelli@sanjoseca.gov>; Scott, Rick <rick.scott@sanjoseca.gov>; Williams, Olympia <Olympia.Williams@sanjoseca.gov>; Pereira, Paul <Paul.Pereira@sanjoseca.gov>; Davis, Rachel <Rachel.Davis@sanjoseca.gov>; Camarena, Carolina <Carolina.Camarena@sanjoseca.gov>; Chapman, Helen <helen.chapman@sanjoseca.gov>
Subject: Union Pacific Railroad and Monterey Rd Clean Up in South San Jose

Mayor Liccardo and Members of the City Council:

On Monday, September 21, 2020, the Union Pacific Railroad (UPRR) and City of San Jose collectively initiated a major clean up in south San Jose along the Union Pacific Railroad tracks, adjacent City right of way on the westside of Monterey Rd, and other adjoining properties. This email provides the general scope and timeline of the clean up activities.

Location

Most of the clean up work will be occurring in the area north of Bailey Ave in far south San Jose, more specifically just north of Emado Ave and South of Padua Lumber Co. on the westside of Monterey Rd, on property owned in various segments by UPRR, the City of San Jose, the Santa Clara Valley Open Space Authority, and the lumber company.

Clean Up Activities

Communication: City Manager's Report Supplement (CITY MANAGER'S REPORT)

The clean up will include the removal and disposal of over 20 vehicles, sorting, separation, and removal of various types of hazardous and bio-waste, removal and disposal of very large amounts of illegally dumped trash, disposal of trash associated with encamped residents, and the removal of the encampments.

City staff have been coordinating and working with the UPRR over a period of months to schedule and collaborate on cleanups along the entire UPRR right of way through the City of San Jose from north to south. Given the size of this particular clean up site, significant planning and mobilizing of equipment, crews, and materials to safely complete the effort has been undertaken by the City and UPRR jointly. Since the beginning of September, staff outreached to the encampment residents at this particular site to provide assistance and guidance regarding potential shelter options and to help them prepare for the scheduled clean up.

City staff is also exploring long-term mitigating measures to prevent a similar situation in the future.

Monterey Rd will remain open for the duration of the work, although lane closures to protect the safety of workers may cause traffic delays.

Duration of Clean Up

-

Given the volume of clean up work required, the effort is expected to take up to about 10 days.

Jim Ortbal
Deputy City Manager
City of San Jose

From: Christina Turner [mailto:Christina.Turner@morganhill.ca.gov]
Sent: Monday, September 21, 2020 8:44 PM
To: Sykes, Dave <Dave.Sykes@sanjoseca.gov>
Cc: Wilcox, Leland <Leland.Wilcox@sanjoseca.gov>; Ortbal, Jim <Jim.Ortbal@sanjoseca.gov>
Subject: RE: Monterey Road

[External Email]

Thank you!

From: Sykes, Dave <Dave.Sykes@sanjoseca.gov>
Sent: Monday, September 21, 2020 9:58 AM
To: Christina Turner <Christina.Turner@morganhill.ca.gov>

Cc: Wilcox, Leland <Leland.Wilcox@sanjoseca.gov>; Ortbal, Jim <Jim.Ortbal@sanjoseca.gov>
Subject: RE: Monterey Road

Hi Christina, thanks for the letter. This area is a major concern for us as well, we will be following up.

David Sykes
City Manager
City of San José
408-535-8111

From: Christina Turner <Christina.Turner@morganhill.ca.gov>
Sent: Wednesday, September 16, 2020 3:42 PM
To: The Office of Mayor Sam Liccardo <TheOfficeofMayorSamLiccardo@sanjoseca.gov>; Sykes, Dave <Dave.Sykes@sanjoseca.gov>
Cc: Rich Constantine <Rich.Constantine@morganhill.ca.gov>; Jimenez, Sergio <sergio.jimenez@sanjoseca.gov>
Subject: Monterey Road

[External Email]

Good Afternoon – on behalf of Mayor Constantine, please find attached a letter regarding Monterey Road.

Best regards,
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
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From: [Jimenez, Sergio](#)
To: [Christina Turner](#); [The Office of Mayor Sam Liccardo](#); [Sykes, Dave](#)
Cc: [Rich Constantine](#)
Subject: Re: Monterey Road
Date: Wednesday, September 16, 2020 10:37:54 PM

Mayor Constantine and City Manager Turner,

Thank you for sharing your concerns and your offer to partner in improving Monterey Road. This gateway/connection between our two cities has for far too long lacked the necessary attention and care. I want to ensure you that improving the conditions along this roadway is a priority of mine.

I expect that the recent announcement of our interest in investing more heavily in cleaning our city will provided some much needed relief to Monterey Road as it continues to be a prime hotspot for dumping in our city.

As I continue to bring a focus to this part of our city, I'll make certain to keep you both informed about opportunities for collaboration.

In community,

Sergio

Get [Outlook for iOS](#)

From: Christina Turner <Christina.Turner@morganhill.ca.gov>
Sent: Wednesday, September 16, 2020 3:42 PM
To: The Office of Mayor Sam Liccardo; Sykes, Dave
Cc: Rich Constantine; Jimenez, Sergio
Subject: Monterey Road

[External Email]

Good Afternoon – on behalf of Mayor Constantine, please find attached a letter regarding Monterey Road.

Best regards,
Christina

CITY OF MORGAN HILL

Christina J. Turner, CPA

Communication: City Manager's Report Supplement (CITY MANAGER'S REPORT)

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

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CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Michelle Bigelow, Deputy City Clerk
APPROVED BY: City Manager

ADOPT RESOLUTION SUPPORTING TELECOMMUTING AND OTHER MEASURES TO REDUCE SINGLE-OCCUPANCY VEHICLE TRIPS

RECOMMENDATION(S)

Adopt resolution supporting expanded telecommuting and other measures to reduce single-occupancy vehicle trips and joining the Bay Area Air Quality Management District's Commute Free Tomorrow Initiative.

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
Advancing Regional Initiatives

2020-2021 Strategic Priorities

Transportation

REPORT NARRATIVE:

The purpose of this report is for City Council to consider adopting a resolution supporting expanded telecommuting and other measures to reduce single-occupancy vehicle trips and joining the Bay Area Air Quality Management District's Commute Free Tomorrow Initiative (Attachment 1).

Transportation is the largest source of greenhouse gas (GHG) emissions in Santa Clara County. Nearly 87 percent of transportation emissions are from passenger vehicles, making this the single largest contributor to climate change in the area. In addition, emissions from on-road transportation include pollutants that adversely affect the health of residents and increase the risk of premature death.

Reducing single-occupancy vehicle (SOV) trips is critical to addressing climate change, reducing air pollution, and can also lower transportation costs for households. Increasing the use of telecommuting and providing safe, affordable, and convenient alternatives to vehicle travel for those who cannot telecommute provides economic and

health benefits for the entire Bay Area region.

The City has developed programs and policies to reduce SOV trips by City employees. On the City side this includes a van pool for our employees in our Maintenance and Utilities Divisions as well as alternative work schedules, which require employees to drive to work fewer days per week. The City's Economic Development Blueprint prioritizes job growth to strive for balance between housing and jobs in the private sector.

On March 16, 2020, the County of Santa Clara issued an initial public health shelter-in-place (SIP) order in response to the spread of the COVID-19 virus. This order required non-essential businesses to cease most operations, except for those activities that could be performed by employees working from home. This order was issued in coordination with six other public health officers in the region and has been modified and extended through the current time. As a result, the City and many other employers in Morgan Hill significantly increased the number of employees telecommuting. This has had a range of benefits, as discussed below.

In an effort to extend these benefits when the economy begins to more fully reopen throughout and beyond the COVID-19 recovery phases, the Mayor has been participating in the Commute Free Tomorrow working group convened by the County of Santa Clara. This group includes other local mayors, the Bay Area Air Quality Management District (BAAQMD), the Valley Transportation Authority, and other stakeholders and encourages continued telecommuting and promoting the use of public transit and other alternative modes of transportation to achieve sustained reductions in SOV travel.

The COVID-19 pandemic led to a sudden shift in transportation patterns in the Bay Area. The County's initial SIP order required any ongoing work at non-essential businesses not defined as "Minimum Basic Operations" to be performed by employees working from their place of residence as possible. As a result, some businesses temporarily ceased operations, and others rapidly transitioned their employees to remote work. Many large employers in the Bay Area have announced they will allow their employees to work remotely through at least the end of 2020 and, in some cases, permanently.

BAAQMD estimates that the SIP order has led to a 50 to 85 percent reduction in vehicle traffic in the Bay Area. This dramatic shift in transportation patterns has reduced both air pollution and GHG emissions. BAAQMD estimates that carbon dioxide emissions are down 20 percent to 30 percent, fine particulate matter (PM2.5) pollution is down 15 percent to 25 percent, and oxides of nitrogen emissions are down 30 percent to 45 percent. Expanding the long-term use of telecommuting can help maintain some of these benefits while supporting businesses as they reopen. Additionally, since many employees cannot work remotely, it is important to support safe, affordable, and convenient transportation options to ensure those commuters have alternatives to driving.

In response to the County's SIP order, the City took action to temporarily allow as many employees as possible to work remotely, resulting in approximately 50 employees telecommuting all or some of the time. These actions include: clarifying safe work-at-home procedures; providing hardware, software, and system needs to support remote work; developing new service delivery models for working with customers, providing services, and performing job functions online; and developing new processes for internal communication and collaboration. While the City's transition to telecommuting has been successful in maintaining operations to a large degree, there have been challenges associated with full-time remote work. Reliance on technology and a lack of physical proximity can make team building, real-time problem solving, informal status check-ins, and social connections more difficult.

While there are many essential City services and functions that must be performed onsite, the current expectation is that telecommuting will be maximized to the fullest extent possible through the end of December. The reopening of City facilities to the public and the return of City employees to work on-site will depend on County orders regarding allowed activities, required safety protocols, and the City's readiness to provide broader access to City facilities and services in a manner that protects the health and safety of City employees and the public. During the next several months, staff will assess the benefits and challenges associated with telecommuting and adjust the Telecommuting Program to encourage continued use of remote work as more normal City operations resume.

Regional Collaboration

Due to the regional SIP orders from public health officials, many cities are in the process of revising their internal telecommuting policies and examining ways to support broader use of remote work in the community. The City of Morgan Hill is no exception and continues to look for opportunities to collaborate with regional partners in this area.

As part of their current "Spare the Air" campaign, BAAQMD is developing a program to encourage broader use of remote work and support employers in safely reopening and resuming operations. This program, which BAAQMD launched in July 2020, includes a pledge committing employers to adopt a policy that extends remote work options by at least 25 percent as a component of their organization's reopening plan. A draft version of this "Spare the Air Cut the Commute Pledge" is included as Attachment 2. The City can utilize its existing business connections, the City's Economic Development outreach and programs, and the Chamber of Commerce, to promote this pledge and support expanded telecommuting among Morgan Hill businesses.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the City Council's consideration to adopt a resolution to support expanded telecommuting and other measures to reduce single-occupancy vehicle trips and joining the Bay Area Air Quality Management District's Commute Free Tomorrow Initiative.

ALTERNATIVE ACTIONS:

- Propose modifications to the proposed resolution.
- Do not adopt the proposed resolution.
- Provide other direction.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact to adopting this resolution. The City may choose to develop additional measures to support telecommuting in the future that may have associated costs, which can be considered by the City Council at the time such measures are presented for approval.

CEQA (California Environmental Quality Act):

Not a Project. This is an administrative activity of the government that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. BAAQMD Reso 10-21-20
2. BAAQMD Spare the Air Cut the Commute Pledge

RESOLUTION NO. 20-XXX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL SUPPORTING EXPANDED TELE-COMMUTING AND OTHER MEASURES TO REDUCE SINGLE-OCCUPANCY VEHICLE TRIPS AND JOINING THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT'S COMMUTE FREE TOMORROW INITIATIVE**

WHEREAS, climate change and air pollution, caused by the emission of carbon dioxide (CO₂), oxides of nitrogen (NO_x) and fine particulates from automobiles with combustion engines, represents a profound threat to the Bay Area's air quality, public health, environment, and economy;

WHEREAS, NO_x is a noxious gas that has been linked to respiratory problems and other health conditions and also reacts with other chemicals in the atmosphere to form fine particulate pollution, and fine particulate matter;

WHEREAS, the Environmental Protection Agency estimates the average gasoline passenger vehicle emits .89 of a pound of CO₂ per mile;

WHEREAS, about 1 in 12 workers in the Bay Area are super commuters and drive more than 90 minutes each way to and from work;

WHEREAS, the average Bay Area household spends \$13,350 a year on transportation;

WHEREAS, the California Highway Patrol reported 197,146 fatal and injury traffic crashes statewide in 2017;

WHEREAS, the COVID-19 shelter-in-place orders issued to protect the public from the spread of COVID-19 necessitated a shift in how Bay Area employers operate, and many employees quickly made the adjustment to remote work;

WHEREAS, the Bay Area Air Quality Management District estimated that the COVID-19 shelter-in-place orders resulted in a decrease of an estimated 70% of Bay Area vehicle miles traveled in the first three months, which resulted in estimated reductions in total emissions of 15% for fine particulates, 30% for NO_x and 20% for CO₂;

WHEREAS, the Commuter Benefits Program is mandatory for all employers in the Bay Area with 50 or more full-time employees, per Senate Bill 1128, and remote work qualifies to meet the program requirements;

WHEREAS, the option to work from home or another off-site location is critical to reducing single occupancy vehicle trips;

WHEREAS, there will be employees post COVID-19 who will not be able to work remotely, but could use public transportation if applicable options are available;

WHEREAS, the increase of the use of public transportation reduces the number of single occupant vehicle trips;

WHEREAS, people are more inclined to use public transportation if it is faster than driving in a single occupancy vehicle and cities and counties can increase the speed of public transportation through land use decisions;

WHEREAS, the increase in bike lanes and other land use decisions, such as the inclusion of complete streets, increases safety and the perception of safety thereby increasing the number of people who will use bicycles to meet their transportation needs;

WHEREAS, the increase in bicycle and pedestrian travel has been shown to provide population-level health benefits and reduced health care costs;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morgan Hill strongly supports the goal of reducing single occupancy vehicle trips in the Bay Area, and supports the implementation of policies that will increase options, incentives and abilities for employees to use public transit and other alternative modes of transit.

BE IT FURTHER RESOLVED that the City Council of the City of Morgan Hill hereby gives direction to staff to develop an analysis and recommendations related to increasing the number of employees who are able to work remotely.

BE IT FURTHER RESOLVED that the City Council of the City of Morgan Hill also strongly supports advocating for measures that increase public funding for public transit in order to compensate for reduction in fare box revenue due to employees working remotely and to ensure that public transportation is available for those who cannot afford private transportation and those who prefer public transportation.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 21st day of October 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 the meeting held on October 21, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: BAAQMD Reso 10-21-20 [Revision 3] (2872 : BAAQMG Resolution)

SPARE THE AIR CUT THE COMMUTE PLEDGE

The shelter-in-place orders issued to protect the public from the spread of COVID-19 necessitated a major shift in how Bay Area employers operate, and many employees quickly made the adjustment to remote work.

As shelter-in-place orders are eased or lifted, let's rethink how we conduct business and consider the substantial benefits remote work can bring to us all:

- Cleaner air and reduced climate impacts
- Reduces traffic congestion
- Saves money and time spent in traffic
- Improves employee recruitment, retention and productivity
- Saves money on commercial real estate and parking facilities
- Enhanced employee work-life balance
- Resiliency—Provides a blueprint to continue business during a crisis

The benefits of remote work are numerous. All that is needed now is leadership, vision and commitment.

Are you ready to step forward and adopt an innovative remote work policy after the shelter-in-place? By signing this pledge, your company or organization commits to extending remote work options by at least 25% (or 1-2 days a week) for employees whose work requirements allow for that flexibility, though you can pledge more!

Help improve air quality and quality of life for all Bay Area residents!

Name (first/last)

Title

Company

City

Signature

Date



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

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

APPROVE APPLICATION FOR INNOVATIVE TRANSIT GRANT PARTNERSHIP WITH RIDE CO, INC.

RECOMMENDATION(S)

Authorize the City Manager to execute a Memorandum of Understanding with RideCo, Inc. for the application and implementation of the Valley Transportation Authority's Innovative Transit Grant.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community

2020-2021 Strategic Priorities

Transportation

GUIDING DOCUMENTS

Morgan Hill 2035 General Plan

POLICY CONSIDERATIONS:

Transportation continues to be a priority for the City and one of the City Council's strategic priorities. City staff have continued to monitor opportunities to provide increased transportation service to Morgan Hill residents. Unlike the Valley Transportation Authority (VTA), which receives dedicated tax dollars to provide transportation services to residents of the entire county, the City is not a transportation service provider and receives no tax dollars for this purpose. Should the City elect to fund transportation services at any level it will be at the cost of utilizing limited General Fund revenues, which could otherwise be used to support public safety, urban parks and street maintenance, which are key areas for local tax dollars. For this reason, the City primarily supports advocacy and partnership with the VTA and other providers.

In 2016, the Measure B countywide sales tax was approved to support improved transportation across the County. Part of the measure was specific funding for a Transit Operations component. As part of this component, the Innovative Transit Service Models grant program has been designed to support "affordable new innovative transit service models to address first/last mile connections to transit, serving vulnerable, underserved and transit dependent populations." This grant program is a competitive funding program that relies on local agencies to apply for and manage transportation programs that they propose. While the City normally advocates for this service to be provided by regional transportation providers, the opportunity for improved transit service may be too great of an opportunity to pass up on. Furthermore, City staff are

proposing a unique public private partnership, for the application of the grant, that will reduce financial risk and resource commitment from the City.

REPORT NARRATIVE:

The Innovative Transit Service Models grant program was released by VTA on October 5, 2020 with applications due on December 7, 2020. City staff in multiple departments have been monitoring this opportunity for several years and have had multiple discussions with VTA on the specific program. The program is only available to “member agencies” which are the cities within the County and County itself. The City has also engaged with multiple private sector service providers to discuss methods of implementing various local first/last mile transit programs for the City. Through this engagement, the City received a partnership proposal from RideCo, Inc. to partner in applying for the grant program.

RideCo is a technology company that contracts with private sector transit companies to provide low-density area mobility, first and last mile service and paratransit programs. With their experience and success in this area City staff believe that RideCo is an optimal partner for the grant. Without the partnership outlined in the proposed Memorandum of Understanding (MOU) with RideCo (Attachment 1), City staff would be unable to apply for the grant. Furthermore, the City does not currently have other interested parties to partner with on this grant program.

The proposed MOU outlines the partnership and responsibilities of RideCo and the City in the application for the grant as well as the next steps on the partnership should the grant be awarded. The proposed grant application and exact service model are still in development, but the model proposed by RideCo and City staff is a model that would implement an on demand virtual stop model run via shuttles on a citywide basis (Attachment 2). The initial concept would provide for virtual stops within 5-8 minute walk of residents that is available on a 15 minute basis at a cost similar to a bus fare.

While the City is excited for this proposed partnership, it is important to note that the grant process is a countywide competitive process. Should the grant be received, a service agreement with RideCo would need to be negotiated and would return to the Council for approval.

COMMUNITY ENGAGEMENT: Consult

Due to the fast timing of the of grant application process, specific engagement on this program has not occurred with the Community. Should the Council approve the MOU, City staff intend to host a virtual public meeting in November to share the general program model and take community input on the program.

ALTERNATIVE ACTIONS:

The Council could choose to not approve the MOU.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council has taken no previous actions relating to this grant program.

FISCAL AND RESOURCE IMPACT:

The grant program scoring incentivizes the matching of funds. Ultimately the grant application could total millions of dollars and therefore a 10% match could require significant matching funds. The City and RideCo have discussed opportunities to utilize in-kind City staff costs and/or fare related cost recovery as the match to not impact the City's General Fund.

Application for the grant will continue to require significant City staff resources across multiple City Departments. Should the grant be received, the grant would fund RideCo's implementation of the program, but the City would still need to manage the finances and take significant support roles in both customer service and marketing the program. The City would consider integrating management of the program into the Community Services Department's business operations to take on this work as efficiently as possible.

CEQA (California Environmental Quality Act): Not a Project

Since the application for grant funds 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. RideCo MOU Signed
2. RideCo Model

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF MORGAN HILL AND RIDECO, INC.
FOR GRANT APPLICATION AND PROGRAM DEVELOPMENT**

This MEMORANDUM OF UNDERSTANDING ("Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and RideCo Inc. ("RideCo"), sets forth the respective roles of City and RideCo in regard to joint preparation of a grant application FOR the purpose of technology-driven transportation service for the City of Morgan Hill, entered into as of September 24, 2020, ("Effective Date"). Throughout this Agreement, City and RideCo are referred to collectively as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, the City desires to improve public transportation for its residents and visitors;

WHEREAS, RideCo is a technology-driven transportation services provider that has successfully implemented its transportation service model in other communities;

WHEREAS, the City and RideCo desire to partner on the application for a grant through the Valley Transportation Authority's Measure B Innovative Transit Service Models Competitive Grant Program (Program); and

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

1. TERM

The term of this Agreement is effective from the Effective Date through June 1, 2021 or the termination of this Agreement, as set forth in section 12 below. The term of the Agreement may be extended by mutual written consent of the Parties, and the City Manager is authorized to extend the term of this Agreement upon the same other terms and conditions contained herein on the Effective Date on behalf of City.

2. RIDECO RESPONSIBILITIES

2.1 RideCo shall be responsible for providing technical support for the development of the City's grant application for the Program.

2.2 In collaboration with the City, RideCo shall be responsible for developing the transit delivery model that will be used within the application for the Program. RideCo shall prioritize the following criteria in the development of the model:

- a. Innovative transit model that meets the needs of the Morgan Hill Community
- b. Alignment with the grant scoring criteria of the Program
- c. Provides for sustainability beyond the grant funding term
- d. Minimizes the financial risk for the City and provides for shared financial risk/reward for the Parties.
- e. Provides for at least three years of service.
- f. Eliminates or limits the City's liability associated with the service delivery.

2.3 Should the grant be awarded to the City, RideCo shall work in good faith to develop a service agreement with the City based upon the model developed for the Program.

3. CITY RESPONSIBILITIES

3.1 City shall be responsible for the submittal of the Program grant application.

3.2 Should the grant be awarded to the City, the City shall work in good faith to develop a service agreement with RideCo based upon the model developed for the Program.

4. EXPENSES

4.1 Each Party shall be responsible for its own expenses as they relate to the grant application for the Program. Neither Party shall be responsible to the other Party for failure to develop a service agreement.

5. INDEMNIFICATION

5.1 RideCo 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 RideCo, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

5.2 Exceptions. RideCo is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of the City.

5.3 The provisions of this Paragraph shall survive the expiration or earlier termination of the term of this Agreement with respect to any acts or omissions occurring during the term of this Agreement.

6. DEFAULT

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

7. WAIVER

The waiver by either Party of a breach by the other Party of any agreement herein shall not be deemed to be a waiver by that Party of any covenant of this Agreement. Such waiver by either Party shall not constitute a waiver of any future breach by the other Party of the same or other covenants of this Agreement.

8. TIME OF ESSENCE

Time is of the essence in the performance of this MOU.

9. AMENDMENTS

Amendments to this Agreement may be made by mutual agreement between the Parties.

10. NOTICES

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

For RideCo: Matthew Monteyne
RideCo Inc.
279 Weber Street North
Waterloo, ON, N2J 3H8

Copies to: City Attorney
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Notice shall be effective upon actual delivery of the notice, or three (3) days following deposit of such notice in the mail, whichever is earlier.

11. CONFLCIT OF INTEREST

RideCo represents that it presently has no interest and agrees to not acquire any interest during the term of the Agreement which would directly or indirectly conflict in any manner with the full and complete performance of the Agreement.

12. SEVERABILITY

The partial or total invalidity of one or more parts of this Agreement will not affect the intent or validity or remaining parts of this Agreement.

13. JURISDICTION; GOVERNING LAW

Jurisdiction over any disputes arising out of this Agreement shall be vested in the courts of the County of Santa Clara, State of California, and the provisions of this Agreement shall be interpreted under and according to the laws of the State of California.

14. TERMINATION OF AGREEMENT

This Agreement may be terminated by the either Party hereto for any reason upon ten (10) days written notice to the other Party. The City Manager is authorized to terminate this Agreement on behalf of City.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof, and any representation or statements heretofore or contemporaneously made with respect to such subject matter, whether oral or written, are merged herein.

16. SIGNATURES

The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective entities.

In WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

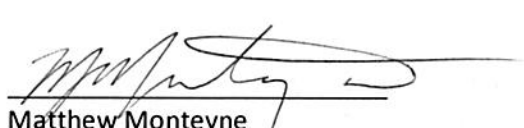
CITY OF MORGAN HILL, a municipal corporation,

Christina Turner
City Manager
City of Morgan Hill

APPROVED AS TO FORM:

Donald Larkin
City Attorney
City of Morgan Hill

RIDECO, INC.

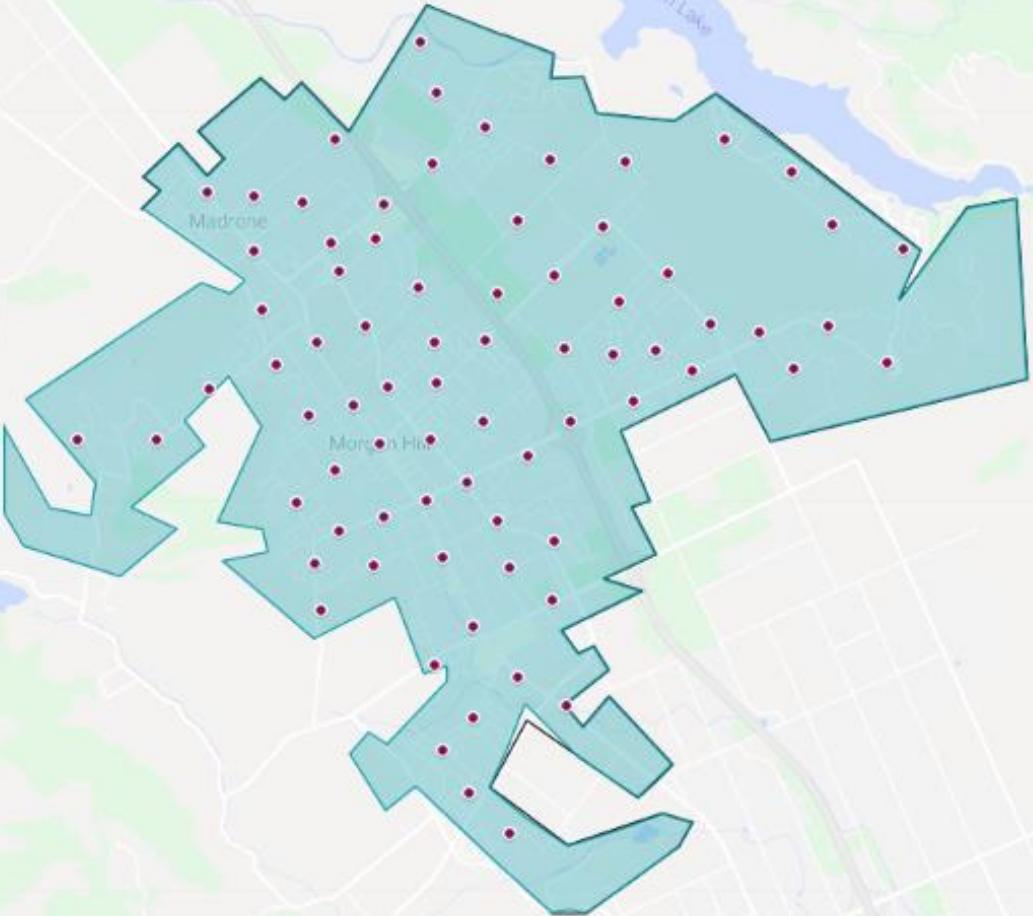


Matthew Monteyne
Co-founder, Vice President of Business Development
RideCo, Inc.

Attachment: RideCo MOU Signed (2889 : Innovative Transit Grant Partnership with RideCo)

On-Demand Morgan Hill

	On-Demand across Entire City
	Parameters of Service Model
Service Model	Virtual Stop to Virtual Stop
Service Hours	Monday – Friday: 7 am to 10 pm Saturday – Sunday: 7 am to 7 pm
Virtual Stops	Virtual Stops within 5-8 minutes of walking
Service Frequency	15-minutes
Vehicles	5 Minivans





CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Maria Angeles, Senior Civil Engineer
APPROVED BY: City Manager

APPROVE STORMWATER BEST-MANAGEMENT-PRACTICES OPERATION AND MAINTENANCE AGREEMENT FOR THE WHITTAKER RESIDENCE AT 2295 ROLLING HILLS DRIVE

RECOMMENDATION(S)

1. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement with Gary Whittaker and Wanda Whittaker (property owners) pending review and approval by the City Attorney; and
2. Authorize the recordation of the Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment and Preserving
Open Space and Agricultural Land

2020-2021 Strategic Priorities

Economic Development

GUIDING DOCUMENTS

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

The Whittaker Residential Project is a new 6,708 square-foot, two-story single-family house with a 1,086 square-foot attached garage located along the western City limits, at the western terminus of Rolling Hills Drive with site address of 2295 Rolling Hills Drive and Assessor's Parcel Number (APN) 764-02-003 and as shown on the attached site map (Attachment No. 1). The new residence is situated on 12.85-acres of a 58-acre parcel. The remaining 45.15 acres are covered by an existing Open Space Scenic Easement.

The project received an Administrative Design Review approval (Project no. SR 13-14) on November 12, 2014. On September 12, 2018, the project submitted a building permit application (application no. BRES2018-0616) to construct the new house and received a building permit on June 12, 2020. The project includes the construction of on-site, private stormwater treatment and retention facilities to improve the quality of stormwater runoff and reduce the runoff rate and volume within the site, as required by City Municipal Code Chapter 18.140, Post-Construction Stormwater Pollution Prevention. The private stormwater facilities will require regular maintenance and inspection by the owners, Gary and Wanda Whittaker. To ensure proper maintenance and inspection, staff recommends that the City Council authorize the City Manager to sign a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement (Attachment No. 2) for the project.

COMMUNITY ENGAGEMENT: Involve

On November 12, 2014, the Community Development Director approved the Administrative Design Review for the project. Residents within a 300 feet radius were informed about the project. Comments received from the public and from the project applicant were considered in the project's design review process.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

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

FISCAL AND RESOURCE IMPACT:

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

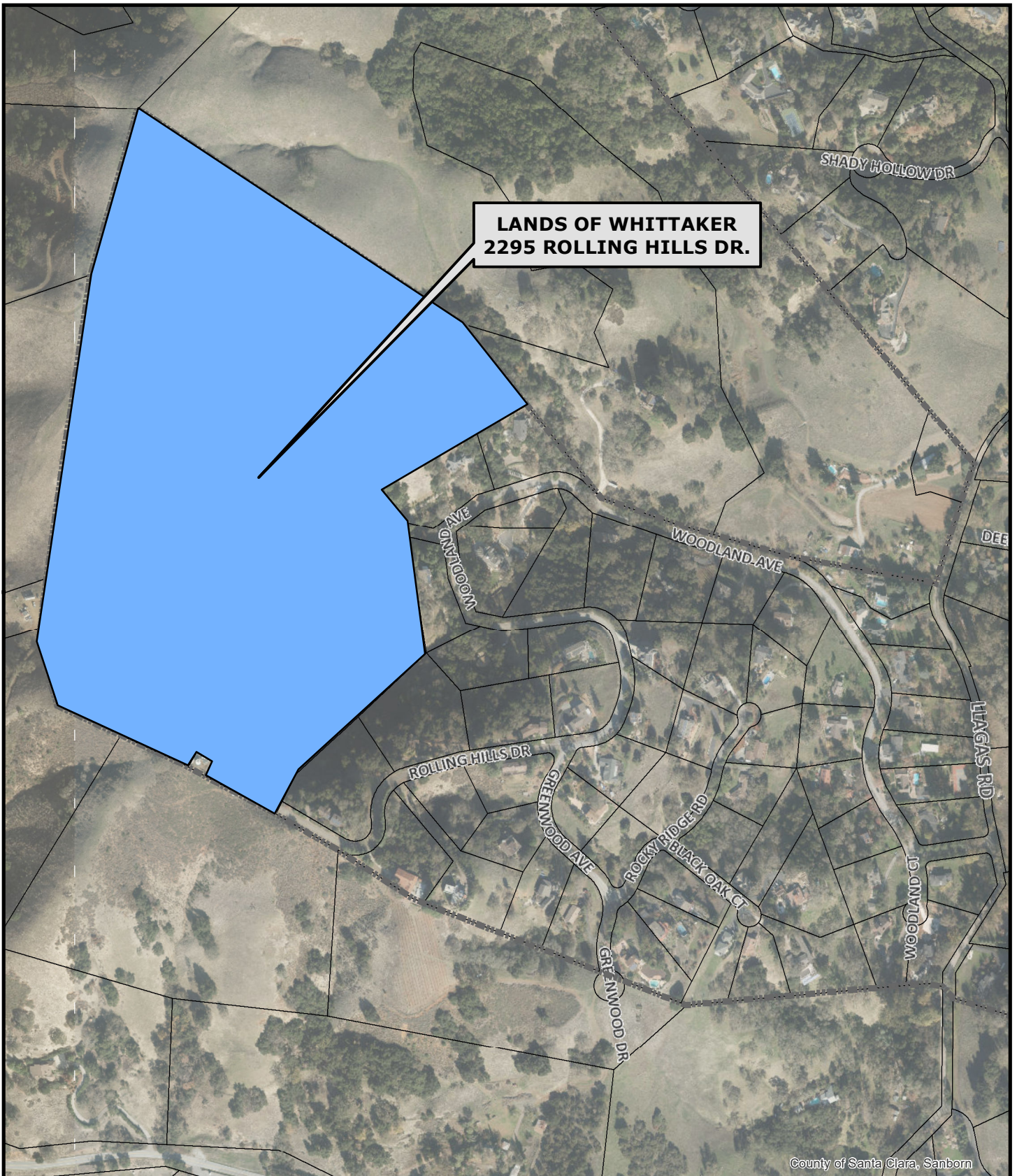
CEQA (California Environmental Quality Act):

Project-

A Mitigated Negative Declaration was adopted.

LINKS/ATTACHMENTS:

1. Site Map
2. Stormwater BMP Operation and Maintenance Agreement



**Land Development Engineering
Engineering and Utilities Department**

Document Path: G:\R-14\PROJ\GIS\John\Maria_2295RollingHillsDr.mxd

**SITE MAP
2295 ROLLING HILLS DR.**



0 125 250 500 750 1,000
Feet

Attachment: Site Map [Revision 1] (2885 : Stormwater BMP O&M Agreement for Whittaker Residence at 2295 Rolling Hills Dr)

RECORDING REQUESTED BY:

CITY OF MORGAN HILL

WHEN RECORDED MAIL DOCUMENT TO:

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

RECORD AT NO FEE PER
GOVERNMENT CODE SECTIONS 6103
& 27383

APN: 764-02-003

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**STORMWATER BEST MANAGEMENT PRACTICES,
OPERATION, AND MAINTENANCE AGREEMENT**

THIS STORMWATER BEST MANAGEMENT PRACTICES OPERATION, AND MAINTENANCE AGREEMENT ("AGREEMENT") is made and entered into this _____ day of _____, 20____, by **GARY AND WANDA WHITTAKER**, (hereinafter referred to as "COVENANTOR") and the City of Morgan Hill ("CITY"). CITY and COVENANTOR may be referred to individually as a "Party" or collectively as the "Parties" throughout this AGREEMENT.

RECITALS:

This AGREEMENT is made and entered into with reference to the following facts:

- A. CITY is authorized and required to regulate and control the disposition of storm and surface waters as set forth in CITY's National Pollutant Discharge Elimination System permit.
- B. COVENANTOR is the owner of a certain tract or parcel of land more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "PROPERTY").
- C. COVENANTOR desires to construct certain improvements of the kind or nature described in Morgan Hill Municipal Code Chapter 18.140 (the "ORDINANCE") on the PROPERTY that may alter existing stormwater conditions on both the PROPERTY and adjacent lands.
- D. To minimize adverse impacts due to these anticipated changes in existing storm and surface water flow conditions, COVENANTOR is required by CITY to implement Best Management Practices ("BMPs") and to build and maintain, at COVENANTOR's expense, stormwater management facilities ("FACILITIES"), more particularly described and shown in the **STORMWATER CONTROL PLAN FOR 2295 ROLLING HILLS DRIVE, MORGAN HILL, CA – APN: 764-02-003** prepared by **BENJAMINI ASSOCIATES, INC.** and dated **JUNE 8, 2018**, which plans and any amendments thereto, are on file with CITY's Development Services Department, and are hereby incorporated by this reference.
- E. CITY has reviewed and approved the Stormwater Runoff Management Plan (the "PLAN") subject to the execution of this AGREEMENT.

NOW, THEREFORE, in consideration of the benefit received and to be received by COVENANTOR, its successors, and assigns, as a result of CITY's approval of the Stormwater Runoff Management Plan, COVENANTOR, hereby covenants and agrees with CITY as follows:

1. Covenants Running With the Land; Property Subject to Agreement: All of the real property described in Exhibit "A" shall be subject to this AGREEMENT. It is intended and

determined that the provisions of this AGREEMENT shall run with the land and shall be binding on all parties having or acquiring any right, title, or interest in the real PROPERTY or any portion thereof and shall be for the benefit of each owner of any of said parcels or any portion of said PROPERTY and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof. Each and all of the limitations, easements, obligations, covenants, conditions, and restrictions contained herein shall be deemed to be, and shall be construed as, equitable servitudes, enforceable by any of the owners of any of the PROPERTY subject to this AGREEMENT against any other owner, tenant or occupant of the said PROPERTY, or any portion thereof.

2. Responsibility for Installation, Operation, and Maintenance: At its sole expense, COVENANTOR, its successors, and assigns, shall construct, operate, and perpetually maintain the FACILITIES in strict accordance with the PLAN and any amendments thereto that have been approved by CITY or required by the ORDINANCE.
3. Facility Modifications: At its sole expense, COVENANTOR, its successors, and assigns, shall make such changes or modifications to the FACILITIES as may be determined as reasonably necessary by CITY to ensure that the FACILITIES are properly maintained and continue to operate as originally designed and approved. COVENANTOR agrees that it shall not modify the BMPs and shall not allow BMP maintenance activities to alter the designed function of the FACILITIES from its original design unless approved by CITY prior to the commencement of the proposed modification or maintenance activity.
4. Facility Inspections by CITY: At reasonable times and in a reasonable manner as provided in the ORDINANCE, CITY, its agents, employees, and contractors shall have the right of ingress and egress to the FACILITIES and the right to inspect the FACILITIES in order to ensure that the FACILITIES are being properly maintained, are continuing to perform in an adequate manner, and are in compliance with the ORDINANCE, the PLAN and any amendments thereto approved by CITY.
5. Failure to Perform Required Facility Repairs or Modifications: Should either COVENANTOR or its successors and assigns fail to implement the BMPs, maintain the facilities, or correct any defects in the FACILITIES in accordance with the approved design standards and/or the PLAN, and in accordance with the law and applicable regulations of the ORDINANCE, after thirty (30) days from the date of the written notice from CITY, CITY shall have the right to enter the PROPERTY to perform remedial work, for which CITY will collect reimbursement for such work from COVENANTOR. Additionally, conditions from failure to implement the BMPs or to maintain or correct the FACILITIES shall be deemed a nuisance subject to abatement of such conditions as provided in Chapter 1.18 of the Morgan Hill Municipal Code. In addition, CITY may pursue other such remedies as provided by law, including, but not limited to, such civil and criminal remedies set forth in the ORDINANCE.
6. Indemnity: COVENANTOR, its successors, and assigns, shall defend, indemnify, and hold CITY harmless of and from any and all claims, liabilities, actions, causes of action, and damages for personal injury and property damage, including, without limitation, reasonable attorneys' fees, arbitration fees, or costs and court costs, arising out of or related to COVENANTOR's, its successors', and/or assigns' construction, operation, or maintenance of the FACILITIES except claims, liabilities, actions, causes of action, and damages that arise out of CITY's sole negligence or willful misconduct or the sole negligence or willful misconduct of any of CITY'S employees, agents, representatives, contractors, vendors, or consultants.
7. Obligations and Responsibilities of COVENANTOR: Initially, COVENANTOR is solely responsible for the performance of the obligations required hereunder and, to the extent

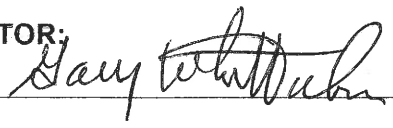
permitted under applicable law, the payment of any and all fees, fines, and penalties associated with such performance or failure to perform under this AGREEMENT. Notwithstanding any provisions of this AGREEMENT to the contrary, upon the recordation of a deed or other instrument of sale, transfer or other conveyance of fee simple title to the PROPERTY or any portion thereof (a "Transfer") to a third party (the "Transferee"), COVENANTOR shall be released of all of its obligations and responsibilities under this AGREEMENT accruing after the date of such Transfer to the extent such obligations and responsibilities are applicable to that portion of the PROPERTY included in such Transfer, but such release shall be expressly conditioned upon the Transferee assuming such obligations and responsibilities by recorded written agreement for the benefit of CITY. Such written agreement may be included in the Transfer deed or instrument, provided that the Transferee joins in the execution of such deed or instrument. A certified copy of such deed, instrument, or agreement shall be provided to CITY. The provisions of the preceding three sentences shall be applicable to the original COVENANTOR and any successor Transferee who has assumed the obligations and responsibilities of COVENANTOR under this AGREEMENT as provided above.

8. Property Transfer: Nothing herein shall be construed to prohibit a transfer by COVENANTOR to subsequent owners and assigns.
9. Attorneys' Fees: In the event that any Party institutes legal action or arbitration against the other to interpret or enforce this AGREEMENT, or to obtain damages for any alleged breach hereof, the prevailing party in such action or arbitration shall be entitled to reasonable attorneys' or arbitrators' fees in addition to all other recoverable costs, expenses, and damages.
10. Further Documents: The Parties covenant and agree that they shall execute such further documents and instructions as shall be necessary to fully effectuate the terms and provisions of this AGREEMENT.
11. Entire Agreement: This AGREEMENT constitutes the entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior agreements, whether written or oral. There are no representations, agreements, arrangements, or undertakings, oral or written, that are not fully expressed herein.
12. Severability: In the event any part or provision of this AGREEMENT shall be determined to be invalid or unenforceable under the laws of the State of California, the remaining portions of this AGREEMENT that can be separated from the invalid, unenforceable provisions shall, nevertheless, continue in full force and effect.
13. No Waiver: The waiver of any covenant contained herein shall not be deemed to be a continuing waiver of the same or any other covenant contained herein.
14. Amendment: This AGREEMENT may be amended in whole or in part only by mutual written agreement. Any such amendment shall be recorded in Santa Clara County, California. In the event any conflict arises between the provisions of any such amendment and any of the provisions of any earlier document or documents, the most recently duly executed and recorded amendment shall be controlling.
15. Authority to Execute: The persons executing this AGREEMENT on behalf of the parties warrant that they are duly authorized to execute this AGREEMENT.
16. In the event that CITY shall determine, at its sole discretion, at any future time, that the FACILITIES are no longer required, then at the written request of COVENANTOR, its successors, and/or assigns, CITY shall execute a release of this AGREEMENT which

COVENANTOR, it successors, and/or assigns, shall record in the Recorder's Office, at its expense.

Executed the day and year first above written.

COVENANTOR:

By: 

Name: GARY WHITTAKER

Title: CO-OWNER

By: 

Name: WANDA WHITTAKER

Title: CO-OWNER

CITY OF MORGAN HILL:

By: _____

Name: CHRISTINA J. TURNER

Title: CITY MANAGER, CITY OF MORGAN HILL

APPROVED AS TO FORM:

By: _____

Name: DONALD A. LARKIN

Title: CITY ATTORNEY, CITY OF MORGAN HILL

EXHIBIT "A"

LEGAL DESCRIPTION

Portion of Lot 101, as shown on Morgan Hill Ranch Map No. 3, filed September 21, 1892 In Book G of Maps, at Pages 20 and 21, Santa Clara County Records, as follows:

Beginning on the line dividing Lots 101 and 103 as shown on said Map, at the Northwestern terminus of the Southwesterly line of Rolling Hills Drive, as shown on the Map of Tract No. 4339 filed in Book 234 of Maps, Pages 9, 10, and 11, Santa Clara County Records; thence from said point of beginning, North $61^{\circ} 11'$ West, along said dividing line, 287 feet to the Southerly corner of the Parcel of land conveyed to the City of Morgan Hill by Deed recorded April 9, 1968, Book 8083 Official Records, Page 553; thence along the external boundaries of said Parcel of land so conveyed to the City of Morgan Hill, North $28^{\circ} 45' 34''$ East, 60 feet, North $61^{\circ} 14' 26''$ West, 70 feet and South $28^{\circ} 45' 34''$ West, 60 feet to the Westerly corner thereof on said dividing line; thence North $61^{\circ} 11'$ West, along said dividing line, 10.02 feet to the most Northerly corner of said Lot 103; thence along the line dividing Lots 101 and 104, as shown on said Morgan Hill Ranch Map No. North $65^{\circ} 09'$ West, 493.68 feet, North $16^{\circ} 39'$ West, 231.66 feet and North $6^{\circ} 21'$ East, 221.10 feet to the most Northerly corner of said Lot 104; thence along the Westerly line of said lot 101, North $6^{\circ} 21'$ East, 1,085.04 feet and North $15^{\circ} 15'$ East, 620.40 feet to the most Northerly corner thereof; thence South $56^{\circ} 30'$ East, along the line dividing Lots 101 and 93 1/2, 1,566.84 feet, more or less, to an angle point therein; thence South $39^{\circ} 45'$ East, along said dividing line, 250 feet, more or less, to the Northerly corner of Lot 19, as shown on said Map of Tract No. 4339; thence along the Northwesterly boundary line of said Tract No. 4339, South $60^{\circ} 16'$ West, 590 feet, South $37^{\circ} 09'$ East, 150 feet, South $7^{\circ} 42' 38''$ East, 509.94 feet, South $47^{\circ} 16'$ West, 617.77 feet and South $27^{\circ} 16'$ West, 146.85 feet to the point of beginning.

APN: 764-02-003

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

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

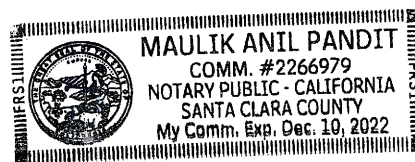
On Dec. 03 2019, before me, MAULIK ANIL PANDIT a Notary Public in and for said County and State, personally appeared GARY WHITTAKER proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Mandit

SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)

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

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

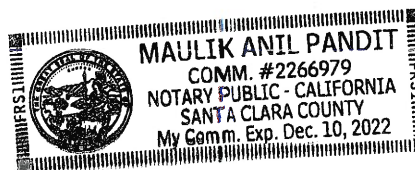
On Dec. 03, 2019, before me, MAULIK ANIL PANDIT a Notary Public in and for said County and State, personally appeared NANDA WHITTAKER proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Mandit

SIGNATURE OF NOTARY PUBLIC



(ABOVE AREA FOR NOTARY SEAL)



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

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

APPROVE PETITION TO CANCEL WILLIAMSON ACT CONTRACT FOR PROPERTY IDENTIFIED BY ASSESSOR PARCEL NUMBER 726-09-002 (WA2017-0001: DIANA-GROSSWEILER)

RECOMMENDATION(S)

Adopt resolution approving the cancellation of the Williamson Act Contract.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment and Preserving
Open Space and Agricultural Land

2020-2021 Strategic Priorities

Fiscal Sustainability
Affordable Housing and Homelessness

GUIDING DOCUMENTS

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

The owner of the 4.66 acre property on the northeast corner of Diana Avenue and Lotus Way petitioned for a Tentative Cancellation of the Williamson Act contract on the property. The cancellation request was made in association with the filing of a Preliminary Residential Development Control System (RDSCS) application on October 2, 2017. The City Council adopted Resolution No. 17-100 on December 6, 2017, requiring the following:

1. Within one year of the date of recordation of the Certificate of Tentative Cancellation, the cancellation fee set by the County Tax Assessor shall be paid. If the fee is not paid within one year the fee shall be recomputed.
2. The Landowner shall obtain approval of a Tentative Map, Final Map and Architecture and Site Review approval (the discretionary permits necessary to commence the project) and shall obtain the grading permits necessary to commence grading of the project.

The applicant has satisfied the contingencies and conditions outlined in the Tentative Cancellation by obtaining approvals for the Tentative Map, Final Map, Design Review (formerly Site and Architectural Review), and grading permits. The cancellation fee was not paid within one year; therefore, the fee was recalculated by the County Assessor based on the current valuation of the property. In a letter dated August 11, 2020, the County Assessor certified that the valuation of the subject property is three million six hundred thousand dollars (\$3,600,000) and that the cancellation value of 12.5% is four

hundred fifty thousand dollars (\$450,000). The property owner has paid the fee directly to the County Treasurer. All contingencies and conditions from the Tentative Cancellation have been met, and the City Council can approve the Final Cancellation Request.

Required Findings

On December 6, 2017, the City Council made the findings required by the Williamson Act statute (Government Code Section §51282(b)) for tentative cancellation consistent with the Williamson Act.

1. The cancellation is for land on which a notice of nonrenewal has been served pursuant to GC § 51245.

A Notice of Nonrenewal (attached) was executed in November 2015 which fulfills this requirement. The Williamson Act Contract will expire on December 31, 2024.

2. That cancellation is not likely to result in the removal of adjacent lands from agricultural use.

As shown on the aerial of the site, there is no agricultural land adjacent to the site that could be converted from agricultural use.

3. That cancellation is for an alternative use which is consistent with the applicable provisions of the Morgan Hill General Plan.

Residential development is proposed as an alternative use which is consistent with the applicable provisions of the City of Morgan Hill 2035 General Plan which designates the site as "Residential Detached Medium," allowing up to 7 units per net acre.

4. That cancellation will not result in discontinuous patterns of urban development.

The cancellation will not result in discontinuous patterns of urban development as the property is located within the City of Morgan Hill's Urban Service Area and surrounded by urban development.

5. That there is no proximate noncontracted land which is both available and suitable for the use to which it is proposed the contracted land be put, or, that development of the contracted land would provide more contiguous patterns of urban development than development of proximate noncontracted land.

The subject property is within the City of Morgan Hill's Urban Service Area and is surrounded by urban development. There are no proximate lands that are available or suitable for agricultural use.

COMMUNITY ENGAGEMENT:

No notices are required for the final cancellation of the Williamson Act Contract. The tentative cancellation of the Williamson Act contract was approved at a noticed public hearing. Additionally, the Design Review Permit for the development of 24 single-family dwellings was publicly noticed (mailing to property owners within 300 feet of the project and newspaper legal noticing) for the minimum 10-day period.

An environmental review was conducted for the proposed residential development in accordance with the California Environmental Quality Act (CEQA). A Mitigated Negative Declaration was circulated through the California State Clearinghouse, posted at the County Clerk-Recorder's Office, publicly noticed (mailing to property owners within 300 feet of the project and newspaper legal noticing) for the minimum 30-day period, and posted on the City website for review.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 10, 2017, the Planning Commission considered the application request to rezone two parcels totaling 1.745 acres from RE 100,000 to R-1 7,000. The Planning Commission voted 6-1 to recommend rezoning the two parcels to R-1 7,000 with Commissioner Mueller voting no.

On December 6, 2017, the City Council considered the request for Tentative Cancellation of the Williamson Act Contract for the subject property and adopted Resolution No. 17-100, tentatively approving the requested cancellation.

An application was submitted for the 2017 Residential Development Control System (RDSCS) competition requesting 23 building allotments in addition to the one existing house for the project site (for a total of 24 units). At the May 22, 2018 Planning Commission meeting, the Commission adopted Resolution No. 18-13 awarding the project 23 Fiscal Year 2019-20 building allotments. On June 20, 2018, the City Council approved Resolution No. 18-050, reaffirming the distribution of the RDSCS allotments for Fiscal Year 2019-20.

On October 22, 2019, the Planning Commission held a public hearing and voted to approve the Tentative Subdivision Map and adopted the Initial Study, Mitigated Negative Declaration, and Mitigation Monitoring Reporting Program. The Planning Commission also approved resolutions to recommend that the City Council approve the Development Agreement and Zoning Amendment request to establish a PD Combining District and PD Master Plan.

On December 18, 2019, City Council approved the Development Agreement and Zoning Amendments.

FISCAL AND RESOURCE IMPACT:

Application fees were collected to cover the cost of processing the request and development of the project.

CEQA (California Environmental Quality Act):

The project's environmental review was conducted for the proposed residential development in accordance with the California Environmental Quality Act (CEQA). A Mitigated Negative Declaration (MND) was circulated through the California State Clearinghouse, posted at the County Clerk-Recorder's Office, publicly noticed (mailing to property owners within 300 feet of the project and newspaper legal noticing) for the minimum 30-day period, and posted on the City website for review. The Planning Commission adopted the MND at its regular meeting of October 22, 2019. The City Council ratified the Planning Commission's adoption of the MND at its regular meeting of November 20, 2019.

LINKS/ATTACHMENTS:

1. Resolution Final Cancellation Diana-Mana
2. CC Reso 17-100 Tentative Cancellation
3. Letter from County Assessor 08.11.20 - Cancellation for APN 726-09-003
4. Project Plans & CEQA Docs (weblink)
5. Certificate of Final Cancellation

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE FINAL CANCELLATION OF LAND CONSERVATION CONTRACT ON APPROXIMATELY 4.66 ACRES OF LAND LOCATED ON NORTHEAST CORNER OF THE INTERSECTION OF DIANA AVENUE AND LOTUS WAY (DIANA MANA HANAIEI PROJECT/MONTECITO ESTATES) (APN 726-09-002).

WHEREAS, on October 2, 2017 the City of Morgan Hill received a petition for the cancellation of a land conservation contract (pursuant to the Williamson Act) from the Grossweiler Family Trust et al ("the Property Owner") for approximately 4.66 acres located on the northeasterly corner of Diana Avenue and Lotus Way (Assessor's Parcel Numbers 726-09-002, the "Subject Property").

WHEREAS, Government Code Section 51282 permits a property owner to petition the City Council of the City of Morgan Hill to cancel a portion of or an entire land conservation contract and allows the City Council to grant tentative approval for cancellation of a contract if it finds that the cancellation is consistent with the purposes of the Williamson Act.

WHEREAS, the City Council approved the request for tentative cancellation at its December 6, 2017 meeting through Resolution No. 17-100.

WHEREAS, the conditions of the tentative cancellation required the landowner to obtain approval of a Tentative Map, Final Map, Architecture and Site Review Approval, and grading permits to commence the project and also pay the full cancellation fee recalculated by the County Assessor based on the current assessed value if the original cancellation fee was not paid by the landowner within one year of the date of the recording of tentative cancellation.

WHEREAS, the County Assessor has certified in a letter dated August 11, 2020 that the cancellation valuation of the Subject Property is three million six hundred thousand dollars (\$3,600,000) and that the cancellation value of 12.5% results in a cancellation fee of four hundred fifty thousand dollars (\$450,000).

WHEREAS, all contingencies and conditions outlined in the tentative cancellation have been satisfied and cancellation fee has been paid to the County Treasurer.

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 proposed Williamson Act Cancellation is consistent with the Zoning Ordinance and General Plan.

Section 3. The City Council hereby approves the request for a cancellation of the Land Conservation Contract for approximately 4.66 acres within Morgan Hill.

Section 4. The City Clerk is directed and authorized to record a Certificate of Cancellation for the property.

Section 5. This resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a special meeting held on the 21st day of October 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 special meeting held on October 21, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

Attachment: Resolution Final Cancellation Diana-Mana [Revision 5] (2883 : WA2017-0001 Diana-Grossweiler (Montecito Estates))

RESOLUTION NO. 17-100**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL TENTATIVELY APPROVING CANCELLATION OF A LAND CONSERVATION CONTRACT ON APPROXIMATELY 4.66 ACRES (APN 726-09-002)**

WHEREAS, on October 2, 2017 the City of Morgan Hill received a petition for the cancellation of a land conservation contract (pursuant to the Williamson Act) from the Grossweiler Family Trust et al (“the Property Owner”) for approximately 4.66 acres located on the northeasterly corner of Diana Avenue and Lotus Way (Assessor's Parcel Numbers 726-09-002, the “Subject Property”); and

WHEREAS, Government Code Section 51282 permits a property owner to petition the City Council of the City of Morgan Hill to cancel a portion of or an entire land conservation contract and allows the City Council to grant tentative approval for cancellation of a contract if it finds that the cancellation is consistent with the purposes of the Williamson Act; and

WHEREAS, the Property Owner submitted a Notice of Nonrenewal, pursuant to the Williamson Act (Government Code Section 51200 et. seq.) for the 4.66 acres subject to the Williamson Act contract and the City approved the Notice of Nonrenewal on November 17, 2015; and

WHEREAS, the Property Owner recorded the Notice of Nonrenewal with the County of Santa Clara on December 7, 2015 (Exhibit A) and the Williamson Act contract shall expire on December 31, 2024; and

WHEREAS, the petition for a cancellation of a land conservation contract relative to the Subject Property is associated with by a preliminary proposal for an alternative land use consisting of 24 new dwelling units on approximately 4.66 acres; and

WHEREAS, the potential development of the site for “Residential Detached Medium”, allowing up to 7 units per net acre was reviewed as part of the Master Environmental Impact Report for the 2035 General Plan update and has been found consistent with the California Environmental Quality Act Section 21083.3 and Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning). There are no new environmental effects peculiar to the property or the project and no new information, and thus additional environmental review is not required. Further environmental review will be required in conjunction with the review of a proposed subdivision of the property at a future date and

WHEREAS, pursuant to Government Code 51282, the California Department of Conservation was notified in letters dated October 26, 2017 regarding the required findings establishing that the proposed cancellation of the land conservation contract is consistent with purposes of the Williamson Act; and

WHEREAS, public notice was provided in accordance with Government Code Section 51284 of the California Land Conservation Act of 1965; and

WHEREAS, the County Assessor has certified to the City Council in a letter dated November 16, 2017 (Exhibit B) that the cancellation valuation of the Subject Property is four million, three hundred thousand (\$4,300,000.00) and that the cancellation value of 12.5% results in a cancellation fee of five hundred thirty-seven thousand five hundred (\$537,500.00); and

WHEREAS, by copy of this Resolution, the City Council certifies to the County Auditor that based on the County Assessor's determination, certified to the City Council by letter dated November 16, 2017, the cancellation fee of \$537,500.00 shall be paid to the County Treasurer within one year of City Council approval, and prior to granting Final Cancellation; and

WHEREAS, a public hearing conducted by the City Council on December 6, 2017 to consider facts as presented in the staff report prepared for this request, and to accept public testimony regarding this request for tentative cancellation; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL based upon the facts and analysis presented below, the staff report and accompanying attachments, public testimony received and subject to Conditions of Approval, does resolve as follows:

Section 1. The above recitals are true and correct.

Section 2. The City Council finds that the proposed tentative Cancellation of the Williamson Act Contract is consistent with the purposes in accordance with California Government Code sections 51282(a)(1). Specifically;

- A. That the cancellation is for land on which a notice of nonrenewal has been served pursuant to Section 51245.
- B. That cancellation is not likely to result in the removal of adjacent lands from agricultural use.
- C. That cancellation is for an alternative use which is consistent with the applicable provisions of the city or county general plan.
- D. That cancellation will not result in discontinuous patterns of urban development.
- E. That there is no proximate non-contracted land which is both available and suitable for the use to which it is proposed the contracted land be put, or, that development of the contracted land would provide more contiguous patterns of urban development than development of proximate noncontracted land.

Section 3. The City Council hereby tentatively approves the request for a cancellation of the Land Conservation Contract for approximately 4.66 acres within Morgan Hill, based on the above findings.

Section 4. The City Clerk is directed and authorized to record a Certificate of Tentative Cancellation for the property (Exhibit C).

Section 5. Within one year of the date of recordation of the Certificate of Tentative Cancellation, the cancellation fee set by the County Tax Assessor shall be paid. If the fee is not paid within one year the fee shall be recomputed.

Section 6. The Landowner shall obtain approval of a Tentative Map, Final Map and Architecture and Site Review approval (the discretionary permits necessary to commence the project), and shall obtain the grading permits necessary to commence grading of the project.

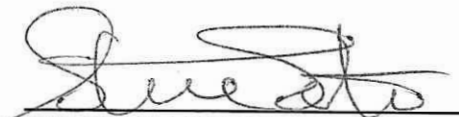
Section 7. The City Council declares that should any provision, section, paragraph, sentence, or word of this Resolution be rendered or declared invalid by any court of competent jurisdiction, or due to any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Resolution shall remain in full force and effect.

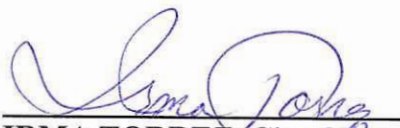
PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 6th day of December, 2017.

AYES:	COUNCIL MEMBERS:	Rich Constantine, Caitlin Robinett Jachimowicz, Steve Tate
NOES:	COUNCIL MEMBERS:	Larry Carr, Rene Spring,
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

APPROVED:

ATTEST:


STEVE TATE, 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. 17-100, adopted by the City Council at a regular meeting held on December 6, 2017.

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

DATE: 12/18/2017

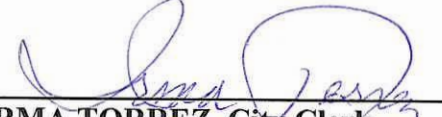

IRMA TORREZ, City Clerk

EXHIBIT A

**TO BE RECORDED AT NO CHARGE PURSUANT TO
CALIFORNIA GOVERNMENT CODE SECTION 27383**

RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:

City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037-4128

ABOVE THIS LINE FOR RECORDER'S USE ONLY

A.P.N. 726-09-002

**DECLARATION AND NOTICE OF
NON-RENEWAL OF CALIFORNIA LAND CONSERVATION CONTRACT
CONTRACT NO. 1977-2 (Assessor Number 78.907)**

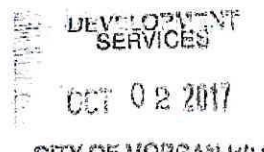
This Declaration and Notice of Non-Renewal of California Land Conservation Contract ("Notice") is executed on and as of the date set forth by the signature below regarding California Land Conservation Contract Number 1977-2 (Assessor Number 78.907) (the "Contract") between the owner of the real property described in this notice and the City of Morgan Hill. The Contract was recorded with the Santa Clara County Recorder's Office on February 24, 1978 in Book D486 at Page 122 of the public records of Santa Clara County as Document Number 5936249.

The below signatory: (1) is the current owner of the real property that is the subject of the Contract ("Owner"), which real property is described in and on EXHIBIT A, Legal Description, attached hereto and incorporated herein by this reference (the "Property"), and (2) has filed this Notice with the City of Morgan Hill on May 19, 2015. By filing this Notice, Owner understands, accepts and agrees that there will be resulting changes to Owner's property tax assessments pursuant to applicable provisions of state law, including without limitation California Revenue and Taxation Code section 426.

Owner hereby provides this Notice as of the date set forth below and the termination date for the Contract will be December 31, 2015 as to the Property described in EXHIBIT A:

OWNER (signatures to be notarized):

Name: CARMEN GROSSWELLER Date: 11-17-15
Address: 3414 ROYAL MEADOW LANE
SAN JOSE, CA 95135



Attachment: CC Reso 17-100 Tentative Cancellation (2883 : WA2017-0001 Diana-Grossweiler (Montecito Estates))

OWNER (signatures to be notarized):

Name: JAMES ANGELO CUNEO Date: 11-17-15
Address: 1171 CRESPI DR
SAN JOSE, CA 95086

OWNER (signatures to be notarized):

Name: LOUIS ALBERT CUNEO Date: 11-17-15
Address: 896 S. MARY AVE,
SAN JOSE, CA 95087

OWNER (signatures to be notarized):

Name: _____ Date: _____
Address: _____

EXHIBIT "A"

BEGINNING at the common corner of Lots 50, 51, 73 and 75 in the center line of Diane Avenue as so shown on the Map hereinafter mentioned, and running thence along said center line of Diana Avenue South $45^{\circ} 23'$ West 3.25 chains to a point in said center line of Diana Avenue distant North $45^{\circ} 23'$ East 3.25 chains from the common corner of Lots 49, 50, 72 and 73 as shown on said Map, thence leaving said center line of Diana Avenue and running at right angles and parallel to the line between said Lots 50 and 51, North $44^{\circ} 37'$ West 15.38 $1/2$ chains to a point in the line between Lots 28 and 50 distant North $45^{\circ} 23'$ East 3.25 chains from the common corner of Lots 27, 28, 49 and 50, as shown on said Map, thence at right angles and along the line between said Lots 28 and 50, North $45^{\circ} 23'$ East 3.25 chains to the common corner for Lots 28, 29, 50 and 51, as shown on said Map, and thence at right angles and along the line between said Lots 50 and 51, South $44^{\circ} 37'$ East 15.36 $1/2$ chains to the point of beginning, being the Northeasterly one-half of Lot 50 as laid down, designated and delineated on the Map entitled, "Morgan Hill Ranch Map No. 1, being C.H. Phillips Subdivision of part of the Rancho Ojo de Agua de la Coche and La Laguna Seca in the County of Santa Clara, California", and which Map was recorded in the office of the County Recorder of the County of Santa Clara, State of California, on June 1, 1892, in Book G, pages 2 and 3 of Maps.

EXCEPTING THEREFROM that portion thereof conveyed to Ervine L. Xavier by Deed recorded December 6, 1956, in Book 3678, page 600 of Official Records, and being more particularly described as follows:

BEGINNING at the intersection of the line common to Lots 50 and 51 with the Northwesternly line of Diana Avenue as shown on said Map, and running thence along the line common to Lots 50 and 51 North $44^{\circ} 37'$ West 174.00 feet to an iron pipe; thence leaving said Lot line South $45^{\circ} 27'$ West 85.00 feet to an iron pipe; thence parallel with the line common to Lots 50 and 51 South $44^{\circ} 37'$ east 174.00 feet to an iron pipe in the Northwesternly line of Diana Avenue; thence along the Northwesternly line of Diana Avenue North $45^{\circ} 23'$ East 85.00 feet to the point of beginning.

ACKNOWLEDGMENT

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

State of California
 County of SANTA CLARA

On 11-17-15 before me, GLENN RUSSELL VAN DEN BOSCH - Notary Public
 (insert name and title of the officer)

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

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

WITNESS my hand and official seal.



Signature Glenn Russell Van Den Bosch (Seal)

EXHIBIT B

Office of the Assessor

County of Santa Clara

County Government Center, East Wing
 70 West Hedding Street, 5th Floor
 San Jose, CA 95110-1771
 (408) 299-5500 www.sccassessor.org
 Assessor@asr.sccgov.org



Lawrence E. Stone, Assessor

November 16, 2017

Carmen Grossweiler
 3414 Royal Meadow Lane
 San Jose, CA 95135

Re: APN: 726-09-002
 Owner: Donald & Carmen Grossweiler, Trustees
 Williamson Act Contract: 78.907
 Appraisal Date: October 1, 2017

Certificate

In accordance with the provisions of Section 51283 of the government code, I, Lawrence E. Stone, do hereby certify under penalty of perjury that the full cash value of the 4.66 acres of land, being parcel 726-09-002 is \$4,300,000 (four million three hundred thousand dollars). This is the value to be used in calculating the cancellation fee.

The cancellation fee, which is determined by multiplying the full cash value by 12.5 percent is equal to \$537,500 (five hundred thirty seven thousand five hundred dollars). This is the amount of the cancellation fee.

Done this 16th day of November, 2017, at San Jose, California.

Lawrence E. Stone
 Assessor

CC: Paul Grundy, Environmental Planner
 California Department of Conservation

EXHIBIT C

RECORDING REQUESTED BY AND AFTER RECORDATION RETURN TO:

City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037-4128

CERTIFICATE OF TENTATIVE CANCELLATION OF LAND CONSERVATION CONTRACT (California Government Code Section 51283.4)

I certify that on December 6, 2017, the City Council of the City of Morgan Hill, County of Santa Clara, State of California adopted Resolution Number _____ a tentative cancellation of a land contract, as further described below. Per California Government Code Section 51283.4, a final certificate of cancellation will be issued and recorded when the conditions and contingencies stated herein are satisfied

1. Name and Address of Landowner:

Donald Grossweiler Trustee ET AL
 3414 Royal Meadow Lane
 San Jose, CA 95135

2. Description of Property:

The property is described in the legal description, attached hereto as Exhibit A and incorporated herein by reference. (Also known as Assessor's Parcel Numbers 726-09-002.)

3. Description of Land Conservation Contract:

Land Conservation Contract dated February 15, 1978 and recorded on February 24, 1978, as Document No. 5936249 in the Official Records of the County of Santa Clara, California, attached hereto as Exhibit B and incorporated herein by reference.

4. Contingencies and conditions to be satisfied prior to final cancellation of said contract:

- A. The cancellation fee of \$537,500.00, computed under the provisions of Government Code Section 51283(a), which was determined and certified by the City Council, shall be paid in full prior to the issuance of building permits. If the fee is not paid within one year from the date of the recording of the certificate of tentative cancellation, such fee shall be re-

computed as of the date of notice when the landowner notifies the City Council that he has satisfied the conditions and contingencies enumerated in this Section 4.

- B. The Landowner shall obtain approval of a Tentative Map, Final Map and Architecture and Site Review approval (the discretionary permits necessary to commence the project), and shall obtain the grading permits necessary to commence grading of the project.

A final certificate of cancellation will be issued and recorded at such time as the conditions and contingencies stated herein are satisfied.

5. Method of approval:

Pursuant to Resolution No. duly adopted by the City Council on December 6, 2017.

Legal Description

EXHIBIT "A"

BEGINNING at the common corner of Lots 50, 51, 73 and 75 in the center line of Diane Avenue as so shown on the Map hereinafter mentioned, and running thence along said center line of Diana Avenue South 45° 23' West 3.25 chains to a point in said center line of Diana Avenue distant North 45° 23' East 3.25 chains from the common corner of Lots 49, 50, 72 and 73 as shown on said Map, thence leaving said center line of Diana Avenue and running at right angles and parallel to the line between said Lots 50 and 51, North 44° 37' West 15.38 1/2 chains to a point in the line between Lots 28 and 50 distant North 45° 23' East 3.25 chains from the common corner of Lots 27, 28, 49 and 50, as shown on said Map, thence at right angles and along the line between said Lots 28 and 50, North 45° 23' East 3.25 chains to the common corner for Lots 28, 29, 50 and 51, as shown on said Map, and thence at right angles and along the line between said Lots 50 and 51, South 44° 37' East 15.36 1/2 chains to the point of beginning, being the Northeasterly one-half of Lot 50 as laid down, designated and delineated on the Map entitled, "Morgan Hill Ranch Map No. 1, being C.H. Phillips Subdivision of part of the Rancho Ojo de Agua de la Coche and La Laguna Seca in the County of Santa Clara, California", and which Map was recorded in the office of the County Recorder of the County of Santa Clara, State of California, on June 1, 1892, in Book G, pages 2 and 3 of Maps.

EXCEPTING THEREFROM that portion thereof conveyed to Ervine L. Xavier by Deed recorded December 6, 1956, in Book 3678, page 600 of Official Records, and being more particularly described as follows:

BEGINNING at the intersection of the line common to Lots 50 and 51 with the Northwesternly line of Diana Avenue as shown on said Map, and running thence along the line common to Lots 50 and 51 North 44° 37' West 174.00 feet to an iron pipe; thence leaving said Lot line South 45° 27' West 85.00 feet to an iron pipe; thence parallel with the line common to Lots 50 and 51 South 44° 37' east 174.00 feet to an iron pipe in the Northwesternly line of Diana Avenue; thence along the Northwesternly line of Diana Avenue North 45° 23' East 85.00 feet to the point of beginning.

Exhibit B Land Conservation Contract

5936249

Recorded at the request of and when recorded will be:
 CITY OF MORGAN HILL
 1735B Peak Ave., Morgan Hill, CA 95037

ASSASSINATOR'S CODE NO. 76.907

D 486 ^{REV 122}

LAND CONSERVATION CONTRACT

This is an agreement between the City of Morgan Hill,
 State of California (hereinafter called "City"), and
ANDREA CUNEO and AMALIA CUNEO, his wife,
 (hereinafter called "Owner").

WHEREAS, Owner possesses certain real property located within
 the City of Morgan Hill, State of California, which is presently
 devoted to agricultural use and is described in Exhibit B attached
 hereto and made a part hereof; and,

WHEREAS, the property is located in an agricultural preserve
 heretofore established by City; and,

WHEREAS, both Owner and City desire to limit the use of
 the property to agricultural and compatible uses; and,

WHEREAS, the parties have determined that the highest and
 best use for the property during the term of this contract, or
 any renewal thereof, shall be for agricultural purposes.

NOW, THEREFORE, City and Owner agree as follows:

1. CONTRACT SUBJECT TO CALIFORNIA LAND CONSERVATION ACT OF 1965

This contract is entered into pursuant to Chapter 7
 (concerning with Section 51200) of Part 1, Division 1, Title 5
 of the Government Code, which is known as the California Land
 Conservation Act of 1965. This contract is subject to all of the
 provisions of this Act including any amendments thereto which
 may hereafter be enacted.

2. RESTRICTION ON USE OF PROPERTY

During the term of this contract, and any and all renewals
 thereof, the property described in Exhibit B shall not be used by
 Owner, or Owner's successors in interest, for any purpose other
 than the production of agricultural commodities for commercial
 purposes and uses compatible thereto. A list of all such com-
 patible uses is set forth in Exhibit A, attached hereto and by
 this reference incorporated herein. City, by uniform rule
 adopted by the City Council of the City of Morgan Hill, may from time

-1-

DEVELOPMENT
 SERVICES
 APR 10 2015
 CITY OF MORGAN HILL

WAA-15-01: DIANA GROSSWEILER

D. 486 Page 123

to time during the term of this contract and all renewals thereof, add to the list of compatible uses which shall be uniform throughout the agricultural preserve in which the property in Exhibit B is located; provided, however, City may not during the term of this contract or any renewal thereof, without the prior written consent of Owner, remove any of the compatible uses for the subject property which are set forth in Exhibit A. The provisions of this contract and any uniform rule supplementing the list of compatible uses are not intended to limit or supersede the planning and zoning powers of City.

3. TERM OF CONTRACT

This contract shall become effective on the date of execution and shall remain in full force and effect for an initial term of ten years. The initial term of ten years shall be measured commencing as of the first day of January next succeeding the date of execution if the date of execution is between March 2 and December 31. The initial term of ten years shall be measured commencing as of the first day of January of the year of execution if the date of execution is between January 1 and March 1. Each succeeding first day of January shall be deemed to be the annual renewal date of this contract. This contract shall be renewed on each succeeding January 1 and one additional year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Paragraph 4.

4. NOTICE OF NONRENEWAL

(a) If either party desires in any year not to renew this contract, that party shall serve written notice of nonrenewal upon the other party in advance of the annual renewal date of this contract. Unless such written notice of nonrenewal is served by Owner at least 90 days prior to the renewal date, or by City at least 60 days prior to the renewal date, this contract shall be considered renewed as provided in Paragraph 3 above.

(b) If either party serves written notice of nonrenewal in any year within the time limits of (a) above, this contract

D 486 no124

shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this contract, as the case may be.

5. NO COMPENSATION

Owner shall not receive any payment from City in consideration of the obligations imposed under this contract, it being recognized and agreed that the consideration for the execution of this contract is the substantial benefit to be derived therefrom, and the advantage that may accrue to Owner as a result of the effect upon the assessed value of the property on account of the restrictions on the use of the property contained herein.

6. SUCCESSORS IN INTEREST

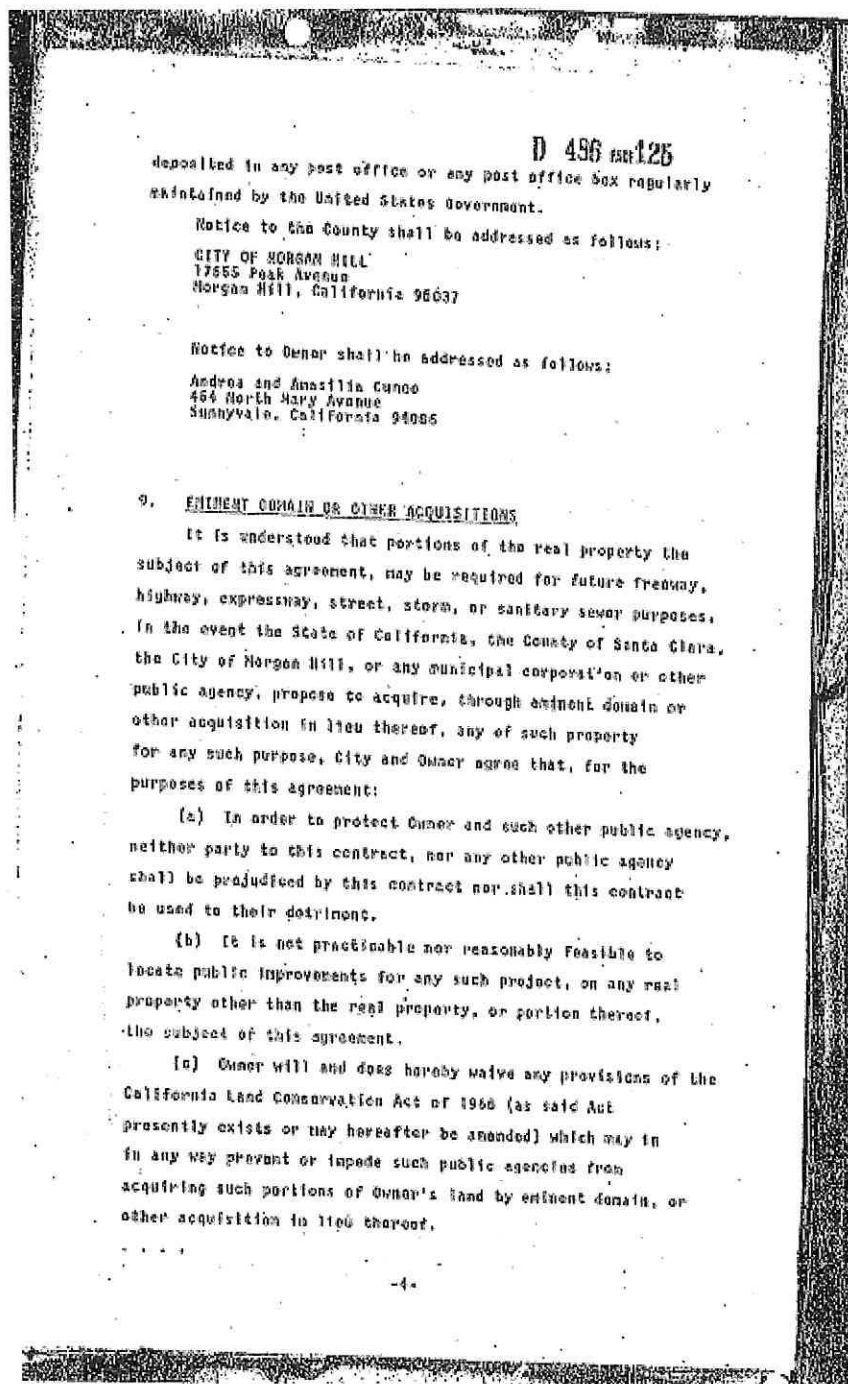
This contract and the restrictions imposed hereunder shall be binding upon, and inure to the benefit of, the successors in interest of the Owner. Whenever any of the property described in Exhibit B is divided, the owner of any parcel may exercise, independent of any other owner of a portion of the divided property, any of the rights of the owner in this contract, including the right to give notice of nonrenewal and to petition for cancellation. The effect of any such action by the owner of a parcel created by the division of land described in Exhibit B shall not be imputed to the owners of the remaining parcels and shall have no effect on this contract as it applies to the remaining parcels of the divided property.

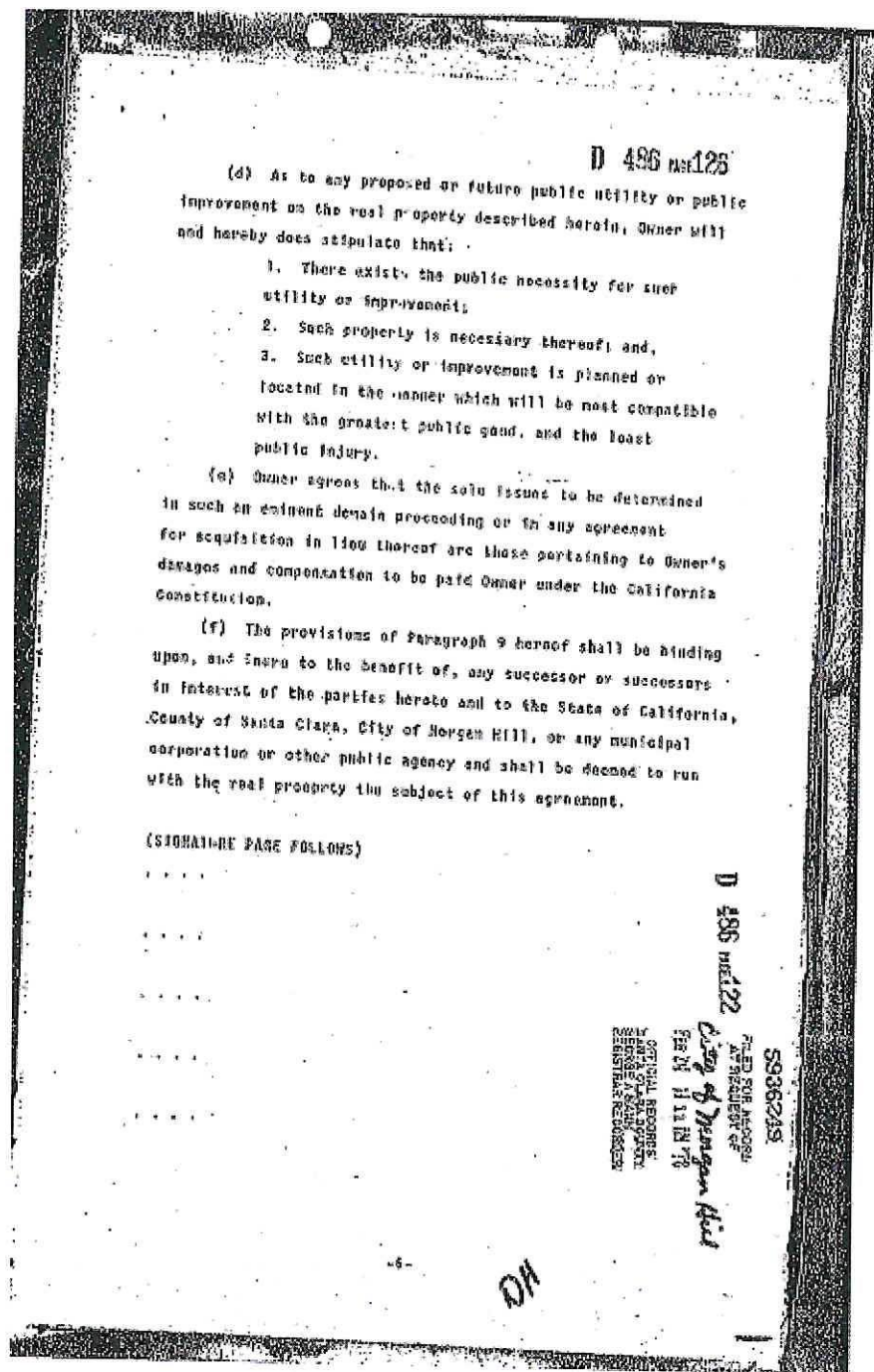
7. CANCELLATION

This contract may be cancelled and a cancellation fee imposed pursuant to the provisions of the Land Conservation Act of 1966.

8. NOTICES

All notices required or permitted by this contract, including notice of a change of address, shall be in writing and given by personal delivery or sent by United States Mail addressed to the party intended to be notified. Notice shall be deemed given as of the date of delivery in person or as of the date when





D 486 MC127

contract to be executed by Owner on X November 24, 1976
 and by City on February 15, 1978

City of Morgan Hill
Virginia Mae Days
 Virginia Mae Days, Mayor

City of Morgan Hill
Marge H. Soares
 Marge H. Soares, City Clerk

Antonia R. Soares
Antonia R. Soares
 (Clerk)

Signatures must be identical to the
 manner in which property is vested.

STATE OF CALIFORNIA
 COUNTY OF SANTA CLARA
 CITY OF MORGAN HILL

On February 15, 1978 before me, MARCE H. SOARES,
 the City Clerk of the City of Morgan Hill, personally appeared
 VIRGINIA MAE DAYS, known to me to be the Mayor of the City of Morgan
 Hill, the public body described in and that executed the within
 instrument, and also known to me to be the person who executed the
 within instrument on behalf of the public body therein named, and
 acknowledged to me that such public body executed the said

WITNESS my hand and official seal:

Marge H. Soares
 MARCE H. SOARES, City Clerk of the
 City of Morgan Hill

STATE OF CALIFORNIA
COUNTY OF SANTA CLARA } ss. *709* D 486 H&128

On this *14* day of *November*, 1976, before me, the undersigned, a Notary Public in and for the State of California with principal office in the County of Santa Clara, residing therein, duly commissioned and sworn, personally appeared *James B. Willard*, known to me to be the *President* of the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its By-Laws or a resolution of the Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

Notary Public in and for the
State of California

STATE OF CALIFORNIA
COUNTY OF SANTA CLARA } ss.

On this *14* day of *November*, 1976, before me, *James B. Willard*, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared *James B. Willard*, known to me to be the person(s) described in and whose name(s) is/are subscribed to the attached instrument, and acknowledged to me that *they* executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

 *James B. Willard*
Notary Public in and for the
County of Santa Clara,
State of California



Office of the Assessor

County of Santa Clara

County Government Center, East Wing
70 West Hedding Street, 5th Floor
San Jose, CA 95110-1771
(408) 299-5500 www.sccassessor.org
Assessor@asr.sccgov.org

Lawrence E. Stone, Assessor

August 11, 2020

Michael D. Mandell
6683 Owens Dr.
Pleasanton, CA 94588

Re: APN: 726-09-002
Owner: D. R. Horton Bay INC.
Williamson Act Contract: 78.907
Appraisal Date: July 1, 2020

Certificate

In accordance with the provisions of Section 51283 of the government code, I, Lawrence E. Stone, do hereby certify under penalty of perjury that the full cash value of the 4.66 acres of land, being parcel 726-09-002 is \$3,600,000 (three million six hundred thousand dollars). This is the value to be used in calculating the cancellation fee.

The cancellation fee, which is determined by multiplying the full cash value by 12.5 percent is equal to \$450,000 (four hundred fifty thousand dollars). This is the amount of the cancellation fee.

Done this 11th day of August, 2020, at San Jose, California.

Lawrence E. Stone
Assessor

CC: Farl Grundy, Environmental Planner
California Department of Conservation

From: [Alec Michael Tappin](#)
To: [Joey Dinh](#)
Subject: FW: Williamson Act Cancellation Fee
Date: Monday, 31 August, 2020 2:22:38 PM
Attachments: [image006.png](#)
[image007.png](#)

Joey,

I've paid the Williamson Act fee to the County.

I will send you the updated fee schedule for our SCVHA tomorrow if you can confirm it looks correct?

I should have a check Thursday or Friday to bring to you.

Thank you,



Alec Tappin
Project Manager

D.R. HORTON
6683 Owens Dr, Pleasanton, California 94588
o: 925.225.7457 c: 925.683.7782

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From: Cheng, Mu-Hua <Mu-Hua.Cheng@fin.sccgov.org>
Sent: Monday, August 31, 2020 1:17 PM
To: Payne, Glenn <Glenn.Payne@fin.sccgov.org>; Alec Michael Tappin <AMTappin@drhorton.com>
Cc: Au, Gloria <gloria.au@fin.sccgov.org>; Tom, Annie <Annie.Tom@fin.sccgov.org>; Ma, Jacelyn <Jacelyn.Ma@fin.sccgov.org>
Subject: RE: Williamson Act Cancellation Fee

[External]

Hi Alec/Glenn,

Thank you! We will start processing.

Mu-Hua

From: Payne, Glenn <Glenn.Payne@fin.sccgov.org>
Sent: Monday, August 31, 2020 1:14 PM
To: Alec Michael Tappin <AMTappin@drhorton.com>
Cc: Au, Gloria <gloria.au@fin.sccgov.org>; Tom, Annie <Annie.Tom@fin.sccgov.org>; Ma, Jacelyn <Jacelyn.Ma@fin.sccgov.org>; Cheng, Mu-Hua <Mu-Hua.Cheng@fin.sccgov.org>
Subject: RE: Williamson Act Cancellation Fee

Hi Alec,

I'm confirming that the County of Santa Clara has received payment from you, in the amount of \$450,000.00, for the Williamson Act Cancellation Fee.

Best regards,
 Best regards,
 Glenn Payne
 Senior Accountant
 Property Tax Apportionment Unit
 Controller-Treasurer Dept.
 County of Santa Clara
 Phone: (408) 299-5266

From: Cheng, Mu-Hua <Mu-Hua.Cheng@fin.sccgov.org>
Sent: Monday, August 31, 2020 11:21 AM
To: Alec Michael Tappin <AMTappin@drhorton.com>
Cc: Payne, Glenn <Glenn.Payne@fin.sccgov.org>; Au, Gloria <gloria.au@fin.sccgov.org>; Tom, Annie <Annie.Tom@fin.sccgov.org>; Ma, Jacelyn <Jacelyn.Ma@fin.sccgov.org>; Simunic, Stephanie <stephanie.simunic@cob.sccgov.org>; Price, Teresa <Teresa.Price@pln.sccgov.org>; Ashok, Bhama <Bhama.Ashok@pln.sccgov.org>; Mikhail, Leza <leza.mikhail@pln.sccgov.org>; Joey.Dinh@morganhill.ca.gov; Annie.Giovacchini@conservation.ca.gov; ITran@scscourt.org; wcutajar@sco.ca.gov; MDelfin@sco.ca.gov; AAbeywickrama@sco.ca.gov; GMcElroy@scscourt.org; WEissmann@scscourt.org; Mutuc, Marilou <marilou.mutuc@FIN.SCCGOV.ORG>; Boone, Curtis <Curtis.Boone@cob.sccgov.org>

Subject: RE: Williamson Act Cancellation Fee

Hi Alec,

Yes, you may come to our office on the 2nd floor. When you arrive, please call our Senior Accountant Glenn Payne at 1-408-299-5266.

Glenn will come out to meet you and receive your check.

Thank you,

Mu-Hua Cheng
Property Tax Division
Controller-Treasurer Department
County of Santa Clara
Phone (408) 299-5254
E-Mail : mu-hua.cheng@fin.sccgov.org

From: Alec Michael Tappin <AMTappin@drhorton.com>

Sent: Monday, August 31, 2020 11:05 AM

To: Cheng, Mu-Hua <Mu-Hua.Cheng@fin.sccgov.org>

Cc: Payne, Glenn <Glenn.Payne@fin.sccgov.org>; Au, Gloria <gloria.au@fin.sccgov.org>; Tom, Annie <Annie.Tom@fin.sccgov.org>; Ma, Jacelyn <Jacelyn.Ma@fin.sccgov.org>; Simunic, Stephanie <stephanie.simunic@cob.sccgov.org>; Price, Teresa <Teresa.Price@pln.sccgov.org>; Ashok, Bhama <Bhama.Ashok@pln.sccgov.org>; Mikhail, Leza <leza.mikhail@pln.sccgov.org>; Joey.Dinh@morganhill.ca.gov; Annie.Giovacchini@conservation.ca.gov; TTran@scscourt.org; wcutajar@sco.ca.gov; MDelfin@sco.ca.gov; AAbeywickrama@sco.ca.gov; GMcElroy@scscourt.org; WEissmann <WEissmann@scscourt.org>; Mutuc, Marilou <marilou.mutuc@FIN.SCCGOV.ORG>; Boone, Curtis <Curtis.Boone@cob.sccgov.org>

Subject: [EXTERNAL] RE: Williamson Act Cancellation Fee

Importance: High

Hello Mu-Hua,

Thank you so much for getting back to me as I've been on a bit of a wild goose chase. May I come down there to your office today around 1:15 and hand deliver the check please? It's a fairly large amount and I would not want it to get lost in the mail.

Thank you,



Alec Tappin
Project Manager

D.R. HORTON
6683 Owens Dr, Pleasanton, California 94588
o: 925.225.7457 c: 925.683.7782

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From: Cheng, Mu-Hua <Mu-Hua.Cheng@fin.sccgov.org>

Sent: Monday, August 31, 2020 11:00 AM

To: Alec Michael Tappin <AMTappin@drhorton.com>

Cc: Payne, Glenn <Glenn.Payne@fin.sccgov.org>; Au, Gloria <gloria.au@fin.sccgov.org>; Tom, Annie <Annie.Tom@fin.sccgov.org>; Ma, Jacelyn <Jacelyn.Ma@fin.sccgov.org>; Simunic, Stephanie <stephanie.simunic@cob.sccgov.org>; Price, Teresa <Teresa.Price@pln.sccgov.org>; Ashok, Bhama <Bhama.Ashok@pln.sccgov.org>; Mikhail, Leza <leza.mikhail@pln.sccgov.org>; Joey.Dinh@morganhill.ca.gov; Annie.Giovacchini@conservation.ca.gov; TTran@scscourt.org; wcutajar@sco.ca.gov; MDelfin@sco.ca.gov; AAbeywickrama@sco.ca.gov; GMcElroy@scscourt.org; WEissmann <WEissmann@scscourt.org>; Mutuc, Marilou <marilou.mutuc@FIN.SCCGOV.ORG>; Boone, Curtis <Curtis.Boone@cob.sccgov.org>

Subject: Williamson Act Cancellation Fee

[External]

Hi Alec,

The Property Tax Unit in Controller-Treasurer Office is the processing center for Williamson Act Cancellation.

Please send your payment to the following address:

County of Santa Clara
Finance Agency
Controller-Treasurer Office

Attn: Mu-Hua Cheng
70 West Hedding St., East Wing, 2nd Floor,
San Jose, CA 95110

Please choose either registered mail or certified mail to guarantee the receipt of your payment.

We will start processing once we receive your payment. We will keep you informed about the results.

Please contact me directly if you have any questions.

Thank you,

Mu-Hua Cheng
Property Tax Division
Controller-Treasurer Department
County of Santa Clara
Phone (408) 299-5254
E-Mail : mu-hua.cheng@fin.sccgov.org

From: Simunic, Stephanie <stephanie.simunic@cob.sccgov.org>
Sent: Wednesday, August 26, 2020 8:48 AM
To: Boone, Curtis <Curtis.Boone@cob.sccgov.org>
Subject: FW: Williamson Act Cancellation Fee

Hi Curtis. This person is trying to figure out a Williamson Act parcel that is in incorporated Morgan Hill. He wants to cancel the contract.

Would we accept the cancellation fee check, even though it is in the City of Morgan Hill? He has a letter for the Assessors office. (It is attached.)

Thanks,

--

Stephanie Simunic
Office of the Clerk - Board of Supervisors
stephanie.simunic@cob.sccgov.org
Direct: 408-299-5091
Main: 408-299-5001



NOTICE:

This email message and/or its attachments may contain information that is confidential or restricted. It is intended only for the individuals named as recipients in the message. If you are NOT an authorized recipient, you are prohibited from using, delivering, distributing, printing, copying, or disclosing the message or content to others and must delete the message from your computer. If you have received this message in error, please notify the sender by return email.

"The Brown Act prohibits communication outside of a public meeting, including by e-mail, by a majority of Board/Commission members on subject matters within the jurisdiction of the Board/Commission meeting group. To avoid any potential violations, please do not hit "Reply to All" or send e-mails to the group."

From: Alec Michael Tappin <AMTappin@drhorton.com>
Sent: Monday, August 24, 2020 11:56 AM
To: Simunic, Stephanie <stephanie.simunic@cob.sccgov.org>
Subject: [EXTERNAL] Williamson Act Cancellation Fee

Hello Stephanie,

I spoke to a number of people today and I'm not sure if you were one of them. Attached is my recorded cert of temporary cancellation as well as the cancellation fee from the assessor. I just want to process the formal cancellation and make the payment. I'm hoping you are the correct person for this or maybe you know who is?

Thank you,



Alec Tappin
Project Manager

D.R. HORTON
6683 Owens Dr, Pleasanton, California 94588
o: 925.225.7457 c: 925.683.7782

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RECORDING REQUESTED BY:

CITY OF MORGAN HILL
CITY CLERK'S OFFICE

WHEN RECORDED MAIL TO:

CITY CLERK'S OFFICE
CITY OF MORGAN HILL
17555 PEAK AVENUE
MORGAN HILL, CALIFORNIA 95037-4128

ATTN: JOEY DINH-PLANNING DIVISION

NO RECORDATION FEE PER
GOVERNMENT CODE 6103

**CERTIFICATE OF "FINAL" CANCELLATION
OF WILLIAMSON ACT CONTRACT
(California Government Code Section 51283.4)**

I certify that on October 21, 2020, the City Council of the City of Morgan Hill, County of Santa Clara, State of California adopted Resolution Number **xx** a final cancellation of a land contract, as further described below.

1. Name and Address of Landowner:

Donald Grossweiler and Carmen Grossweiler, as Trustees of the Grossweiler Family Trust
dated April 20, 2015
3414 Royal Meadow Lane
San Jose, CA 95135

2. Description of Property:

The property is described in the legal description, attached hereto as Exhibit A and incorporated herein by reference. (Also known as Assessor's Parcel Numbers 726-09-002.)

3. Description of Land Conservation Contract:

Land Conservation Contract dated February 15, 1978 and recorded on February 24, 1978, as Document No. 5936249 in the Official Records of the County of Santa Clara, California, attached hereto as Exhibit B and incorporated herein by reference.

4. Contingencies and conditions have been satisfied prior to final cancellation of said contract:

Attachment: Certificate of Final Cancellation (2883 : WA2017-0001 Diana-Grossweiler (Montecito Estates))

- A. The cancellation fee was recalculated and certified by the County Assessor in a letter dated August 11, 2020 that the cancellation valuation of the Subject Property is three million six hundred thousand dollars (\$3,600,000.00) and that the cancellation value of 12.5% results in a cancellation fee of four hundred fifty thousand dollars (\$450,000.00). The cancellation fee has been paid to the County Treasurer.
- B. The Landowner has obtained approval of a Tentative Map, Final Map and Design Permit (formerly Architectural & Site Review), and grading permits necessary to commence the project.

5. Method of approval:

Pursuant to Resolution No. **xx** duly adopted by the City Council on October 21, 2020.

s/ _____

Deputy City Clerk

Approved as to Form:

s/ _____

Donald A. Larkin
City Attorney

Date: _____

Attachment: Certificate of Final Cancellation (2883 : WA2017-0001 Diana-Grossweiler (Montecito Estates))

Exhibit "A"

LEGAL DESCRIPTION

BEGINNING at the common corner of Lots 50, 51, 73 and 75 in the center line of Diane Avenue as so shown on the Map hereinafter mentioned, and running thence along said center line of Diana Avenue South 45° 23' West 3.25 chains to a point in said center line of Diana Avenue distant North 45° 23' East 3.25 chains from the common corner of Lots 49, 50, 72 and 73 as shown on said Map, thence leaving said center line of Diana Avenue and running at right angles and parallel to the line between said Lots 50 and 51, North 44° 37' West 15.38 1/2 chains to a point in the line between Lots 28 and 50 distant North 45° 23' East 3.25 chains from the common corner of Lots 27, 28, 49 and 50, as shown on said Map, thence at right angles and along the line between said Lots 28 and 50, North 45° 23' East 3.25 chains to the common corner for Lots 28, 29, 50 and 51, as shown on said Map, and thence at right angles and along the line between said Lots 50 and 51, South 44° 37' East 15.36 1/2 chains to the point of beginning, being the Northeasterly one-half of Lot 50 as laid down, designated and delineated on the Map entitled, "Morgan Hill Ranch Map No. 1, being C.H. Phillips Subdivision of part of the Rancho Ojo de Agua de la Coche and La Laguna Seca in the County of Santa Clara, California", and which Map was recorded in the office of the County Recorder of the County of Santa Clara, State of California, on June 1, 1892, in Book G, pages 2 and 3 of Maps.

EXCEPTING THEREFROM that portion thereof conveyed to Ervine L. Xavier by Deed recorded December 6, 1956, in Book 3678, page 600 of Official Records, and being more particularly described as follows:

BEGINNING at the intersection of the line common to Lots 50 and 51 with the Northwestern line of Diana Avenue as shown on said Map, and running thence along the line common to Lots 50 and 51 North 44° 37' West 174.00 feet to an iron pipe; thence leaving said Lot line South 45° 27' West 85.00 feet to an iron pipe; thence parallel with the line common to Lots 50 and 51 South 44° 37' east 174.00 feet to an iron pipe in the Northwestern line of Diana Avenue; thence along the Northwestern line of Diana Avenue North 45° 23' East 85.00 feet to the point of beginning.

Attachment: Certificate of Final Cancellation (2883 : WA2017-0001 Diana-Grossweiler (Montecito Estates))

EXHIBIT "B"

Recorded at the request of and when recorded mail to:
CITY OF MORGAN HILL
17355 Peak Ave., Morgan Hill, CA 95037

5936249

ASSESSOR'S CODE NO. 78.907

LAND CONSERVATION CONTRACT D 486 PAGE 122

This is an agreement between the City of Morgan Hill,
State of California (hereinafter called "City"), and
ANDREA CUNEO and ANASILIA CUNEO, his wife,
(hereinafter called "Owner").

WHEREAS, Owner possesses certain real property located within
the City of Morgan Hill, State of California, which is presently
devoted to agricultural use and is described in Exhibit B attached
hereto and made a part hereof; and,

WHEREAS, the property is located in an agricultural preserve
heretofore established by City; and,

WHEREAS, both Owner and City desire to limit the use of
the property to agricultural and compatible uses; and,

WHEREAS, the parties have determined that the highest and
best use for the property during the term of this contract, or
any renewal thereof, shall be for agricultural purposes.

NOW, THEREFORE, City and Owner agree as follows:

1. CONTRACT SUBJECT TO CALIFORNIA LAND CONSERVATION ACT OF 1965
This contract is entered into pursuant to Chapter 7
(commencing with Section 51200) of Part 1, Division 1, Title 5
of the Government Code, which is known as the California Land
Conservation Act of 1965. This contract is subject to all of the
provisions of this Act including any amendments thereto which
may hereafter be enacted.

2. RESTRICTION ON USE OF PROPERTY
During the term of this contract, and any and all renewals
thereof, the property described in Exhibit B shall not be used by
Owner, or Owner's successors in interest, for any purpose other
than the production of agricultural commodities for commercial
purposes and uses compatible thereto. A list of all such com-
patible uses is set forth in Exhibit A, attached hereto and by
this reference incorporated herein. City, by uniform rule
adopted by the City Council of the City of Morgan Hill, may from time
to time amend the list of compatible uses.

DEVELOPMENT
SERVICES
APR 19 2015
CITY OF MORGAN HILL

WAA-15-01: DIANA-GROSSWEILER

Attachment: Certificate of Final Cancellation (2883 : WA2017-0001 Diana-Grossweiler (Montecito Estates))

SEPARATE PAGE, PURSUANT TO GOVT. CODE 27361.6

D. 486 PAGE 123

to time during the term of this contract and all renewals thereof, add to the list of compatible uses which shall be uniform throughout the agricultural preserve in which the property in Exhibit B is located; provided, however, City may not during the term of this contract or any renewal thereof, without the prior written consent of Owner, remove any of the compatible uses for the subject property which are set forth in Exhibit A. The provisions of this contract and any uniform rule supplementing the list of compatible uses are not intended to limit or supersede the planning and zoning powers of City.

3. TERM OF CONTRACT

This contract shall become effective on the date of execution and shall remain in full force and effect for an initial term of ten years. The initial term of ten years shall be measured commencing as of the first day of January next succeeding the date of execution if the date of execution is between March 2 and December 31. The initial term of ten years shall be measured commencing as of the first day of January of the year of execution if the date of execution is between January 1 and March 1. Each succeeding first day of January shall be deemed to be the annual renewal date of this contract. This contract shall be renewed on each succeeding January 1 and one additional year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Paragraph 4.

4. NOTICE OF NONRENEWAL

(a) If either party desires in any year not to renew this contract, that party shall serve written notice of nonrenewal upon the other party in advance of the annual renewal date of this contract. Unless such written notice of nonrenewal is served by Owner at least 90 days prior to the renewal date, or by City at least 60 days prior to the renewal date, this contract shall be considered renewed as provided in Paragraph 3 above.

(b) If either party serves written notice of nonrenewal in any year within the time limits of (a) above, this contract

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shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this contract, as the case may be.

5. NO COMPENSATION

Owner shall not receive any payment from City in consideration of the obligations imposed under this contract, it being recognized and agreed that the consideration for the execution of this contract is the substantial benefit to be derived therefrom, and the advantage that may accrue to Owner as a result of the effect upon the assessed value of the property on account of the restrictions on the use of the property contained herein.

6. SUCCESSORS IN INTEREST

This contract and the restrictions imposed hereunder shall be binding upon, and inure to the benefit of, the successors in interest of the Owner. Whenever any of the property described in Exhibit B is divided, the owner of any parcel may exercise, independent of any other owner of a portion of the divided property, any of the rights of the owner in this contract, including the right to give notice of nonrenewal and to petition for cancellation. The effect of any such action by the owner of a parcel created by the division of land described in Exhibit B shall not be imputed to the owners of the remaining parcels and shall have no effect on this contract as it applies to the remaining parcels of the divided property.

7. CANCELLATION

This contract may be cancelled and a cancellation fee imposed pursuant to the provisions of the Land Conservation Act of 1965.

8. NOTICES

All notices required or permitted by this contract, including notice of a change of address, shall be in writing and given by personal delivery or sent by United States Mail addressed to the party intended to be notified. Notice shall be deemed given as of the date of delivery in person or as of the date when

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deposited in any post office or any post office box regularly maintained by the United States Government.

Notice to the County shall be addressed as follows:

CITY OF MORGAN HILL
17655 Peak Avenue
Morgan Hill, California 95037

Notice to Owner shall be addressed as follows:

Andrea and Amasilia Cuneo
454 North Mary Avenue
Sunnyvale, California 94086

9. EMINENT DOMAIN OR OTHER ACQUISITIONS

It is understood that portions of the real property the subject of this agreement, may be required for future freeway, highway, expressway, street, storm, or sanitary sewer purposes. In the event the State of California, the County of Santa Clara, the City of Morgan Hill, or any municipal corporation or other public agency, propose to acquire, through eminent domain or other acquisition in lieu thereof, any of such property for any such purpose, City and Owner agree that, for the purposes of this agreement:

(a) In order to protect Owner and such other public agency, neither party to this contract, nor any other public agency shall be prejudiced by this contract nor shall this contract be used to their detriment.

(b) It is not practicable nor reasonably feasible to locate public improvements for any such project, on any real property other than the real property, or portion thereof, the subject of this agreement.

(c) Owner will and does hereby waive any provisions of the California Land Conservation Act of 1965 (as said Act presently exists or may hereafter be amended) which may in any way prevent or impede such public agencies from acquiring such portions of Owner's land by eminent domain, or other acquisition in lieu thereof.

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(d) As to any proposed or future public utility or public improvement on the real property described herein, Owner will and hereby does stipulate that:

1. There exists the public necessity for such utility or improvement;
2. Such property is necessary thereof; and,
3. Such utility or improvement is planned or located in the manner which will be most compatible with the greatest public good, and the least public injury.

(e) Owner agrees that the sole issues to be determined in such an eminent domain proceeding or in any agreement for acquisition in lieu thereof are those pertaining to Owner's damages and compensation to be paid Owner under the California Constitution.

(f) The provisions of Paragraph 9 hereof shall be binding upon, and inure to the benefit of, any successor or successors in interest of the parties hereto and to the State of California, County of Santa Clara, City of Morgan Hill, or any municipal corporation or other public agency and shall be deemed to run with the real property the subject of this agreement.

(SIGNATURE PAGE FOLLOWS)

D 486 PAGE 122

FILED FOR RECORD
AT REQUEST OF
City of Morgan Hill
FEB 24 11 11 AM '18
OFFICIAL RECORDS
SANTA CLARA COUNTY
RECORDS & CLERK
RECORDS SECTION

5936239

-5-

DH

Attachment: Certificate of Final Cancellation (2883 : WA2017-0001 Diana-Grossweiler (Montecito Estates))

D 486 PAGE 127

contract to be executed by Owner on X November 24, 1976
and by City on February 15, 1978

City of Morgan Hill
Virginia Mae Days
Virginia Mae Days, Mayor

ATTEST: City Clerk
City of Morgan Hill
Madge W. Soares
MADGE W. SOARES

Andrea Russo
Dina Russo

(Owner)

signatures must be identical to the
manner in which property is vested.

STATE OF CALIFORNIA
COUNTY OF SANTA CLARA
CITY OF MORGAN HILL

On February 15, 1978 before me, MADGE W. SOARES,
the City Clerk of the City of Morgan Hill, personally appeared
VIRGINIA MAE DAYS, known to me to be the Mayor of the City of Morgan
Hill, the public body described in and that executed the within
instrument, and also known to me to be the person who executed the
within instrument on behalf of the public body therein named, and
acknowledged to me that such public body executed the same.

WITNESS my hand and official seal:

Madge W. Soares
MADGE W. SOARES, City Clerk of the
City of Morgan Hill

SEPARATE PAGE, PURSUANT TO GOVT. CODE 27361.6

STATE OF CALIFORNIA }
COUNTY OF SANTA CLARA } ss.

D 486 PAGE 128

On this 24 day of November, 1976, before me, the undersigned, a Notary Public in and for the State of California with principal office in the County of Santa Clara, residing therein, duly commissioned and sworn, personally appeared Andres, Carlos and Consuelo Gomez known to me to be the of the corporation that executed the within instrument, and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its By-Laws or a resolution of the Board of Directors.

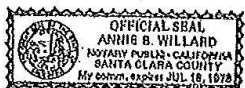
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

Notary Public in and for the
State of California

STATE OF CALIFORNIA }
COUNTY OF SANTA CLARA } ss.

On this 24 day of November, 1976 before me, Annis B. Willard, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Andres, Carlos and Consuelo Gomez known to me to be the person(s) described in and whose name(s) is/are subscribed to the attached instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Annis B. Willard
Notary Public in and for the
County of Santa Clara,
State of California



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

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

APPROVE RESOLUTION AUTHORIZING GRANT APPLICATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT-RELATED AGREEMENTS AND DOCUMENTS

RECOMMENDATION(S)

Adopt resolution approving the following actions:

1. Authorizing staff to prepare and submit a Statewide Park Development and Community Revitalization Program Grant Application to the State of California Department of Parks and Recreation for an amount not to exceed \$8,500,000 for the development of the proposed park at Butterfield Boulevard and Monterey Road; and
2. Authorizing the City Manager to negotiate and execute the Statewide Park Development and Community Revitalization Program Grant agreement and other documents, reports, forms, and agreements related to the performance of the identified project.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community

2020-2021 Strategic Priorities

Economic Development

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan

REPORT NARRATIVE:

The purpose of this report is to request the City Council's re-adoption of a grant resolution relating to the development of the proposed City park at Butterfield Boulevard and Monterey Road. The Council adopted this resolution last year for the identical grant for the identical project. Since the application was unsuccessful last year and the City will be reapplying for the grant, the resolution must be re-adopted.

The State of California Department of Parks and Recreation is preparing to accept grant applications for its Statewide Parks Program. This program is the largest park related grant program in California's history and possibly U.S. history, with over \$1 billion in funding between the 2018 Prop. 68 and 2006 Prop. 84 Bond Acts. The City has a good track record in competitive grant programs, but will have some hurdles due to significant

grant scoring points being allocated to low income communities. The City applied for the first round of funding and was unsuccessful. Though the application scored well, other applications received higher scores and were allocated grant funds.

City staff has identified a potential park site that is not within a half mile of any other park site and should, therefore, enable the City to receive the maximum score in the park-deficient community category. This site is City-owned property near the southern end of the City at the Butterfield overpass. The site is approximately 8 acres in size and is currently unused. It would be connected to the area near Barrett School by the soon to be constructed Butterfield Linear Path. It would also have easy bicycle access from the southwest side of the town. The site will meet size requirements for a new Small Community Park as outlined in the recent 2017 Bikeways, Trails, Parks and Recreation Master Plan, but would be slightly south of the location identified in the plan.

The City has engaged potential partners who may be willing to take on significant portions of the park maintenance as the City does not have the funding available to increase park maintenance services on a Citywide basis. Staff believes that there is a good chance that a local baseball group and a local cycling group will be willing to take on substantial maintenance activities and will continue to seek out other partners interested in maintaining other areas of the park.

Part of the grant application process is to engage the Community on the potential new park site location and amenities. Staff facilitated a number of community meetings last year at different times, locations, and days of the week in order to maximize participation. Additional outreach efforts were pursued this year.

The community engagement process guided the conceptual design of the proposed park. Strong support for the baseball field and bike tracks were received. There were individuals that proposed alternative site locations; however, after evaluation those locations were not believed to be realistic or appropriate based on the grant requirements and the grant timeframe.

The grant application has taken significant staff work to date and will require additional work over the next several weeks to finalize the application and continue to cultivate partners for the ongoing maintenance of the park. However, the potential for an \$8.5 million grant is believed to be too significant of an opportunity to be passed up. It is also important to note there is no match required by the grant and the project could be constructed without reducing the current Capital Improvement Program.

The proposed park would look to implement the Goal P.1 of the Bikeways, Trails, Parks and Recreation Master Plan, "Distribute City-owned neighborhood and community parks throughout the City to fill existing gaps and prevent future gaps, especially where densely populated areas are not well-served by parks." The park site location is not in the exact area defined by the Plan for a new Small Community Park, but given the large number of projects outlined in the Plan, staff is recommending the application at this site to take advantage of this potentially once in a decade grant opportunity.

Attachment 1 is the resolution required for the grant application package. Attachment 2 is the location map for the proposed park. Attachment 3 is the current conceptual plan that has been developed with community input. Attachment 4 is a sample State grant contract.

COMMUNITY ENGAGEMENT: Collaborate

The grant application process requires extensive outreach to the community. Finding partners to collaborate on ongoing park operations if the grant is received is critical for the success of the project. Currently, the City has received important feedback from the baseball and cycling communities as well as the general public.

ALTERNATIVE ACTIONS:

The City Council could direct staff not to submit the grant application. This will halt work on this project and eliminate the opportunity for grant funding for this cycle.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

This grant application represents an extension of long-standing activities authorized by the Council to expand park and recreation opportunities in the community. Specifically, developing new park and recreation facilities is a central tenet of the Bikeways, Trails, Parks and Recreation Master Plan that the Council adopted in July 2017. Most recently, the City Council received a report about this funding opportunity at its May 1, 2019 meeting. The Parks and Recreation Commission received an update on the opportunity at its June 18, 2019 meeting and made a final recommendation on the grant opportunity at its July 16, 2019 meeting. The Council adopted this resolution last year on July 17, 2019.

FISCAL AND RESOURCE IMPACT:

To complete the grant application process, significant staff resources from the Community Services Department have been required and lower priority work has been delayed, however, applying for the grant for the second time is significantly less work than the first application. Additionally, approximately \$120,000 in environmental analysis and site design consultant work was completed prior to the initial grant application. No additional funding for consulting work is needed for the current application.

Preliminary cost estimates for the park, including all contingency amounts, exceed \$13 million. While a significant amount of these costs would be covered by the \$8.5 million grant, staff believes that there are real opportunities to significantly reduce the actual construction costs through strategically bidding the project with a contractor-friendly schedule, slightly reducing the project's scope, and engaging in value engineering. In addition, the project can be bid as a smaller core project with bid alternates to provide the City with flexibility when matching the bid results with the project's budget.

Ongoing operational costs to manage and maintain a park this size are estimated at approximately \$160,000 annually, which includes the costs for contributing to a future replacement fund for major elements such as the building and artificial turf fields. It is anticipated that through the construction of revenue producing facilities (meeting rooms, picnic areas) and partnerships (volunteer work, contract management of various areas

of the park, and sponsorship), that 80-100% of the costs associated with the park will be offset or recovered through revenue.

CEQA (California Environmental Quality Act):

Mitigated Negative Declaration

An environmental assessment, including an Initial Study and Mitigated Negative Declaration, has been prepared for the project by David J. Powers & Associates, Inc. in conformance with CEQA and was presented to the Council last year. The City also filed the required Notice of Determination before the grant application was submitted last August.

LINKS/ATTACHMENTS:

1. Attachment 1 - Butterfield Blvd. Park Grant App Resolution
2. Attachment 2 - Proposed Park Location
3. Attachment 3 - Butterfield Blvd. Park Conceptual Plan
4. Attachment 4 - Sample Grant Agreement

RESOLUTION NO:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE SUBMITTAL OF A STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM GRANT APPLICATION TO THE STATE DEPARTMENT OF PARKS AND RECREATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS REQUIRED TO APPLY AND ACCEPT THE GRANT FOR THE CITY, IF AWARDED, AND DIRECTING CERTAIN ACTIONS IN CONNECTION THEREWITH

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

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility of the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State of California to complete the Grant Scope project; and

WHEREAS, the City desires to apply for the grant funds through the State of California, Department of Parks and Recreation; and

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

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY: APPROVES THE FILING OF AN APPLICATION FOR THE BUTTERFIELD AND MONTEREY PARK PROJECT; AND

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

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

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project;
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project;
3. Certifies that the Applicant has reviewed, understands and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide;
4. Delegates the authority to the City Manager to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of Grant Scope;
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines; and
6. Will consider promoting inclusion per Public Resources Code 80001(b)(8 A-G).

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

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a special meeting held on the 21st day of October 2020.

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. XX-XXX, adopted by the City Council at a special meeting held on October 21, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

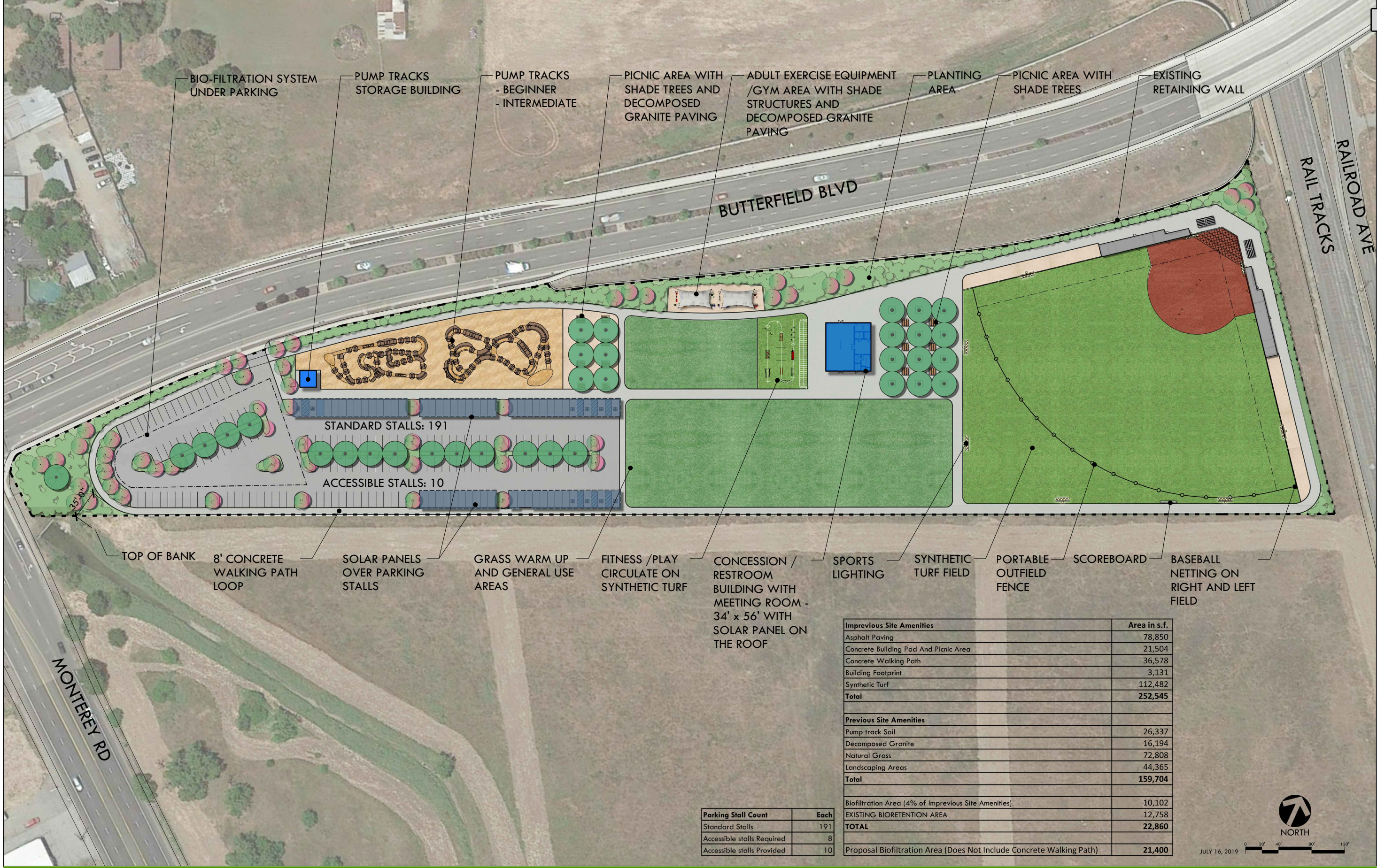
Attachment 2 Potential Park Location



Park Site

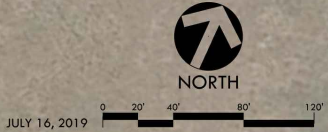
8.25 acres

Owned by City



Parking Stall Count	Each
Standard Stalls	191
Accessible stalls Required	8
Accessible stalls Provided	10

Imprevious Site Amenities	Area in s.f.
Asphalt Paving	78,850
Concrete Building Pad And Picnic Area	21,504
Concrete Walking Path	36,578
Building Footprint	3,131
Synthetic Turf	112,482
Total	252,545
Previous Site Amenities	
Pump track Soil	26,337
Decomposed Granite	16,194
Natural Grass	72,808
Landscaping Areas	44,365
Total	159,704
Biofiltration Area (4% of Imprevious Site Amenities)	10,102
EXISTING BIORETENTION AREA	12,758
TOTAL	22,860
Proposal Biofiltration Area (Does Not Include Concrete Walking Path)	21,400



Preliminary Design Concept
Butterfield Park
Morgan Hill, CA



LANDSCAPE ARCHITECTURE
CIVIL ENGINEERING
SPORT PLANNING & DESIGN
2455 The Alameda, Ste. 200
Santa Clara, CA 95050
tel: 408.985.7200
fax: 408.985.7201
www.verdedesign.com

Competitive Grant Program Contract



State of California – The Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

Sample Grant Contract Competitive Grant Program

Grantee: Grantee

Grant Performance Period is from July 1, 20xx through June 30, 20xx

CONTRACT PERFORMANCE PERIOD is from July 1, 20xx through June 30, 20xx

The GRANTEE agrees to the terms and conditions of this Contract, and the State of California, acting through its Director of the Department of Parks and Recreation, pursuant to the State of California, agrees to fund the total State grant amount indicated below.

The GRANTEE agrees to complete the GRANT SCOPE(s) as defined in the GRANT SCOPE/Cost Estimate Form for the application filed with the State of California.

Total State grant amount not to exceed \$ Grant amount

The General and Special Provisions attached are made a part of and incorporated into the Contract.

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

By _____

GRANTEE _____

By _____

Date _____

(Typed or printed name of Authorized Representative)

(Signature of AUTHORIZED REPRESENTATIVE)

Title _____

Date _____

CERTIFICATION OF FUNDING (FOR STATE USE ONLY)

AMOUNT OF ESTIMATE \$		CONTRACT NUMBER	FUND		
ADJ. INCREASING ENCUMBRANCE \$		APPROPRIATION			
ADJ. DECREASING ENCUMBRANCE \$		ITEM VENDOR NUMBER			
UNENCUMBERED BALANCE \$		LINE ITEM ALLOTMENT	CHAPTER	STATUTE	FISCAL YEAR
T.B.A. NO.	B.R. NO.	INDEX	Funding Source		OBJ. EXPEND
I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance.					
SIGNATURE OF ACCOUNTING OFFICER			DATE		

I. RECITALS

This CONTRACT is entered into between the California Department of Parks and Recreation (hereinafter referred to as "GRANTOR," "DEPARTMENT" or "STATE") and [grantee name] (hereinafter referred to as "GRANTEE").

The DEPARTMENT hereby grants to GRANTEE a sum (also referred to as "GRANT MONIES") not to exceed \$grant amount, subject to the terms and conditions of this CONTRACT and the 20xx/xx California State Budget, Chapter xx, statutes of 20xx, Item number – 3790-xxx-xxxx (appropriation chapter and budget item number hereinafter referred to as "COMPETITIVE GRANT PROGRAM GRANT"). These funds shall be used for completion of the GRANT SCOPE(S).

The Grant Performance Period is from July 1, 20xx to June 30, 20xx.

II. GENERAL PROVISIONS

A. Definitions

As used in this CONTRACT, the following words shall have the following meanings:

1. The term "ACT" means the California Drought, Water, Parks Climate, Coastal Protection, and Outdoor Access for All Act of 2018, as referred to in section I of this CONTRACT.
2. The term "APPLICATION" means the individual project APPLICATION packet for a project pursuant to the enabling legislation and/or grant program process guide requirements.
3. The term "DEPARTMENT" or "STATE" means the California Department of Parks and Recreation.
4. The term "DEVELOPMENT" means capital improvements to real property by means of, but not limited to, construction, expansion, and/or renovation, of permanent or fixed features of the property.
5. The term "GRANTEE" means the party described as the GRANTEE in Section I of this CONTRACT.
6. The term "GRANT SCOPE" means the items listed in the GRANT SCOPE/Cost Estimate Form found in each of the APPLICATIONS submitted pursuant to this grant.
7. The term "GUIDES" means (1) the document identified as the "Grant Administration Guide for California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 Competitive Grant Programs Capital Improvement Projects" and (2) The Application Guide that established the competitive procedures and policies for the selection of projects.

B. Project Execution

1. Subject to the availability of GRANT MONIES in the act, the STATE hereby grants to the GRANTEE a sum of money not to exceed the amount stated in Section I of this CONTRACT, in consideration of, and on condition that, the sum be expended in carrying out the purposes as set forth in the scope described in the enabling legislation and referenced in the APPLICATION, Section I of this CONTRACT, and under the terms and conditions set forth in this CONTRACT.

The GRANTEE shall assume any obligation to furnish any additional funds that may be necessary to complete the GRANT SCOPE(S).

The GRANTEE agrees to submit any change or alteration from the original GRANT SCOPE(S) in writing to the STATE for prior approval. This applies to any and all changes that occur after STATE has approved the APPLICATION. Changes in the GRANT SCOPE(S) must be approved in writing by the STATE.

2. The GRANTEE shall complete the GRANT SCOPE(S) in accordance with the time of the Performance Period set forth in Section I of this CONTRACT, and under the terms and conditions of this contract.

To maintain the integrity of the competitive grant program, the GRANTEE agrees that any other project changes or alterations which deviate from the intent of the project selection criteria provided by the GRANTEE in the original competitive APPLICATION must be submitted in writing to the STATE for prior approval.

3. The GRANTEE shall comply with the California Environmental Quality Act (Public Resources Code, §21000, et seq., Title 14, California Code of Regulations, §15000 et seq.).
4. The GRANTEE shall comply with all applicable current laws and regulations affecting DEVELOPMENT projects, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and laws and codes pertaining to individuals with disabilities, including but not limited to the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and the California Unruh Act (California Civil Code §51 et seq.)

C. Procedural Guide

1. GRANTEE agrees to abide by the GUIDES.
2. GRANTEE acknowledges that STATE may make reasonable changes to its procedures as set forth in the GUIDES. If STATE makes any changes to its procedures and guidelines, STATE agrees to notify GRANTEE within a reasonable time.

D. Project Administration

1. If GRANT MONIES are advanced for DEVELOPMENT projects, the advanced funds shall be placed in an interest bearing account until expended. Interest earned on the advanced funds shall be used on the project as approved by the STATE. If grant monies are advanced and not expended, the unused portion of the grant and any interest earned shall be returned to the STATE within 60 days after project completion or end of the grant performance period, whichever is earlier.
2. The GRANTEE shall submit written project status reports within 30 calendar days after the STATE has made such a request. In any event, the GRANTEE shall provide the STATE a report showing total final project expenditures within 60 days of project completion or the end of the grant performance period, whichever is earlier. The grant performance period is identified in Section I of this CONTRACT.
3. The GRANTEE shall make property or facilities acquired and/or developed pursuant to this contract available for inspection upon request by the STATE.

E. Project Termination

1. Project Termination refers to the non-completion of a GRANT SCOPE. Any grant funds that have not been expended by the GRANTEE shall revert to the STATE.
2. The GRANTEE may unilaterally rescind this CONTRACT at any time prior to the commencement of the project. The commencement of the project means the date of the letter notifying GRANTEE of the award or when the funds are appropriated, whichever is later. After project commencement, this CONTRACT may be rescinded, modified or amended only by mutual agreement in writing between the GRANTEE and the STATE, unless the provisions of this contract provide that mutual agreement is not required.
3. Failure by the GRANTEE to comply with the terms of the (a) GUIDES, (b) any legislation applicable to the ACT, (c) this CONTRACT as well as any other grant contracts, specified or general, that GRANTEE has entered into with STATE, may be cause for suspension of all obligations of the STATE unless the STATE determines that such failure was due to no fault of the GRANTEE. In such case, STATE may reimburse GRANTEE for eligible costs properly incurred in performance of this CONTRACT despite non-performance of the GRANTEE. To qualify for such reimbursement, GRANTEE agrees to mitigate its losses to the best of its ability.
4. Any breach of any term, provision, obligation or requirement of this CONTRACT by the GRANTEE shall be a default of this CONTRACT. In the case of any default by GRANTEE, STATE shall be entitled to all remedies available under law and equity, including but not limited to: a) Specific Performance; b) Return of all GRANT MONIES; c) Payment to the STATE of the fair market value of the project property or the actual sales price, whichever is higher; and d) Payment to the STATE of the costs of enforcement of this CONTRACT, including but not limited to court and arbitration costs, fees, expenses of litigation, and reasonable attorney fees.
5. The GRANTEE and the STATE agree that if the GRANT SCOPE includes DEVELOPMENT, final payment may not be made until the work described in the GRANT SCOPE is complete and the GRANT PROJECT is open to the public.

F. Budget Contingency Clause

If funding for any fiscal year is reduced or deleted by the budget act for purposes of this program, the STATE shall have the option to either cancel this contract with no liability occurring to the STATE, or offer a CONTRACT amendment to GRANTEE to reflect the reduced grant amount. This Paragraph shall not require the mutual agreement as addressed in Paragraph E, provision 2, of this CONTRACT.

G. Hold Harmless

1. The GRANTEE shall waive all claims and recourse against the STATE including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this CONTRACT except claims arising from the concurrent or sole negligence of the STATE, its officers, agents, and employees.
2. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, damages, costs, expenses or liability costs arising out of the ACQUISITION, DEVELOPMENT, construction, operation or maintenance of the property described as the project which claims, demands or causes of action arise under

California Government Code Section 895.2 or otherwise except for liability arising out of the concurrent or sole negligence of the STATE, its officers, agents, or employees.

3. The GRANTEE agrees that in the event the STATE is named as codefendant under the provisions of California Government Code Section 895 et seq., the GRANTEE shall notify the STATE of such fact and shall represent the STATE in the legal action unless the STATE undertakes to represent itself as codefendant in such legal action in which event the GRANTEE agrees to pay the STATE's litigation costs, expenses, and reasonable attorney fees.
4. The GRANTEE and the STATE agree that in the event of judgment entered against the STATE and the GRANTEE because of the concurrent negligence of the STATE and the GRANTEE, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.
5. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, costs, expenses or liability costs arising out of legal actions pursuant to items to which the GRANTEE has certified. The GRANTEE acknowledges that it is solely responsible for compliance with items to which it has certified.

H. Financial Records

1. The GRANTEE shall maintain satisfactory financial accounts, documents, including loan documents, and all other records for the project and to make them available to the STATE for auditing at reasonable times. The GRANTEE also agrees to retain such financial accounts, documents and records for five years following project termination or issuance of final payment, whichever is later.
2. The GRANTEE shall keep such records as the STATE shall prescribe, including records which fully disclose (a) the disposition of the proceeds of STATE funding assistance, (b) the total cost of the project in connection with such assistance that is given or used, (c) the amount and nature of that portion of the project cost supplied by other sources, and (d) any other such records that will facilitate an effective audit.
3. The GRANTEE agrees that the STATE shall have the right to inspect and make copies of any books, records or reports pertaining to this contract or matters related thereto during regular office hours. The GRANTEE shall maintain and make available for inspection by the STATE accurate records of all of its costs, disbursements and receipts with respect to its activities under this contract. Such accounts, documents, and records shall be retained by the GRANTEE for at least five years following project termination or issuance of final payment, whichever is later.
4. The GRANTEE shall use a generally accepted accounting system.

I. Use of Facilities

1. The GRANTEE agrees that the GRANTEE shall operate and maintain the property acquired or developed with the GRANT MONIES, for the duration of the Contract Performance Period.
2. The GRANTEE agrees that, during the Contract Performance Period, the GRANTEE shall use the property acquired or developed with GRANT MONIES under this contract only for the purposes of this grant and no other use, sale, or other disposition or change of the use of the

property to one not consistent with its purpose shall be permitted except as authorized by the STATE and the property shall be replaced with property of equivalent value and usefulness as determined by the STATE.

3. The property acquired or developed may be transferred to another entity if the successor entity assumes the obligations imposed under this CONTRACT and with the approval of STATE.
4. Any real Property (including any portion of it or any interest in it) may not be used as security for any debt or mitigation, without the written approval of the STATE provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained. Any such permission that is granted does not make the STATE a guarantor or a surety for any debt or mitigation, nor does it waive the STATE'S rights to enforce performance under the Grant CONTRACT.
5. All real property, or rights thereto, acquired with GRANT MONIES shall be subject to an appropriate form of restrictive title, rights, or covenants approved by the STATE. If the project property is taken by use of eminent domain, GRANTEE shall reimburse STATE an amount at least equal to the amount of GRANT MONIES received from STATE or the pro-rated full market value of the real property, including improvements, at the time of sale, whichever is higher.
6. If eminent domain proceedings are initiated against GRANTEE, GRANTEE shall notify STATE within 10 days of receiving the complaint.

J. Nondiscrimination

1. The GRANTEE shall not discriminate against any person on the basis of sex, race, color, national origin, age, religion, ancestry, sexual orientation, or disability in the use of any property or facility developed pursuant to this contract.
2. The GRANTEE shall not discriminate against any person on the basis of residence except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. All facilities shall be open to members of the public generally, except as noted under the special provisions of this project contract or under provisions of the enabling legislation and/or grant program.

K. Severability

If any provision of this CONTRACT or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the CONTRACT which can be given effect without the invalid provision or application, and to this end the provisions of this CONTRACT are severable.

L. Liability

1. STATE assumes no responsibility for assuring the safety or standards of construction, site improvements or programs related to the GRANT SCOPE. The STATE'S rights under this CONTRACT to review, inspect and approve the GRANT SCOPE and any final plans of

implementation shall not give rise to any warranty or representation that the GRANT SCOPE and any plans or improvements are free from hazards or defects.

2. GRANTEE will secure adequate liability insurance, performance bond, and/or other security necessary to protect the GRANTEE's and STATE'S interest against poor workmanship, fraud, or other potential loss associated with completion of the grant project.

M. Assignability

Without the written consent of the STATE, the GRANTEE'S interest in and responsibilities under this CONTRACT shall not be assignable by the GRANTEE either in whole or in part.

N. Use of Grant Monies

GRANTEE shall not use any grant funds (including any portion thereof) for the purpose of making any leverage loan, pledge, promissory note or similar financial device or transaction, without: 1) the prior written approval of the STATE; and 2) any financial or legal interests created by any such leverage loan, pledge, promissory note or similar financial device or transaction in the project property shall be completely subordinated to this CONTRACT through a Subordination Agreement provided and approved by the STATE, signed by all parties involved in the transaction, and recorded in the County Records against the fee title of the project property.

O. Section Headings

The headings and captions of the various sections of this CONTRACT have been inserted only for the purpose of convenience and are not a part of this CONTRACT and shall not be deemed in any manner to modify, explain, or restrict any of the provisions of this CONTRACT.

P. Waiver

Any failure by a party to enforce its rights under this CONTRACT, in the event of a breach, shall *not* be construed as a waiver of said rights; and the waiver of any breach under this CONTRACT shall *not* be construed as a waiver of any subsequent breach.

GRANTEE

By: _____
Signature of Authorized Representative

Title: _____

Date: _____

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

By: _____

Date: _____

Accounting and Audits

Accounting Requirements

GRANTEES must use accounting practices that:

- Provide accounting data that clearly records costs incurred on the PROJECT and accurately reflects fiscal transactions, with the necessary controls and safeguards.
- Provide good audit trails, especially the source documents (purchase orders, receipts, progress payments, invoices, time cards, cancelled warrants, warrant numbers, etc.) specific to the PROJECT.

Accounting Rules for Employee Services (IN-HOUSE EMPLOYEE SERVICES)

GRANTEES must follow these accounting practices for employee services:

- Maintain time and attendance records as charges are incurred, identifying the employee through a name or other tracking system, and that employee's actual time spent on the PROJECT.
- Time estimates, including percentages, for work performed on the PROJECT are not acceptable.
- Time sheets that do not identify the specific employee's time spent on the PROJECT are not acceptable.
- Costs of the salaries and wages must be calculated according to the GRANTEE'S wage and salary scales, and may include benefit costs such as vacation, health insurance, pension contributions and workers' compensation.
- Overtime costs may be allowed under the GRANTEE'S established policy, provided that the regular work time was devoted to the same PROJECT.
- May not include overhead or cost allocation. These are costs generally associated with supporting an employee, such as rent, personnel support, IT, utilities, etc.

State Audit

Grants are subject to audit by DPR. (See page 33, Audit Checklist). All PROJECT records must be retained for five years after final payment was issued, or PROJECT terminated, whichever is later.

The GRANTEE must provide the following when an audit date and time has been confirmed by DPR:

- All PROJECT records, including the source documents and cancelled warrants, books, papers, accounts, time sheets, or other records listed in the Audit Checklist or requested by DPR.
- An employee having knowledge of the PROJECT and its records to assist the DPR auditor.

Record Keeping Recommendation

GRANTEES are encouraged to keep records of all eligible costs, including those not submitted to OGALS for payment. This provides a potential source of additional eligible costs, should any submitted expenses be deemed ineligible.

Contact the DPR Audits Office at (916) 657-0370 for questions about these requirements.



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Mario Ramirez,
APPROVED BY: City Manager

APPROVE PURCHASE OF A POLICE SERGEANT VEHICLE

RECOMMENDATION(S)

1. Approve the purchase of new Police Sergeant Chevrolet Tahoe and associated build-out equipment not to exceed the amount of \$84,641.87, which includes a 10% contingency of \$7,694.72;
2. Approve repurposing of the existing Police Chevrolet Tahoe #141; and
3. Authorize the City Manager to approve the purchase order with Priority 1 Public Safety Equipment Installation, Inc.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

2020-2021 Strategic Priorities

Fiscal Sustainability

GUIDING DOCUMENTS

Public Safety Master Plan

REPORT NARRATIVE:

Staff recommends the purchase of a new 2021 Police Supervisor Chevrolet Tahoe patrol vehicle to replace the 2012 Chevrolet Tahoe vehicle #141. The new vehicle will replace the one aged vehicle as follows:

Aged Vehicle(s)	Mileage	New Vehicle(s)
2012 Chevrolet Tahoe # 141- marked vehicle	82,710	2021 Chevrolet Tahoe

FLEET BACKGROUND

The Police Department operates a vehicle fleet program to ensure safe and operational vehicles for officers, detectives, and non-sworn members of the Department. Each vehicle has a replacement date of approximately six to ten years, depending on the type of vehicle and its assignment. The Police Department's Vehicle Replacement Plan allows the City to financially plan for scheduled vehicle purchases to maintain safe and operational police vehicles for patrol officers, detectives, and civilian members of the Department.

The replacement of vehicle #141 has been deferred for the last two years (since 2018) due to low mileage and good condition of vehicle. Staff recommends repurposing the existing 2012 Chevrolet Tahoe (vehicle #141) and dedicating it to the second School Resource Officer position to replace a 2005 Ford Expedition (vehicle #115) with

100,778 miles. Vehicle #115 will go to auction. The new vehicle will be assigned to a Police Sergeant. Police Sergeants also serve as Watch Commanders. Watch Commanders supervise a patrol team and are responsible for overseeing and monitoring on-going police activity during the team's shift. Sufficient funds for this purchase were appropriated during the FY2020-22 budget development process. The Department planned to purchase the vehicle in July 2020, but the COVID-19 pandemic caused significant delays in the purchase of specialty vehicles that must be pre-ordered. The vehicle is now available for order and delivery to vendor Priority 1. In addition, beginning November 2020, Chevrolet will no longer produce the Tahoe with the police package. Therefore, the Department must purchase the vehicle now in order to receive the pricing and vehicle model reflected in the price quote.

Staff has also deferred the purchase of two vehicles due for replacement this year:

- A new Animal Services truck due for replacement in 2013 to 2021.
- A new Prisoner Transport van due for replacement in 2016 to 2021.

2012 Chevrolet Tahoe- Vehicle # 141 (82,710 miles)

The 2012 Chevrolet Tahoe will be replaced with a 2021 Chevrolet Tahoe. The 2012 Chevrolet Tahoe was due for replacement in 2018; however, staff elected to defer the replacement of the vehicle due to its good working condition. The vehicle is still safe for emergency use and suitable as an assigned vehicle to our second School Resource Officer. The Police Department requests to keep it in the fleet for one year or until the repairs exceed the regular maintenance. The vehicle would then be sent to auction or salvage upon the need for repair beyond normal maintenance.

The Police Department recommends buying the 2021 Chevrolet Tahoe through Priority 1 Public Safety Equipment Installation Inc. Priority 1 Public Safety Equipment Installation Inc. will, in turn, purchase the vehicle from "MY Chevrolet" in Salinas, CA, pursuant to Morgan Hill Municipal Code ("MHMC") Sections 3.04.150(2) and 3.04.180. There are no local vendors that supply a Police Package, Chevrolet Tahoe. Purchasing a base vehicle and making after-market changes to equip the vehicle with a Police Package is not cost-effective.

COMMUNITY ENGAGEMENT: Inform

This staff report serves to inform the community about the recommended purchase of the new police vehicle.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Council has approved multiple police vehicle purchases through Priority 1 Public Safety Equipment Installation Inc.

FISCAL AND RESOURCE IMPACT:

This pricing is less than the state competitively bid contract (120716-NAF & 032615-NCL). This competitive bid price does not include the vehicle buildout with safety and communication equipment. The buildout cost includes special orders, tax, lights, siren, control modules, radio installation, computers, command system cargo box, and decals.

The full cost of the vehicle, including purchase price, buildout, and sales tax, is \$76,947.15. Staff recommends a 10% contingency for a total authorized purchase price of \$84,641.87.

Buildout	Cost
2021 Chevrolet Tahoe (replacing #141)	\$41,220.31
Emergency System Build-out	\$29,394.05
Subtotal	\$70,614.36
9% Sales Tax	\$6,332.79
TOTAL	\$76,947.15
10% Contingency	\$7,694.72
GRAND TOTAL	\$84,641.87

There are sufficient funds in the Police Department Vehicle Replacement Fund (790) for the purchase and build out of the new vehicle.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

Not a project: The purchase of vehicles does not constitute a project as defined in Section 15378 of the State CEQA guidelines as the purchase is an administrative activity that will not result in physical environmental impacts.

LINKS/ATTACHMENTS:

1. Priority 1 build out estimate
2. Vehicle purchase quote



Priority 1 Public Safety Equipment Installation Inc.

425 Harbor Blvd. #6
Belmont, CA 94002-4048
TEL: (650) 654-9900
FAX: (650) 654-9947

Estimate

Date	Estimate #
8/24/2020	3001

Name / Address
City of Morgan Hill 100 Edes Ct Morgan Hill, CA 95037

Attention
Sgt. Ramirez

Vehicle#	Terms	Rep
2021 Sgt. Tahoe	Net 30	Marc

Item	Description	Qty	Total
9C1	2021 Chevy Tahoe PPV Package, with front row cloth seats, console removed, second row vinyl seat, flasher system, DRL delete, radio suspension bonds, remote keyless entry.	1	41,220.31T
Tire Fee	Ca. Tire Tax Fee	1	8.75T
PRI-KIT	Wire harness-Relays, diodes, connectors, hardware etc.	1	650.00T
PDU-8S	Power Management System	1	263.25T
BK2019TAH15	Setina pushbumper for 2021 Chevy Tahoe with Whelen Ions.	1	915.00T
C3100U	Code 3 100w siren speaker with universal mounting bracket	1	181.65T
21TRPL51	Code 3 51" 2100 multi-colored LED Lightbar	1	2,100.00T
CC-F-TMC-711	Troy 18" console for 2021 Tahoe. 7" sloped with 11" level	1	430.00T
AC-TH15-MNT	Troy floor plate for 2021 Chevy Tahoe.	1	145.00T
AC-INTBH-G	Troy internal cup holders with rubber grommets.	1	55.80T
AC-SIDE-ARM-6	Troy Armrest	1	76.15T
Z3	Code 3 Z3 siren controller	1	862.50T
L3-AP1-SET	Troy 12V power outlet with black cap	2	20.40T
WK0040TAH15	3 piece rear window bars for 2021 Chevy Tahoe.	1	375.00T
MMSU1	Magnetic mic clip kit.	2	66.00T
14152532	Blue Sea dual USB socket with cover	1	33.00T
TM-5502-TH-15	Passenger side Hint computer mount for 2021 Tahoe	1	530.00T
ASFC-155-U2-821	Panorama flexi 152-821 meg antenna	1	67.00T
C23F-1MP	Antenna	1	19.75T
C74-FP-6-SMAP	Sharkee GPS cable SMA male	1	19.05T
DPX-210-270	Panorama VHF UHF diplexer	1	264.00T
GPSB	Panorama 4 element antenna	1	223.75T
Subtotal			
Sales Tax (9.0%)			
Total			

Attachment: Priority 1 build out estimate (2875 : Purchase of a Chevy Tahoe)



Priority 1 Public Safety Equipment Installation Inc.

425 Harbor Blvd. #6
Belmont, CA 94002-4048
TEL: (650) 654-9900
FAX: (650) 654-9947

Estimate

Date	Estimate #
8/24/2020	3001

Name / Address
City of Morgan Hill 100 Edes Ct Morgan Hill, CA 95037

Attention
Sgt. Ramirez

Vehicle#	Terms	Rep
2021 Sgt. Tahoe	Net 30	Marc

Item	Description	Qty	Total
GK10301S1UHKSSC...	Setina Dual T-Rail Shotgun and Universal Hand Cuff Key Override	1	395.00T
GF1092ITU12WC	Setina free standing dual T-Rail mount no locks. For after market floor plate.	1	185.00T
VTX609R	Whelen Vertex Hide-a-way super L.E.D, Red	1	110.00T
VTX609B	Whelen Vertex Hide-a-way super L.E.D, Blue	1	110.00T
ENT2B3-J	Sound Off under mirror intersector light red/blue	2	360.00T
Misc	Sound Off under mirror mount adapters	2	40.00T
Misc	Tremco Ignition Security System	1	155.00T
Decals	Morgan Hill PD Vehicle Graphics	1	380.00T
MA10551	Data911 bracket, fan, blower glove box unit	1	130.00T
Misc	Build rear driver side custom equipment compartment for tools	1	2,400.00T
934-0757A	D&R Rear command center with map and dry erase board drawe, radio head and pencil/pen drawer	1	2,265.00T
933-0111A	D&R subframe for 2021 Tahoe	1	280.00T
M8S211110	Data911 M8System, Core i7 Processor, 16GB RAM, WIFI, 12.1 Capactive Touchscreen Display, Keyboard, 3 ear warranty	1	6,455.00T
CA10031	Data911 Cable, 4 stereo Y-Adapter	1	34.00T
MA11684	Data911 M8 Audio Legacy Upgrade Kit	1	147.00T
MA11653	Data911 M8 GPS Upgrade Kit	1	240.00T
M7D12101	Data911 M7/M8 Display, 12.1 inch, 1600 NIT High-Bright touch screen	1	2,150.00T
KB11417	Data911 Keyboard KX1 TG3, USB w/Touchpad, Black for dual display	1	278.00T
Subtotal			
Sales Tax (9.0%)			
Total			

Attachment: Priority 1 build out estimate (2875 : Purchase of a Chevy Tahoe)



Priority 1 Public Safety Equipment Installation Inc.

425 Harbor Blvd. #6
Belmont, CA 94002-4048
TEL: (650) 654-9900
FAX: (650) 654-9947

Estimate

Date	Estimate #
8/24/2020	3001

Name / Address
City of Morgan Hill 100 Edes Ct Morgan Hill, CA 95037

Attention
Sgt. Ramirez

Vehicle#	Terms	Rep
2021 Sgt. Tahoe	Net 30	Marc

Item	Description	Qty	Total
CA10446	Data911 Cable DVI/Audio, Black, 2m	1	30.00T
CA10360	Data911 Cable, 12V Powered USBTo 2X4, Black 2m	1	49.00T
APWR1575	1500 watt power inverter	1	365.00T
Misc	Power Strip Surge Protector	1	35.00T
APWROA20	Remote switch for power inverter.	1	45.00T
Labor	Install and wire emergency equipment, computer system and rear command center.	1	4,500.00T
Labor	Install police vehicle graphics	1	250.00
Freight	Freight	1	700.00T
Subtotal			\$70,614.36
Sales Tax (9.0%)			\$6,332.79
Total			\$76,947.15

Attachment: Priority 1 build out estimate (2875 : Purchase of a Chevy Tahoe)



National Auto Fleet Group

A Division of Chevrolet of Watsonville

490 Auto Center Drive, Watsonville, CA 95076

(855) 289-6572 • (831) 480-8497 Fax

Fleet@NationalAutoFleetGroup.com

9/29/2020

Quote ID: 25140

Order Cut Off Date: TBA

Mario Ramirez
City of Morgan Hill
Morgan Hill Police Department
16200 Vineyard Blvd
Morgan Hill, California, 95037

Dear Mario Ramirez,

National Auto Fleet Group is pleased to quote the following vehicle(s) for your consideration.

One (1) New/Unused (2021 Chevrolet Tahoe (CK10706) 4WD 4dr LS,) and delivered to your specified location, each for

	One Unit (MSRP)	One Unit	Total % Savings	Est. Lease Per Unit To Own		Total Savings
Contract Price	\$53,295.00	\$44,942.84	15.672 %	36 Months	\$1,361.77	\$8,352.16
Tax (0.0000 %)		\$0.00		48 Months	\$1,038.18	
Tire fee		\$8.75		60 Months	\$849.42	
Total		\$44,951.59				

- per the attached specifications.

This vehicle(s) is available under the **Sourcewell (Formerly Known as NJPA) Contract 120716-NAF to purchase or Sourcewell contract 032615-NCL to lease to own**. Please reference this Contract number on all purchase orders to National Auto Fleet Group. Payment terms are Net 20 days after receipt of vehicle.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to call.

Sincerely,

Jesse Cooper
Account Manager
Email: Fleet@NationalAutoFleetGroup.com
Office: (855) 289-6572
Fax: (831) 480-8497



GMC

Attachment: Vehicle purchase quote (2875 : Purchase of a Chevy Tahoe)

In order to Finalize your Quote, please submit this purchase packet to your governing body for Purchase Order Approval. Once you issue a Purchase Order please send by:

Fax: (831) 480-8497

**Mail: National Auto Fleet Group
490 Auto Center Drive
Watsonville, CA 95076**

Email: Fleet@NationalAutoFleetGroup.com

We will then send a W-9 if you need one

**Please contact our main office with any
questions:
1-855-289-6572**

**For information regarding the leasing options,
please contact:**

**Chris Canavati
National Cooperative Leasing
chris@lscfinancial.com
320-763-7600**

NJPA contract number 032615-NCL



Attachment: Vehicle purchase quote (2875 : Purchase of a Chevy Tahoe)

Vehicle Configuration Options

EMISSIONS	
Code	Description
FE9	EMISSIONS, FEDERAL REQUIREMENTS
ENGINE	
Code	Description
L84	ENGINE, 5.3L ECOTEC3 V8, with Dynamic Fuel Management, Direct Injection and Variable Valve Timing, includes aluminum block construction (355 hp [265 kW] @ 5600 rpm, 383 lb-ft of torque [518 Nm] @ 4100 rpm) (STD)
TRANSMISSION	
Code	Description
MQC	TRANSMISSION, 10-SPEED AUTOMATIC, electronically controlled with overdrive, includes Traction Select System including tow/haul (STD)
AXLE	
Code	Description
GU5	REAR AXLE, 3.23 RATIO
PREFERRED EQUIPMENT GROUP	
Code	Description
1LS	LS PREFERRED EQUIPMENT GROUP, includes standard equipment
TIRES	
Code	Description
QDF	TIRES, 265/65R18SL ALL-SEASON, BLACKWALL, (STD)
PAINT	
Code	Description
GBA	BLACK
PAINT SCHEME	
Code	Description
___	STANDARD PAINT
SEAT TYPE	
Code	Description
A50	SEATS, FRONT BUCKET, (STD)
SEAT TRIM	
Code	Description
H0U	JET BLACK, PREMIUM CLOTH SEAT TRIM
RADIO	
Code	Description
IOS	

Attachment: Vehicle purchase quote (2875 : Purchase of a Chevy Tahoe)

AUDIO SYSTEM, CHEVROLET INFOTAINMENT 3 PLUS SYSTEM, 10.2" DIAGONAL HD COLOR TOUCHSCREEN, AM/FM stereo, Bluetooth audio streaming for 2 active devices, Apple CarPlay and Android Auto capable, voice recognition, in-vehicle apps, cloud connected personalization for select infotainment and vehicle settings. Subscription required for enhanced and connected services after trial period. (STD)

WHEEL TYPE

Code	Description
PZX	WHEELS, 18" X 8.5" (45.7 CM X 21.6 CM) BRIGHT SILVER PAINTED ALUMINUM, (STD)

GVWR

Code	Description
C6H	GVWR, 7500 LBS. (3402 KG), (STD)

2021 Fleet/Non-Retail Chevrolet Tahoe 4WD 4dr LS

WINDOW STICKER

2021 Chevrolet Tahoe 4WD 4dr LS

CODE	MODEL	MSRP
CK10706	2021 Chevrolet Tahoe 4WD 4dr LS	\$52,000.00
OPTIONS		
FE9	EMISSIONS, FEDERAL REQUIREMENTS	\$0.00
L84	ENGINE, 5.3L ECOTEC3 V8, with Dynamic Fuel Management, Direct Injection and Variable Valve Timing, includes aluminum block construction (355 hp [265 kW] @ 5600 rpm, 383 lb-ft of torque [518 Nm] @ 4100 rpm) (STD)	\$0.00
MQC	TRANSMISSION, 10-SPEED AUTOMATIC, electronically controlled with overdrive, includes Traction Select System including tow/haul (STD)	\$0.00
GU5	REAR AXLE, 3.23 RATIO	\$0.00
1LS	LS PREFERRED EQUIPMENT GROUP, includes standard equipment	\$0.00
QDF	TIRES, 265/65R18SL ALL-SEASON, BLACKWALL, (STD)	\$0.00
GBA	BLACK	\$0.00
—	STANDARD PAINT	\$0.00
A50	SEATS, FRONT BUCKET, (STD)	\$0.00
H0U	JET BLACK, PREMIUM CLOTH SEAT TRIM	\$0.00
IOS	AUDIO SYSTEM, CHEVROLET INFOTAINMENT 3 PLUS SYSTEM, 10.2" DIAGONAL HD COLOR TOUCHSCREEN, AM/FM stereo, Bluetooth audio streaming for 2 active devices, Apple CarPlay and Android Auto capable, voice recognition, in-vehicle apps, cloud connected personalization for select infotainment and vehicle settings. Subscription required for enhanced and connected services after trial period. (STD)	\$0.00
PZX	WHEELS, 18" X 8.5" (45.7 CM X 21.6 CM) BRIGHT SILVER PAINTED ALUMINUM, (STD)	\$0.00
C6H	GVWR, 7500 LBS. (3402 KG), (STD)	\$0.00

Please note selected options override standard equipment

SUBTOTAL	\$52,000.00
Advert/ Adjustments	\$0.00
Manufacturer Destination Charge	\$1,295.00
TOTAL PRICE	\$53,295.00

Est City: 16 MPG
 Est Highway: 20 MPG
 Est Highway Cruising Range: 480.00 mi

Attachment: Vehicle purchase quote (2875 : Purchase of a Chevy Tahoe)

Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

Standard Equipment

MECHANICAL

Engine, 5.3L EcoTec3 V8 with Dynamic Fuel Management, Direct Injection and Variable Valve Timing, includes aluminum block construction (355 hp [265 kW] @ 5600 rpm, 383 lb-ft of torque [518 Nm] @ 4100 rpm)
Transmission, 10-speed automatic electronically controlled with overdrive, includes Traction Select System including tow/haul
Rear axle, 3.23 ratio
Suspension Package, Premium Smooth Ride
GVWR, 7500 lbs. (3402 kg) (Standard on 4WD models with (L84) 5.3L EcoTec3 V8 engine or (L87) 6.2L EcoTec3 V8 engine. Standard on 2WD models with (LM2) Duramax 3.0L Turbo-Diesel I6 engine.)
Automatic Stop/Start
Engine control, stop/start system disable button, non-latching
Engine air filtration monitor
Fuel, gasoline, E15 (Standard with (L84) 5.3L EcoTec3 V8 engine only.)
Transfer case, active, single-speed, electronic Autotrac does not include neutral. Cannot be dinghy towed (4WD models only. Deleted when (NHT) Max Trailering Package is ordered.)
Differential, mechanical limited-slip
4-wheel drive
Cooling, external engine oil cooler, heavy-duty air-to-oil integral to driver side of radiator (Deleted when (LM2) Duramax 3.0L Turbo-Diesel I6 engine is ordered.)
Cooling, auxiliary transmission oil cooler, heavy-duty air-to-oil
Battery, 800 cold-cranking amps with 80 amp hour rating (Standard with (L84) 5.3L EcoTec3 V8 engine only.)
Alternator, 220 amps (Standard with (L84) 5.3L EcoTec3 V8 engine only.)
Trailering equipment includes trailering hitch platform, 7-wire harness with independent fused trailering circuits mated to a 7-way connector and 2" trailering receiver
Trailer sway control
Hitch Guidance
Suspension, front coil-over-shock with stabilizer bar
Suspension, rear multi-link with coil springs
Steering, power
Brakes, 4-wheel antilock, 4-wheel disc with DURALIFE rotors
Exhaust, single system, single-outlet
Mechanical Jack with tools

EXTERIOR

Wheels, 18" x 8.5" (45.7 cm x 21.6 cm) Bright Silver painted aluminum
Tires, 265/65R18SL all-season, blackwall (Standard with (PZX) 18" Bright Silver painted aluminum wheels only.)
Wheel, full-size spare, 17" (43.2 cm) steel
Tire, spare P265/70R17 all-season, blackwall
Tire carrier, lockable outside spare, winch-type mounted under frame at rear
Active aero shutters, upper (Standard with (L84) 5.3L EcoTec3 V8 engine only.)
Fascia, front
Luggage rack side rails, roof-mounted, bright
Assist steps, Black with chrome accent strip
Headlamps, LED
IntelliBeam, automatic high beam on/off
Lamps, stop and tail, LED
Mirrors, outside heated power-adjustable, manual-folding, body-color
Mirror caps, body-color
Glass, deep-tinted (all windows, except light-tinted glass on windshield and driver- and front passenger-side glass)
Glass, acoustic, laminated
Glass, windshield shade band
Wipers, front intermittent, Rainsense
Wiper, rear intermittent with washer
Door handles, body-color
Liftgate, rear manual

ENTERTAINMENT

Audio system, Chevrolet Infotainment 3 Plus system, 10.2" diagonal HD color touchscreen AM/FM stereo, Bluetooth audio streaming for 2 active devices, Apple CarPlay and Android Auto capable, voice recognition, in-vehicle apps, cloud connected personalization for select infotainment and vehicle settings. Subscription required for enhanced and connected services after trial period.
Audio system feature, 6-speaker system
Infotainment display, 10.2" diagonal multi-color touchscreen
SiriusXM Radio with 360L Equipped with SiriusXM with 360L. Enjoy a trial subscription of the All Access package for the full 360L experience, with a greater variety of SiriusXM content, a more personalized experience and easier navigation. With the All Access package, you can also enjoy your favorites everywhere you go, with the SiriusXM app, online and at home on compatible connected devices. (IMPORTANT: The SiriusXM radio trial package is not

provided on vehicles that are ordered for Fleet Daily Rental ("FDR") use. If you decide to continue service after your trial, the subscription plan you choose will automatically renew thereafter and you will be charged according to your chosen payment method at then-current rates. Fees and taxes apply. See the SiriusXM Customer Agreement at www.siriusxm.com for complete terms and how to cancel. All fees, content, features, and availability are subject to change. GM connected vehicle services vary by vehicle model and require active service plan, working electrical system, cell reception and GPS signal. See onstar.com for details and limitations.)

Radio, HD

Bluetooth for phone personal cell phone connectivity to vehicle audio system

Wireless Apple CarPlay/Wireless Android Auto

4G LTE Wi-Fi Hotspot capable (Terms and limitations apply. See onstar.com or dealer for details.)

INTERIOR

Seats, front bucket

Keyless start, push button

Seat trim, cloth

Seat adjusters, 8-way power includes 6-way power front passenger seat with 2-way power lumbar

Seat adjusters, 10-way power includes 8-way power driver seat with 2-way power lumbar

Seats, second row 60/40 split-folding bench, manual

Seats, third row 60/40 split-folding bench, manual

Console, floor with storage area and removable storage tray (Deleted when (AZ3) 40/20/40 split-bench front seats are ordered.)

Floor covering, color-keyed carpeting

Floor mats, color-keyed carpeted first and second row, removable

Electronic Precision Shift

Steering column, lock control, electrical

Steering column, manual tilt and telescopic

Steering wheel, leather-wrapped

Steering wheel controls, mounted audio Driver Information Center, cruise control, Forward Collision Alert following gap button and heated steering wheel (when equipped)

Driver Information Center, 4.2" diagonal color display includes driver personalization

Rear Seat Reminder

Door locks, power programmable with lockout protection and delayed locking (When ordered with (9C1) Police Vehicle or (5W4) Special Service Vehicle, Auto Lockout is disabled on driver door.)

Keyless Open includes extended range Remote Keyless Entry

Remote start
Cruise control, electronic with set and resume speed
Theft-deterrent system, content, electrical, unauthorized entry
USB data ports 2, one type-A and one type-C, includes SD Card Reader, located within front center console
USB data ports, 2, one type-A and one type-C, located within center console
USB charging-only ports, 4, (2) located on rear of center console and (2) in 3rd row (1 left and 1 right side below quarter glass side window)
Window, power with driver Express-Up/Down
Window, power with front passenger Express-Up/Down
Windows, power with rear Express-Down
Air conditioning, tri-zone automatic climate control with individual climate settings for driver, right front passenger and rear seat occupants
Air conditioning, rear
Defogger, rear-window electric
Power outlets, 2, 120-volt, located on the rear of the center seat and rear cargo area
Power outlet, front auxiliary, 12-volt, located in the center stack of instrument panel
Mirror, inside rearview manual day/night
Visors, driver and front passenger illuminated vanity mirrors, sliding
Assist handles, overhead, driver and front passenger, located in headliner
Assist handles, front passenger A-pillar and second row outboard B-pillar (Deleted when SEO (7X2) left- and right-hand spotlamps or SEO (7X3) left-hand spotlamp are ordered.)
Lighting, interior with dome light, driver- and passenger-side door switch with delayed entry feature, cargo lights, door handle or Remote Keyless Entry-activated illuminated entry and map lights in front and second seat positions. On Police/Special Service vehicles, the control switch is located in the roof console in lieu of the driver- and passenger-side door switch with delayed entry feature.
Cargo management system
Chevrolet Connected Access capable (Subject to terms. See onstar.com or dealer for details.)

SAFETY

Automatic Emergency Braking
Hill Start Assist
StabiliTrak, stability control system with brake assist, includes traction control
Daytime Running Lamps, LED
Teen Driver a configurable feature that lets you activate customizable vehicle settings associated with a key fob, to help encourage safe driving behavior. It can limit certain available vehicle features, and it prevents certain safety systems from being turned off. An

invehicle report card gives you information on driving habits and helps you to continue to coach your new driver

Airbags, Frontal airbags for driver and front outboard passenger; Seat-mounted side-impact airbags for driver and front outboard passenger; Driver inboard seat-mounted side-impact airbag; Head-curtain airbags for all rows in outboard seating positions (Deleted when (AZ3) front 40/20/40 split-bench seat is ordered. Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)

Front outboard Passenger Sensing System for frontal outboard passenger airbag (Always use seat belts and child restraints. Children are safer when properly secured in a rear seat in the appropriate child restraint. See the Owner's Manual for more information.)

OnStar and Chevrolet connected services capable (Terms and limitations apply. See onstar.com or dealer for details.)

Rear Park Assist

Following Distance Indicator

HD Rear Vision Camera

Front Pedestrian Braking

Forward Collision Alert

Door locks, rear child security, manual

LATCH system (Lower Anchors and Tethers for CHildren), for child restraint seats lower anchors and top tethers located in all second-row seating positions (Deleted when (ATZ) second row seat delete is ordered.)

Tire Pressure Monitoring System auto learn, includes Tire Fill Alert (does not apply to spare tire)

Warning tones headlamp on, driver and right-front passenger seat belt unfasten and turn signal on



Sourcewell

Awarded Contract

Contract # 120716-NAF

Welcome Mario Ramirez

[Edit My Profile](#) | [LOG OFF](#)

1-855-289-6572
Fax 1-831-480-8497
Fleet@NationalAutoFleetGroup.com

• Incorrect Quantity

2021 Chevrolet Tahoe 4WD 4dr LS

This is only a Quote, in order for us to place an order, we must receive your purchase order.

Step 7 of 8

Please provide as much information as possible

Configured Total MSRP Price	\$53,295.00
Sourcewell Price	\$44,942.84
Total Savings	\$8,352.16
Total % Savings	15.672 %

Estimated Lease Options Per Unit

36 Months	\$1,361.77
48 Months	\$1,038.18
60 Months	\$849.42

Re-Configure

Enter Order Information Below:

Save and title your member quote

Others

Description of any upfit needed or call 1-855-289-6572

Quantity

Incorrect Quantity

Total Tire Fee

8.75

Sales Tax Rate, if Non-Exempt (e.g. 0.0000%)

OR

Flat Tax Amount

Keys Per Unit

Standard Per Unit Additional Total Per Unit

2

+

=

2

Window Sticker and Standard Equipments will be displayed for printing along with the Sell, Service, and Deliver Letter.

☒ I agree that I have read and accepted the [disclaimer policy](#) by checking this box.

[Generate Quote](#)

Attachment: Vehicle purchase quote (2875 : Purchase of a Chevy Tahoe)

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Attachment: Vehicle purchase quote (2875 : Purchase of a Chevy Tahoe)



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Keri Russell, Maintenance Services Coordinator
APPROVED BY: City Manager

APPROVE MILLER SPATIAL SERVICES, LLC CONSULTANT AGREEMENT

RECOMMENDATION(S)

1. Authorize the City Manager to execute a consultant agreement with Miller Spatial Services, LLC for the installation and implementation of the Cityworks and SeeClickFix software system for the amount of \$231,810 for the purchase and installation of a Service Request Management (SRM), Asset Management and Customer Relationship Management (CRM) software solution for the Maintenance and Utility Departments; and
2. Authorize the City Manager to execute any associated license agreements for system components upon approval by the City Attorney.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure

2020-2021 Strategic Priorities

Community Engagement and Messaging
Fiscal Sustainability

REPORT NARRATIVE:

The purpose of this item is to provide the City Council with an opportunity to authorize the City Manager to execute a consultant agreement with Miller Spatial Services, LLC for the installation and implementation of the Cityworks and SeeClickFix software system for a Service Request Management (SRM), Asset Management and Customer Relationship Management (CRM) software solution for the Maintenance and Utility Departments.

Background

The City's Maintenance Division maintains all City streets, sidewalks, trails, streetlights, 470 open space/park acres, urban forestry, all City buildings, the City's storm drainage system and a landscape assessment district. The Utilities Division is responsible for the operation and the ongoing planning, maintenance, and operations of the City's Water and Wastewater infrastructure, including connections for over 1,400 customers, 18 wells, 12 reservoirs 23 pump/lift stations, and over 300 miles of pipelines. Currently, the maintenance of these City assets are being managed through numerous independent software systems and manual tracking systems, which have very little integration between systems nor are most geographic information system (GIS) based. SRM and Asset Management requests include ongoing preventative maintenance and on demand maintenance for trees, roads, building systems, parks, streetlights, water mains, sewer

mains, valves, lift and pump stations and numerous other components. This maintenance is the core function of the Utilities and Maintenance Divisions.

In many cases, issues with City infrastructure are reported by residents. Due to limitations on General Fund resources, the Maintenance Division, in the areas of park and street maintenance, operate on a response-based system, where customers play a key role in providing information on needs observed with City infrastructure. These requests often come through via phone, email, and forms on the City's website. Currently none of these reporting channels directly tie into current City software systems and the CRM function is fragmented. This fragmentation requires significant manual reentry of data, which increases opportunity for manual errors. This further complicates coordinated responses to residents who submit the requests. The implementation of the CRM system with the SRM functionality provided by SeeClickFix and Cityworks is intended to revolutionize this process and improve communications while reducing the workload for City staff.

For the last several years, City teammates have been working on a strategy to improve this integration with a focus on a holistic approach, which can provide the software framework to replace antiquated and fragmented systems responsible for managing the City's Infrastructure as well as integrate the communications with the public in this area. This effort culminated in the issuance of an Request for Proposals (RFP) on December 11, 2019 for a Service Request Management (SRM) and Customer Relationship Management (CRM) software solution to support the Maintenance and Utilities Divisions. Proposers were required to have at least three years of experience implementing a SMR/CRM software solutions and submit detailed proposals. The City received back nine different proposals from the following companies:

Proposer	Partners/Products	Overall Score
Miller Spatial Services, LLC.	Cityworks, SeeClickFix	437
SEW (Smart Energy Water)	SEW (Smart Energy Water)	437
Catalyst	Salesforce 311	404
Rock Solid	Rock Solid	367
MERP	KMPG/VeloCity365	364
Serendebite	Pega Systems	352
Mythics, Inc.	Oracle CX	349
Apex IT	Oracle CX	347
Kloves, Inc.	ServiceNow	297

A diverse team made up of teammates from Utilities, Maintenance, Information Services, GIS and the City Manager's office teammates evaluated all of the proposals. Proposals were rated based on company profile, references, technical and functional requirements, and project schedule and deliverables. The top three proposals including SEW, Miller Spatial Services and Catalyst were invited to an interview which included a demonstration and questions and answer session.

Following the interviews, thorough reference checks that included gathering information about the project deliverables/satisfaction, training, technical support, integration, and overall product review were conducted. When considering each of the systems, it was critical that the selected system could fully integrate with the City's current GIS system, have a user-friendly interface, have robust reporting capabilities, and the ability to integrate with existing and future work order systems and business software applications.

As a result, the City is recommending the Cityworks and SeeClickFix software solution proposed by Miller Spatial Services, LLC. The selection committee based its recommendation on the overall quality of the software as well as the software's ability to meet the needs of the City. The proposed contract for Miller Spatial Service, LLC will provide complete implementation services and configurations of both Cityworks and SeeClickFix. Configurations include integrating with current City software and systems, creating internal workflows and training. Implementation of Cityworks and SeeClickFix is scheduled to take 6 months to complete.

It is anticipated that the Cityworks Software will fully replace at least four independent software systems, integrate with five other City software systems, and provide a software system for at least three practices being managed manually. Additionally, future opportunity to integrate additional systems down the road is likely.

On the resident/customer side, with the implementation of SeeClickFix, residents will be able to report service requests directly through a weblink or through the SeeClickFix app. Residents will be able to use the GIS data to select an asset to report a service request which will be routed to the appropriate staff based on the asset selected. Once a request is submitted, the request can be transformed into a work order and sent to our field staff. The data the field staff enters into the work order will automatically be reported back to the requestor through SeeClickFix. This application will vastly improve our communication with residents and greatly reduce staff time in coordinating these communications. Additionally, SeeClickFix will allow residents to view other service requests on the map and click to request that they also receive communications on the specific request/issue. It should be noted that while not part of the evaluation process due to timing of the acquisition, SeeClickFix has been acquired by the same company that owns CivicPlus, which is the City's website service provider. This further supports the likelihood of an even more enhanced integration with residents. A short video on SeeClickFix is available (attachment 2).

As the City's infrastructure ages, the need for balancing the most critical maintenance tasks with the available funds and resources is a great challenge for the City. This is especially true in the Maintenance Division, where maintenance staffing has not been prioritized by the City and the existing team continues to be asked to do more with less. A more robust SRM and CRM software solution will provide much needed coordination in managing the City's assets, create better work efficiencies, and respond to our residents with the limited resources that are available.

COMMUNITY ENGAGEMENT: Inform

No efforts were made to inform the community about this proposed consultant agreement. Should the Council elect to move forward with this agreement, City staff, as part of the implementation, will develop a full communication plan to inform the community on the new resource available with SeeClickFix.

ALTERNATIVE ACTIONS:

The City Council could decline to approve the consultant agreement and direct staff to continue to utilize the tools available. However, this would limit staff's ability to effectively manage the City's assets as requests continue to increase along with resident expectation of communications.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

There have been no previous actions on this item.

FISCAL AND RESOURCE IMPACT:

The total estimated cost of the consultant agreement with Miller Spatial Services, LLC is \$232,810. This is a one-time cost for the implementation of the software and integration with City Systems. These funds have been accounted for in the approved budget within the multiple budget areas across the Utilities Division, Maintenance Division and Communications Division. Approximately \$80,000 will be funded through the General Fund with the remaining funded from the Enterprise Funds and Special Funds.

The licensing for Cityworks and SeeClickFix over a three-year period is approximately \$70,000 annually (\$40,000 Cityworks and \$30,000 SeeClickFix). These ongoing costs are included in the FY 2020/21 and FY2021/22 Budget and a significant portion of the costs will be offset by reduced costs associated with eliminating license fees for existing software systems that will no longer be used.

Significant staff resources will be necessary to move this project forward, requiring priority from various City Departments. While timing is not perfect for this effort with various conditions (Covid-19, Fires, Air Quality), staff believes that if the City waits to move forward on this project, increased costs and greater staff resources will be needed for the transition. It will also delay the efficiencies that will be achieved from the software.

CEQA (California Environmental Quality Act):

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

LINKS/ATTACHMENTS:

1. Miller Spatial Services LLC Consultant Agreement
2. SeeClickFix video (weblink)

CONSULTANT AGREEMENT MILLER SPATIAL SERVICES, LLC

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and MILLER SPATIAL SERVICES, LLC a California limited liability company ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to the action of the Morgan Hill City Council taken on _____, _____, 20____.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until October 31, 2022 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by CONSULTANT shall be SeeClickFix and Cityworks Implementation Project as further described in **Exhibit A.**
4. **Compensation.** CONSULTANT shall be compensated as follows:
 - 4.1. **Amount.** \$231,810.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed Two Hundred Thirty One Thousand Eight Hundred Ten 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 CONSULTANT during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for the extended term exceed the City Manager's authority pursuant to Chapter 3.04 of the Morgan Hill Municipal Code, unless otherwise authorized by City Council.
 - 4.2. **Billing.** CONSULTANT shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 13 Notices. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and

CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT. The City Manager of CITY is authorized to terminate this Agreement, in whole or in part, on behalf of CITY.

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

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

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

7.1. **Insurance Types and Amounts.**

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

7.1.2. **Automobile Liability.** CONSULTANT shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if CONSULTANT does not own automobiles, then CONSULTANT shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00)

combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

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

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

7.1.5. Professional Liability.

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

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

- 7.1.6. **Sexual Abuse/Molestation Liability (SML)**: If the performance of CONSULTANT's work or service under this Agreement involves contact with minors, CONSULTANT shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) two hundred thousand dollars (\$200,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.
- 7.2. **Endorsements**. CONSULTANT shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:
- 7.2.1. **General Liability and pollution liability (when pollution liability applies)**.
- 7.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;
- 7.2.1.2. the 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; and,
- 7.2.1.3. insurance shall be primary non-contributing.
- 7.2.2. **Workers Compensation**.
- If the performance of CONSULTANT'S work or service under this Agreement involves access to or activity on any property or premises owned or occupied by the CITY, including, but not limited to, CONSULTANT'S presence during site visits and meetings, then insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.
- 7.3. **Qualification of Insurers**. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.
- 7.4. **Certificates**. CONSULTANT shall furnish CITY of Morgan Hill with copies of all certificates as outlined herein, whether new or modified, promptly upon receipt. In the event of a claim or legal action, CONSULTANT shall promptly furnish CITY of Morgan Hill with copies of all policies outlined herein. No policy subject to the CONSULTANT's agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein

Certificate Holder address:

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

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

9. **Compliance with Law.**

- 9.1. CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.
- 9.2. Compliance with Wage and Hour Laws: Consultant, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

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

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

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

City's Right to Withhold Payment: Where CONSULTANT or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and

hour law by a final judgment, decision or order of a court or government agency, the City reserves the right to withhold payment to CONSULTANT until such judgment, decision or order has been satisfied in full.

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

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

10. **Independent Contractor.** CONSULTANT is an independent contractor and not an agent or employee of CITY.
11. **Confidentiality.** All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.
12. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
13. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

Miller Spatial Services, LLC
3499 10th Street
Riverside, CA 92501

Address of CITY is as follows:

Chris Ghione, Public Services Director City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037	with a copy to: City Clerk City of Morgan Hill 17575 Peak Avenue Morgan Hill, CA 95037
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14. **Licenses, Permits and Fees.** CONSULTANT shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.
15. **CONSULTANT'S Proposal.** If applicable, this Agreement shall include CONSULTANT'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
16. **Maintenance of Records.**

- 16.1. **Maintenance.** CONSULTANT shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. CONSULTANT shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then CONSULTANT shall retain said records until such action is resolved.
- 16.2. **Access to and Audit of Records.** The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONSULTANT and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 16.3. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT for work performed under this Agreement shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.
17. **Familiarity with Work.** By executing this Agreement, CONSULTANT represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.
18. **Time of Essence.** Time is of the essence in the performance of this Agreement.
19. **No Assignment.** Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY's option, shall terminate this Agreement effective as of the date of such attempted assignment.
20. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.
21. **Defense and Indemnification.**
- 21.1. **Defense and Indemnification.** CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").
- 21.2. **Exceptions.** CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of the CITY.

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

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

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

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

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

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

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

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

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

[Signatures on Next Page]

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

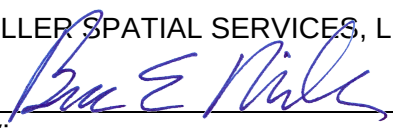
Date: _____

Date: _____

APPROVED AS TO FORM:

MILLER SPATIAL SERVICES, LLC

 City Attorney

By: 

 Donald A. Larkin
 Print Name

Bruce Miller, President

 Print Name and Title of Signer.

If Corporate: Chairman, President or
 Vice President

Date: _____

Date: 10/1/2020

 By:

 Print Name and Title of Signer.

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

Date: _____

EXHIBIT A SCOPE OF SERVICES

Definitions:

"MSS" is Miller Spatial Services, LLC

"City" is City of Morgan Hill

Task 1: INITIAL CONFIGURATION MEETING

Consultant to meet with City personnel to document information needed for the initial configuration of SeeClickFix and Cityworks AMS using the Local Government Template (LGT). Information collected will include project team information contact information, the GIS data available and a list of users, and remove access details. This meeting will be onsite at the City. The following types of services will be implemented and representatives from each should attend the meeting:

Public Works

Fleet

Water (Customer Service/Distribution/Production)

Sewer

Parks

Streets

Warehouse

Stormwater

Deliverable Milestones: Meeting Notes

Task 2: INITIAL CITYWORKS CONFIGURATION

Using the structure of the GIS database, Consultant to configure the data and GIS layers into Cityworks. MSS will be utilizing Cityworks LGT workflows to align workflows with industry best practices.

The configured database and Cityworks software package (Cityworks Server AMS) will be installed remotely in the client's environment. Changes to the configuration can be made during this time.

MSS will install all software needed for Cityworks. The standard report templates will be configured for Cityworks. Saved searches for the reports below can be exported to Excel.

The following reports will be setup:

Employee Actual Labor

Employee Projected Labor

Equipment Report

Scheduled Inspections Report

Inspection Summary Report

Material Report

Project Detail Report

Service Request Listing

Service Request Summary

Work Order Details
 Work Order Listing
 Work Order Task Duration
 Work Order Task Duration Average by Type
 Work Order Summary by Type

Deliverable Milestones: Cityworks AMS software installed on Server and Initial Cityworks Configuration complete

Task 3: STAFF CONFIGURATION REVIEW MEETING

MSS will review the configuration of Cityworks AMS with City staff. All functionality and workflows for SeeClickFix and Cityworks AMS will be reviewed. The goal of this meeting is for staff to learn enough to test the initial Cityworks configuration in order to provide feedback for necessary changes such as service request and work order types. After the meeting staff will be able to thoroughly test Cityworks AMS in their environment.

This task will take place onsite in a workshop-style meeting. It is recommended that the City start internal meetings first to look at their current workflows. Providing any written documents, work orders, service requests, service orders, inspection forms, etc. will greatly improve the quality of the conversion.

Deliverable Milestones: Workflow listings of processes that will be incorporated into Cityworks from existing workflows, minutes of meeting notes.

Task 4: FINAL CITYWORKS CONFIGURATION

Changes to the Cityworks AMS configuration will be made based on staff findings during their testing of the initial Cityworks configuration. Once the configuration changes have been made, staff will be able to test the final configuration.

Deliverable Milestones

Asset Inventory Configuration:

Assets for WO/SR/INs have been loaded into Cityworks and linked to the proper WO/SR/IN types

GIS Integration:

GIS data displays in Cityworks map
 GIS assets can be attached to proper WO/SR/IN
 GIS attributes can be updated through Cityworks

Service Request, Work Order, Inspection Configuration:

WO/SR and Inspections, work as defined in workflow meetings (Task 3) and LGT
 Basic user inboxes are configured
 Defined Users are able to login

Workflow Implementation:

Defined Workflows defined in Task 3 are being routed correctly in Cityworks
 Mobile devices in field can access Citywork's database

Report Configuration:

Reports listed above are displaying correct information
Report user permissions are set correctly

Task 5: SEE-CLICK-FIX CITYWORKS INTEGRATION IMPLEMENTATION

After the Cityworks configuration is complete, SeeClickFix will be configured for Public Facing tasks.

Deliverable Milestones:

SeeClickFix Configured with Cityworks

Task 6: TRAINING

MSS and See ClickFix will provide onsite training for the primary, or "Administrator," users of Cityworks and SeeClickFix. The City will provide the training facility and computers necessary for staff use. This training can also be provided remotely if no training facility is available and it is more convenient for the City.

Following the training of Administrator users, MSS will conduct a "Train-the-Trainer" style session with key department staff. The purpose of this training is to provide knowledge and steps necessary to train all other personnel who will use the system.

Training will occur over three (3) days.

Deliverable Milestones:

Admin and User Training completed

Copy of training material used in training session delivered in digital format (Microsoft Word)

Task 7: POST-DEPLOYMENT SUPPORT

After the configuration, installation and training phases have concluded, MSS will provide troubleshooting and support services. This support will primarily be remote and take place offsite.

Deliverable Milestones:

100 Hours Post-Installation Support

Task 8: CITYWORKS INTEGRATIONS

Using the structure of the Cityworks Work Order API, MSS will configure Cityworks system to integrate with the other systems such as Incode Work Order system. MSS will be utilizing Cityworks SR API and Tyler Incode APIs to interface between Tyler Service Orders and Cityworks Service Requests. This is a full two way integration.

Task 8 includes the following integrations:

Esri GIS (This is required by Cityworks)

Tyler Incode (2 way integration between Tyler Service Orders and Cityworks Service Requests)

Sensus AMI (Cityworks can query water using and trouble codes from meters to generate work orders)

Online Tree Inventory System

Tokay Backflows (Will be replaced by Cityworks for management of Backflow inspections).

Sedaru workflows will be setup in Cityworks.

Fleet

MSS understands that the following systems will be replaced by MSS's solution and do not need to be integrated:

Civic Plus (Replaced by See-Click-Fix)

Hippo (Replaced by Cityworks and See-Click-Fix)

Sedaru Omni (Replaced by Cityworks)

Standalone Utility Work Order System (Replaced by Cityworks)

Deliverable Milestones:

Cityworks Configuration and Integration with proposed systems

EXHIBIT B
SCHEDULE OF COMPENSATION RATES

Please see attached Schedule of Compensation Rates

Attachment: Miller Spatial Services LLC Consultant Agreement (2873 : Miller Spatial Services, LLC Consultant Agreement)

EXHIBIT B: SCHEDULE OF COMPENSATION SEECCLICKFIX AND CITYWORKS IMPLEMENTATION

III. Total Cost

Task	Milestone	Description	Rates	\$ 120	\$ 90	\$ 85	\$ 75	\$ 1	\$ 1,000
			Total Cost	Project Manager	AM Implementer	Developer	Spatial Analyst	Software Costs	Trips
1		System Implementation Plan	\$ 9,740	18	62	0	0	0	2
	a	Project Initiation/Meeting Notes	\$ 5,840	8	32				2
	b	Implementation Plan	\$ 3,900	10	30				
2		GIS Data Review and Schema Recommendations	\$ 10,300	20	60	0	20	0	1
	a	Recommendations for data schemas	\$ 7,300	10	40		20		1
	b	Recommendations for Facility Asset model	\$ 3,000	10	20				
3		Develop Detailed CMMS Workflows	\$ 43,100	55	350	0	0	0	5
	a	Workshops (8 Asset Groups)	\$ 13,700	5	90				5
		Meeting Notes	\$ 1,800		20				
	b	Visio Workflow Diagrams (Up to 50)	\$ 22,800	40	200				
	c	Workflow Report in Word	\$ 4,800	10	40				
4		Plant Asset Inventory and Registry Population	\$ 22,400	20	0	0	200	\$ -	5
	b	Field Data Collection	\$ 17,400	20			200	\$ -	
5		Plant Asset Preventative Maintenance Planning and Scheduling	\$ 30,500	35	270	0	0	0	2
	b	Plant Work Order/Inspection Setup	\$ 22,400	20	200				2
	c	Proposed PM Schedule Document	\$ 3,300	5	30				
	d	Training Documentation	\$ 4,800	10	40				
6		Report Design and Configuration	\$ 5,400	0	60	0	0	0	0
	a	Implement 10 reports	\$ 5,400		60				
7		Perform Core CMMS Software Installation and Configuration	\$ 29,600	10	260	0	0	\$ -	5
	a	Purchase Cityworks AMS software							
		Purchase See Click Fix software							
	b	CMMS software Installation Plan	\$ 720		8				
	c	CMMS Configuration Workshops	\$ 3,440		16				2
	d	CMMS Configuration Report	\$ 1,800		20				
	e	CMMS Installation and Configuration	\$ 9,000		100				
	f	Updated Configuration Report	\$ 720		8				
	h	User and Administration Guides	\$ 360		4				
	i	Development Review Workshops	\$ 4,280	4	20				2
	j	Acceptance Test Plan	\$ 960	2	8				
	k	Tester Training	\$ 2,200	4	8				1
	l	Acceptance Testing	\$ 1,800		20				
	m	Production Rollover	\$ 720		8				
	n	Rollout Support	\$ 3,600		40				
8		System Integrations (Optional separate costs per system)	\$ 43,530	20	277	120	40	\$ -	3
	a	Esri GIS Integration	\$ 5,040	2	20		40		
	b	Tyler Incode Integration	\$ 4,560	8	40				
	c	Sensus AMI Integration	\$ 5,840	2	15	50			
	d	Tree Inventory System	\$ 1,590	2	15				
	e	Sedaru workflows	\$ 13,700		100	20			3
	f	Fleet	\$ 5,880	4	60				
	g	Tokay Backflow Integration	\$ 6,920	2	27	50			
9		Training	\$ 16,240	12	120	0	0	0	4
	a	Training Plan	\$ 960	2	8				
	b	System Administration Training	\$ 720		8				
	c	Training Materials	\$ 4,800	10	40				
	d	Office End User Training Sessions	\$ 4,880		32				2
	e	Field End User Training Sessions	\$ 4,880		32				2
10		Project Management	\$ 12,000	100	0	0	0	0	0
	a	Status Meetings/Invoicing/Project Oversight		120					
11		Post Deployment Support	\$ 9,000	0	100	0	0	0	0
	a	100 hours Post-Installation support			100				
		Total Hours		290	1559	120	260		
		Implementation Total Cost	\$ 231,810						
		Cityworks Premium software cost year 1 (See attached)	\$ 40,000					\$ 40,000	
		See Click Fix implementation and software costs year 1 (See attached)	\$ 29,760					\$ 29,760	
		Total Cost	\$ 301,570						

See Cityworks and SeeClickfix quotes for future year licensing costs
Some of the integrated systems may require additional licensing fees for APIs through system vendors that are not included in this cost.
SCADA and Track-It integration costs are not included and are recommended as a future project.
If a proposed integration cannot be completed for technical reasons, the hours will be moved to the Post Deployment Support Task and can be used for other tasks approved by City.

Not included in consultant's agreement

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

Work to be scheduled with City of Morgan Hill representative including, but not limited to City Public Services Director, City Maintenance Manager, and City Maintenance Coordinator.

Attachment: Miller Spatial Services LLC Consultant Agreement (2873 : Miller Spatial Services, LLC Consultant Agreement)



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Harjot Sangha, Assistant to the City Manager
APPROVED BY: City Manager

APPROVE STATE OF CALIFORNIA, OFFICE OF EMERGENCY SERVICES' UNIVERSAL RESOLUTION DESIGNATING APPLICANT'S AGENT FOR DISASTER ASSISTANCE

RECOMMENDATION(S)

1. Designate City Manager, Finance Director, or Assistant to the City Manager to submit for Disaster Assistance to the State of California, Office of Emergency Services, for the purpose of obtaining certain federal financial assistance; and
2. Direct the City Clerk to certify the Designation of Applicant's Agency Resolution to the State of California, Office of Emergency Services.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

When a State or Federal disaster declaration is made, and the City of Morgan Hill has damages or costs that can be reimbursed from disaster recovery funds, a Designation of Applicant's Agent Resolution must be made by the City Council. It is important that the State and Federal agencies know that the City's designated agent has the authority of the City Council to act on the City's behalf.

Staff is seeking approval from the City Council to designate the staff positions of City Manager, Finance Director, or Assistant to the City Manager as applicant's agents to represent the City of Morgan Hill for any applications with the State Office of Emergency Services (OES) and Federal Emergency Management Agency (FEMA) for disaster assistance. The universal resolution is valid for all open and future disasters up to three (3) years, following the date of approval by the City Council. The City Council last approved the designation of applicant's agent resolution in 2017, when the City filed for the 2017 winter storm cost reimbursements.

The City currently has a COVID-19 reimbursement claim open and is preparing to submit a reimbursement claim for the SCU Lightning Complex fire incident. Therefore, it is necessary the City renew the Designation of Applicant's Agent Resolution on file with Cal OES which will be valid for all open and future disasters for up to three (3) years.

COMMUNITY ENGAGEMENT:

Not Applicable.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council last approved the Designation of Applicant's Agent Resolution on April 5, 2017.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact for designation of applicant's agent. However, the City is not eligible for State and Federal disaster assistance unless a Designation of Applicant's Agent Resolution has been adopted by the City Council. By approving this document, the City will be in a position to recover a percentage of the costs expended due to current and any future declared disasters.

CEQA (California Environmental Quality Act):

Not a Project, as this is an activity of the government that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. Cal OES 130 Designation of Applicant's Agent Resolution For Non-State Agencies

DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES

BE IT RESOLVED BY THE City Council OF THE City of Morgan Hill
(Governing Body) (Name of Applicant)

THAT City Manager, OR
(Title of Authorized Agent)

Assistant to the City Manager, OR
(Title of Authorized Agent)

Finance Director
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the City of Morgan Hill, a public entity
(Name of Applicant)

established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the City of Morgan Hill, a public entity established under the laws of the State of California,
(Name of Applicant)

hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

☒ This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.

☐ This is a disaster specific resolution and is effective for only disaster number(s) _____

Passed and approved this 21st day of October, 2020

Rich Constantine, Mayor
(Name and Title of Governing Body Representative)

Yvonne Martinez Beltran, Mayor Pro Tem
(Name and Title of Governing Body Representative)

Larry Carr, Council Member
(Name and Title of Governing Body Representative)

CERTIFICATION

I, Michelle Bigelow, duly appointed and Deputy City Clerk of
(Name) (Title)

City of Morgan Hill, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the City Council of the City of Morgan Hill
(Governing Body) (Name of Applicant)

on the 21 day of October, 2020.

(Signature)

Deputy City Clerk
(Title)

Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted Resolution is older than three (3) years from the last date of approval, is invalid or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on page 1. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California. Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the Governor's Office of Emergency Services regarding grants applied for by the Applicant. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents would be entered here, not their names. This allows the document to remain valid (for 3 years) if an Authorized Agent leaves the position and is replaced by another individual in the same title. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

Governing Body Representative: These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents, and a minimum of two or more approving board members need to be listed.

Certification Section:

Name and Title: This is the individual that was in attendance and recorded the Resolution creation and approval.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member (if a person holds two positions such as City Manager and Secretary to the Board and the City Manager is to be listed as an Authorized Agent, then the same person holding the Secretary position would sign the document as Secretary to the Board (not City Manager) to eliminate "Self Certification."

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, September 16, 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 p.m.

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.

Minutes Acceptance: Minutes of Sep 16, 2020 7:00 PM (CONSENT CALENDAR)

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 spoke to the evening's supplements and presentations.

Elections/voting report:

The City contracts with the Santa Clara County Registrar of Voters (ROV) to provide election services. They have modernized voting and are providing voters with greater flexibility and convenience. Every registered voter now receives a vote by mail ballot, that starts the week of October 5th. The last day to register to vote is October 19th. Voters can drop their ballots off at the post office, any ballot drop box location, at any vote center in Santa Clara County, or at the ROV's office. If they prefer, voters can also vote by paper ballot or use a voting machine to cast their ballot at any vote center in the county. Starting on October 5th drop boxes will be at the following locations: City Hall at 17575 Peak Avenue, Morgan Hill Library at 660 West Main Avenue, Morgan Hill Unified School District Office at 15600 Concord Circle, and Nordstrom Elementary School 1425 E. Dunne Ave. Starting on October 31st and going through November 3rd from 9-5 daily, there will be three locations set up as voting centers, those will be at our Council Chamber building, Morgan Hill Presbyterian Church, and Sobrato's theater lobby. All of this information is on our website. You can register to vote or update your voter information at registertovote.ca.gov, you can check your voter registration information to make sure everything is the way you want it to be at voterstatus.sos.ca.gov. Lastly, you can sign up to track your ballot at wheresmyballot.sos.ca.gov.

She concluded by giving an update on the City's Significant Projects. The presentation can be found on our website at <http://www.morgan-hill.ca.gov/1958/Development-Projects>.

CITY MANAGER'S PRESENTATION-SIGNIFICANT PROJECTS 2020

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin spoke regarding the Development Standards Ordinance that the Planning Commission and City Council can consider before they are asked to review any new industrial developments. This request was consistent with prior direction we had received from the Council in other workshop settings. We have begun that activity and the first part will be heard by the Planning Commission next Tuesday the 22nd. We are proposing an ordinance that would create new land use definitions for certain industrial uses associated with e-commerce facilities. We have specifically created land use definitions for heavy distribution or fulfillment centers, parcel sorting facilities, and parcel hubs. As drafted, we would prohibit heavy distribution and parcel sorting facilities in the City of Morgan Hill. We have also proposed amending the definition of significant projects that are subject to design review by the Planning Commission rather than the Planning Director. Those would include large projects and they would automatically be elevated to the Planning Commission. The Planning Director still maintains the ability to elevate other projects to the Commission based on the existing criteria or, it gives the Planning Director discretion to elevate things to the Commission where it is believed that further review is warranted.

We were also asked to look into options to review the PUD Zoning for the Morgan Hill Ranch Business Park. The PUD Zoning provides that all the permits for projects within that park are administrative rather than going to the City Council or the Planning Commission. We are continuing to look at options for amending the PUD or re-zoning certain properties within the park to, at a minimum, provide a more public process for discretionary approvals.

He provided an update on the development agreement for the Butterfield-Jarvis property, which is the former Divco-MWest project, the existing entitlements on that property, and the consideration to require the Planning Commission to hold public hearings for some design review. Because that is within the Planning Director's authority, the determination has already been made that design review will be referred to the Planning Commission. We will come back at a future meeting to provide an update on the progress made to the development agreement. With regard to e-commerce, we see this ordinance as a first step. With the increase of online ordering, many brick and mortar retailers are incorporating e-commerce activities into their existing retail businesses. We recognize that there is a strong need to update our zoning ordinance to keep up with these changes and make sure we are planning around impacts that these activities might have and that we are making sure that our ordinance is robust enough to regulate these types of e-commerce activities because we know that even before COVID, they were increasing rapidly and COVID has increased online commercial activity significantly. This is also something we hope to bring back to Council in the near future.

PUBLIC COMMENT

Public comment opened at 7:28 p.m. The following people were called to speak:

Sally Casas

Armando Benavides

Brian Faircloth

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

ADOPTION OF AGENDA

Adopting agenda as posted.

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

CONSENT CALENDAR

MOTION:

Approving consent calendar items 2 through 8.

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

1. PULLED FROM CONSENT

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.

ITEM PULLED FOR DISCUSSION

1. ACCEPT ANNUAL REPORTS OF ACTIVITIES BY NONPROFIT PARTNER ORGANIZATIONS

Recommendation:

Accept annual reports from City partner organizations.

Public comment opened.

Sally Casas was called to speak.

There being no requests to speak, public comment closed.

Public Services Director Chris Ghione provided the report.

RESULT:	ACCEPT REPORT
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OTHER BUSINESS

10. MONTHLY BUDGET UPDATE, JULY 2020 FINANCIAL AND INVESTMENT REPORTS, AND ADOPT NO WATER RATE INCREASES

Recommendation:

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

Finance Director Dat Nguyen provided a presentation and report.

Public comment opened at 8:38 p.m.

There being no requests to speak, public comment closed.

MOTION:

Approving no water rate increases for calendar year 2021.

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

The meeting recessed at 8:39 p.m.

The meeting reconvened at 8:49 p.m.

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.

Public Services Director Chris Ghione provided a presentation and report.

The public hearing opened at 9:04 p.m.

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

MOTION:

Adopting resolution that establishes new regulatory and delinquency fees for water and stormwater programs and increases the regulatory fee for backflow administration.

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

OTHER BUSINESS

11. LOCC VOTING DELEGATE 2020

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.

Deputy City Clerk Michelle Bigelow provided a report.

Public comment opened at 9:13 p.m.

There being no requests to speak, public comment closed.

MOTION:

Appointing Mayor Constantine as the voting delegate, Mayor Pro Tem Martinez Beltran and Council Member McKay as alternate voting delegates, and approving the staff recommended action.

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

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Spring asked for a discussion, if we are to help non profits and other groups, what is our expectation when it comes to increasing diversity and inclusivity.

Mayor Pro Tem Martinez Beltran wants to understand how the Historical Society is supporting diverse programming and review the MOU.

Mayor Pro Tem Martinez Beltran would like to bring back Council reports.

ADJOURNMENT

There being no further business, the meeting was adjourned in honor of Mexican Independence Day.

MINUTES PREPARED BY:

Angie Gonzalez, Minutes 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, September 23, 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.

PROCLAMATIONS

Proclaiming September 30, 2020 as Lewy Body Dementia Awareness Day in honor of Susan and Charles Berghoff

Minutes Acceptance: Minutes of Sep 23, 2020 7:00 PM (CONSENT CALENDAR)

Proclaiming the month of September 2020 as Childhood Cancer Awareness month and
Honoring Jacob's Heart Children's Cancer Support Services

CITY MANAGER'S REPORT

City Manager Christina Turner shared that the last day to complete the census is September 30th. As a result of our team's efforts, we are at 80.9% completed as compared to the national amount of 66.2%, the California amount of 68.7%, and the County amount of 76.7%. A 2020 Census Caravan will happen on Sunday, September 27th from 1-2 p.m. We are doing this in collaboration with the City of Gilroy and EAH Housing. The Caravan will be in Morgan Hill from 1-2 p.m. and in Gilroy from 2-3 p.m. If you are interested in attending, please arrive at the Lombardo's Donuts parking lot at the corner of Hale Ave. and Main St. at noon. Once there, there will be decorations and a map to follow along. This is a car caravan only; no items will be passed out to the community and no one will be exiting their vehicles.

We are proud to announce Sidewalk Saturdays. This is an outdoor pop up retail marketplace along the south sidewalk of E. 3rd St. between Monterey and Depot. This is to support the Buy Local Campaign and small businesses. This will provide non-food retailers an opportunity to showcase and sell their goods while at the same time creating a street activation that will attract visitors to enjoy the Downtown. Sidewalk Saturdays will start on October 3rd from 10-2 and will continue through the end of the year.

The Successor Agency bonds were refinanced yesterday. We refinanced them with a net present savings of about \$6.4 million or 9.88%. We projected a \$6.3 million savings, so we did better than anticipated. The financing team chose the upfront savings option, in other words, most of the savings value will be realized upfront in fiscal year 21-22. Since our share of the property tax is about 10% it means about \$600,000 of property tax revenue. In addition, the City will receive General Fund revenue of about \$67,000 for the time that it took the bonds to be set up and sold.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin had no report.

PUBLIC COMMENT

Public comment opened at 7:05 pm.

There being no requests to speak, public comment closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as posted.

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

CONSENT CALENDAR

MOTION:

Approving consent calendar items 1 through 7.

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

1. APPROVE IMPACT FEE FINANCING AGREEMENT WITH MORGAN HILL CAR WASH, INC.

Recommendation:

Adopt resolution authorizing the City Manager to execute a Sewer and Traffic Impact Fee Financing Agreement, consistent with the Sewer and Traffic Impact Fee Financing Program and Government Code section 53083, with Morgan Hill Car Wash, Inc. for the development of a new automated car wash facility on Caputo Drive.

2. APPROVE VALLEY WATER COST SHARING AGREEMENT FOR TRAIL AND FLOOD CONTROL

Recommendation:

Approve and authorize the City Manager to enter into a cost sharing agreement for \$748,600 with Valley Water for the construction of trails and other infrastructure.

3. APPROVE FIRST AMENDMENT TO CAL-WEST LIGHTING AND SIGNAL MAINTENANCE, INC. AGREEMENT

Recommendation:

Approve and authorize the City Manager to execute and administer the first amendment to the maintenance service agreement with Cal-West Lighting and Signal Maintenance, Inc. for \$100,000, increasing the not to exceed amount to \$550,000 and allow for additional repair services to be performed on an as needed basis and pre-approved by the City maintenance staff.

4. APPROVE FIRST AMENDMENT TO AGREEMENT WITH WOODARD AND CURRAN INC. FOR DESIGN SERVICES

Recommendation:

Approve and authorize the City Manager to execute and administer the first amendment to service agreement for design professionals with Woodard and Curran, Inc. for additional scope of services for improvements associated with Valley Water's Flood Control Project for \$71,697, increasing the total not to exceed contract amount to \$528,968.

5. APPROVE THIRD AMENDMENT TO BRIGHTVIEW GROUPS 1, 3, AND 6 MAINTENANCE SERVICE AGREEMENT

Recommendation:

1. Determine that competitive bids upon notice would not likely result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances per Section 3.04.150 (1) of the Morgan Hill Municipal Code; and
2. Approve and authorize the City Manager to execute and administer the third amendment to the maintenance service agreement with Brightview Landscape Services, Inc. extending the agreement for one additional year of service at \$134,183 and increasing the total contract amount to \$528,258; and

Minutes Acceptance: Minutes of Sep 23, 2020 7:00 PM (CONSENT CALENDAR)

6. AWARD BUTTERFIELD BOULEVARD LINEAR PARK EXTENSION PROJECT

Recommendation:

1. Adopt resolution to appropriate an additional \$100,120 in the Park Impact Fund (301) for the Butterfield Boulevard Linear Park Extension Project;
2. Approve the Butterfield Boulevard Linear Park Extension Project Plans and Specifications;
3. Award contract to Terramark General Engineering Contractors, Inc. for the Butterfield Boulevard Linear Park Extension Project in the amount of \$1,439,226;
4. Authorize expenditure of construction contingency funds not to exceed \$143,923; and
5. Authorize the City Manager to execute and administer the construction contract with Terramark General Engineering Contractors, Inc.

7. AWARD SEWER PIPELINE INSPECTION AND CONDITION ASSESSMENT AGREEMENT

Recommendation:

Approve and authorize the City Manager to execute an agreement with National Plant Services Inc. in the amount of \$1,174,686 for the development of the sewer pipeline inspection and condition assessment.

8. PULLED FROM CONSENT

ITEM PULLED FROM CONSENT

8. AWARD TREE MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a Maintenance Services Agreement to A Plus Tree, Inc. for up to \$600,000 (\$300,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the said agreement.

MOTION:

Continued to the October 21, 2020 City Council meeting.

RESULT:	CONTINUED TO A FUTURE MEETING [UNANIMOUS] Next: 10/21/2020 5:30 PM
MOVER:	Larry Carr, Council Member
SECONDER:	Yvonne Martinez Beltran, Mayor Pro Tem
AYES:	Constantine, Martinez Beltran, Carr, McKay, Spring

OTHER BUSINESS

9. RESPONSE TO COVID-19, COUNTYWIDE ISOLATION AND QUARANTINE SUPPORT PROGRAM

Recommendation:

1. Receive report and consider funding \$154,917 for the continuation of an established Countywide "Isolation and Quarantine Support Program" by:
 - a. Adopting resolution to appropriate \$107,208 from the General Fund (010); and
 - b. Authorizing expenditure of \$47,709 from the Housing Fund (236);
- OR
2. Provide feedback and direct staff to return with an alternative option.

Housing Manager Rebecca Garcia provided a presentation and report. Ky Le with the County of Santa Clara answered questions.

Public comment opened at 8:02 pm.
There being no requests to speak, public comment closed.

MOTION:

Adopt resolution to appropriate \$107,208 from the General Fund and authorizing expenditure of \$47,709 from the Housing Fund (236).

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

FUTURE COUNCIL INITIATED AGENDA ITEMS

Mayor Pro Tem Martinez Beltran would like to know what the City can do to help with the homeless encampment cleanup along the railroad tracks and Monterey Road.

ADJOURNMENT

Meeting adjourned in honor of Supreme Court Justice Ruth Bader Ginsburg at 8:11 pm.

MINUTES PREPARED BY:

Michelle Bigelow, Deputy City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

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

AWARD TREE MAINTENANCE SERVICES AGREEMENT

RECOMMENDATION(S)

1. Award a Maintenance Services Agreement to A Plus Tree, Inc. for up to \$600,000 (\$300,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

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 a tree maintenance services agreement to A Plus Tree, Inc. in the amount of \$600,000. The City has contracted with professional arborists for many years to service trees throughout the community. Services provided include grid pruning, tree trimming for safety and clearance purposes, tree removals, emergency response services and arborist consultation services. The new agreement will have a two-year term with authorization for the City Manager to execute three consecutive one-year extensions subject to future annual budget appropriations by the City Council. If approved, the initial two-year term will be from October 1, 2020 to September 30, 2022.

As the City's current maintenance service agreement expires on September 30th, the Request for Proposals (RFP) was originally released on June 16, 2020. On August 5, 2020, a Notice of Intent to Award was issued stating the City's intent to award a contract to A Plus Tree, Inc. A competing contractor, West Coast Arborist, protested the intended award because the RFP did not clearly indicate weighting would be used in the scoring analysis. On August 19, 2020, the City Council rejected all proposals received and directed staff to rebid the agreement with an amended RFP indicating that the cost proposal analysis would be weighted.

The rebid was noticed in the MH Times on August 21, 2020. The proposals were due on September 1, 2020, and six proposals were received. Proposals were first evaluated on a narrative response to questions. They were scored for previous work experience, work quality and references, qualifications of staff and organized communication systems. Proposals receiving a minimum of 30 out of 40 points were then evaluated based on weighted averages for each firm's pricing for grid pruning, and average unit

pricing for tree trimming, tree and stump removal, tree planting, arborist's hourly rates, tree watering and average crew rental rates. Proposals were received from A Plus Tree, Arborist Now, Arbor Works, Brightview Tree, Atlas Tree and West Coast Arborists. Attached is a scoring summary (Attachment 1).

Based on the narrative response and the weighted cost proposal scoring, A Plus Tree, Inc., is the qualified bidder with the highest scoring (and lowest cost) proposal. A Plus Tree, Inc. has 18 years of experience and currently manages over 1,000 commercial properties annually with a combined total of over 250,000 trees.

The City received very late bid advisories from the Foundation for Fair Contracting and Laborer's International Union Local 270, as well as a letter from West Coast Arborists' attorney, protesting the recommended award of the contract to A Plus Tree. As the City takes its obligation to abide by State and City law very seriously, a significant amount of time and resources was dedicated to these communications. Staff from both the City Attorney's Office and Community Services Department evaluated the allegations, sought additional clarifying information, and thoroughly investigated the claims. The end result is that staff could find no reason whatsoever to change or amend the recommended award in any way. Attachment 3 provides a more detailed description of staff's findings.

Staff recommends the award of the tree maintenance services agreement for \$600,000 for two years, which is \$300,000 per year subject to future annual budget appropriations by the City Council (Attachment 2). The \$300,000 amount represents a base amount of \$150,000 for scheduled services and up to \$150,000 in extra services related to emergencies and capital projects, like sidewalk repairs, that also require these services.

COMMUNITY ENGAGEMENT: Inform

As tree maintenance services are a regular and expected City service, no efforts were made to inform the community about this proposed agreement. The actual tree maintenance work resulting from this agreement is shared via City communication tools, including "The Scoop," a weekly maintenance update on the City website, and Nextdoor Morgan Hill. Signs will be posted when tree maintenance services are performed that will affect or impair access to the street or public sidewalks.

ALTERNATIVE ACTIONS:

An alternative action would be to reject all bids and direct staff to negotiate directly with A Plus Tree with the determination that issuing competitive bids would likely not result in a lower price to the City from a responsible bidder or would cause unnecessary expense or delay under the circumstances. This alternative process is consistent with Section 3.04.150(1) of the Municipal Code.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council awarded the prior tree maintenance services agreement to West Coast Arborist, Inc. on July 15, 2015 and approved several amendments during the contract's term. As stated above, the Council rejected the first set of proposals received for the prior RFP on August 19, 2020. This item was agendized to be heard at the September

23rd Council meeting but was continued to this meeting in order to evaluate the late bid protests.

FISCAL AND RESOURCE IMPACT:

The funding for tree maintenance services is included in many areas of the City's operating budget, including Street Maintenance, Landscape Assessment Districts, Park Maintenance, Downtown Maintenance, and various Capital Improvement projects.

CEQA (California Environmental Quality Act): Categorical Exemption.

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

LINKS/ATTACHMENTS:

1. REBID Tree Maintenance Scoring Summary
2. A Plus Tree Inc Tree Maintenance Service Agreement
3. Attachment 3: Memorandum on bid protests

Morgan Hill: REBID 2020 Tree Maintenance Narrative and Bid Pricing

NARRATIVE SCORING								NARRATIVE SCORING (40 points)									
								Points Available	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist			
Previous Experience providing superior levels of tree maintenance service to like-sized public and/or private agencies								15.0	13.0	11.5	12.0	13.3	12.5	14.0			
Assessments of work quality, performance and working relationships by current and recent clients indicating high levels of satisfaction and efi								10.0	8.5	8.3	8.8	7.8	8.5	9.0			
Qualifications of staff to be assigned to provide tree maintenance services to the City								5.0	4.8	4.5	4.3	4.5	4.5	4.8			
Well organized communication systems and electronic reporting capabilities								10.0	9.5	7.8	7.0	7.8	7.5	9.25			
SUBTOTAL- NARRATIVE POINTS								40.0	35.8	32.0	32.0	33.3	33.0	37.0			
BID PRICING								BID PRICING SCORING (60 points)									
Item	Lowest Bidder	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist		Points Available	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist		
1. Grid and Park Pruning Price	58.75	58.75	375.00	69.00	109.00	750.00	62.00	38.00%	22.8	22.8	3.6	19.4	12.3	1.8	21.6		
2A. to 2E. Average Trim Price	131.20	152.00	377.00	171.80	271.16	625.00	131.20	2.00%	1.2	1.0	0.4	0.9	0.6	0.3	1.2		
3A. To 3B. Average Tree Removal Price	36.00	1,100.00	1,100.00	36.00	55.60	88.50	44.00	2.50%	1.5	0.0	0.0	1.5	1.0	0.6	1.2		
4. Stump Removal	10.00	10.00	150.00	15.00	22.50	10.00	10.00	2.50%	1.5	1.5	0.1	1.0	0.7	1.5	1.5		
5A. To 5C. Average Tree Planting Price	220.00	235.67	516.67	236.67	281.67	366.67	220.00	2.00%	1.2	1.1	0.5	1.1	0.9	0.7	1.2		
6. Evaluation by Certified Arborist	70.00	70.00	150.00	127.50	172.00	140.00	100.00	4.00%	2.4	2.4	1.1	1.3	1.0	1.2	1.7		
7. Tree Watering	198.00	198.00	900.00	-	665.00	200.00	199.00	2.00%	1.2	1.2	0.3	-	0.4	1.2	1.2		
8. Average Crew Rental Price	180.00	212.50	180.00	357.50	322.50	437.50	255.00	47.00%	28.2	23.9	28.2	14.2	15.7	11.6	19.9		
SUBTOTAL-PRICING POINTS								100%	60.0	54.0	34.2	39.5	32.5	18.9	49.5		
GRAND TOTAL									100.0	89.7	66.2	71.5	65.8	51.9	86.5		
										1	4	3	5	6	2		

Point Score is lowest bidder's item price divided by each Contractor's item price times the number of points available. For example, Arbor Work's Average Crew Rental Price Amount = 180.00/357.50 X 28.2 points = 14.2 points

Attachment: REBID Tree Maintenance Scoring Summary (2878 : Tree Maintenance Contract)



Memorandum

Community Services Department

Date: October 5, 2020

To: Christina Turner

From: Anthony Eulo and Cynthia Hasson

Subject: Concerns Raised on Tree Maintenance Bidding Process

As you know, we have received several concerns relating to the bidding process for the tree maintenance contract. Staff from both Community Services and the City Attorney's Office have evaluated these concerns and have concluded that no valid allegations have been raised. We, therefore, are recommending that the planned award to A Plus Tree proceed on October 21st. The following sections summarize the concerns raised and the City's response.

Background

The City has long contracted out for tree maintenance services. The City has neither the staff nor the equipment to perform these duties. The City has contracted with West Coast Arborists (WCA), a large company based in Anaheim, for over a decade. During this time, the City has enjoyed a cooperative and productive relationship with WCA. Based on City policy and practice, however, these types of services are rebid every few years in order to ensure that the City is obtaining services at the most affordable rates available.

First Solicitation of Proposals

As is customary, the City issued a Request for Proposals (RFP) for these services several months before the expiration of the existing service contract. The RFP for tree maintenance services was released on June 16th and proposals were due on July 15th. After a thorough review of the proposals, reference checking, proposer interviews, and a cost proposal analysis, staff was prepared to recommend that the agreement be awarded to A Plus Tree as they submitted the highest-scoring overall proposal. WCA protested this planned award because the City's cost proposal analysis relied on a weighted scoring that was based on the City's typical use of various services. Since the RFP did not make it clear that the individual line items in the cost proposal would be weighted, staff recommended that the Council reject all bids on August 19th and direct staff to reissue an RFP that clearly stated that the line items would be weighted. With the Council's agreement, staff notified all bidders that their bids were rejected.

Second Solicitation of Proposals

The City issued a second RFP for these services, revised to reflect the weighted cost scoring, on August 21st with proposals due on September 1st. After a thorough review of the proposals and cost proposal analysis, staff notified all bidders that the City intended to award the agreement to A Plus Tree as they again submitted the highest-scoring overall proposal.

As a result, the City received communications from two parties (Laborers' International Union Local 270 (Local 270) and the Foundation for Fair Contracting (FFC)) making various allegations about A Plus Tree, asking the City to reject A Plus Tree's proposal, and proposing that the award instead go to WCA. Since some of these allegations relate to the payment of prevailing wage issues and the City takes its legal obligation to require the payment of prevailing wages very seriously, and because these communications were received by the City at the 11th hour (far after the noticed bid protest period had elapsed) and did not provide A Plus Tree with an adequate amount of time to respond, staff recommended that the award be postponed from the September 23rd meeting to the October 21st meeting.

After the following weeks of analysis, staff makes the following findings:

- The City evaluated the proposals as submitted. A Plus Tree provided references which the City staff verified, and is a licensed contractor registered with the DIR. (A very similar protest was filed by West Coast Arborist against A Plus Tree in Brentwood, and the City of Brentwood awarded the contract to A Plus.)
- There is nothing in what is available to the City to determine that A Plus Tree is not a responsible contractor. **No evidence or specifics were provided to the City by Local 270 nor the FFC. Requests for additional information went unanswered.**
- The City team has thoroughly reviewed and evaluated each proposal received and cannot substantiate any "unbalanced bid" concerns nor does the City have any evidence that this contractor has a history of failing to pay prevailing wages.
- This RFP was rebid on August 21, 2020. The Notice of Intent to Award was sent on September 2, and therefore protests were due on September 4 by 5:00 pm. A timely protest was the bidder's sole and exclusive remedy. No valid protest was received from West Coast Arborist or any other bidder. By failing to file a timely bid protest, any right to further pursue a bid protest, including filing a Government Code Claim or initiation of legal proceedings was waived. Only bidders may file a protest; neither Local 270 nor the FFC have standing to protest the contract award.

The following are the specific allegations about A PlusTree in the communications received and staff's response:

1. FFC Letter

FFC alleged that A Plus would not be able to successfully perform its duties on the project, while fulfilling its obligations with the Rules and Regulations Governing the Payment of Prevailing Wages, at the bid amount provided due to the following:

- A Plus does not provide its employees with good fringe benefits such as Health and Welfare, or Pension. *FFC supplied no evidence of this and these are not factors that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore are not grounds to refuse the award of the contract to A Plus Tree Service.*
- The persons associated with A Plus's license and others have been known not to comply with the Laws and Regulations Governing the Payment of Prevailing Wages. *There is no evidence to support this allegation. Requests for substantiation went unanswered. There have been no judgments against A Plus Tree located in public records. A Plus Tree indicates it has no judgments against it.*
- The unbalanced bid submitted by A Plus represents a clear discrepancy in the bid and must be scrutinized by City staff. Furthermore, this discrepancy may result in a contractual dispute between the City and A Plus. *Even with a mistake in the bid for tree removal, for which A plus Tree received 0 points, A Plus is still the low bidder based on the weighted point system. Furthermore, the RFP allowed for the City's right to negotiate with the selected bidder to amend services to meet the City's financial requirements.*
- A Plus has not made a good faith effort to participate and invest in Local Workforce Development, nor have participated in local hiring of workers in the community through formal and recognized pre-apprenticeship programs. *These are not factors that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore are not grounds to refuse the award of the contract to A Plus Tree Service.*
- West Coast Arborists, Inc. (WCA) employs approximately forty employees who live and invest in the County of Santa Clara. *This is not a factor that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore is not grounds to refuse the award of the contract to A Plus Tree Service.*

2. Local 270 Letter:

- The bid provided by APlus represents discrepancies and actually charges more for specific items than the other bidder. *While this specific issue is true, this contract is to be awarded based on the "best value" methodology. City team carefully drafted the RFP bidding criteria to give weight to the items the City historically uses the most to achieve the overall best value for the City. A Plus' proposal will result in cost savings to the City if historical use patterns continue.*

- A Plus questionable involvement and investment in local workforce development, including, but not limited, to formal approved Federal and State apprenticeship programs. *These are not factors that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore are not grounds to refuse the award of the contract to A Plus Tree Service. Furthermore, no evidence was provided to support this allegation.*
- Prevailing wage and hour laws are very complex and everchanging, A Plus knowledge base of these laws are questionable and could create disputes with change-orders, Labor Commissioner involvement, and litigation implications. *No evidence was provided to support this allegation. Nothing in City team's review of the proposal supports this allegation. There have been no judgments against A Plus Tree located in public records. A Plus Tree indicates it has no judgments against it.*

3. WCA Attorney's Letter

The City received an additional communication from WCA's attorney. He brought up the fact A Plus' proposal contained a calculation error in its cost proposal and that the City unfairly allowed them to correct their proposal.

A Plus's proposal DID contain an obvious calculation error but the City did NOT allow them to correct their proposal because to do so would be unfair to the other bidders. Because of this, they received zero points for this line item in the cost proposal analysis. Despite receiving a zero on this line item, their proposal is still overall the lowest-cost (highest-scoring) proposal received and should result in substantial savings to the City. AFTER the bidding evaluation was finalized, staff contacted A Plus and they were happy to correct the obvious mistake for the price schedule contained in the City's agreement.

This contract is being awarded pursuant to the terms of the RFP and the Morgan Hill Municipal Code, not the Public Contract Code. The City reserved the right to award the contract on the basis of the bid most advantageous to the City, as well as the right to negotiate with the selected bidder to amend services to meet the City's financial requirements. A Plus Tree is still the low bid based on the weighted point system.



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

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

AWARD ENGINEERED WOOD FIBER AND MULCH MAINTENANCE SERVICES AGREEMENT

RECOMMENDATION(S)

1. Award a maintenance services agreement to JET Mulch, Inc. for up to \$80,000 (approximately \$40,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
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 engineered wood fiber and mulch maintenance services agreement to JET Mulch, Inc. in the not to exceed amount of \$80,000 for two years. To address community playground safety needs, the City has solicited proposals for engineered wood fiber and mulch to ensure that they are maintained at safe and adequate levels in City play areas throughout the year. In addition to play areas, facility landscape areas and landscaped parking lot planters will also be maintained through this contract. The actual amount of fiber and mulch installed would vary depending upon facility use, weather, and other factors.

The City's current maintenance services agreement with Applied Landscape Materials expired on October 15, 2020. 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 pricing. If approved, the initial two-year term will be from November 1, 2020 to October 31, 2022.

Proposals for the new annual engineered wood fiber and mulch agreement were solicited in August 2020. In soliciting proposals, the City advertised in the Morgan Hill Times on August 7, 2020. The Request for Proposals was released on August 10, 2020 on the City website, Public Purchase Online Service and the County of Santa Clara Builders Exchange. Staff also contacted all registered C-27 licensed landscape contractors on the City's Informal Bidder's List.

The proposals were opened on September 9, 2020 and two proposals were received. Applied Landscape Materials, the current vendor, and JET Mulch, Inc. submitted proposals. Proposals were evaluated based on each firm's per cubic yard pricing for engineered wood fiber and mulch for quantities of 10 to 20 cubic yards, 20 to 60 cubic yards and 60 to 200 cubic yards. Attached is the bid summary.

Based upon the per cubic yard pricing, JET Mulch, Inc., is the lowest bidder. JET Mulch, Inc. has over 24 years of experience working with local municipalities. Although they are not the current vendor, they have previously provided engineered wood fiber and mulch to the City of Morgan Hill, and staff have been satisfied with their past level of service.

Staff recommends the award of the annual engineered wood fiber and mulch maintenance services agreement to JET Mulch, Inc. for a total not to exceed amount of \$80,000 for two years.

COMMUNITY ENGAGEMENT: Inform

As engineered wood fiber and mulch installation in City playgrounds are a regular and expected City service, no efforts were made to inform the community about this proposed agreement. The actual installation of wood fiber and mulch at City play areas resulting from this agreement is shared via City communication tools, including "The Scoop," a weekly maintenance update on the City website and Nextdoor Morgan Hill.

ALTERNATIVE ACTIONS:

An alternative action is to not approve this agreement. This alternative is not recommended as wood fiber is required to keep playgrounds safe and open.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council previously awarded a wood fiber and mulch agreement to Applied Landscape Materials on October 21, 2015.

FISCAL AND RESOURCE IMPACT:

The anticipated \$40,000 in annual wood fiber and mulch installation costs (\$80,000 for the two-year contract) will be paid by the parks maintenance budget, streets maintenance budget, landscape assessment district, and individual facilities' maintenance budgets.

CEQA (California Environmental Quality Act): Categorically Exempt

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. Signed_Morgan_Hill_Contract_JET Mulch Inc_
2. 2020 Bid Abstract_Mulch and Wood Fiber

MAINTENANCE SERVICE AGREEMENT
JET Mulch, Inc.
Annual Wood Fiber and Mulch Installation Services

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and JET Mulch, 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 October 31, 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 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 annual wood fiber and mulch installation services as further described in **Exhibit A.**
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$80,000.00. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed Eighty Thousand dollars and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed for each subsequent extended one-year term exceed 105% of the maximum compensation allowed to be paid to SERVICE PROVIDER for one year of service during the immediately preceding prior year of service.
 - 4.2. **Billing.** SERVICE PROVIDER shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER on a monthly basis unless otherwise specified in Exhibit B. All invoices shall be sent to the CITY addressed to the department head or project manager identified below in Section 14 Notices. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or SERVICE PROVIDER shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination,

Attachment: Signed_Morgan_Hill_Contract_JET_Mulch_Inc_[Revision 2] (2844 : Award Wood Fiber Contract)

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

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

5.2. **Temporary Suspension of Services.** CITY'S need for services may be suspended due to unforeseeable or unavoidable circumstances beyond its control. Such circumstances include, but are not limited to, earthquake, fire, explosion, flood or other natural catastrophe; governmental legislation, condemnation, acts, orders, or regulation; war or acts of terrorism; strikes or labor difficulties; and quarantine, epidemic, or pandemic. CITY shall provide a 5-days' written notice or less under urgent circumstances to temporarily suspend services at specific CITY facilities. CITY reserves the right to request which CITY facilities are to be serviced or not serviced due to unforeseeable or unavoidable circumstances; and the level of service at each CITY facility. Upon suspension, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid up to the date of the suspension. No further payments will be made for services provided after the date of the suspension. CITY shall provide 5 days' written notice when the circumstances for the suspension of specific facilities' services are removed for SERVICE PROVIDER to commence providing services.

6. **Performance of Work.** SERVICE PROVIDER represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by SERVICE PROVIDER in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of SERVICE PROVIDER'S profession. By delivery of completed work, SERVICE PROVIDER certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. SERVICE PROVIDER 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. Any deductibles or self-insured retentions must be declared to and approved by City. SERVICE PROVIDER further understands that CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days’ notice provided to SERVICE PROVIDER, at any time as deemed necessary to protect the interests of CITY.

8.1. **Insurance Types and Amounts.**

- 8.1.1. **Commercial General Liability (CGL).** SERVICE PROVIDER shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater.
- 8.1.2. **Automobile Liability.** SERVICE PROVIDER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if SERVICE PROVIDER does not own automobiles, then SERVICE PROVIDER shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater.
- 8.1.3. **Workers’ Compensation Insurance and Employer’s Liability.** SERVICE PROVIDER shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater. If SERVICE PROVIDER is self-insured, SERVICE PROVIDER shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.
- 8.1.4. **Pollution (Environmental) Liability.** If the performance of SERVICE PROVIDER’s work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, SERVICE PROVIDER shall procure and maintain Pollution Liability covering the SERVICE PROVIDER’S liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous

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

8.1.5. Professional Liability.

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

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

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

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

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

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

JET Mulch, Inc.
P.O. Box 1667
Capitola, CA 95010

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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Attachment: Signed_Morgan_Hill_Contract_JET Mulch Inc_ [Revision 2] (2844 : Award Wood Fiber Contract)

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[Signatures on Next Page]

Attachment: Signed_Morgan_Hill_Contract_JET_Mulch_Inc_[Revision 2] (2844 : Award Wood Fiber 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:

JET MULCH, INC.

 City Attorney

By:

 Donald A. Larkin
 Print Name

Mario Gamboa President

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

Date: _____

Date: 9/15/2020

By:

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

Date: 9/15/2020

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

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

Expiration Date(s) _____

Expiration Date(s) _____

Seal:

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

EXHIBIT A SCOPE OF SERVICES

1. Scope of Work

Contractor shall include all labor, equipment, and materials necessary to furnish and install:

- Engineered wood playground fiber and mulch in designated play areas in parks
- Colorized, shredded wood mulch in areas designated as primary landscape areas such as facility landscape areas, and landscaped parking lot planters
- Untreated wood chips (arbor mulch) in areas that are primarily covered for the purpose of erosion and weed suppression

Specified quantities of wood playground fiber and mulch shall be spread in a smooth even layer throughout each play area. At play area entrance and handicap access areas, wood fiber and mulch shall be raked so that top of fiber and mulch are flush with adjacent access surface to create a smooth and even transition between the hard surface and the wood fiber or mulch.

Landscape areas will have particles spread or blown to a uniform depth of 3-4”.

Contractor shall take all necessary precautions to protect the public including staff to keep park users away from contractor trucks and equipment and provide all traffic control required to perform the work.

Engineered wood playground fiber shall be pure, safe wood, and help reduce the risk of injury from falls and is wheelchair accessible, meeting ASTM compliant standards:

- F1292 – impact absorption
- F2015 material purity
- F1951 wheelchair access

Material must be free of dirt, rocks, metal and plastic.

Colorized, shredded wood mulch shall be cedar or cyprus for weed suppression in tinted red or light brown (color must be consistent at each location), and contain no glass, and less than 0.5 percent (by weight) contaminants of plastic, metal, rock, paper.

Untreated wood chips (arbor mulch) shall be clean green material in 0-4” sizes.

All mulch types will be processed in accordance with all applicable California Codes and Regulations.

2. Locations and Playground Fiber Quantities:

The locations of play areas within Morgan Hill to receive playground fiber and mulch throughout the year are described below. Additional facilities and parks may be added to the scope of work. The amount of playground fiber and mulch will be determined on a quarterly basis by City Facilities and Maintenance Staff.

Location	Address	Play Area Sq Ft	Estimated Cubic Yards
Galvan Park A (2-5 yrs)	17666 Crest Av	4,000	43
Howard Weichert	860 Via del Castille	1,200	10
Nordstrom A (2-5 yrs)	Murphy & E Dunne Avs	3,000	52
Nordstrom B (5-12 yrs)	Murphy & E Dunne Avs	6,000	104
Paradise Park	La Crosse Ave & Calle Enrique	4,000	104

Location	Address	Play Area Sq Ft	Estimated Cubic Yards
Sanchez Park	Sanchez Dr	1,575	24
Belle Estates Park	Calle Caballeria	900	16
Mill Creek A (2-5 yrs)	La Arboleda & Via de Niños	400	5
Mill Creek B (5-12 yrs)	La Arboleda & Via de Niños	676	6
Oak Creek A (2-5 yrs)	Excaliber & White Cloud Drs	2,280	39
Oak Creek B (5-12 yrs)	Excaliber & White Cloud Drs	6,400	55
Rose Haven Park	San Ramon Dr & San Ramon Ct	1,962	42
Total CY			500

Facility locations that will receive colorized shredded wood mulch and untreated wood mulch include, but are not limited to:

City Hall & City Center Campus	17575 Peak Avenue
Centennial Recreation Center	171 West Edmundson Ave
Community and Cultural Center	17000 Monterey Road
Morgan Hill Aquatic Center	16200 Condit Road
Morgan Hill Police Department	16200 Vineyard Boulevard
Corporation Yard	100 Edes Court

3. Authorized Work Days and Hours.

Work on the Project shall be scheduled for weekdays, excluding holidays, Monday through Friday, 7 am to 8 pm.

4. Work Schedule

Work schedules to be coordinated with and approved in advance by the City.

5. Public Notification

Contractor to post signs at least 48 hours in advance, at each park play area notifying residents the date that the play area will be closed.

6. Site Preparation

Before installing playground fiber, any litter or trash shall be removed from the play area.

7. Cleanup

Contractor shall clean up any fiber that spills onto plantings, adjacent walkways, curbs, gutters and pavement.

8. Engineered Wood Playground Fiber Composition

The material used shall be composed of engineered wood fiber designed for installation in playgrounds. It shall be clean virgin material meeting ASTM standards F1292 for impact absorption, F2075 material purity and F1951 for wheelchair access. Prior to start of work, Contractor to provide documentation that the material to be used meets the required ASTM standards and also a material sample for City approval.

9. Estimated Annual Volume of Work

The estimated annual volume of work is \$20,000 for playgrounds.

The annual volume of work for facilities is variable, and is estimated at \$20,000.

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

Please see attached Schedule of Compensation Rates per the JET Mulch proposal dated September 9, 2020.

Attachment: Signed_Morgan_Hill_Contract_JET_Mulch_Inc_[Revision 2] (2844 : Award Wood Fiber Contract)

JET MULCH, INC.

Attachment A Cost Proposal Schedule

Furnish and Install Engineered Wood Fiber and Mulch in Park Play Areas

Bid Item	Item	Cost Per Cubic Yard Bid Price
1	10 to 20 cubic yards of Engineered Wood Playground Fiber: Cost Per Cubic Yard including Mobilization, Delivery, Installation, All Supply Costs and Taxes	\$33.95
2	20 to 60 cubic yards of Engineered Wood Playground Fiber: Cost Per Cubic Yard including Mobilization, Delivery, Installation, All Supply Costs and Taxes	\$33.95
3	60 to 200 cubic yards of Engineered Wood Playground Fiber: Cost Per Cubic Yard including Mobilization, Delivery, Installation, All Supply Costs and Taxes	\$32.95
4	10 to 20 cubic yards of Mulch: Cost Per Cubic Yard including Mobilization, Delivery, Installation, All Supply Costs and Taxes	43.95
5	20 to 60 cubic yards of Mulch: Cost Per Cubic Yard including Mobilization, Delivery, Installation, All Supply Costs and Taxes	43.95
6	60 to 200 cubic yards of Mulch: Cost Per Cubic Yard including Mobilization, Delivery, Installation, All Supply Costs and Taxes	\$42.95
	TOTAL BASE BID (Average Cost Per Cubic Yard) (Add Bid Items #1 thru #6/Divide by 6)	\$33.957

THIS FORM MUST BE USED WHEN SUBMITTING PROPOSAL

Attachment: Signed_Morgan_Hill_Contract_JET Mulch Inc_[Revision 2] (2844 : Award Wood Fiber Contract)

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

The work will be scheduled and coordinated with the City Maintenance Manager or other designated City staff.

Attachment: Signed_Morgan_Hill_Contract_JET_Mulch_Inc_[Revision 2] (2844 : Award Wood Fiber Contract)

BID SCHEDULE: Engineered Wood Fiber and Mulch In Park Play Areas			Applied Landscape Materials, Inc.	Jet Mulch, Inc.		HIGH	LOW	AVERAGE
1	10 to 20 cubic yards of Engineered Wood Playground Fiber	Per cubic yard*	\$39.35	\$33.95		\$39.35	\$33.95	\$36.65
2	20 to 60 cubic yards of Engineered Wood Playground Fiber	Per cubic yard*	\$39.35	\$33.95		\$39.35	\$33.95	\$36.65
3	60 to 200 cubic yards of Engineered Wood Playground Fiber	Per cubic yard*	\$39.35	\$32.95		\$39.35	\$32.95	\$36.15
4	10 to 20 cubic yards of Mulch	Per cubic yard*	\$49.58	\$43.95		\$49.58	\$43.95	\$46.77
5	20 to 60 cubic yards of Mulch	Per cubic yard*	\$49.58	\$43.95		\$49.58	\$43.95	\$46.77
6	60 to 200 cubic yards of Mulch	Per cubic yard*	\$49.58	\$42.95		\$49.58	\$42.95	\$46.27
	TOTAL BASE BID (Average Cost Per Cubic Yard) Add Bid Items #1-#6/Divide by 6		\$44.47	\$38.62		\$44.47	\$38.62	\$41.54

*Cost per cubic yard including mobilization, delivery, installation, all supply costs and taxes

Attachment: 2020 Bid Abstract_Mulch and Wood Fiber (2844 : Award Wood Fiber Contract)



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Eric Blomquist, Building Official
APPROVED BY: City Manager

DECLARE SURPLUS AND APPROVE AUCTION OF TWO BUILDING DIVISION VEHICLES

RECOMMENDATION(S)

1. Declare two vehicles to be surplus; and
2. Authorize the purchasing officer to dispose of the vehicles in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

COUNCIL PRIORITIES, GOALS & STRATEGIES

GUIDING DOCUMENTS

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

Staff has identified two pick-up trucks formerly used by the Building Department as surplus. One vehicle is no longer used for City operations and the other vehicle was vandalized in the parking lot of City Hall during the County Shelter in Place Order. The vandalism was discovered on May 21, 2020. The vehicle was reported to the City's insurance carrier and declared to have repairs required which exceed the value of the truck or to have salvage value; therefore, the truck can no longer be used for City operations and will need to be replaced with a new vehicle. The City Building Official is anticipating using the State Purchasing program for replacement of the one vehicle, while also reaching out to the local Ford dealership to determine if they can match the state contract price. The City hopes to purchase locally if possible. Morgan Hill Municipal Code Section 3.04.400 requires the City Council to authorize the Purchasing Officer to dispose of any single item of property that exceeds \$2,500 in current market value which cannot be used by any department of the City.

The following are the two vehicles in question, potentially exceeding \$2,500 in current market value:

Vehicle s	Year	Manufacturer	Model	Description	S/N or VIN	Licence #	Dept
1	2001	Chevrolet	Silverado	Pick Up Truck	1GCEC14V31Z273617	1097964	Building

2	200 5	Chevrolet	Silverad o	Pick Up Truck	1GCEC16V7521706 60	118692 4	Buildin g
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Once declared surplus the City will dispose of the vehicles and equipment through First Capital Auction to acquire the highest possible revenue from the sale. The next auction dates are scheduled in November.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the public of the recommendation to declare vehicles as surplus for sale at auction.

ALTERNATIVE ACTIONS:

The Council could choose not to declare these items as surplus. Council could choose to donate or destroy the vehicles.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

The revenue received from the surplus sales, as well as the insurance payout, will be deposited into the Equipment Replacement Fund (790), for each of the corresponding divisions. A replacement truck will be funded from a combination of Fund 790 and Fund 206 (Development Services Fund). No additional budget appropriations are required at this time.

CEQA (California Environmental Quality Act):

Not a Project.

Continuing administrative or maintenance activities, including the disposal of property is exempt from CEQA.



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Mario Ramirez,
APPROVED BY: City Manager

ACCEPT DONATION FROM MORGAN HILL COMMUNITY FOUNDATION FOR ANIMAL SERVICES

RECOMMENDATION(S)

Adopt resolution:

1. Accepting a donation from the Morgan Hill Community Foundation (MHCF) in the amount of \$31,509 for reimbursement of expenditures associated with the Santa Clara County Animal Shelter Agreement; and
2. Amending the adopted Fiscal Year (FY) 2020-21 budget in the General Fund (010) to recognize the MHCF donation as revenue, and appropriate \$31,509 in the Police Department budget for associated expenditures.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Preserving and Cultivating Public Trust

2020-2021 Strategic Priorities

Fiscal Sustainability

GUIDING DOCUMENTS

Public Safety Master Plan

REPORT NARRATIVE:

The Morgan Hill Community Foundation (MHCF) is a non-profit charitable, philanthropic organization that connects donors with local needs for a long-lasting effective impact in our community. MHCF's philosophy is to "Give where you live." MHCF Board of Directors and volunteers work to raise funds for local needs affecting our community.

MHCF wishes to provide a cash donation in the amount of \$31,509 in order to reimburse the City of Morgan Hill for expenditures associated with the Santa Clara County Animal Sheltering Agreement, which helps provide animal services to the City of Morgan Hill.

COMMUNITY ENGAGEMENT:

This staff report will serve as notification to the community of the monetary donation from MHCF in the amount of \$31,509 towards the reimbursement for expenditures associated with the Santa Clara County Animal Sheltering Services Agreement.

ALTERNATIVE ACTIONS:

Should the Council not accept the donation:

1. The Police Department would not implement the services outlined in the Animal Sheltering Services Agreement and terminate the Agreement. Funds for this Agreement were not included in the adopted FY 2020-21 operating budget.
2. The Council could allocate funding from the General Fund reserve to continue the Animal Sheltering Services Agreement.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On August 22, 2018, the City Council approved an Agreement between the City of Morgan Hill and the County of Santa Clara (San Martin Animal Shelter) for Animal Services for a 3-year term ending on June 30, 2021.

FISCAL IMPACT:

Staff recommends adopting the resolution to accept \$31,509 as revenue towards Police Donations (010.37517) and appropriate funding in Field Patrol Contract Services (010.3210.42231) for the costs associated with the Santa Clara County Animal Sheltering Contract. A Budget Scorecard is attached.

CEQA (California Environmental Quality Act):

Not a Project. Continuing administrative activity is not a project subject to environmental review.

LINKS/ATTACHMENTS:

1. County of Santa Clara Shelter Contract
2. Community Foundation Donation Resolution 10-21-20

**AGREEMENT BETWEEN THE
COUNTY OF SANTA CLARA AND THE CITY OF MORGAN HILL
FOR ANIMAL SHELTERING SERVICES**

The County of Santa Clara (COUNTY), and the City of Morgan Hill, a municipal corporation (CITY) enter into this Agreement as of July 1, 2018.

RECITALS

WHEREAS, CITY currently houses stray dogs at kennels maintained by the Morgan Hill Police Department for the duration of the required stray holding period, and

WHEREAS, COUNTY receives and dispositions CITY dogs after the required holding period is satisfied, and

WHEREAS, CITY and COUNTY have a Letter of Understanding and practice dating back to January 31, 1998 confirming that CITY will reimburse costs to COUNTY per animal transferred, and

WHEREAS, CITY desires to secure animal shelter services for domestic animals found within the incorporated area of Morgan Hill, and

WHEREAS, COUNTY has the necessary expertise and skill to perform those services and COUNTY's proposal can best meet CITY's needs;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between CITY and COUNTY shall consist of:

This Agreement;
Exhibit A – Scope of Services; and
Exhibit B – Compensation

If any discrepancies or inconsistencies between the provisions of this Agreement and any of the above-referenced Exhibits arise, the provisions of this Agreement prevail.

This Agreement and the Exhibits set forth above contain all of the agreements, representations, and understandings of the PARTIES hereto, and supersede and replace any previous understanding, commitments, or agreements, whether oral or written.

2. SCOPE OF SERVICES

COUNTY shall perform those services specified in detail in the attached Exhibit A, entitled "Scope of Services"

3. TERM OF AGREEMENT

This Agreement is effective from July 1, 2018 to June 30, 2021, unless otherwise terminated under Section 5 (TERMINATION) below.

4. COMPENSATION

CITY shall pay COUNTY for the costs of animal sheltering services under this Agreement. The terms, rate, and schedule of payment are set forth in the attached Exhibit B, entitled "Compensation".

Agreement for Animal
Sheltering Services with
City of Morgan Hill

5. TERMINATION

5.1 Termination Without Cause

Either PARTY may terminate this Agreement, without cause, by giving not less than thirty (30) days written notice.

5.2 Termination for Material Breach

Either PARTY may terminate the Agreement in the event of breach of material obligations under this Agreement immediately upon written notice.

5.3 Termination Authority

The Chief of Police of the CITY is empowered to terminate this Agreement on behalf of CITY.

The County Director of the Consumer Environmental Protection Agency, or authorized designee, may terminate this Agreement on behalf of the County.

5.4 Consequences of Termination

In the event of termination, COUNTY shall make reasonable and good faith efforts to deliver to CITY records for animals sheltered by COUNTY under this Agreement in a timely manner. COUNTY shall refund the CITY a prorated amount of funds based on the time remaining in the fiscal year.

6. INDEMNIFICATION

City shall indemnify, defend, and hold harmless the County, its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with this Agreement by City and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by the County. It is the intent of the Parties to this Agreement to provide the broadest possible coverage for the County. City shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the City contests its obligation to indemnify, defend and/or hold harmless the County under this Agreement and does not prevail in that contest.

7. WAIVER

PARTIES agree that waiver of any breach or violation of any provision of this Agreement shall not be deemed to be a waiver of any other provision or a waiver of any subsequent breach or violation of the same or any other provision.

8. INDEPENDENT CONTRACTOR

COUNTY, in the performance of this Agreement, is an independent contractor. COUNTY shall maintain complete control over all of COUNTY's employees, any subcontracting subcontractors, and COUNTY's operations. Neither COUNTY nor any person retained by COUNTY may represent, act, or purport to act as the agent, representative or employee of CITY. Neither COUNTY nor CITY is granted any right or authority to assume or create any obligation on behalf of the other.

9. COMPLIANCE WITH LAWS

PARTIES shall comply with all applicable laws, ordinances, codes and regulations (collectively, "laws") of the federal, state and local governments, including without limitation, any and all laws specified elsewhere in this Agreement.

10. CONFLICT OF INTEREST

PARTIES shall avoid all conflict of interest or the appearance of conflict of interest in performance of this Agreement.

11. NONDISCRIMINATION

PARTIES agree that it shall not discriminate against, or segregate, any person, on account of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, national origin, marital status, or family status, in connection with or related to the performance of this Agreement.

12. CONFIDENTIAL INFORMATION

All data, documents, discussions or other information developed or received by or for PARTIES in performance of this Agreement, are confidential and must not be disclosed to any person except as authorized by written consent of the other PARTY, or as required by law.

13. COUNTY'S RECORDS

13.1 Maintenance during Term

COUNTY shall maintain records, including any ledgers, books of account, invoices, vouchers, canceled checks, and other documents evidencing or relating to charges for services, or expenditures and disbursements charged to CITY for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to COUNTY pursuant to this Agreement.

13.2 Maintenance after Term

COUNTY shall maintain all documents which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

14. ASSIGNABILITY

The PARTIES agree that COUNTY's expertise and experience are material considerations for this Agreement. COUNTY may not assign the performance of any obligation or interest under this Agreement, except as authorized under Section 15 on "Subcontractors" below.

15. SUBCONTRACTORS

15.1 Authorized Subcontractors

Notwithstanding Section 14 (ASSIGNABILITY) above, COUNTY may use subcontractors in performing COUNTY's services. COUNTY shall be responsible for directing the work of the approved subcontractors and for any compensation due to subcontractors.

16. GOVERNING LAW

This Agreement must be construed, and its performance enforced under California law.

17. VENUE

In the event that either PARTY brings suit, the PARTIES agree that venue is vested in Santa Clara County Superior Court or United States District Court, Northern District of California, San José, California.

18. NOTICE

All notices and other communications required or permitted to be given under this Agreement must be in writing and must be personally served, or mailed, postage prepaid via U.S. mail, or sent via courier service, addressed to the respective parties as follows:

CITY: David Swing, Chief of Police
16200 Vineyard Boulevard
Morgan Hill, CA 95037

And

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

COUNTY: Program Manager
County of Santa Clara Animal Care and Control
80 Highland Avenue, Building K
San Martin, CA 95046

Notice will be effective on the date personally delivered or if sent by courier service, on the date of receipt. If mailed, notice will be effective three (3) days after deposit in the mail. The PARTIES may change their respective addresses in accordance with the provisions of this Section.

19. MISCELLANEOUS

19.1 Survival of Provisions

If any part of this Agreement is for any reason found to be unenforceable, all other parts nevertheless shall remain enforceable.

19.2 Assignment

Subject to the provisions of Section 14 (ASSIGNABILITY), this Agreement binds and inures to the benefit of the PARTIES and their respective successors and assigns.

19.3 Headings

The headings of the sections of this Agreement are inserted for convenience only. They do not constitute part of this Agreement and are not to be used in its construction.

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20. CONTRACT EXECUTION

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

WITNESS THE EXECUTION HEREOF on the day and year first written above.

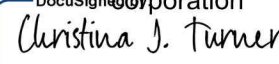
CITY OF MORGAN HILL

APPROVED AS TO FORM:

DocuSigned by:
By: 
631BC5C9330F485...
DONALD LARKIN
City Attorney, City of Morgan Hill

Date: 7/16/2018

CITY OF MORGAN HILL, a municipal

DocuSigned by:
By: 
6D019BAF543924D...
CHRISTINA J. TURNER
City Manager, City of Morgan Hill

Date: 7/26/2018

COUNTY OF SANTA CLARA

APPROVED:

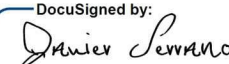
DocuSigned by:
By: 
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MIRIAM SINGER
Chief Procurement Officer

Date: 8/1/2018

DocuSigned by:
By: 
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JO ZIENTEK
Director, Consumer and Environmental
Protection Agency

Date: 7/31/2018

APPROVED AS TO FORM AND LEGALITY:

DocuSigned by:
By: 
15FE0EECEB74C5...
JAVIER SERRANO
Deputy County Counsel

Date: 7/31/2018

EXHIBIT A SCOPE OF SERVICES

COUNTY shall provide:

1. Sheltering of abandoned, impounded, lost or stray domestic animals found in the incorporated area of Morgan Hill;
2. Quarantine of biting domestic animals;
3. Provision for reclaim of abandoned, lost or stray domestic animals during established business hours;
4. Euthanization and disposal of abandoned, lost, impounded, or stray domestic animals that are unclaimed by their owners and are deemed unfit for adoption, rescue or return-to-field; and
5. Return-to-field of feral and community cats after sterilization and vaccination.
6. Owner-relinquished animals and confiscated animals will be accepted on approval of the Manager after considering shelter population, space available, and costs.

As part of the Shelter Services, COUNTY shall provide the following veterinary services:

1. Provision of veterinarian services during established business hours to treat and provide veterinarian care to stray, injured, or sick dogs, cats, and other impounded domestic animals;
2. Monitor quarantined animals; and
3. Access to low-cost spay/neuter services as provided to residents of the unincorporated areas of Santa Clara County.

COUNTY shall provide sheltering and veterinary care of domestic animals during normally staffed hours, which are Monday thru Friday from 8:00 am thru 6:00 pm and Saturday and Sunday from 8:00 am thru 5:00 pm. Services will not be available on COUNTY holidays, however, CITY will have access to "night drop" kennels based on availability. Only dogs that appear to be free of injury may be left in the "night drop" kennels by authorized MORGAN HILL staff. Dogs that are not bright, alert and active, have open wounds, broken limbs or have been hit by a car must be taken to an emergency veterinarian at the CITY'S expense, but may be transported to the shelter by the CITY during operational hours for continued care.

Animals taken into custody by MORGAN HILL that are to be impounded by COUNTY are to be transported promptly and humanely, and shall be made available for owner redemption as required by law. Animals requiring a quarantine hold will be made available following the quarantine period. Whenever an animal is impounded with identification, COUNTY will make reasonable attempt to notify owners of the animal's impoundment. Under any other circumstance which CITY requests that an animal not be made available for reclaim, adoption, rescue or return-to-field must be approved by the Animal Control Program Manager prior to impoundment. COUNTY will require an address (in the case of cats) or a street and cross street (in the case of all other animals) where each animal was found from both MORGAN HILL and its residents, prior to accepting an animal for impound.

COUNTY may collect fees from the public in connection with a portion of Animal Sheltering Services provided under this agreement and as consistent with the County Ordinance, including but not limited to impound, boarding and quarantine fees. These fees shall be at the rates established by COUNTY.

**EXHIBIT B
COMPENSATION****Invoicing and Payment****1. Payment to COUNTY**

For Animal Sheltering Services provided by COUNTY to the CITY Under this Agreement, CITY shall pay COUNTY for the costs of animal shelter and other services for the period of July 1, 2018 through June 30, 2021 at the following rate:

July 1, 2018 - June 30, 2019	\$30,000	Due July 11, 2018
July 1, 2019 - June 30, 2020	30,900	Due July 11, 2019
July 1, 2020 - June 30, 2021	31,827	Due July 11, 2020

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEAR 2020-21 BUDGET ACCEPTING DONATION OF FUNDS OF \$ 31,509 FROM MORGAN HILL COMMUNITY FOUNDATION FOR REIMBURSEMENT TO THE CITY OF MORGAN HILL FOR EXPENDITURES ASSOCIATED WITH THE SANTA CLARA COUNTY ANIMAL SHELTERING AGREEMENT

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

WHEREAS, the reasons supporting the purchase described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "Accept Donation from Morgan Hill Community Foundation" submitted for City Council consideration at its meeting of October 21st, 2020 submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Annual Budget for Fiscal Year 2020-21, as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

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

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

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

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

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

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

- a. That the City Council wishes to accept the donation from the Morgan Hill Community Foundation and is in support of utilizing the funds to reimburse the City of Morgan Hill for costs associated with the Santa Clara County Animal Sheltering Agreement during Fiscal Year 2020-21; and
- b. That the City Manager is hereby delegated authority to and is authorized and directed to execute, and subsequently administer, including the authority to direct staff to utilize the funds to reimburse the City of Morgan Hill for costs associated with the Santa Clara County Animal Sheltering Agreement for Fiscal Year 2020-21 in an amount not to exceed thirty-one thousand five hundred and nine dollars (\$31,509); and
- c. That the City's previously adopted Fiscal Year 2020-21 Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- d. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 2020-21 Budget of the City; and
- e. That the City Manager is hereby delegated authority to and is authorized to take all other ministerial actions that may be necessary or appropriate to implement the provisions of this Resolution.

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

PASSED AND ADOPTED by the City Council of Morgan Hill at a Special Meeting held on the 21st day of October 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 October 21, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

EXHIBIT A

AGENDA BUDGET SCORECARD				
FISCAL YEAR 2020-21				
ADJUSTMENT #	007			
FUND:	010	General Fund		
DEPARTMENT:	3210	Police-Patrol		
OBJECT:	42231	CONTRACT SERVICES		
AGENDA DATE:	10/21/20			
AGENDA ITEM TITLE:	MH Community Foundation Donation-Animal Shelter			
	07/01/20			06/30/21
	PROJECTED			PROJECTED
	BEGINNING		AMENDED	ENDING
	FUND	ESTIMATED	APPROPRI-	FUND
	BALANCE	REVENUES	ATIONS	BALANCE
ORIGINAL BUDGET	16,484,740	39,631,603	43,763,247	12,353,096
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	142,148	249,356	(107,208)
RECOMMENDED ACTION		31,509	31,509	-
RESULT OF RECOMMENDED ACTION	16,484,740	39,805,260	44,044,112	12,245,888



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Dat Nguyen, Finance Director

APPROVED BY: City Manager

RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2020 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

RECOMMENDATION(S)

Accept and file report.

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 September 2020 financial and investment reports (Attachment 1 and 2).

September 2020 Financial Report

The Revenue and Expense Summary through the first quarter of the fiscal year 2020-21 is included on the first page of the monthly financial report (Attachment 2). Overall, General Fund revenues total \$3.2 million or about 8% of the budget as some of the major revenue categories are received later in the fiscal year. Expenditures, including encumbrances, amounted to \$11.1 million or 25% of the budget.

Budget Update

Property Tax:

There has been no material change to the City's property tax since the last budget update to the Council on September 16, 2020 except the successful refinancing of the 2013 Successor Agency to the former Morgan Hill Redevelopment Agency bonds. The refinancing resulted in a net present value savings of about \$6.4 million or 9.88%, slightly better than the projected savings of about \$6.3 million or 9.32% when presented to the Council in April 2020. The financing team chose the upfront savings option. In other words, most of the savings will be realized upfront in the current fiscal year. Since the City share of the property tax is about 10%, the City could expect an additional \$0.6 million in property tax revenue for the current fiscal year.

Sales Tax:

The final gross amount, before tax rebates, for prior fiscal year 2019-20 totaled about \$9.7 million versus previously estimated of \$8.9, a difference of \$0.8 million as some segments of the industry such as autos performed better than forecasted in addition to higher growth in countywide use tax pool allocations as consumers continue to shift to online shopping. The latest estimates from HdL, the City's sales tax consultant, for the current fiscal year 2020-21 is about \$9.7 million versus prior estimates of \$9.2 million and City's own conservative projection of \$8.3 million. While the latest projection from HdL is encouraging, we remain cautious as a possible second wave of coronavirus could be more devastating.

Recreation Services:

Membership continues to trend below budget as well as all other revenues. Facility rental revenue is near zero and continued limitations on almost all gatherings is anticipated to continue. The timing of gradual re-opening has been delayed further than staff had projected. Very limited types of indoor activities at the recreation facilities have just begun to be allowed with only minimal capacity. Based on current actuals and continued delayed in full opening, staff is now projecting an additional net negative impact above budget of \$0.8 million in the best case scenario and \$1.6 million in the worst case scenario.

Transient Occupancy Tax (TOT):

The trend continues to show a slow improvement as occupancy rates in some hotels reached the 60 percent range as of August from the low of 20 percent in April. However, the rise in occupancy rate is offset by the lower average daily rate resulting in lower TOT. 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.

City Manager's Authority Report

At the October 3, 2018 meeting, City Council directed staff to periodically report to the Council any contracts or agreements between \$25,000 to \$60,000 or the limit of the California Uniform Public Construction Cost Accounting Act (CUPCCAA) that were entered into by the City Manager. Staff drafted and presented a City Council Policy for consideration on November 7, 2018. The policy was approved and signed with the effective date of November 24, 2018. Staff has since developed a reporting mechanism that would report the requested information to the Council quarterly along with the financial and investment report. Page 17 of Attachment 2 lists the contracts and or agreements between \$25,000 to \$60,000 or the limit of the CUPCCAA entered into by the City Manager since the last report on July 11, 2020 through October 2, 2020.

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 agendaized 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:

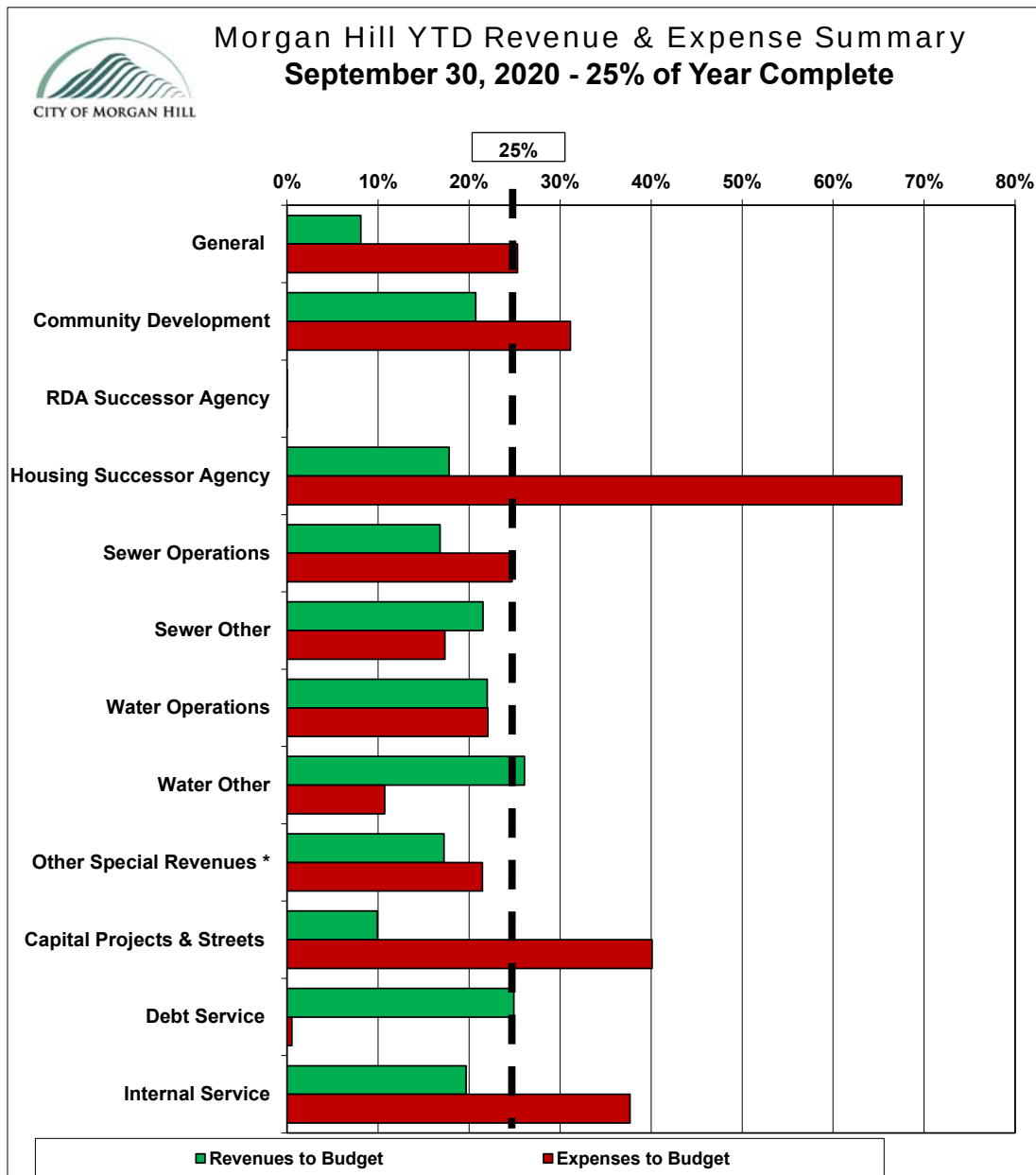
1. September 2020 Financial and Investment Report
2. September 2020 Financial Statement Analysis

CITY OF MORGAN HILL
Monthly Financial and Investment Reports
September 30, 2020 - 25% of Year Complete



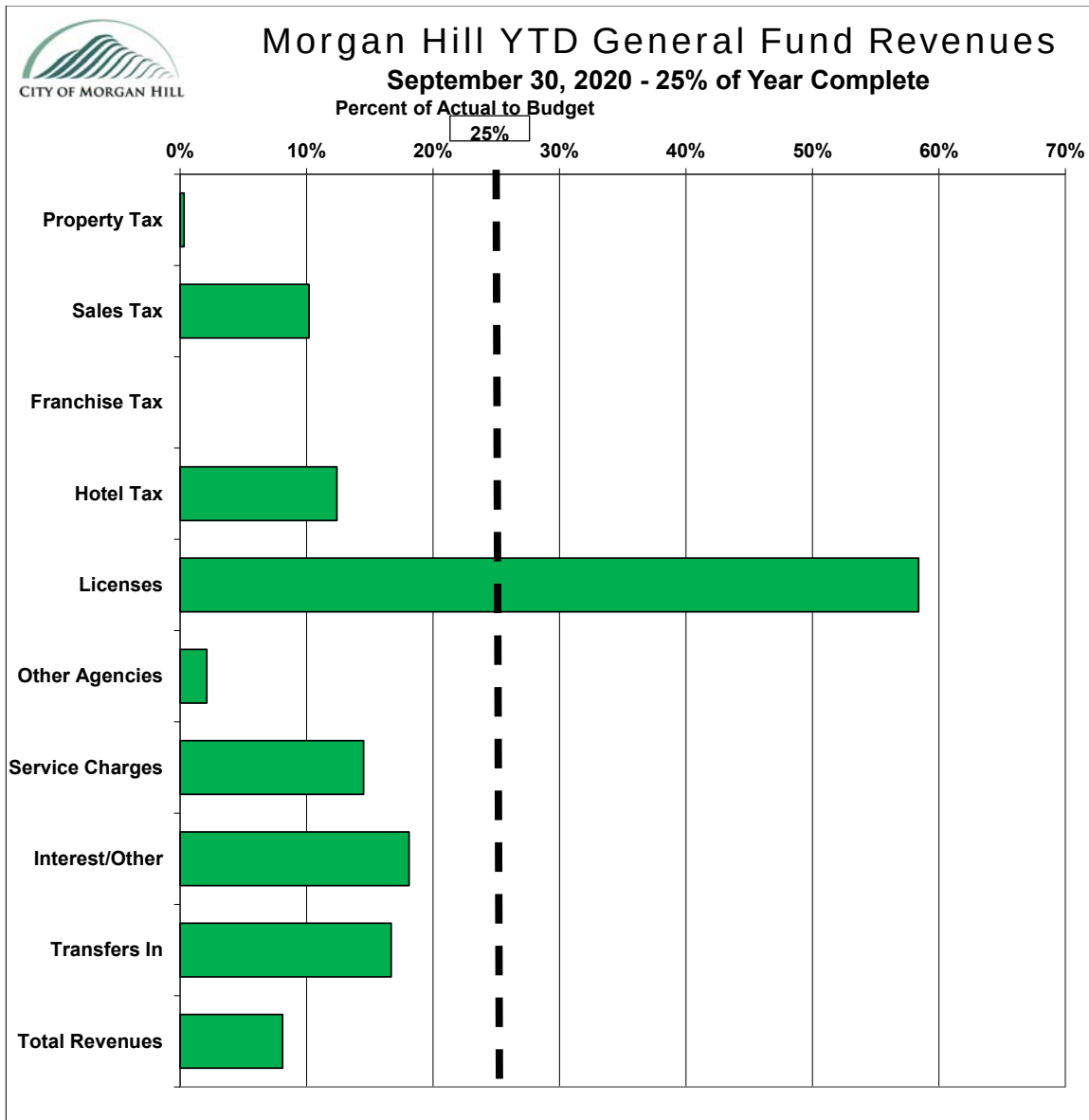
CITY OF MORGAN HILL

Prepared by:
FINANCE DIVISION

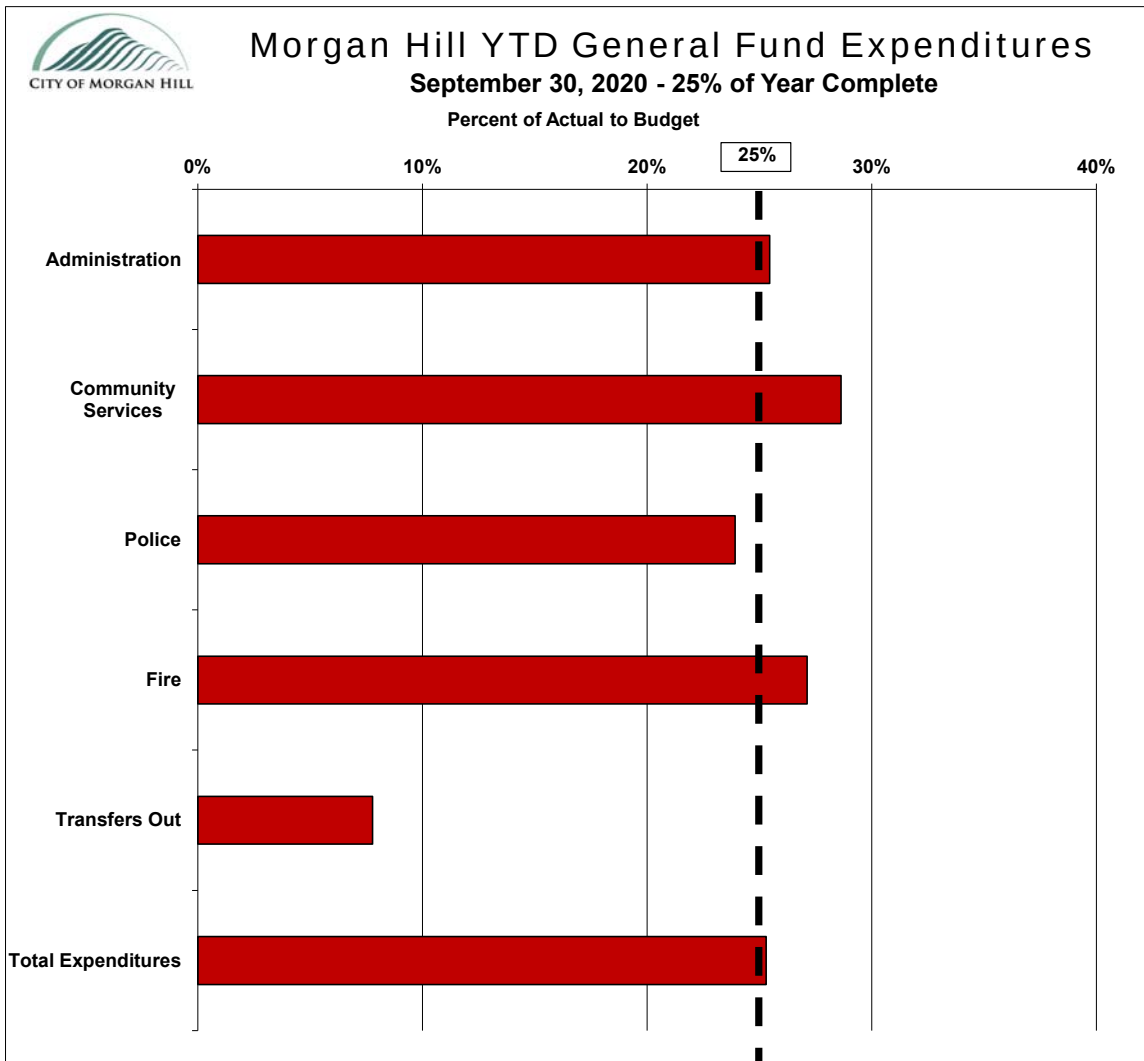


FUND NAME	REVENUES		EXPENSES	
	ACTUAL	% OF BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET
General	\$ 3,200,342	8%	\$ 11,089,357	25%
Community Development	983,364	21%	1,514,101	31%
RDA Successor Agency	1,785	0%	8	0%
Housing Successor Agency	37,925	18%	672,089	68%
Sewer Operations	2,232,088	17%	3,291,623	25%
Sewer Other	2,356,485	22%	4,014,589	17%
Water Operations	3,440,113	22%	3,440,049	22%
Water Other	1,742,887	26%	520,686	11%
Other Special Revenues *	638,183	17%	1,028,118	21%
Capital Projects & Streets	3,016,142	10%	14,330,935	40%
Debt Service	173,505	25%	3,582	1%
Internal Service	2,309,294	20%	4,756,246	38%
TOTAL FOR ALL FUNDS	\$ 20,132,114	14%	\$ 44,661,383	27%

* 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	\$ 39,811	0%	\$ 24,485	63%
Sales Tax	8,370,868	857,272	10%	1,105,756	-22%
Franchise Tax	2,351,000	35		-	N/A
Hotel Tax	1,819,000	226,152	12%	583,038	-61%
Licenses	185,444	108,234	58%	120,504	-10%
Other Agencies	529,943	11,148	2%	62,570	-82%
Service Charges	8,632,432	1,248,994	15%	2,790,139	-55%
Interest/Other	1,619,336	292,735	18%	277,691	5%
Transfers In	2,483,580	415,963	17%	270,922	54%
TOTAL REVENUES	\$ 39,631,603	\$ 3,200,342	8%	\$ 5,235,105	-39%



EXPENDITURE CATEGORY	BUDGET	ACTUAL PLUS ENCUMBRANCES	% OF BUDGET	PRIOR YTD PLUS ENCUMBRANCES	% CHANGE FROM PRIOR YEAR
Administration	\$ 4,426,087	\$ 1,127,089	25%	\$ 1,250,084	-10%
Community Services	12,794,868	3,664,340	29%	4,564,320	-20%
Police	17,717,266	4,239,063	24%	4,218,214	0%
Fire	7,062,540	1,916,073	27%	1,970,148	-3%
Transfers Out	1,834,702	142,791	8%	468,999	-70%
TOTAL EXPENDITURES	\$ 43,835,462	\$ 11,089,357	25%	\$ 12,471,766	-11%

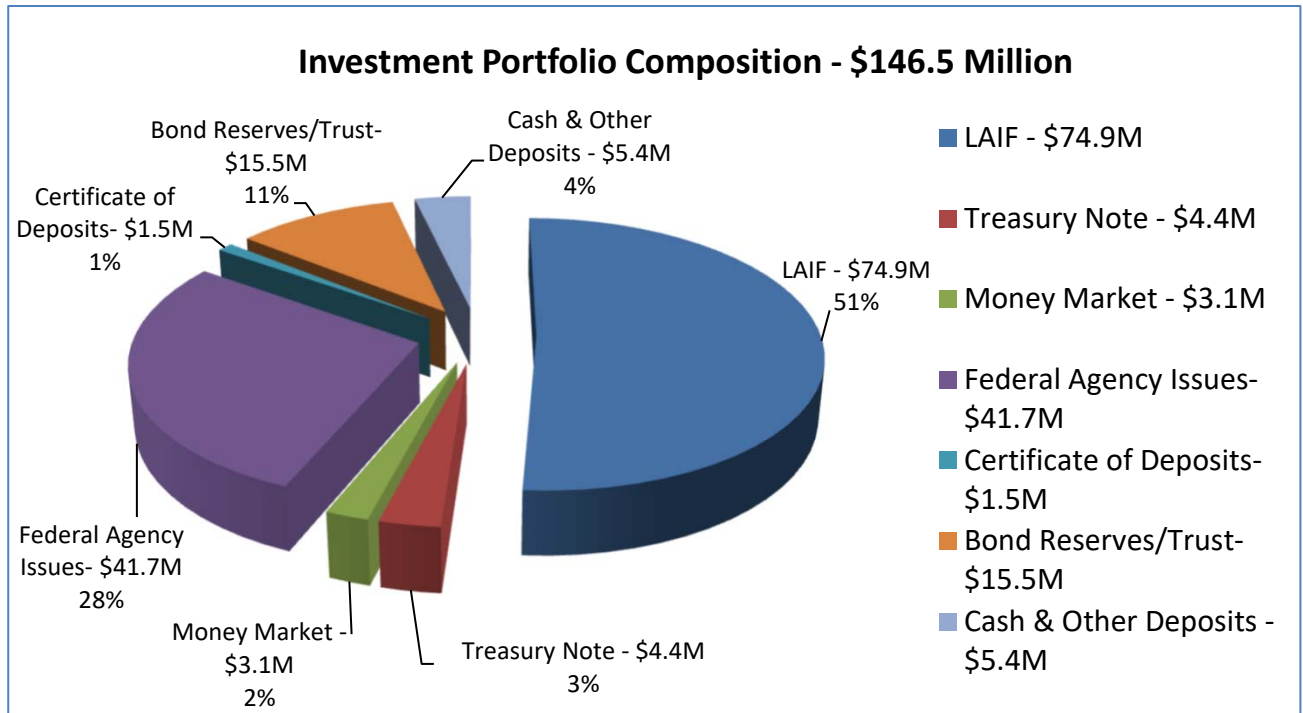


**City of Morgan Hill
Recreation Report - Fiscal Year 2020-21
For the Month and Three Months Ended September 30, 2020
25% of Year Complete**

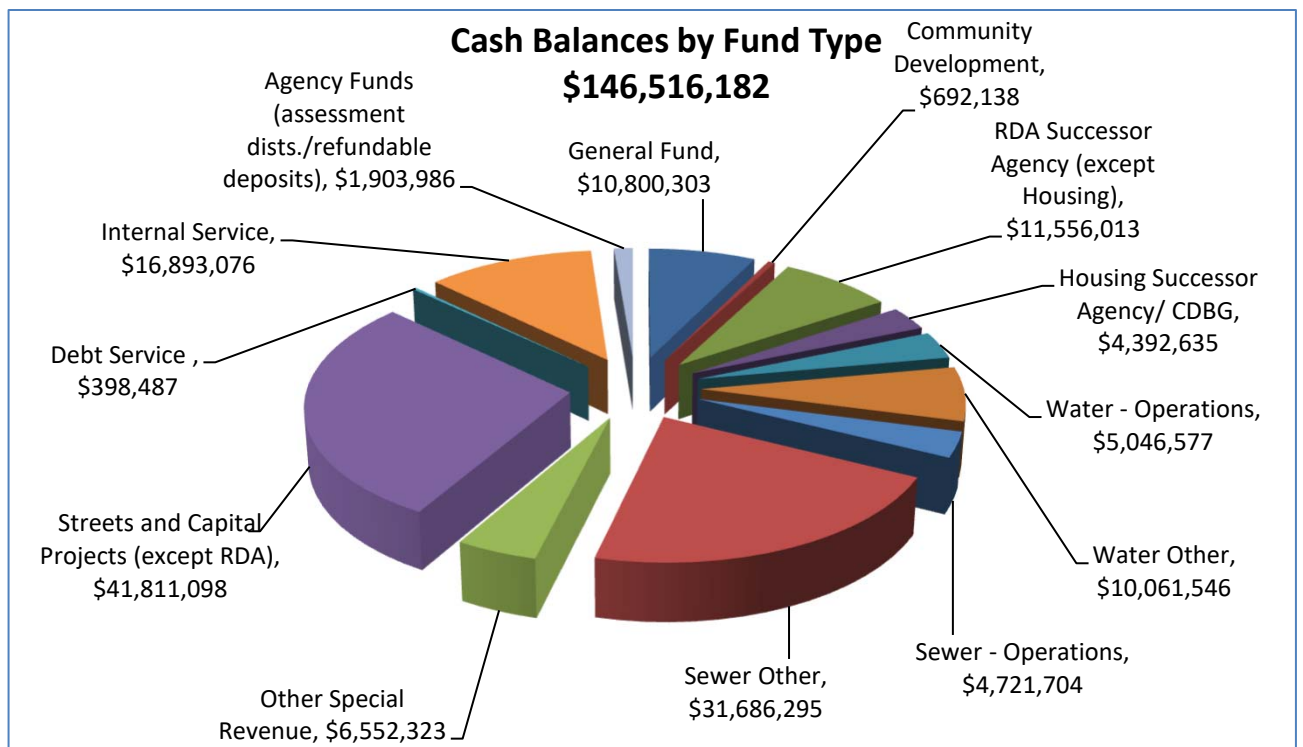
	<u>Budget</u>	<u>September 2020</u>	<u>YTD</u>	<u>% of Budget</u>
Revenues				
Membership Services & Rec Programs	\$ 5,068,448	\$ 247,805	\$ 659,974	
Facility Rentals	696,431	1,305	75,701	
Community Services	104,460	-	300	
Transfers in	75,000	6,250	18,750	
Total Revenues	<u>\$ 5,944,339</u>	<u>\$ 255,360</u>	<u>\$ 754,725</u>	13%
Less: Expenditures				
Membership & Program Services	\$ 5,675,307	\$ 298,127	\$ 1,161,305	
Facility Rentals	1,236,339	77,784	238,732	
Community Services	609,834	32,205	99,057	
Total Expenditures	<u>\$ 7,521,481</u>	<u>\$ 408,114</u>	<u>\$ 1,499,093</u>	20%
Net Impact without encumbrances	<u>\$ (1,577,142)</u>	<u>\$ (152,754)</u>	<u>\$ (744,368)</u>	
Encumbrances	-	-	1,050,317	
Net Impact with encumbrances	<u>\$ (1,577,142)</u>	<u>\$ (152,754)</u>	<u>\$ (1,794,685)</u>	

City of Morgan Hill Monthly Investment Report - September 30, 2020

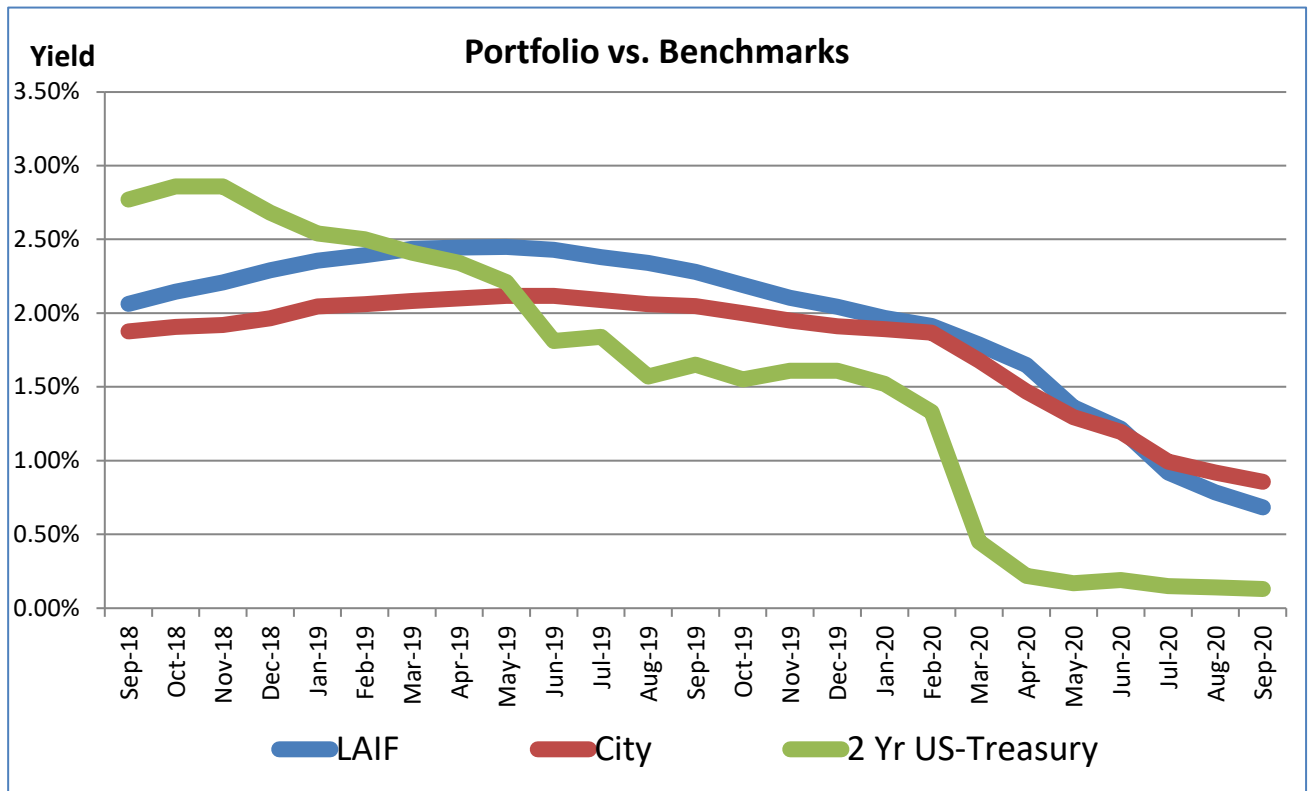
The following are the snapshots of City's investment portfolio as of September 30, 2020. The first chart shows the portfolio composition by investment type:



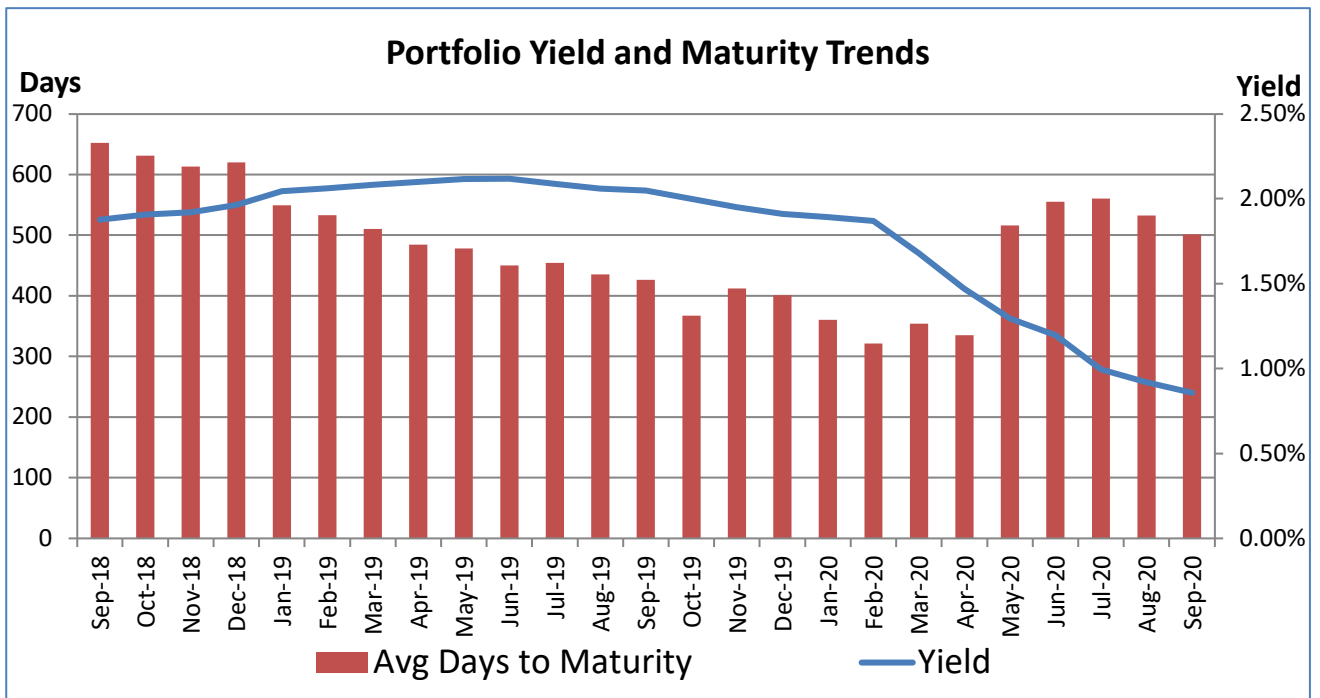
The chart below shows cash balances by fund type reconciled to City's financial system:



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 September 30, 2020

Investment Type	Settlement Date	Book Value	% of Portfolio	Market Value	YTM at Cost	Next Call Date	Date of Maturity
L A I F		\$ 74,911,399	51.13%	\$ 75,279,423	0.69%		
City Managed							
Fed Natn'l Mortgage Assn	8/25/2016	4,000,000	2.73%	4,044,840	1.40%	2/25/2021	8/25/2021
Treasury Note	4/30/2018	4,371,464	3.28%	4,652,415	2.73%	3/31/2023	3/31/2023
Fed Farm Credit BKS	11/5/2019	3,000,000	2.05%	3,004,680	2.00%	11/5/2020	11/5/2024
Fed Farm Credit BKS	12/13/2019	2,998,741	2.05%	3,006,120	1.90%	12/27/2020	11/27/2024
Fed Farm Credit BKS	3/17/2020	3,000,000	2.05%	3,005,940	1.13%	3/17/2021	3/17/2025
Fed Farm Credit BKS	3/24/2020	2,000,000	1.37%	2,005,960	1.00%	3/24/2021	3/24/2023
Fed Farm Credit BKS	3/25/2020	3,000,000	2.05%	3,009,030	1.20%	3/25/2021	3/25/2025
Fed Farm Credit BKS	4/8/2020	2,000,000	1.37%	2,006,340	0.88%	10/8/2020	4/8/2024
Fed Home Loan Mortgage	4/30/2020	1,690,000	1.15%	1,690,118	0.50%	10/30/2020	1/30/2023
Fed Natn'l Mortgage Assn	5/12/2020	2,000,000	1.37%	2,000,520	0.50%	11/5/2020	5/5/2023
Fed Home Loan Mortgage	5/14/2020	3,000,693	2.05%	3,000,840	0.82%	11/5/2020	5/5/2025
Fed Home Loan Mortgage	5/19/2020	2,000,000	1.37%	2,000,580	0.82%	11/19/2020	5/19/2025
Fed Farm Credit BKS	5/20/2020	3,000,000	2.05%	2,998,950	0.72%	2/20/2021	2/20/2025
Fed Farm Credit BKS	5/27/2020	2,000,000	1.37%	2,002,280	0.73%	11/27/2020	5/27/2025
Fed Home Loan Mortgage	5/28/2020	2,000,000	1.37%	2,000,580	0.80%	11/27/2020	5/27/2025
Fed Home Loan Mortgage	6/3/2020	2,000,000	1.37%	2,001,680	0.60%	12/3/2020	12/3/2024
Fed Home Loan Mortgage	6/11/2020	1,000,000	0.68%	1,000,590	0.80%	12/11/2020	6/11/2025
Fed Home Loan Mortgage	7/9/2020	3,000,000	2.05%	2,996,970	0.85%	1/9/2021	7/9/2025
CD - Goldman Sachs Bank USA	5/13/2020	250,000	0.17%	251,530	0.50%	11/13/2020	5/13/2022
CD - Woori America Bank	5/13/2020	250,000	0.17%	250,353	0.30%	5/13/2021	5/13/2021
CD - Safra Nat'l Bank	5/14/2020	250,000	0.17%	250,430	0.35%	5/13/2021	5/13/2021
CD - State Bank of India	5/14/2020	250,000	0.17%	250,510	0.40%	5/14/2021	5/14/2021
CD - American Nat'l Bank	5/20/2020	250,000	0.17%	251,133	0.40%	6/20/2020	5/20/2022
CD - JP Morgan Chase Bank	5/29/2020	250,000	0.17%	250,425	1.15%	11/29/2020	5/29/2025
Sub Total/Average		\$ 47,560,899	32.75%	\$ 47,932,813	1.19%		
Money Market		\$ 3,091,863	2.11%	\$ 3,091,863	0.01%		
Total City Managed/Average		\$ 125,564,160	85.99%	\$ 126,304,099	0.86%		
Bond Reserve Accounts - Held By Trustees		\$ 12,187,005	8.32%	\$ 12,187,005			
Cash/Deposits		\$ 5,377,613	3.67%	\$ 5,377,613			
PARS Trust		\$ 3,387,404	2.31%	\$ 4,076,812 *			
GRAND TOTAL/AVERAGE		\$ 146,516,182	100%	\$ 147,945,529			

* As of 8/31/2020

Attachment: September 2020 Financial and Investment Report [Revision 1] (2888 : Monthly Budget Update; September 2020 Financial and



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT
FOR THE MONTH OF SEPTEMBER 30, 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	0.69%	\$ 74,911,399	51.13%	\$ 75,279,423
Federal Issues	All Funds Pooled	1.09%	41,689,434	28.45%	41,776,018
US Treasury Notes	All Funds Pooled	2.73%	4,371,464	2.98%	4,652,415
Certificate of Deposits	All Funds Pooled	0.52%	1,500,000	1.02%	1,504,380
Dreyfus Treas Cash Management Acct	All Funds Pooled	0.01%	3,091,863	2.11%	3,091,863
	SUBTOTAL		\$ 125,564,160	85.70%	\$ 126,304,099
Bond Reserve Accounts - held by trustees					
Zions Bank - Civic Center/Library Facility	Debt Service	0.04%	0	0.00%	0
Blackrock Liq Fund	Debt Service	0.04%	0	0.00%	0
Zions Bank - MH Police Facility Lease Revenue Bonds	Debt Service	0.04%	0	0.00%	0
Blackrock Liq Fund	Debt Service	0.04%	0	0.00%	0
BNY - RDA Bonds	Successor Fund	0.04%	11,669,364	7.96%	11,669,364 *
Dreyfus Cash Mgmt 521	Successor Fund	0.04%	11,669,364	7.96%	11,669,364 *
Zions Bank - MH Ranch 2015	Agency Fund	0.04%	255,184	0.17%	255,184
Blackrock Liq Funds Fed Fund -DI -2015	Agency Fund	0.04%	255,184	0.17%	255,184
Zions Bank - Madrone Bus Park Taxable/ Tax Exempt 2015	Agency Fund	0.04%	262,457	0.18%	262,457
Blackrock Liquidity Temp Fund-2015	Agency Fund	0.04%	262,457	0.18%	262,457
	SUBTOTAL		12,187,005	8.32%	12,187,005
Other Cash/Deposits					
General Checking	All Funds		5,340,501	3.64%	5,340,501
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	1.49%	2,653,926 *
PARS - PENSION Trust			1,200,000	0.82%	1,422,886 *
	SUBTOTAL		8,765,017	5.98%	9,454,425
Total Cash and Investments			\$ 146,516,182	100.00%	\$ 147,945,529

CASH ACTIVITY SUMMARY
FY 2020-21

Fund Type	Unaudited 07/1/20 Balance	Change in Cash Balance	9/30/2020 Balance
General Fund	\$ 16,809,776	\$ (6,009,473)	\$ 10,800,303
Community Development	1,019,761	(327,623)	692,138
RDA Successor Agency (except Housing)	11,874,571	(318,558)	11,556,013
Housing Successor Agency/ CDBG	3,781,789	610,846	4,392,635
Water - Operations	3,811,893	1,234,685	5,046,577
Water Other	8,571,690	1,489,857	10,061,546
Sewer - Operations	2,704,048	2,017,657	4,721,704
Sewer Other	32,517,838	(831,543)	31,686,295
Other Special Revenue	6,195,467	356,856	6,552,323
Streets and Capital Projects (except RDA)	41,850,266	(39,168)	41,811,098
Debt Service	228,203	170,284	398,487
Internal Service	17,734,147	(841,071)	16,893,076
Agency Funds (assessment dists./refundable deposits)	2,599,108	(695,123)	1,903,986
Total	\$ 149,698,556	\$ (3,182,374)	\$ 146,516,182

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

* As of 8/31/2020

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 Three Months Ended September 30, 2020
25% 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	39,811	28%	24,485	15,326	63%
Sales Tax	8,027,793	8,027,793	857,272	11%	1,076,636	(219,364)	-20%
Public Safety Sales Tax	343,075	343,075	-	n/a	29,120	(29,120)	-100%
Transient Occupancy Taxes	1,819,000	1,819,000	226,152	12%	583,038	(356,887)	-61%
Franchise (Refuse, Cable, PG&E)	2,351,000	2,351,000	35	0%	-	35	n/a
Property Transfer Tax	436,000	436,000	130,043	30%	96,585	33,458	35%
TOTAL TAXES	26,616,868	26,616,868	1,253,312	5%	1,809,865	(556,553)	-31%
LICENSES/PERMITS							
Business License	154,500	154,500	105,833	69%	115,159	(9,326)	-8%
Other Permits	30,944	30,944	2,401	8%	5,345	(2,944)	-55%
TOTAL LICENSES/PERMITS	185,444	185,444	108,234	58%	120,504	(12,270)	-10%
FINES AND PENALTIES							
Parking Enforcement	8,000	8,000	1,289	16%	1,045	244	23%
Bails & Fines	73,645	73,645	3,366	5%	5,830	(2,463)	-42%
Administrative Citations	10,079	10,079	6,200	62%	10,566	(4,366)	-41%
TOTAL FINES AND PENALTIES	91,724	91,724	10,856	12%	17,441	(6,585)	-38%
OTHER AGENCIES							
Motor Vehicle in-Lieu	25,392	25,392	6,286	25%	-	6,286	n/a
Other Revenue - Other Agencies	529,943	529,943	11,148	2%	62,570	(51,422)	-82%
TOTAL OTHER AGENCIES	555,335	555,335	17,434	3%	62,570	(45,136)	-72%
CHARGES CURRENT SERVICES							
Police False Alarm Charge	30,428	30,428	12,003	39%	1,260	10,743	853%
Business License Application Review	37,080	37,080	8,430	23%	7,664	766	10%
Membership Services & Rec Programs	5,068,448	5,068,448	659,974	13%	1,876,751	(1,216,776)	-65%
Facility Rentals	696,431	696,431	75,701	11%	278,456	(202,756)	-73%
Community Services	104,460	104,460	300	0%	12,213	(11,913)	-98%
General Administration Overhead	1,780,917	1,780,917	445,218	25%	447,855	(2,637)	-1%
Other Charges Current Services	914,668	914,668	47,368	5%	165,940	(118,572)	-71%
TOTAL CURRENT SERVICES	8,632,432	8,632,432	1,248,994	14%	2,790,139	(1,541,145)	-55%
OTHER REVENUE							
Use of money/property	816,362	816,362	91,052	11%	115,153	(24,101)	-21%
Other Revenues	249,858	249,858	54,498	22%	48,512	5,986	12%
TOTAL OTHER REVENUE	1,066,220	1,066,220	145,550	14%	163,665	(18,115)	-11%
TRANSFERS IN							
One Time Transfer	225,000	225,000	51,246	23%	44,997	6,249	14%
Public Safety Facilities Fund	25,000	25,000	6,250	25%	-	6,250	0%
Supplemental Law Enforcement Fund	100,000	100,000	-	n/a	-	-	n/a
Fire Impact	-	-	-	n/a	25,000	(25,000)	-100%
Streets	699,706	699,706	-	n/a	-	-	n/a
Park Maintenance	650,000	650,000	162,501	25%	-	162,501	n/a
Police Impact	-	-	-	0%	6,249	(6,249)	-100%
Sewer Operations	354,437	354,437	88,608	25%	87,963	645	1%
Water Operations	354,437	354,437	88,608	25%	87,963	645	1%
Park Development	75,000	75,000	18,750	25%	18,750	-	n/a
TOTAL TRANSFERS IN	2,483,580	2,483,580	415,963	17%	270,922	145,041	54%
TOTAL GENERAL FUND	39,631,603	39,631,603	3,200,342	8%	5,235,105	(2,034,763)	-39%
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	698,292	698,292	57,950	8%	102,476	(44,526)	-43%
Interest / Other Revenue/Other Charges	1,414	1,414	234	17%	169	65	39%
202 STREET MAINTENANCE	699,706	699,706	58,184	8%	102,645	(44,461)	-43%

Attachment: September 2020 Financial and Investment Report [Revision 1] (2888 : Monthly Budget Update; September 2020 Financial and



City of Morgan Hill
Year to Date Revenues - Fiscal Year 2020-21
For The Three Months Ended September 30, 2020
25% 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 SUPPLEMENTAL LAW ENFORCEMENT FUND							
Interest Income	842	842	142	17%	134	8	6%
Police Grant/SLEF/JAG	100,000	100,000	-	n/a	-	-	n/a
205 SUPPLEMENTAL LAW ENFORCEMENT FUND	100,842	100,842	142	0%	134	8	6%
206 DEVELOPMENT SERVICES							
Building Fees	2,162,357	2,162,357	508,906	24%	810,302	(301,396)	-37%
Planning Fees	743,344	743,344	411,762	55%	216,124	195,639	91%
Engineering Fees	708,809	708,809	39,569	6%	58,365	(18,796)	-32%
Other Revenue/Current Charges	1,133,225	1,133,225	23,127	2%	3,610	19,518	541%
206 DEVELOPMENT SERVICES	4,747,735	4,747,735	983,364	21%	1,088,400	(105,036)	-10%
207 LONG RANGE PLANNING	677,026	677,026	128,405	19%	169,062	(40,656)	-24%
215 and 216 HCD BLOCK GRANT							
Interest Income/Other Revenue	3,111	3,111	64	2%	91	(27)	-30%
215 and 216 HCD BLOCK GRANT	3,111	3,111	64	2%	91	(27)	-30%
225 ASSET SEIZURE	1,893	1,893	140	7%	187	(47)	-25%
229 LIGHTING AND LANDSCAPE	191,075	191,075	147	0%	200	(54)	-27%
230 COMMUNITY FACILITIES DISTRICT	1,216	1,216	121	10%	152	(31)	-20%
232 ENVIRONMENTAL PROGRAMS	446,843	446,843	109,910	25%	114,775	(4,865)	-4%
234 MOBILE HOME PARK RENT STAB.	742	742	58	8%	75	(17)	-23%
235 SENIOR HOUSING	3,793	3,793	229	6%	328	(99)	-30%
236 HOUSING MITIGATION	2,248,764	2,248,764	314,761	14%	191,643	123,117	64%
238 CAL HOMES	-	-	80,924	n/a	-	80,924	n/a
240 EMPLOYEE ASSISTANCE	29,068	29,068	3,149	11%	4,616	(1,467)	-32%
247 ENVIRONMENT REMEDIATION	2,400	2,400	133	6%	192	(60)	-31%
250 COMH-SUCCESSOR AGENCY-MHRDA	7,112,060	7,112,060	1,785	0%	133,065	(131,280)	-99%
255 HOUSING SUCCESSOR AGENCY	213,057	213,057	37,925	18%	125,892	(87,967)	-70%
TOTAL SPECIAL REVENUE FUNDS	16,479,332	16,479,332	1,719,442	10%	1,931,460	(212,018)	-11%
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	2,384,665	2,384,665	841,726	35%	298,094	543,632	182%
302 PARK MAINTENANCE	359,071	359,071	6,578	2%	93,227	(86,649)	-93%
303 LOCAL DRAINAGE	1,693,351	1,693,351	207,387	12%	18,159	189,229	1042%
304 LOCAL DRAINAGE/NON AB1600	80,333	80,333	1,420	2%	2,245	(824)	-37%
306 AGRICULTURE & OPEN SPACE PRESERVATION	178,958	178,958	58,688	33%	425,317	(366,629)	-86%
308 STREET CIP	2,571,010	2,571,010	245,418	10%	388,579	(143,161)	-37%
309 TRAFFIC IMPACT	16,415,755	16,415,755	249,119	2%	594,273	(345,154)	-58%
311 POLICE IMPACT	-	-	-	n/a	70,873	(70,873)	-100%
313 FIRE IMPACT	-	-	-	n/a	37,254	(37,254)	-100%
315 PUBLIC SAFETY FACILITIES IMPACT	984,769	984,769	131,864	13%	-	131,864	n/a
346 PUBLIC FACILITIES NON-AB1600	611,297	611,297	416,265	68%	-	416,265	n/a
347 PUBLIC FACILITIES IMPACT	336,106	336,106	54,863	16%	70,086	(15,222)	-22%
348 LIBRARY	946,889	946,889	286,128	30%	100,941	185,187	183%
350 UNDERGROUNDING	12,817	12,817	952	7%	1,238	(286)	-23%
355 SCHOOL PEDESTRIAN/TRAFFIC SAFETY	591,721	591,721	1,044	0%	7,078	(6,033)	-85%
360 COMMUNITY/REC IMPACT FUND	1,498,683	1,498,683	456,505	30%	182,454	274,051	150%
375 QUIMBY FEE	1,072,238	1,072,238	-	n/a	-	-	n/a
TOTAL CAPITAL PROJECTS FUNDS	29,737,663	29,737,663	2,957,958	10%	2,289,816	668,142	29%
DEBT SERVICE FUNDS							
420 CIVIC CENTER DEBT	312,272	312,272	77,669	25%	75,073	2,596	3%
441 POLICE FACILITY BOND	384,252	384,252	95,835	25%	100	95,735	95411%
TOTAL DEBT SERVICE FUNDS	696,524	696,524	173,505	25%	75,174	98,331	131%

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City of Morgan Hill
Year to Date Revenues - Fiscal Year 2020-21
For The Three Months Ended September 30, 2020
25% 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	2,184,983	17%	1,859,880	325,103	17%
Interest Income/Transfers	36,691	36,691	4,316	12%	3,370	946	28%
Other Revenue/Current Charges	267,694	267,694	42,789	16%	46,058	(3,270)	-7%
640 SEWER OPERATION	13,276,826	13,276,826	2,232,088	17%	1,909,308	322,780	17%
641 SEWER EXPANSION							
Interest Income	215,876	215,876	22,334	10%	30,138	(7,804)	-26%
Development Impact Fee	6,225,545	6,225,545	1,228,212	20%	1,979,427	(751,215)	-38%
641 SEWER EXPANSION	6,441,421	6,441,421	1,250,546	19%	2,009,565	(759,019)	-38%
642 SEWER RATE STABILIZATION	44,423	44,423	2,635	6%	3,770	(1,136)	-30%
643 SEWER-CAPITAL PROJECT	4,455,944	4,455,944	1,103,305	25%	719,162	384,142	53%
TOTAL SEWER FUNDS	24,218,614	24,218,614	4,588,573	19%	4,641,806	(53,233)	-1%
650 WATER OPERATION							
Water Sales	14,525,500	14,525,500	3,111,474	21%	2,713,647	397,827	15%
Meter Install & Service	24,600	24,600	3,429	14%	2,014	1,415	70%
Transfers-In / Interest Income	521,171	521,171	120,754	23%	108,010	12,744	12%
Other Revenue/Current Charges	572,081	572,081	204,456	36%	239,454	(34,998)	-15%
650 WATER OPERATION	15,643,352	15,643,352	3,440,113	22%	3,063,125	376,988	12%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	62,748	62,748	3,111	5%	3,723	(612)	-16%
Development Impact Fee	1,689,416	1,689,416	509,458	30%	342,345	167,113	49%
651 WATER EXPANSION	1,752,164	1,752,164	512,569	29%	346,069	166,500	48%
652 Water Rate Stabilization	65,904	65,904	14,276	22%	2,530	11,746	464%
653 Water Capital Project	4,863,152	4,863,152	1,216,042	25%	953,319	262,722	28%
TOTAL WATER FUNDS	22,324,572	22,324,572	5,183,000	23%	4,365,043	817,957	19%
TOTAL ENTERPRISE FUNDS	46,543,186	46,543,186	9,771,573	21%	9,006,848	764,725	8%
INTERNAL SERVICE FUNDS							
730 INFORMATION SYSTEMS	1,850,422	1,850,422	471,480	25%	451,201	20,279	4%
740 BUILDING MAINTENANCE	3,486,066	3,486,066	856,593	25%	804,185	52,407	7%
741 BUILDING REPLACEMENT	726,251	726,251	167,686	23%	192,586	(24,900)	-13%
745 CIP ADMINISTRATION	1,721,606	1,721,606	-	n/a	342,510	(342,510)	-100%
760 UNEMPLOYMENT INSURANCE	102,463	102,463	25,017	24%	202	24,815	12269%
770 WORKERS COMPENSATION	876,368	876,368	166,095	19%	215,117	(49,022)	-23%
790 EQUIPMENT REPLACEMENT	1,084,748	1,084,748	258,111	24%	316,203	(58,092)	-18%
791 EMPLOYEE BENEFITS	1,031,234	1,031,234	149,163	14%	196,505	(47,342)	-24%
795 GENERAL LIABILITY INSURANCE	877,248	877,248	215,150	25%	264,760	(49,611)	-19%
TOTAL INTERNAL SERVICE FUNDS	11,756,406	11,756,406	2,309,294	20%	2,783,270	(473,977)	-17%
TOTAL FOR ALL FUNDS	\$ 144,844,714	\$ 144,844,714	\$ 20,132,114	14%	\$ 21,321,674	\$ (1,189,560)	-6%

Attachment: September 2020 Financial and Investment Report [Revision 1] (2888 : Monthly Budget Update; September 2020 Financial and



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2020-21
 For the Month and Three Months Ended September 30, 2021
 25% 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	\$ 7,736	\$ 240,845	\$ 101,138	\$ -	\$ 101,138	42%	\$ 101,138
	CITY ATTORNEY	55,049	717,004	155,490	97,458	252,948	35%	149,948
	CITY MANAGER	38,428	504,773	114,401	-	114,401	23%	101,401
	HUMAN RESOURCES	68,022	674,377	158,007	-	158,007	23%	171,007
	COUNCIL SVCS & RECORDS MGMT							
	Council Svcs & Records Mgmt	42,729	616,687	123,006	13,800	136,806	22%	136,806
	Elections	1,436	186,470	909	-	909	0%	-
	COUNCIL SVCS & RECORDS MGMT	44,166	803,157	123,915	13,800	137,715	17%	140,715
	FINANCE	143,369	1,485,931	335,027	27,852	362,879	24%	400,879
	TOTAL ADMINISTRATION	356,769	4,426,087	987,979	139,110	1,127,089	25%	1,087,089
II. COMMUNITY SERVICES								
	Membership Services & Rec. Programs	298,127	5,675,307	1,161,305	966,378	2,127,682	37%	1,664,378
	Recreation Facility Rentals	77,784	1,236,339	238,732	-	238,732	19%	338,732
	Community Services	32,205	609,834	99,057	83,939	182,996	30%	149,057
	Park Maintenance	85,992	1,103,136	217,490	16,711	234,201	0%	-
	Environmental Services	15,218	314,680	43,762	-	43,762	14%	53,762
	Street Maintenance	137,620	2,411,237	402,007	15,169	417,176	17%	402,007
	Downtown Maintenance	17,085	271,270	42,874	26,209	69,083	25%	69,083
	Cable Television	1,778	23,156	5,064	-	5,064	22%	-
	COMMUNITY SERVICES	665,809	11,644,959	2,210,291	1,108,405	3,318,696	28%	2,658,696
	CODE COMPLIANCE	12,547	160,479	35,938	-	35,938	22%	35,938
	INFRASTRUCTURE PLANNING & CONGESTION MGMT	23,956	335,902	69,121	-	69,121	21%	69,121
	ECONOMIC DEVELOPMENT PROGRAMS	52,915	653,527	185,156	55,430	240,586	37%	155,430
	TOTAL COMMUNITY SERVICES	755,226	12,794,868	2,500,506	1,163,835	3,664,340	29%	2,900,506
III. PUBLIC SAFETY								
	POLICE							
	PD Administration	170,091	1,373,018	367,150	64,173	431,323	31%	303,150
	Field Operations	714,204	8,536,170	1,854,375	249,726	2,104,101	25%	2,104,101
	Support Services	172,479	2,370,491	515,694	4,400	520,094	22%	564,400
	Emergency Services/Haz Mat	13,925	194,391	40,506	-	40,506	21%	40,506
	Special Operations	300,747	3,452,365	765,017	35,388	800,405	23%	588,405
	Dispatch Services	120,293	1,790,831	338,233	4,400	342,633	19%	412,633
	POLICE	1,491,739	17,717,266	3,880,976	358,087	4,239,063	24%	4,044,063
	FIRE	730,964	7,062,540	1,904,194	11,879	1,916,073	27%	1,904,194
	TOTAL PUBLIC SAFETY	2,222,703	24,779,806	5,785,171	369,966	6,155,137	25%	5,955,137
IV. TRANSFERS								
	Other	47,597	1,834,702	142,791	-	142,791	8%	462,791
	TOTAL TRANSFERS	47,597	1,834,702	142,791	-	142,791	8%	462,791
	TOTAL GENERAL FUND	3,382,296	43,835,462	9,416,446	1,672,911	11,089,357	25%	10,416,357

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City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2020-21
 For the Month and Three Months Ended September 30, 2021
 25% of Year Complete

FUND NO.	FUND/ACTIVITY	CURRENT MONTH ACTUAL EXPENSES	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET	PRIOR YTD
SPECIAL REVENUE FUNDS								
202	STREET MAINTENANCE	352	703,934	1,056	-	1,056	0%	
205	PUBLIC SAFETY/SUPP.LAW	589	107,069	1,767	-	1,767	2%	
206	DEVELOPMENT SERVICES FUND							
	Planning	137,150	1,590,704	345,054	33,851	378,906	24%	44%
	Building	196,029	2,114,110	451,892	2,230	454,122	21%	51%
	Engineering	107,275	1,161,439	243,029	438,045	681,074	59%	29%
206	DEVELOPMENT SERVICES FUND	440,454	4,866,253	1,039,976	474,126	1,514,101	31%	1,24%
207	LONG RANGE PLANNING	81,338	1,523,735	217,193	327,093	544,287	36%	8%
215/216	CDBG	447	5,365	1,341	-	1,341	25%	
225	ASSET SEIZURE	-	-	-	-	-	n/a	
229	LIGHTING AND LANDSCAPE	12,671	168,662	26,511	7,271	33,782	20%	3%
230	COMMUNITY FACILITIES DISTRICT	3,476	36,418	6,777	-	6,777	19%	
232	ENVIRONMENT PROGRAMS	29,156	420,519	85,957	27,798	113,755	27%	10%
234	MOBILE HOME PARK	37	438	111	-	111	25%	
236	HOUSING MITIGATION	4,824	2,494,568	145,535	176,122	321,657	13%	70%
240	EMPLOYEE ASSISTANCE	84	28,506	3,796	-	3,796	13%	1%
247	ENVIRONMENTAL REMEDIATION	111	-	846	-	846	n/a	
250	COMH-SUCCESSOR AGENCY-MHRDA	4	6,936,625	8	-	8	0%	4,17%
255	HOUSING SUCCESSOR AGENCY	79,129	994,782	280,422	391,667	672,089	68%	26%
TOTAL SPECIAL REVENUE FUNDS		652,672	18,286,873	1,811,297	1,404,076	3,215,373	18%	6,63%
CAPITAL PROJECT FUNDS								
301	PARK DEVELOPMENT	39,702	2,155,622	564,403	5,836,963	6,401,366	297%	21%
302	PARK MAINTENANCE	53,889	675,014	162,501	25,014	187,515	28%	23%
303	LOCAL DRAINAGE	34,470	7,233,369	39,723	171,527	211,250	3%	1%
304	LOCAL DRAIN. NON-AB1600	2,823	516,323	3,293	157,861	161,154	31%	
306	AGRICULTURE & OPEN SPACE PRESERVATION	2,228	132,691	6,684	35,956	42,640	32%	1%
308	STREET CIP	1,235	5,359,537	5,716	3,491,963	3,497,679	65%	18%
309	TRAFFIC IMPACT	140,423	15,505,443	502,753	40,357	543,110	4%	24%
311	POLICE IMPACT	-	-	-	-	-	n/a	
313	FIRE IMPACT	-	-	-	-	-	n/a	2%
315	PUBLIC SAFETY FACILITIES IMPACT	19,525	344,301	58,575	-	58,575	17%	
346	PUBLIC FAC.NON AB1600	123,941	175,769	127,102	42,975	170,077	97%	5%
347	PUBLIC FACILITIES IMPACT	2,273	38,692	6,819	17,062	23,881	62%	3%
348	LIBRARY IMPACT	49,347	726,889	198,095	417,331	615,426	85%	7%
350	UNDERGROUNDING	92	1,107	276	-	276	25%	
355	SCHOOL PEDESTRIAN & TRAFFIC SAFETY	44,767	172,825	53,357	533,820	587,177	340%	16%
360	COMM/REC CENTER IMPACT	142,186	1,893,482	635,535	1,194,218	1,829,753	97%	2%
375	QUIMBY FEE	-	100,000	-	-	-	n/a	
TOTAL CAPITAL PROJECTS FUNDS		656,899	35,031,062	2,364,832	11,965,047	14,329,879	41%	1,30%
DEBT SERVICE FUNDS								
420	CIVIC CENTER DEBT	865	307,813	2,595	-	2,595	1%	
441	POLICE FACILITY BOND DEBT	329	388,040	987	-	987	0%	
TOTAL DEBT SERVICE FUNDS		1,194	695,853	3,582	-	3,582	1%	

Attachment: September 2020 Financial and Investment Report [Revision 1] (2888 : Monthly Budget Update; September 2020 Financial and



City of Morgan Hill
 Year to Date Expenses - Fiscal Year 2020-21
 For the Month and Three Months Ended September 30, 2021
 25% 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	1,696,552	13,319,581	2,991,461	300,162	3,291,623	25%	2,511
641	SEWER CAPITAL EXPANSION	46,278	7,487,155	101,516	797,560	899,076	12%	151
642	SEWER RATE STABILIZATION	93	1,111	279	-	279	25%	11
643	SEWER-CAPITAL PROJECTS	1,759,393	15,675,065	1,825,221	1,290,012	3,115,234	20%	1,841
TOTAL SEWER FUND(S)		3,502,316	36,482,913	4,918,477	2,387,734	7,306,212	20%	4,511
WATER								
	Water Operations	865,474	14,583,410	2,393,540	747,603	3,141,143	22%	2,941
	Utility Billing	92,978	863,064	195,788	38,837	234,625	27%	211
	Water Conservation	7,839	153,047	17,174	47,107	64,281	42%	11
650	WATER OPERATIONS	966,291	15,599,521	2,606,502	833,547	3,440,049	22%	3,161
651	WATER CAPITAL EXPANSION	49,712	1,012,302	140,986	182,609	323,595	32%	391
652	WATER RATE STABILIZATION	30	362	90	-	90	25%	11
653	WATER-CAPITAL PROJECTS	3,972	3,841,469	9,429	187,571	197,001	5%	21
TOTAL WATER FUND(S)		1,020,005	20,453,655	2,757,007	1,203,727	3,960,735	19%	3,581
TOTAL ENTERPRISE FUNDS		4,522,321	56,936,568	7,675,485	3,591,461	11,266,946	20%	8,101
INTERNAL SERVICE FUNDS								
730	INFORMATION SYSTEMS	141,479	2,176,957	378,730	407,578	786,308	36%	441
740	BUILDING MAINTENANCE	212,288	3,450,173	561,515	208,385	769,900	22%	721
741	BUILDING REPLACEMENT	3,703	457,000	9,288	8,846	18,134	4%	31
745	CIP ADMINISTRATION	130,305	1,655,366	366,978	8,089	375,067	23%	371
760	UNEMPLOYMENT	-	75,000	(580)	-	(580)	-1%	1
770	WORKERS COMPENSATION	18,999	860,729	444,220	-	444,220	52%	671
790	EQUIPMENT REPLACEMENT	44,921	1,863,653	164,969	1,116,715	1,281,684	69%	1,111
791	EMPLOYEE BENEFITS FUND	1,760	625,000	33,683	-	33,683	5%	111
795	GEN. LIABILITY INSURANCE	17,127	1,457,651	1,047,828	-	1,047,828	72%	791
TOTAL INTERNAL SERVICE FUNDS		570,581	12,621,529	3,006,632	1,749,614	4,756,246	38%	3,171
REPORT TOTAL		\$ 9,785,963	\$ 167,407,348	\$ 24,278,273	\$ 20,383,110	\$ 44,661,383	27%	\$ 29,621

Attachment: September 2020 Financial and Investment Report [Revision 1] (2888 : Monthly Budget Update; September 2020 Financial and

		 City of Morgan Hill Fund Activity Summary - Fiscal Year 2020-21 For The Three Months Ended September 30, 2020 25% 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	\$ 18,406,882	\$ 3,200,342	8%	\$ 9,416,446	21%	\$ (6,216,104)	\$ 1,672,911	\$ 10,517,867
TOTAL GENERAL FUND		\$ 18,406,882	\$ 3,200,342	8%	\$ 9,416,446	21%	\$ (6,216,104)	\$ 1,672,911	\$ 10,517,867
202	STREET MAINTENANCE	34,027	\$ 58,184	8%	\$ 1,056	21%	\$ 57,128	\$ -	\$ 91,155
205	PUBLIC SAFETY/SUPPL. LAW	144,643	142	0%	1,767	21%	(1,625)	-	143,018
206	DEVELOPMENT SERVICES	42,502	983,364	21%	1,039,976	21%	(56,611)	474,126	(488,235)
207	LONG RANGE PLANNING	1,337,309	128,405	19%	217,193	14%	(88,788)	327,093	921,428
215 / 216	CDBG	52,922	64	2%	1,341	25%	(1,277)	-	51,645
225	ASSET SEIZURE	143,359	140	7%	-	n/a	140	-	143,499
229	LIGHTING AND LANDSCAPE	186,588	147	0%	26,511	16%	(26,364)	7,271	152,953
230	COMMUNITY FACILITIES DISTRICT	125,386	121	10%	6,777	19%	(6,656)	-	118,730
232	ENVIRONMENTAL PROGRAMS	398,284	109,910	25%	85,957	20%	23,953	27,798	394,439
234	MOBILE HOME PK RENT STAB.	58,626	58	8%	111	25%	(53)	-	58,573
235	SENIOR HOUSING	232,360	229	6%	-	n/a	229	-	232,589
236	HOUSING MITIGATION	3,702,291	314,761	14%	145,535	6%	169,226	176,122	3,695,395
240	EMPLOYEE ASSISTANCE	61,024	3,149	11%	3,796	13%	(647)	-	60,377
247	ENVIRONMENT REMEDIATION	136,461	133	6%	846	n/a	(714)	-	135,747
250	COMH-SUCCESSOR AGENCY-MHRDA	(81,471)	1,785	0%	8	0%	1,777	-	(79,694)
255	HOUSING SUCCESSOR AGENCY	3,670,583	37,925	18%	280,422	28%	(242,497)	391,667	3,036,419
260	PUBLIC ART	185	-	n/a	-	-	-	-	185
TOTAL SPECIAL REVENUE FUNDS		\$ 10,245,079	\$ 1,638,517	10%	\$ 1,811,297	10%	\$ (172,779)	\$ 1,404,076	\$ 8,668,224
301	PARK DEV. IMPACT FUND	\$ 3,680,623	\$ 841,726	35%	\$ 564,403	26%	\$ 277,323	\$ 5,836,963	\$ (1,879,017)
302	PARK MAINTENANCE	3,451,161	6,578	2%	162,501	24%	(155,923)	25,014	3,270,224
303	LOCAL DRAINAGE	12,765,782	207,387	12%	39,723	1%	167,664	171,527	12,761,919
304	LOCAL DRAINAGE/NON-AB1600	1,445,963	1,420	2%	3,293	1%	(1,872)	157,861	1,286,230
306	AGRICULTURE AND OPEN SPACE PRESERV	5,849,109	58,688	33%	6,684	5%	52,004	35,956	5,865,157
308	STREET CIP	4,759,933	245,418	10%	5,716	0%	239,702	3,491,963	1,507,672
309	TRAFFIC IMPACT FUND	(1,336,384)	249,119	2%	502,753	3%	(253,634)	40,357	(1,630,375)
315	PUBLIC SAFETY FACILITIES IMPACT	3,402,843	131,864	13%	58,575	17%	73,289	-	3,476,132
346	PUBLIC FACILITIES NON-AB1600	392,026	416,265	68%	127,102	72%	289,164	42,975	638,214
347	PUBLIC FACILITIES IMPACT FUND	839,822	54,863	16%	6,819	18%	48,044	17,062	870,804
348	LIBRARY IMPACT FUND	2,040,252	286,128	30%	198,095	27%	88,033	417,331	1,710,954
350	UNDERGROUNDING	963,796	952	7%	276	25%	676	-	964,472
355	SCHOOL PEDESTRIAN/TRAFFIC SFTY	1,106,709	1,044	0%	53,357	31%	(52,312)	533,820	520,577
360	COMM/REC CTR IMPACT FUND	2,057,047	456,505	30%	635,535	34%	(179,030)	1,194,218	683,799
TOTAL CAPITAL PROJECT FUNDS		\$ 41,418,682	\$ 2,957,958	10%	\$ 2,364,832	7%	\$ 593,126	\$ 11,965,047	\$ 30,046,761
420	CIVIC CENTER DEBT	\$ 154,244	\$ 77,669	25%	\$ 2,595	1%	\$ 75,074	\$ 0	\$ 229,318
441	POLICE FACILITY BOND DEBT	74,357	95,835	25%	987	0%	94,848	0	169,205
TOTAL DEBT SERVICE FUNDS		\$ 228,601	\$ 173,505	25%	\$ 3,582	1%	\$ 169,923	\$ 0	\$ 398,523

		 City of Morgan Hill Fund Activity Summary - Fiscal Year 2020-21 For The Three Months Ended September 30, 2020 25% 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
640	SEWER OPERATIONS	\$ 3,165,292	\$ 2,232,088	17%	\$ 2,991,461	22%	\$ (759,374)	300,162	2,105,757
641	SEWER IMPACT FUND*	21,717,172	1,250,546	19%	101,516	1%	1,149,030	797,560	22,068,642
642	SEWER RATE STABILIZATION	2,667,854	2,635	6%	279	25%	2,356	-	2,670,210
643	SEWER-CAPITAL PROJECTS	9,246,526	1,103,305	25%	1,825,221	12%	(721,916)	1,290,012	7,234,597
650	WATER OPERATIONS	3,878,448	3,440,113	22%	2,606,502	17%	833,611	833,547	3,878,513
651	WATER IMPACT FUND*	2,780,694	512,569	29%	140,986	14%	371,583	182,609	2,969,668
652	WATER RATE STABILIZATION	2,790,499	14,276	22%	90	25%	14,186	-	2,804,685
653	WATER -CAPITAL PROJECT	4,226,388	1,216,042	25%	9,429	0%	1,206,612	187,571	5,245,429
TOTAL ENTERPRISE FUNDS		\$ 50,472,873	\$ 9,771,573	21%	\$ 7,675,485	13%	\$ 2,096,088	\$ 3,591,461	\$ 48,977,500
730	INFORMATION SERVICES	\$ 686,637	\$ 471,480	25%	\$ 378,730	17%	\$ 92,750	\$ 407,578	\$ 371,809
740	BUILDING MAINTENANCE	415,856	856,593	25%	561,515	16%	295,078	208,385	502,549
741	BUILDING REPLACEMENT	3,042,909	167,686	23%	9,288	2%	158,398	8,846	3,192,461
745	CIP ENGINEERING	(108,085)	-	n/a	366,978	22%	(366,978)	8,089	(483,152)
760	UNEMPLOYMENT	131,342	25,017	24%	(580)	-1%	25,596	-	156,938
770	WORKERS COMPENSATION	2,026,064	166,095	19%	444,220	52%	(278,125)	30,000	1,717,939
790	EQUIPMENT REPLACEMENT	5,816,846	258,111	24%	164,969	9%	93,142	1,116,715	4,793,273
791	EMPLOYEE BENEFITS FUNDS	6,548	149,163	14%	33,683	5%	115,480	-	122,028
795	GEN. LIABILITY INSURANCE	1,463,809	215,150	25%	1,047,828	72%	(832,678)	-	631,131
TOTAL INTERNAL SERVICE FUNDS		\$ 13,481,926	\$ 2,309,294	20%	\$ 3,006,632	24%	\$ (697,338)	\$ 1,779,614	\$ 11,004,974
SUMMARY BY FUND TYPE									
GENERAL FUND GROUP		\$ 18,406,882	\$ 3,200,342	8%	\$ 9,416,446	21%	\$ (6,216,104)	\$ 1,672,911	\$ 10,517,867
SPECIAL REVENUE GROUP		10,245,079	1,638,517	10%	1,811,297	10%	(172,779)	1,404,076	8,668,224
DEBT SERVICE GROUP		228,601	173,505	25%	3,582	1%	169,923	0	398,523
CAPITAL PROJECTS GROUP		41,418,682	2,957,958	10%	2,364,832	7%	593,126	11,965,047	30,046,761
ENTERPRISE GROUP		50,472,873	9,771,573	21%	7,675,485	13%	2,096,088	3,591,461	48,977,500
INTERNAL SERVICE GROUP		13,481,926	2,309,294	20%	3,006,632	24%	(697,338)	1,779,614	11,004,974
TOTAL ALL GROUPS		\$ 134,254,043	\$ 20,051,189	14%	\$ 24,278,273	15%	\$ (4,227,084)	\$ 20,413,110	\$ 109,613,849

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 Manager's Signature Authority

Contracts and Agreements Between \$25,000 to \$60,000 Entered Since 7/11/2020 to 10/02/2020

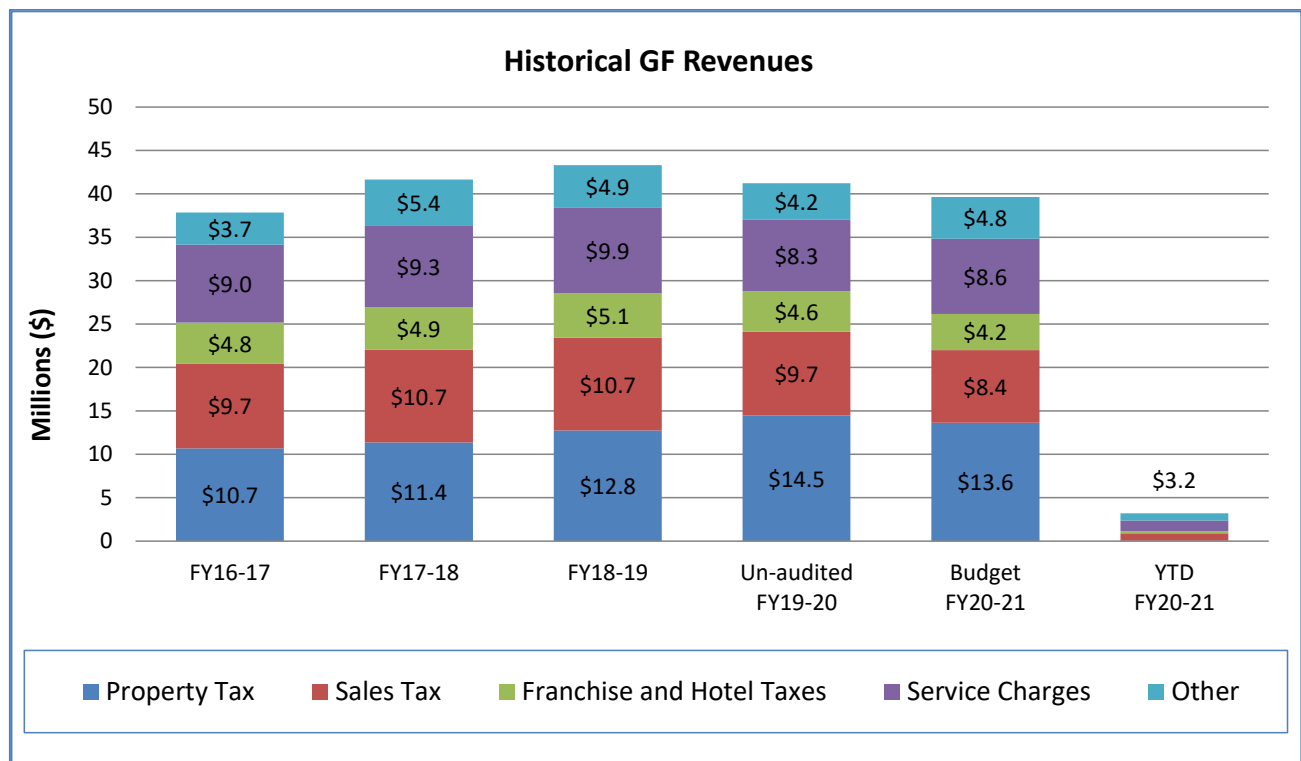
Vendor Name	Description of Service	Begin Date	End Date	Department	Amount
Meyers Nave, PC	Legal Services	7/28/2020	6/30/2021	CAO	\$35,000
Gilroy Compassion Center	Morgan Hill Safe Car Park and Homeless Inclement Weather shelter referral	8/6/2020	6/30/2022	CSD	\$60,000
Morgan Hill Chamber of Commerce	Shop/Buy Morgan Hill Program to Support Community During COVID-19	8/18/2020	6/30/2021	DS	\$50,000
Hanna-Brunetti	On-call map Review and City Surveying Services	8/19/2020	6/30/2022	DS	\$58,000
Stanford Health Care DBA Stanford Hospital and Clinics	Provide One or More EMS director for Emergency Medical Services	9/6/2020	6/30/2023	Fire	\$54,000
Keyser Marston Associates Inc	Housing Services consultant Agreement	7/9/2020	6/30/2022	DS	\$40,000
Randazzo Enterprises, Inc.	1240 Barrett House Demolition Project	7/28/2020	9/30/2020	E&U	\$33,752
Golden Bay Construction,	Library parking lot stalls and work	9/2/2020	9/15/2020	E&U	\$27,720
Pacific Underground Construction	Sewer Trunk Line Project	9/6/2020	10/6/2020	E&U	\$41,065
Moreno & Associates, Inc.	Library Exterior Painting Project	9/13/2020	9/24/2020	CSD	\$49,576
MNS Engineers, Inc	On-Call Engineering Plan Review & Technical Support for Land Development	9/28/2020	6/30/2022	E&U	\$25,800



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2020-21
FOR THE MONTH ENDED SEPTEMBER 2020 – 25% OF YEAR COMPLETE

- **General Fund** – Revenues through September totaled \$3.2 million, or about 8% 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 September 30, 2020.

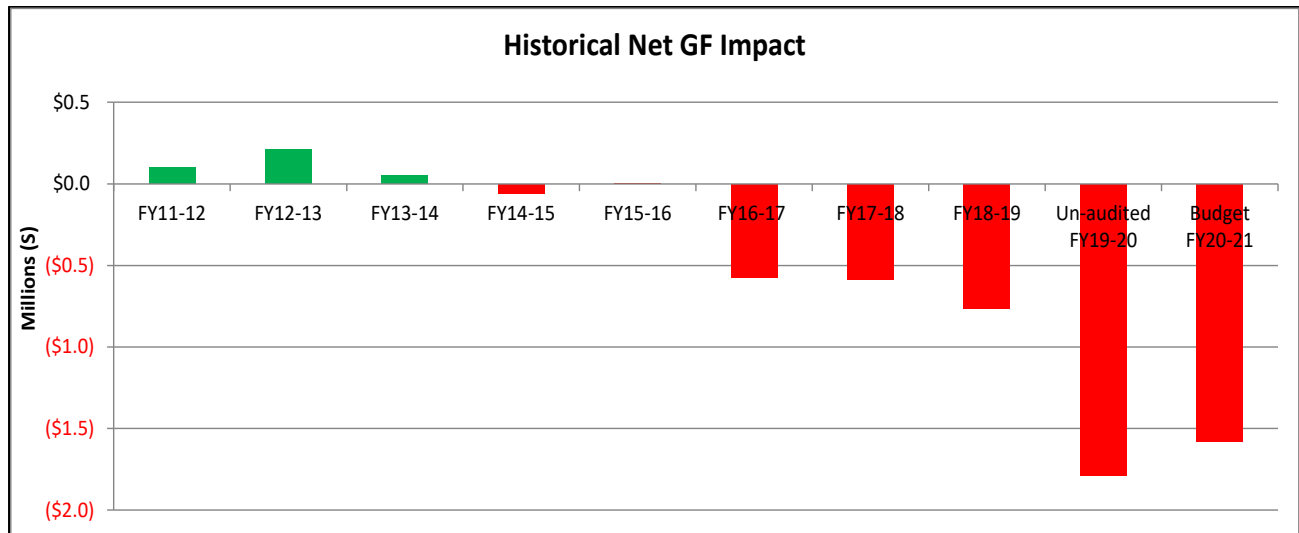


General Fund expenditures and encumbrances as of September 30, 2020 totaled \$11.1 million, of which approximately \$1.7 million is attributable to outstanding encumbrances.



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2020-21
FOR THE MONTH ENDED SEPTEMBER 2020 – 25% 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 \$1.8 million as of September 30, 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. The indoor recreation facilities just begun to open with a very limited capacity in recent weeks.



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 received through September 30, 2020 totaled approximately \$1.0 million. Expenditures, including encumbrances, totaled \$1.5 million. The fund is projected to borrow \$1.0 million from the General Fund for the current fiscal year.
- **Debt Service Funds** – Expenditures through the first quarter totaled \$3,582. 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 through the first quarter ending September 30, 2020 totaled \$2.2 million. Expenditures and outstanding encumbrances totaled \$3.3 million or 25% of the budget. The table below shows historical Sewer Operations revenues and



CITY OF MORGAN HILL, CALIFORNIA
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2020-21
FOR THE MONTH ENDED SEPTEMBER 2020 – 25% OF YEAR COMPLETE

expenditures from FY16-17 through FY18-19 Actual, Un-audited FY19-20, FY20-21 Budget, and YTD as of September 30, 2020.

(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	2.2
Expenditures	9.8	10.8	11.4	12.3	13.3	3.3
Operating Margin	(0.1)	(0.5)	-	(0.4)	-	(1.1)
Operating Margin without Encumbrances	(0.0)	(0.3)	0.4	(0.1)	-	(0.8)

- **Water Operations** – Water Operations includes Utility Billing, Water Conservation, and Water Operations. Revenues from Water Operations through the first quarter ending September 30, 2020 totaled \$3.4 million. Water Operations expenditures, including outstanding encumbrances, totaled \$3.4 million. Without the encumbrances, however, the expenditures amounted to \$2.6 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 September 30, 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	3.4
Expenditures	11.2	12.1	14.3	16.4	15.6	3.4
Operating Margin	(0.3)	0.9	(0.1)	(1.1)	-	-
Operating Margin without Encumbrances	(0.1)	1.4	0.8	(0.1)	-	0.8

- **Investments** – Two securities were called during the month of September 2020. Total interest earnings received on investments were \$84,000 during the month.



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Chris Ghione, Public Services Director

APPROVED BY: City Manager

NON-PROFIT FUNDING AND ORGANIZATION INCLUSIVENESS

RECOMMENDATION(S)

1. Receive information on organizational inclusiveness for organizations receiving City funding; and
2. Provide direction for future policy work as desired.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure

Supporting Our Youth

Seniors

and Entire Community

Preserving Our Community History

Enhancing Diversity and Inclusiveness

POLICY CONSIDERATIONS:

The City Council would like to consider funding for community organizations, specifically as it relates to inclusiveness, and has had questions in relation to funding and operations of specific organizations. City staff is bringing this item back to the Council now to allow for this discussion. The City Council may want to consider that the country is in the middle of the Covid-19 pandemic and many organizations are just trying to survive the pandemic from a financial perspective. Others are not hosting events and therefore not in need of funds for the current fiscal year. Additionally, the City greatly reduced funding levels to these organizations based on the budget reductions the Council implemented in June of this year.

REPORT NARRATIVE:

Upon approval of funding and fee waivers for various activities and approval of the FY 2020/21 and 2021/22 Budget, the City Council directed staff to collect an inclusivity statement from each organization relating to funding. City staff has collected these statements from each organization prior to approval of agreements. On September 16, 2020, City staff received further direction to return to Council to allow for a Council discussion on requirements relating to organization inclusivity for the organizations receiving funding directly from the City. Since some organizations need this funding immediately, City staff is bringing this item forward immediately for discussion.

The City annually allocates funding to various partner organizations to support activities that support the Morgan Hill Community. Currently the City is providing funding to four organizations to provide services in Morgan Hill. These organizations include:

Group	Detail
South Valley Civic Theater Funding \$2,500	This funding supports educational outreach activities, tickets, and cast fee waivers to increase access to participants and audiences participating with SVCT. Due to Covid-19 the operations of SVCT have been greatly impacted. Funding has been reduced from \$10,000 annually to \$2,500 with recent budget reductions.
Healthier Kids Foundation (HKF) Funding \$10,000	The Foundation provides outreach and services intended to provide healthcare for uninsured children. The Foundation has provided this service in Morgan Hill since 2014, when the City Council directed staff to develop a partnership with the organization. The Foundation uses the City's funding as a match for their own funding, which allows for Morgan Hill to receive more significant support than other communities. Funding for the organization was significantly reduced due to budget constraints going from \$20,000 annually to \$10,000 annually. The Foundation has indicated they will be able to continue services for an unknown number of years in a more limited capacity at this 50% funding level.
Morgan Hill Historical Society (MHHS) Funding \$15,000	MHHS uses the funding to maintain and operate Villa Mira Monte. The Villa Mira Monte site is owned by the Historical Society, and should the organization ever become insolvent, the site would revert to ownership by the City. This could create increased costs for the City. The current partnership is designed to support the most efficient maintenance and preservation of the historical facility through the many advantages the volunteer organization brings to the City. The Historical Society also provides a variety of programming at the site, but that is outside the current partnership with the City. The funding for the partnership was reduced from \$20,000 annually to \$15,000 annually for this current FY.
Boys and Girls Club (BGC) Park Place Program Funding \$45,000 Friendly Inn Program Funding \$6,000 FY20/21, \$3,000 FY21/22, \$0 Future years	The BGC operates the Friendly Inn as the El Toro Clubhouse. However, the majority of funding received from City is used to offer the afterschool program at the Park Place Apartment Complex previously provided by the City of Morgan Hill. The City contributes annually to operation of the site and the BGC will receive \$6,000 in FY 20/21 and \$3,000 in FY21/22 and then no funding support for Friendly Inn operations in future years. The BGC separately runs the after-school program at Park Place for the City. This program provides for afterschool education and recreation for many at risk youth. The City has reduced funding from \$72,000 annually to

	\$45,000 annually. With this reduction in funding other funding sources outside City funds have been obtained to offset some of the City funding reduction.
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The City has also funded various special events through community promotions, where the funding is used as a reimbursement for putting on specific City sponsored events. The organizations currently approved for event funding include:

Group	Detail
Morgan Hill Downtown Assoc (MHDA) Holiday Tree Funding \$6,000	The MHDA has received funding in past years to support installation of the Holiday Tree at the Community Center and to put on the Safe Trick or Treat Event. Due to the reduction in funding (\$12,000 down to \$6,000) and Covid-19, there is no Safe Trick or Treat planned for 2020.
Morgan Hill Kiwanis Club Holiday Lights Parade Funding \$4,500	The Club put on the Holiday Parade and Tree Lighting Event annually with this funding. Funding has been reduced from \$6,000 to \$4,500. The Club intends to run a modified version of the Parade for 2020.
Independence Day Celebrations Freedom Fest Events Funding \$15,000	The IDC runs the annual Fourth of July Celebration events, which include numerous events such as the Parade, Freedom Run, Patriotic Sing, Street Dance, Car Cruise, and Fireworks. The IDC ran a modified virtual parade event for 2020 and all other events were cancelled.

Finally, the City Council approves fee waivers for events on a request basis. The Council has currently approved fee waivers for three events:

Indian Association of South Santa Clara County Flag Raising Event Fees Waiver Request: \$615 Approved for 50% Waiver	In recognition of the annual Indian Independence Day, the Indian Association of South Santa Clara County (IASC) holds a flag raising ceremony event at the Community and Cultural Center campus. This year the event that goes along with the flag raising did not occur due to Covid-19.
AAUW Annual Women's Conference Fees Waiver Request: \$2,466 Approved for 50% Waiver	The Morgan Hill Branch of the American Association of University Women (AAUW) hold the annual Future Women Leaders Conference (FWLC) at the Community and Cultural Center each year. The event will typically utilize most of the Community and Cultural Center for one Saturday, but it is not yet known if the 2021 event will be held in person due to potential Covid-19 restrictions.
Morgan Hill Community Foundation Philanthropy Night Event Fees Waiver Request: \$3,000 Approved for 50% Waiver	The Morgan Hill Community Foundation (MHCF) holds an annual Philanthropy Night Celebration to highlight the work of local nonprofits and honor individuals who have made outstanding contributions to how that nonprofit serves the Morgan Hill community. This occurs on one Saturday per year; however, the event has been moved to a virtual event

	for 2020.
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Since many events have not been held or are not scheduled yet, some groups have not yet submitted their inclusivity statements. However, City staff intend to collect the statements prior to providing funding. Those statements that have been received are included as attachments to this report.

It is important to reiterate that many of these non-profits have been devastated by Covid-19 and that there are many changes planned in their future operations. City staff recommends that any changes made to funding levels discussed by the Council now, be planned as part of the mid-cycle budget adjustment. City staff also recommends that if the Council wishes to request organizations make changes to operations or service levels, that the hardships associated with Covid-19 and organizations' sustainability also be considered.

COMMUNITY ENGAGEMENT: Not Applicable

Various levels of engagement occur in regard to funding of organizations through the budget process, community promotions applications and in coordination with event communications. However, no specific community engagement has occurred ahead of this item. All community organizations outlined in this report have been notified of the meeting.

ALTERNATIVE ACTIONS:

There are no alternative actions. This item has been brought forward for Council discussion only, with no specific changes to practices regarding funding of community organizations recommended.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council has previously provided annual funding to a variety of organizations through various actions. Funding was most recently approved on June 17, 2020.

FISCAL AND RESOURCE IMPACT:

There is no Fiscal Impact associated with this item. Any changes associated to funding for community organizations will directly impact the General Fund.

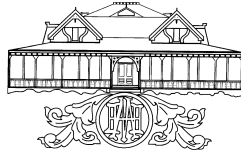
CEQA (California Environmental Quality Act): Not a Project

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

LINKS/ATTACHMENTS:

1. MHHS - Ethnic Social Justice Position Statement
2. HKF - Non-Discrimination Policy
3. IASC - Statement
4. IDC - Member Policy
5. MHDA - Inclusivity Statement
6. Kiwanis - Inclusivity Statement

7. BGCSV - Diversity Equity Inclusion
8. SVCT - Inclusion Statement



Morgan Hill Historical Society

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

Position Statement

Morgan Hill Historical Society Board of Directors, Adopted on September 23, 2020

Supporting Ethnic and Social Justice

The Morgan Hill Historical Society is committed to standing with the Black community and all people who suffer from social injustice.

In recent months our nation has seen an acceleration of events involving police misconduct and brutality, and racial injustice primarily against people of African American descent. As a nation we witnessed, along with the rest of the world, the unlawful and brutal death of George Floyd by members of the Minneapolis police force.

Our nation is facing a systemic and complex crisis which is endemic in policing policies and practices in many communities in our nation, but beyond this, these injustices have permeated our social justice systems. People of all races are calling for change in the systemic racism which has been a part of the fabric of America's history since the first Europeans landed on our shores centuries ago.

The Morgan Hill Historical Society denounces violence against all people, and we recognize the urgency of this particular situation. To this end we are committed to standing with all people experiencing social injustices. On July 17, 2020 the City of Morgan Hill adopted Resolution 20-039 proclaiming Black Lives Matter and committing to stand in solidarity with its Black Community. The city cannot make these changes without the support of the entire community. In light of this, on August 17, 2020 the Morgan Hill Historical Society adopted Resolution 20-01 committing to a diverse, supportive, inclusive community and to applying this commitment to all of the Society's activities, programs and communications.

Preserving and sharing history through education is the heart of our mission. Understanding the lessons of the past enables us to make better decisions for the future. We want our community to be safe for all people suffering from social inequities and injustices. Without education, training, and inclusion, there will be no reform, there will be no meaningful change.

In support of the Society's mission, it will collaborate in interactive dialogue for peaceful exchanges with other community organizations to create positive recommendations of actions to move our community forward with equity, diversity, and inclusion for all.

We are all members of one human race.

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

**Date: 12/2015****Healthier Kids Foundation**
4040 Moorpark Avenue, Suite 100
San Jose, CA 95117**1.0 Introduction:**

Healthier Kids Foundation shall comply with all applicable Laws concerning nondiscrimination and equal opportunity in employment and contracting, including but not limited to the following: Santa Clara County's policies for contractors on nondiscrimination and equal opportunity and California Fair Employment and Housing Act (Gov. Code § 12900 et seq.);

2.0 Policy:

In keeping with our commitment to the communities in which we do business, Healthier Kids Foundation is an equal employment opportunity employer and service provider. All recruitment, hiring, placements, transfers, promotions, employment practices, and provisions of service will be determined solely on the basis of merit and business needs, and not with regard to race, color, citizenship status, national origin, ancestry, sex, sexual orientation, age, religion, creed, physical or mental disability, medical condition, marital status, or veteran status of those individuals under consideration. Healthier Kids Foundation complies with the law regarding reasonable accommodation for disabled employees

Rev. Level	Date	Purpose	Author	Approval
Original	12/2015	Original	E. Hennessy	K. King (8/13/15)

Indian Association of South Santa Clara County (IASC) Inclusivity Statement

The Indian Association of South Santa Clara County (IASC) has been actively celebrating its diversity and inclusivity via its Annual cultural events, Senior Programs, as well as its Humanitarian initiative, Circle of Giving, by supporting and serving the extended community.

In accordance with the City of Morgan Hill's request, we declare that IASC is committed to establishing a diverse, supportive, and inclusive community within the organization.



Member Policy

Independence Day Celebration, Inc., like its Freedom Fest predecessors has an inclusive policy that simply requires members be willing to work as part of team, commit and complete assigned tasks, meet obligations in a timely manner as well as support the community of Morgan Hill. As an all-volunteer organization, we welcome people from all walks of life regardless of age, gender, religion, duration of residency, socio-economic position, race, or creed. Our one restriction is that we will not allow our organization to be used as a political platform. We support and celebrate America's patriotic freedoms, not individual issues, or candidates. Our history has demonstrated this perspective over the years and our future policies, as well as activities will continue to.

Attachment: IDC - Member Policy (2874 : Non-Profit Funding and Organization Inclusiveness)

From: [Morgan Hill Downtown Association](#)
To: [Nichole Martin](#)
Cc: [Morgan Hill Downtown Association; "kerry wallace"](#)
Subject: Community Promotions Funding - MHDA
Date: Monday, July 13, 2020 10:13:01 AM

Hi Nichole,

The Morgan Hill Downtown Association is committed to establishing a diverse, supportive, and inclusive community within our organization.

Thank you,

Kerry Wallace

Office Manager

Morgan Hill Downtown Association

90 West Main Suite 6

Morgan Hill, CA 95037

408-779-3190

www.mhdowntown.org

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From: [Dennis Bettencourt](#)
To: [Nichole Martin](#)
Cc: [Craig.Kennedy@gmail.com](#); [Mary Lou Conragan](#)
Subject: Re: Community Promotions Funding - Kiwanis
Date: Monday, July 13, 2020 12:25:50 PM

Hi Nichole,
 I hope all is well with you and yours.

Kiwanis is focused on serving the children of the world. Hopefully the attached statement is sufficient.

I've reviewed this with our club president and we are fully committed.

Morgan Hill Kiwanis is committed to a diverse, supportive, and inclusive culture, both within our community and within our club.

Kiwanis International Vision Statement:

"Kiwanis will be a positive influence in communities worldwide...so that one day, all children will wake in communities that believe in them, nurture them and provide the support they need to thrive. "

KIWANIS INTERNATIONAL BYLAWS, ARTICLE VIII, CLUB MEMBERS, Section 10:

"Kiwanis clubs shall not discriminate based upon race, color, creed, national origin, age or sex, including sexual orientation and gender identity, when considering membership or during any of their activities or operations and shall conduct business in compliance with local nondiscrimination laws."

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

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

To: "Dennis Bettencourt" <dbetco@yahoo.com>

Sent: 7/10/2020 3:24:22 PM

Subject: Community Promotions Funding - Kiwanis

Hi Dennis,

I hope you're doing well. I wanted to provide an update regarding the Community Promotions funding. With the City budget, City Council added a new requirement for organizations receiving funding. Before the City can issue funding, we are now required to get a statement from the organization.

All community-based organizations receiving funding or a waiver of fees from the City of Morgan Hill are required to provide a statement of commitment to establishing a diverse, supportive, and

inclusive community within their organization. The Council asked us to collect statements from each organization receiving any funding from the City. Can you please send over the statement for Kiwanis? If you have any questions, please let me know.

Nichole Martin

Community Services Supervisor

City of Morgan Hill

Community Services Department
17575 Peak Avenue, Morgan Hill, CA 95037

P: 408.310.4694

nichole.martin@morganhill.ca.gov

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

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Diversity, Equity and Inclusion: Core to Our Fundamental Beliefs

Boys & Girls Clubs of Silicon Valley stands against racism, discrimination and inequity. The principle of equity embodies the values, policies and practices that ensure that all people—including, but not limited to, those who have been historically marginalized, underserved and underrepresented based on race/ethnicity, age, disability, sexual orientation, gender, gender identity, gender expression, socioeconomic status, geography, citizenship status or religion—are represented in the development and implementation of youth programs; the fair financial and supervisory support of staff; and the leadership of the organization.

We believe all young people should be afforded the guarantee of fair treatment, access and opportunity. Our mission compels us to support youth in reaching their full potential, which includes identifying and helping to eliminate barriers that prevent the full participation and advancement of some groups in this country, particularly Black, Brown, Indigenous and other persons of color. The essential work that is needed – to dismantle unjust and inequitable systems – is complex and requires intentional and decisive action nationally, locally and within our own organization. It is only through a collective effort that we can create a future that is equitable and accessible to all. Boys & Girls Clubs of Silicon Valley is dedicated to doing our part in this work, and our commitment to diversity, equity and inclusion is unwavering. It is core to our fundamental beliefs.

Our Desired Outcomes

Breaking down the barriers presented by racism and inequity will require the collective efforts of individuals, organizations, corporations and government agencies. Boys & Girls Clubs of Silicon Valley will do our part to reach a future state where every young person has equal access and opportunity as we help equip young people to be prepared to seize those opportunities.

- Boys & Girls Clubs of Silicon Valley will set the example of diversity, equity and inclusion and serve as a resource for other community-based organizations in achieving the same.
- We will provide safe spaces for youth and train staff and volunteers to use trauma-informed practices through programs, mentoring and, where applicable, counseling.
- Club members will understand the importance of social responsibility and will be empowered to take part in civic engagement that will lead to positive change.
- Together, we will work to achieve social reforms to address barriers to youth success in areas including health, education, housing, criminal justice and policing.

Our Approach

Our holistic and multi-pronged approach focuses on five priority pillars. Each pillar is dependent on the others to support meaningful solutions locally, regionally and nationally.

**People**

Ensuring our practices are trauma-informed and youth-centered AND that Club staff and board are well-trained in anti-racism and equity work.

Programs

Ensuring our programs are inclusive, culturally relevant AND nurture and elevate youth voice through youth-led and co-created experiences and opportunities.

Policies

Ensuring our business policies and practices are best in class as it relates to diversity, equity and inclusion AND that youth facing policies support equitable and inclusive programming.

Public Policy

Elevating issues that matter most to youth and teens AND advocating for social reforms and public policy change at the federal, state and local levels through a robust, sustained advocacy strategy.

Partnerships

Identifying and accelerating local partnerships to support community-focused solutions to our communities most urgent needs AND that help builds our expertise in the work of racial justice and equity.

SVCT Inclusion Statement

We believe in the transformational power of theatre. We believe that the arts have the power to inspire social change. In pursuing this vision, we seek to manage our programs and organizational culture in a manner that embraces equity, diversity and inclusion. We are an organization that values and celebrates everyone's life experiences, their voices and their histories. Celebrating unique perspectives and contributions, South Valley Civic Theatre expects that all people, regardless of race, ethnicity, sexual identity, culture, age, gender expression, background, ability, economic status, education, credentials and experience have the opportunity to be engaged in our programming.

We resolve to create a space where all people feel complete, heard, respected, understood, valued and connected. We strive to create an environment that feels like home to our participants and our audience. We believe that creating a genuinely inclusive environment and ensuring that diverse voices are present and active in all aspects of our programming enhances our organization's effectiveness. We aim to continuously push our thinking, challenge long-held beliefs and assumptions, and leverage our diversity to explore new, uncharted areas through our productions.



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Donald Larkin, City Attorney
APPROVED BY: City Manager

ADOPT ORDINANCE AMENDING THE ZONING CODE TO PROHIBIT HEAVY DISTRIBUTION AND PARCEL SORTING USES, AMEND PROVISIONS RELATED TO LOCAL DELIVERY SERVICES AND CLARIFY THE DEFINITION OF SIGNIFICANT PROJECTS SUBJECT TO DESIGN REVIEW

RECOMMENDATION(S)

1. Open/close the public hearing;
2. Waive the first and second reading of the ordinance; and
3. Introduce the ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Preserving and Cultivating Public Trust

2020-2021 Strategic Priorities

Economic Development
Fiscal Sustainability

GUIDING DOCUMENTS

Economic Blueprint
Morgan Hill 2035 General Plan

POLICY CONSIDERATIONS:

Should the City of Morgan Hill create land use classifications for e-commerce uses and distinguish these businesses from warehouse and distribution uses?

Should the City of Morgan Hill prohibit large fulfillment centers and parcel sorting facilities?

Should the City of Morgan modify design permit standards to automatically elevate buildings and developments of certain sizes to Planning Commission for review?

REPORT NARRATIVE:

Background:

Council Members and members of the community have raised concerns about recently approved and/or proposed large development projects along the 101 Freeway corridor. There is particular concern that the City's current zoning regulations do not adequately regulate e-commerce facilities, so that large industrial buildings can be developed as e-commerce, heavy distribution "fulfillment centers" served by hundreds of large semi-

trucks daily. The Council has also directed staff to develop more specific criteria for determining what projects are referred to the Planning Commission for design review. This ordinance addresses these concerns by creating definitions for e-commerce facilities in the industrial zones, and by creating criteria that requires large projects to be referred to the Planning Commission for design review, while still giving the Community Development Director flexibility to elevate any smaller projects to the Planning Commission that she determines to be significant.

Initiative Measure:

As the Council is aware, there is an initiative currently circulating that also attempts to address e-commerce facilities and large development projects. The initiative takes a unique approach, by defining “fulfillment centers” by building features only, rather than by use. Staff is concerned that this approach will result in unintended consequences. There are several existing businesses in our industrial areas that would be classified as “fulfillment centers” under the initiative by building size, ceiling height and number of dock doors. These businesses would be unable to modify or expand their facilities to meet future needs, potentially driving them out of Morgan Hill. Other businesses would be prohibited from converting existing drive through doors or punch-outs to dock-high-doors. To address those concerns, staff recommends an approach that utilizes both building feature and use to regulate e-commerce facilities.

The initiative also attempts to modify the administrative authority to approve discretionary permits. However, as described under “Next Steps” below, it is anticipated that further action will be needed to limit staff approval of discretionary permits due to unique and specific development controls which exist by special action in some areas of the City. For example, administrative approvals of large projects are required by the PUD zoning for Phase 1 of the Morgan Hill Ranch Business Park (on the south side of Cochrane, west of Highway 101, including Sutter and Jarvis Drives). The initiative does not effectively amend the PUD zoning for the park. Changes to the zoning for the business park will require further discussion with affected property owners.

Proposed Ordinance:

Council has previously stated agreement with the intent of the initiative measure. Specifically, Councilmembers have discussed shared concerns about potential e-commerce businesses that could add significant truck traffic to Morgan Hill. Also, Council has requested staff to recommend new standards to meet the goal of increasing transparency in land-use approvals for large projects.

Fulfillment Centers:

The proposed ordinance prohibits “fulfillment center” type uses by clarifying that heavy distribution and parcel sorting uses are not permitted in any zone in the City. The proposed ordinance differs from the initiative in the manner of defining those uses. Whereas the initiative defines the fulfillment center use by identifying building features, the proposed ordinance defines the actual use. A comparison chart showing the differences between the proposed ordinance and the initiative is attached to this report as Attachment 2.

Local Delivery:

Under the existing code, local delivery services of any size are permitted in the industrial zones. With the increase in online ordering, there is a significantly higher demand for local delivery services. In recognition of this increased demand, staff recommends modifying the way the City regulates local delivery uses. The proposed ordinance replaces local delivery under the classification of “light fleet-based services” with a new classification of “parcel hub.” Staff proposes to permit parcel hubs with 75,000 square feet or less of floor area, provided delivery vehicles are rated 10,000 pounds or less (this is typically a van or other smaller vehicle), and deliveries occur primarily within the City of Morgan Hill zip code. For parcel hubs larger than 75,000 square feet, the same requirements would apply, but a conditional use permit would also be required.

The table below compares the land-use regulations in the initiative to the proposed ordinance.

Facility	MHRGC Initiative	Proposed Ordinance
Heavy Distribution	Prohibited*	Prohibited
Sorting Center	Prohibited*	Prohibited
Parcel Hub-Large	Permitted**	Conditionally Permitted
Parcel Hub-Small	Permitted	Permitted

*Permitted with fewer than 1 dock door per 25,000 square feet of floor area or with a clear ceiling height of less than 24 feet.

**As Parcel Hub is defined in the Proposed Ordinance, which requires local delivery using vehicles rated 10,000 pounds or less. These smaller vehicles do not use dock-high doors.

Site and Design Review:

Currently, except for projects in Phase 1 of the Morgan Hill Ranch Business Park, the Community Development Director has discretion to refer site and design review for “significant projects” to the Planning Commission. A project is determined to be significant based on subjective findings by the Director. The proposed ordinance would clarify that any project that proposes to add more than 100,000 square feet of floor area, is higher than 40 feet, or would add more than 200 housing units, is automatically significant. The proposed amendments would also give the Director the authority to refer a project to Planning Commission for review for any reason, even if it does not meet the current significance conditions.

Planning Commission Recommendation:

The Planning Commission (PC) considered the proposed ordinance at the September 22 meeting and recommended adoption of the ordinance on a vote of 5-2. Commissioners made several recommendations that were incorporated into the current draft. Most significantly, the “parcel hub” definition was modified to clarify allowing only

local delivery using vehicles rated 10,000 pounds or less. In addition, the PC recommended removing a separate classification for e-commerce, and consolidating e-commerce uses with the existing warehouse and delivery classifications.

The Commission also expressed a concern that there could be an overconcentration of parcel hub uses in a single part of town. The PC recommended addressing overconcentration by requiring a CUP for all parcel hub uses. However, staff does not believe that the CUP process is the most effective way to prevent clustering of uses. If Council is concerned about a concentration of parcel hubs in any one part of the City, staff would recommend adopting distancing or siting by area limitations instead.

The PC Staff Report and agenda materials can be found [here](#).

Next Steps:

Morgan Hill Ranch Business Park:

This ordinance is just one step to address some of the concerns that have been raised about the development process. One issue that is not addressed by either this ordinance or the initiative measure is the outdated Morgan Hill Ranch Business Park Planned Development Agreement, which was approved in 1981. This agreement requires all discretionary permits for projects in the Business Park to be issued by staff rather than Planning Commission or City Council.

Although the agreement has expired, it has been adopted as part of the Planned Unit Development Zoning for the Business Park. The PUD zoning was amended and partially restated by initiative in 1987. Staff is currently exploring options to modify the PUD zoning to remove the requirement for administrative approval of discretionary permits.

E-Commerce Land Uses in Commercial Districts:

In addition to online businesses, many brick-and-mortar shops have begun operating e-commerce delivery services. These services can be operated out of existing stores, out of adjacent or nearby facilities, or through smaller warehouse-type facilities. Staff is monitoring developments in retail delivery services and will bring forth recommendations regarding whether and how to permit and regulate those uses in commercial zoning districts.

COMMUNITY ENGAGEMENT: Inform

Residents on the City's e-mail lists were notified of the proposed ordinance on September 16, 2020. At that time, copies of the staff report and draft ordinance were posted to the City's website. The Planning Commission held a public hearing to consider the proposed ordinance on September 22, 2020.

This staff report was posted to the project [webpage](#), all City social media accounts, and send to the community via City email blast on October 9, 2020 in advance of the October 21 City Council hearing.

ALTERNATIVE ACTIONS:

The Council could modify any of the proposed provisions of the ordinance or choose not to amend the zoning ordinance at this time.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

A public hearing was held before the Planning Commission on September 22, 2020.

FISCAL AND RESOURCE IMPACT:

Significant staff time will be required from the City Attorney's Office and Development Services Department to implement the ordinance changes. However, this work can be absorbed into the existing work plans.

CEQA (California Environmental Quality Act):

This ordinance is categorically exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, the proposed text amendment to the Morgan Hill Zoning Code is not a project with potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis.

LINKS/ATTACHMENTS:

1. 2020 Zoning Code Amendments--City Council
2. Ordinance Comparison

ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING TABLE 18.26-1 (PERMITTED LAND USES IN THE INDUSTRIAL ZONING DISTRICTS) OF SECTION 18.26.020 (LAND USE REGULATIONS) OF CHAPTER 18.26 (INDUSTRIAL ZONING DISTRICTS); SECTION 18.108.040 (DESIGN PERMIT) OF CHAPTER 18.108 (SPECIFIC PERMIT REQUIREMENTS; SECTIONS 18.124.050 (INDUSTRIAL USES) AND 18.124.060 (TRANSPORTATION, COMMUNICATION, AND UTILITY USES) OF CHAPTER 18.124 (LAND USE DEFINITIONS) OF TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING E-COMMERCE DISTRIBUTION USES AND DESIGN REVIEW FOR LARGE PROJECTS

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

Section 1. Table 18.26-1 (Permitted Land Uses in the Industrial Zoning Districts) of Section 18.26.020 (Land Use Regulations) of Chapter 18.26 (Industrial Zoning Districts) of Title 18 (Zoning) is hereby amended to read as follows (additions in underline, deletions in strikeout):

18.26.020– Land Use Regulations

A. Permitted Land Uses. Table 18.26-1 identifies land uses permitted in the industrial zoning districts.

TABLE 18.26-1 PERMITTED LAND USES IN THE INDUSTRIAL ZONING DISTRICTS

Key P Permitted Use A Administrative Use Permit required C Conditional Use Permit required – Use not allowed	Zoning District					Additional Regulations
	CI	IO	IC	IL	IG	
Residential Uses						
Caretaker Quarters	-	-	-	C	C	
Public and Quasi-Public Uses						
Colleges and Trade Schools	C	C	C	C	C	
Community Assembly	C	-	-	C	C	
Instructional Services	A	-	-	-	-	
Medical Offices and Clinics	A	-	-	-	-	
Parks and Recreational Facilities	C	-	-	C	C	
Public Safety Facilities	C	-	-	C	C	
Commercial Uses						
Adult Businesses	-	-	P	P	P	18.92.020
Animal-Related Commercial Uses						
Animal Boarding	C	-	-	C	C	
Veterinarian Clinics and Hospitals	A	A	A	C	C	

Banks and Financial Institutions	C [4]	-	-	-	-	
Business Support Services	P	C	P	P	P	
Cinemas and Theaters	A	-	-	-	-	
Commercial Recreation, Indoor						
≤ 15,000 sq. ft.	P	C	C	C	C	
> 15,000 sq. ft.	C	C	C	C	C	
Eating and Drinking Uses						
Restaurants, Fast Food	C [4]	- [5]	- [5]	- [5]	- [5]	
Restaurants, Sit-Down	C [4]	- [5]	- [5]	- [5]	- [5]	
Tasting Rooms	P [6]	-	-	A [6]	A [6]	
Lodging Facilities						
Hotels and Motels	P	-	-	-	-	
Mini-Storage	-	-	-	C	C	18.92.100
Personal Service	C [4]	- [5]	- [5]	- [5]	- [5]	
Plant Nurseries	C	-	-	P	P	
Professional Offices	P	P	P	P	P	
Retail						
Building Materials	C	-	-	P	P	
Convenience Markets	C [4]	- [5]	- [5]	- [5]	- [5]	
General Retail	C [4]	- [5]	- [5]	- [5]	- [5]	
Home Improvement Centers	C	-	-	C	C	
Large Commodity Retail	C	-	-	C	C	
Vehicle-Related Uses						
Towing and Impound	-	-	-	C	P	
Vehicle Repair and Maintenance, Major	-	-	-	C	P	
Vehicle Repair and Maintenance, Minor	-	-	-	P	P [1]	
Wholesaling	P	-	-	P	P	
Retail						
Building Materials	C	-	-	P	P	
Convenience Markets	C [4]	- [5]	- [5]	- [5]	- [5]	
General Retail	C [4]	- [5]	- [5]	- [5]	- [5]	
Home Improvement Centers	C	-	-	C	C	
Large Commodity Retail	C	-	-	C	C	
Vehicle-Related Uses						
Towing and Impound	-	-	-	C	P	
Vehicle Repair and Maintenance, Major	-	-	-	C	P	
Vehicle Repair and Maintenance, Minor	-	-	-	P	P [1]	
Wholesaling	P	-	-	P	P	
Industrial Uses						
Construction and Material Yards	C	C	C	P	P	18.36.030.C
Food and Beverage Production						
< 5,000 sq. ft. [7]	A [2]	A [2]	A [2]	P [2]	P [2]	
5,000 sq. ft. to 10,000 sq. ft. [7]	C [2]	C [2]	C [2]	P [2]	P [2]	

> 10,000 sq. ft.	C	C	C	P [2,8]	P [2,8]	
Manufacturing, Light	P	C [3]	C	P	P	
Manufacturing, General	–	–	–	–	C	
Research and Development	P	P	P	P	P	
Salvage and Wrecking	–	–	–	–	C	
Warehousing and Distribution						
Warehousing and Distribution, Large	C	C [3]	C [3]	C	P	
Warehousing and Distribution, Small	C	C [3]	C [3]	P	P	
Warehousing and Distribution with Outdoor Storage	C	–	–	C	C	
Heavy Distribution	–	–	–	–	–	
Parcel Sorting Facilities	–	–	–	–	–	
Parcel Hub Small < 75,000 sq. ft.	–	–	–	P	P	
Parcel Hub Large > 75,000 sq. ft.	–	–	–	C	C	
Recycling Facilities						
Reverse Vending Machine	P	C	C	P	P	
Recycling Collection Facility	C	–	–	C	C	
Recycling Processing Facility	–	–	–	–	C	
Utilities, Major	–	–	–	C	C	
Wireless Communications Facilities	See Chapter 18.96					
Agriculture and Natural Resource Uses						
Crop Cultivation	–		–			
Other Uses						
Accessory Uses	See Chapter 18.44					
Temporary Uses	See Section 18.92.150					

Notes:

[1] Retail sale of automotive products allowed only when ancillary to a vehicle repair and maintenance use. Retail display areas for automotive products may not exceed 25 percent of the building floor area.

[2] Must be 150 feet or more from a residential zoning district, otherwise requires a CUP.

[3] Permitted only when ancillary to another permitted use.

[4] Allowed as a primary use only when the Planning Commission finds that the use supports the primary job-generating uses within a business park setting.

[5] Allowed when accessory to a permitted primary use subject to the limitations in Section 18.26.020.D (Accessory Uses).

[6] Allowed only when accessory to a brewery, winery, or other alcoholic beverage production facility. Tasting rooms must be located within the building occupied by the primary use and may not exceed 5,000 square feet or 10 percent of the gross floor area of the building, whichever is less.

[7] On-site wholesale or retail sales required.

[8] Conditional Use Permit required when the type of food being produced will emit a generally offensive odor. Examples include primary processing of seafood, coffee roasting, pickled foods, or processes involving primarily fat and oils.

Section 2. Section 18.08.040 (Design Permit) of Chapter 18.08 (Specific Permit Requirements) of Title 18 (Zoning) is hereby amended to read as follows:

18.108.040 – Design Permit

A. Purpose. A Design Permit is a discretionary action that enables the City to ensure that proposed development exhibits high quality design consistent with the General Plan and any other applicable specific plan or area plan adopted by the City Council. The Design Permit process is also intended to ensure that new development and uses are compatible with their surroundings and minimize negative impacts on neighboring properties.

B. Review Authority.

1. Except as provided below, The the Community Development Director shall review and act on all Design Permit applications.
2. The Community Development Director may refer-elevate any Design Permit application under his or her authority to the Planning Commission for review and final decision.
3. The City Council shall review and act on all Design Permit applications for new City projects (e.g., new municipal buildings, parks) determined by the Community Development Director to be significant in accordance with Subsection D below.
4. Except for new City projects, the Planning Commission shall act on any Design Permit Application for any other projects determined by the Community Development Director to be significant in accordance with Subsection D below.

C. When Required. The following types of projects require a Design Review permit:

1. Three or more new residential units.
2. One or more new residential unit on a sensitive site as defined in Subsection E (Sensitive Sites) below.
3. New non-residential buildings, structures physical site improvements determined to be significant in accordance with Subsection D (Significant Projects) below.
4. Additions to existing buildings, structures, or other physical site improvements visible from a public right-of-way and determined to be significant in accordance with Subsection D (Significant Projects) below. Single-family homes are exempt unless the home is on a sensitive site as defined in Subsection E below.
5. Additions to existing residences located on a sensitive site as defined in Subsection E below.
6. Site alterations that change the topography of the currently developed site area on a sensitive site as defined in Subsection E below.
7. Relocation of existing buildings, structures or other physical site improvements.
8. Exterior changes to existing buildings, structures or other site improvements determined to be significant in accordance with Subsection D (Significant Projects) below. Single-family homes are exempt unless the home is on a sensitive site as defined in Subsection E below.
9. Grading of more than 50 cubic yards on slopes greater than ten percent.
10. New accessory structures including secondary dwelling units or guest homes on a sensitive site as defined in Subsection E below.
11. City projects, including but not limited to municipal buildings, parks and open spaces, landscaping within the right-of-way, and street furniture.
12. Other projects determined by the Community Development Director to be significant or which may adversely affect the environment or adjacent development.

D. Significant Projects.

1. The Community Development Director shall determine whether a project in

Subsection C above is significant and thus requires a Design Review permit. When determining if a project is significant, the Community Development Director shall consider:

- a. The visual prominence of the project when viewed from the public right-of-way and/or private property;
- b. The project height, mass, and area of site disturbance;
- c. The type, character, and proximity of adjacent development; and
- d. The potential of the project to create adverse impacts on adjacent uses or the community at large.

2. Any structure with more than 100,000 square feet of floor area or a building height greater than 40 feet, not including projections allowed by-right under Table 18.56-1, is presumed to be significant for purposes of this Chapter.

3. Any residential development of more than 200 units is presumed significant for purposes of this chapter.

2.4. The Community Development Director's determination that a project is significant may be appealed to the Planning Commission in accordance with Chapter 18.112 (Appeals).

E. Sensitive Sites.

1. The Community Development Director may require a Design Permit for a project located on a sensitive site where a Design Permit may not otherwise be required.
2. The Community Development Director's determination that a site is sensitive and that a Design Permit is required may be appealed to the Planning Commission in accordance with Chapter 18.112 (Appeals).
3. The City shall consider a site to be sensitive if the site:
 - a. Contains a notable natural feature such as a hillside, ridgeline, watercourse, major drainage way or floodplain;

Section 3. Section 18.124.050 (Industrial Uses) of Chapter 18.124 (Land Use Definitions) of Title 18 (Zoning) is hereby amended to read as follows:

18.124.050 – Industrial Uses

A. Construction and Material Yards. Storage of construction materials and/or heavy equipment on a site other than a construction site.

B. Food and Beverage Production. A manufacturing establishment producing or processing food products or beverages for off-site consumption and wholesale distribution where the processing of food is primarily from previously prepared or farmed ingredients.

C. Heavy Distribution. A Fulfillment Center or similar use with a minimum gross floor area of 200,000 square feet and a minimum ceiling height of 24 feet. The Fulfillment Center's primary purpose is storage and distribution of e-commerce products to

consumers or end-users, either directly or through a Parcel Hub. Heavy Distribution is prohibited in all zones in the City of Morgan Hill.

B.D. Manufacturing, Light. The manufacture, predominantly from previously prepared materials, of finished products or parts, including processing, fabrication, assembly, treatment, and packaging of such products, and incidental storage, sales and distribution of such products, but excluding basic industrial processing and custom manufacturing. Includes manufacture of electric and electronic instruments and devices. Excludes saw and planing mills and manufacturing uses involving primary production of wood, metal or chemical products from raw materials.

E. Manufacturing, General. Manufacturing of products from extracted or raw materials or recycled or secondary materials, or bulk storage and handling of such products and materials. Includes operations such as agriculture processing, apparel manufacturing; photographic processing plants; leather and allied product manufacturing; wood product manufacturing; paper manufacturing; chemical manufacturing; plastics and rubber products manufacturing; nonmetallic mineral product manufacturing; primary metal manufacturing; fabricated metal product manufacturing; and automotive and heavy equipment manufacturing.

F. Parcel Hub. A “Last Mile” facility or similar establishment for the processing and/or re-distribution of parcels or products. A Parcel Hub’s primary function is moving a shipment from one mode of transport to vehicles with rated capacities less than 10,000 pounds, for delivery directly to consumers or end-users primarily within the Morgan Hill zip code.

1. Parcel Hub, Large. A parcel hub facility that occupies 75,000 square feet or more in building area.

2. Parcel Hub, Small. A parcel hub facility that occupies less than 75,000 square feet in building area.

G.G. Parcel Sorting Facilities. Establishments for the sorting and or re-distribution of parcels or products from Heavy Distribution (Fulfillment Centers) to a Parcel Hub via intramodal transit truck to truck.

D.H. Research and Development. A facility for scientific research and the design, development, and testing of electrical, electronic, magnetic, optical, pharmaceutical, chemical, and biotechnology components and products in advance of product manufacturing. Includes assembly of related products from parts produced off site where the manufacturing activity is secondary to the research and development activities.

E.I. Salvage and Wrecking. Storage and dismantling of vehicles and equipment for sale of parts, as well as their collection, storage, exchange or sale of goods including, but not limited to, any used building materials, used containers or steel drums, used tires, and similar or related articles or property.

F.J. Warehousing and Distribution. A use engaged in storage, wholesale and distribution of manufactured products, supplies, and equipment to retailers; to industrial, commercial, institutional, farm, or professional business users; or to other wholesalers; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies. Includes merchant wholesalers; agents, merchandise or commodity brokers, and commission merchants; assemblers, buyers and associations engaged in the cooperative marketing of farm products; and bottling works.

1. **Warehousing and Distribution, Large.** A warehousing distribution facility 75,000 square feet or more in building or use area.
2. **Warehousing and Distribution, Small.** A warehousing distribution facility less than 75,000 square feet in building area, or as a secondary/companion use of no more than 75,000 sf ancillary to another activity contained within a larger building area.
3. **Outdoor Storage.** Storage of commercial goods in open lots.

Section 4. Subsection B (Light Fleet Based Services) of Section 18.124.060 (Transportation, Communication, and Utility Uses) of Chapter 18.124 (Land Use Definitions) of Title 18 (Zoning) is hereby amended to read as follows:

- A. Light Fleet-Based Services.** Passenger transportation services, ~~local delivery services,~~ medical transport, and other businesses that rely on fleets of three or more vehicles with rated capacities less than 10,000 pounds. Includes parking, dispatching, and offices for taxicab and limousine operations, ambulance services, nonemergency medical transport, local messenger and document delivery services, and similar businesses. Excludes towing operations (see “Towing and Impound”) or delivery services with two or fewer fleet vehicles on site (see “Business Support Services”).

Section 5. Severability. Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 6. Effective Date; Posting. This Ordinance shall take effect on _____, 2020. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

This ordinance was introduced at a meeting of the City Council held on the _____ day of _____, 2020, and adopted at a meeting held on the _____ day of _____, 2020, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: **COUNCIL MEMBERS:**

NOES: **COUNCIL MEMBERS:**

ABSTAIN: **COUNCIL MEMBERS:**

ABSENT: **COUNCIL MEMBERS:**

ATTEST:**APPROVED:**_____
IRMA TORREZ, City Clerk_____
RICHARD CONSTANTINE, Mayor**CERTIFICATE OF THE CITY CLERK**

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 Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the ____ day of _____, 2020.

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

DATE: _____

IRMA TORREZ, City Clerk

Comparison of Industrial Ordinance versus MHRGC Initiative

INITIATIVE	INDUSTRIAL ORDINANCE
18.08.020 Authority. The City Council delegates to the Community Development Director and the director's designees the authority to interpret the meaning and applicability of all provisions in the Zoning Code; <u>provided, however that, notwithstanding any other provision of this code, in no event shall any staff employee of the City of Morgan Hill have authority to approve a land use application for a large-Scale Development project which requires environmental review under the California Environmental Quality Act (Public Resources Code Section 21000, et seq., as amended), including without limitation, any application for a "project" (as defined in 14 CCR 15378) requiring discretionary approval (as defined in 14 CCR 15357). All such authority having been vested in the City Council of the City of Morgan Hill and/or the Planning Commission of the City of Morgan Hill, as appropriate.</u>	
Chapter 18.12 - Rules of Measurement 18.12.030 - Density. 18.12.040 - Distances. <u>18.12.045 - Dock-High-Door-and-Dock-High-Door-to-Square-foot Ratio.</u> <u>A. Dock-High-Door means an opening to the outside of a building used to interface with trucks for the loading and /or unloading of goods, products, merchandise or wares of any type and where the bottom of the opening is not at ground level but rather elevated by twenty-four (24) inches or more. Dock-High-Doors are used so that the bed of a truck and /or shipping container will match the building slab elevation at the opening. The typical configuration allows a semi-truck to back up to a building and directly align the back doors of the truck with a loading dock door. The elevation of the dock apron, the approach pavement area, is lower than the building slab elevation so that the bed of the truck will match the</u>	

building slab elevation. The typical offset is forty-eight (48) inches and the typical loading dock door is nine (9) feet wide by ten (10) feet tall. (Dock-High-Doors are also sometimes known as loading dock doors.)

B. Dock-High-Door-to-Square-Foot Ratio (DHDSFR) means the ratio of the total number of Dock-High-Doors that a building has to the total square feet of building floor area.

18.12.060 - Height

B. Clear Ceiling Height. Distance from the floor to the lowest hanging ceiling member or hanging objects, beams, joists or truss work descending down into a substantial portion of the area. This measure of the interior height of an industrial building defines the minimum height of usable space within the structure. Also known as clear height, clear headway, or clearance.

B.C. Number of stories.

18.12.065 – Large-Scale Development.

Large-Scale Development means any development which proposes the construction and/or addition of more than seventy-five thousand (75,000) square feet of new floor area, or a new building or addition to an existing building which is more than thirty-five (35) feet in height.

18.26.020– Land Use Regulations

A. Permitted Land Uses. Table 18.26-1 identifies land uses permitted in the industrial zoning districts.

TABLE 18.26-1 PERMITTED LAND USES IN THE INDUSTRIAL ZONING DISTRICTS

	IL	IG
Warehousing and Distribution		
Warehousing and Distribution, Large	C	P
Warehousing and Distribution, Small	P	P

		Heavy Distribution	-	-	
		Parcel Sorting Facilities	-	-	
		Parcel Hub Small < 75,000 sq. ft.	P	P	
		Parcel Hub Large > 75,000 sq. ft.	C	C	
Table 18.26-2: STANDARDS. * Structure Requirements [2] * Notes: [1] An FAR of 0.6 is allowed for industrial uses. An FAR of 0.5 is allowed for non-industrial uses. [2] Fulfillment Center structures, as defined in Section 18.124.050, are prohibited per Section 18.92.105.					
Chapter 18.92 - Supplemental Standards. 18.92.100 - Mini-Storage <u>18.92.105 - Fulfillment Centers</u> <u>Fulfillment Centers, as defined in Section 18.124.050, are prohibited uses in all Zoning Districts and Overlay Zones in the City of Morgan Hill. Fulfillment Centers lawfully existing prior to the effective date shall not be affected by this section.</u>					
18.108.020 - Administrative Use Permits. C. Review Authority. The Community Development Director takes action on <u>shall review and act on all</u> Administrative Use Permit applications. The community Development Director may refer any Administrative Use Permit application to the Planning Commission for review and final decision <u>other than applications relating to Large Scale Developments; provided, however, that the Community Development Director may refer any Administrative Use Permit application to the Planning Commission</u>					

<u>for review and final decision. The Planning Commission shall review and act on all Administrative Use Permit applications, which: (1) relate to Large-Scale Developments; and/or (2) are otherwise referred to the Planning Commission by the Community Development Director pursuant to this paragraph.</u> D. Public Notice and Hearing. Public notice of a pending action on an Administrative Use Permit application <u>other than applications relating to Large-Scale Developments</u> shall be provided in compliance with Section 18.104.100 (Notice of Pending Action). The Community Development Director shall hold a public hearing for a minor use permit application only upon receiving a written request for a public hearing as provided in Section 18.104.090. <u>The Planning Commission, shall review and act on an Administrative Use Permit application related to Large Scale Developments or an application otherwise referred to the Planning Commission at a noticed public hearing in compliance with Chapter 18.104 (Common Permit Requirements).</u>	
18.108.040 – Design Permit B. Review Authority. 1. The Community Development Director shall review and act on all Design Permit applications <u>other than applications relating to Large-Scale Developments; provided, however, that the Community Development Director may refer any Design Permit application to the Planning Commission for review and final decision. The Planning Commission shall review and act on all Design Permit applications, which: (1) relate to Large-Scale Developments; and/or (2) are</u>	18.108.040 – Design Permit A. Purpose. A Design Permit is a discretionary action that enables the City to ensure that proposed development exhibits high quality design consistent with the General Plan and any other applicable specific plan or area plan adopted by the City Council. The Design Permit process is also intended to ensure that new development and uses are compatible with their surroundings and minimize negative impacts on neighboring properties. B. Review Authority. 1. <u>Except as provided below, The the</u> Community Development Director shall review and act on all Design Permit applications. 2. The Community Development Director may <u>refer-elevate</u> any Design Permit application <u>under their authority</u> to the Planning Commission for review and final decision. 3. <u>The City Council shall review and act on all Design Permit applications for new City projects (e.g., new municipal buildings, parks)</u>

otherwise referred to the Planning Commission by the Community Development Director pursuant to this paragraph.

~~2. The Community Development Director may refer any Design Permit application to the planning Commission for review and final decision.~~

3. The City Council shall review and act on all Design Permit applications for new City projects (e.g., new municipal buildings, parks) determined by the Community Development Director to be significant in accordance with Subsection D below.

C. When Required.

The following types of projects require a Design Review permit:

*

12. Other projects determined by the Community Development Director to be significant in accordance with Paragraph D below, or which may adversely affect the environment or adjacent development or otherwise be considered a sensitive site in accordance with Paragraph E below.

D. Significant Projects.

*

2. The Community Development Director's determination that a project is or is not significant may be appealed to the Planning Commission in accordance with Chapter 18.112 (Appeals).

E. Sensitive Sites.

*

2. The Community Development Director's determination that a site is or is not sensitive and that a Design Permit is required may be

determined by the Community Development Director to be significant in accordance with Subsection D below.

4. Except for new City projects, the Planning Commission shall act on any Design Permit Application for any other projects determined by the Community Development Director to be significant in accordance with Subsection D below.

...

D. Significant Projects.

a. The Community Development Director shall determine whether a project in Subsection C above is significant and thus requires a Design Review permit. When determining if a project is significant, the Community Development Director shall consider:

- i. The visual prominence of the project when viewed from the public right-of-way and/or private property;
- ii. The project height, mass, and area of site disturbance;
- iii. The type, character, and proximity of adjacent development; and
- iv. The potential of the project to create adverse impacts on adjacent uses or the community at large.

b. Any structure with more than 100,000 square feet of floor area or a building height greater than 40 feet, not including projections allowed by-right under Table 18.56-1, is presumed to be significant for purposes of this Chapter.

c. Any residential development of more than 200 units is presumed significant for purposes of this chapter.

~~b.d.~~ The Community Development Director's determination that a project is significant may be appealed to the Planning Commission in accordance with Chapter 18.112 (Appeals).

appealed to the Planning Commission in accordance with Chapter 18.112 (Appeals).	
18.124.050 - Industrial Uses G. Warehousing and Distribution * * H. <u>Fulfillment Center. Any structure, building or other facility that has all of the following three attributes: (1) a floor area of seventy-five thousand (75,000 square feet or greater, and (2) a clear ceiling height of twenty-four (24) feet or greater over more than twenty-five (25) percent of the floor area, and (3) more than one dock-high door per 25,000 square feet of floor area (i.e., a proposed or as built DHDSFR greater than 1:25,000). For purposes of this section, "Fulfillment Center" shall include, but not be limited to, the following structures, buildings, and facilities: distribution center, sortable fulfillment center, e-commerce center, non-sort fulfillment center, transload facility, parcel hub, cold storage facility, short-term storage facility, high-cube warehouse, cross-dock facility, bulk break center, package handling center, order fulfillment center, logistics center or facility, receive center, sortation center, delivery station, specialty facility, last-touch facility, last-mile facility, last-mile distribution facility, city distribution facility, multi-market distribution facility, gateway facility, warehousing center; or any building, structure, or other facility, provided it has all three attributes listed above.</u>	18.124.050 – Industrial Uses A. Construction and Material Yards. Storage of construction materials and/or heavy equipment on a site other than a construction site. B. Food and Beverage Production. A manufacturing establishment producing or processing food products or beverages for off-site consumption and wholesale distribution where the processing of food is primarily from previously prepared or farmed ingredients. B.C. Heavy Distribution. <u>A Fulfillment Center or similar use with a minimum gross floor area of 200,000 square feet and a minimum ceiling height of 24 feet. The Fulfillment Center's primary purpose is storage and distribution of e-commerce products to consumers or end-users, either directly or through a Parcel Hub. Heavy Distribution is prohibited in all zones in the City of Morgan Hill.</u> G.D. Manufacturing, Light. The manufacture, predominantly from previously prepared materials, of finished products or parts, including processing, fabrication, assembly, treatment, and packaging of such products, and incidental storage, sales and distribution of such products, but excluding basic industrial processing and custom manufacturing. Includes manufacture of electric and electronic instruments and devices. Excludes saw and planing mills and manufacturing uses involving primary production of wood, metal or chemical products from raw materials. E. Manufacturing, General. Manufacturing of products from extracted or raw materials or recycled or secondary materials, or bulk storage and handling of such products and

materials. Includes operations such as agriculture processing, apparel manufacturing; photographic processing plants; leather and allied product manufacturing; wood product manufacturing; paper manufacturing; chemical manufacturing; plastics and rubber products manufacturing; nonmetallic mineral product manufacturing; primary metal manufacturing; fabricated metal product manufacturing; and automotive and heavy equipment manufacturing.

F. Parcel Hub. A “Last Mile” facility or similar establishment for the processing and/or re-distribution of parcels or products. A Parcel Hub’s primary function is moving a shipment from one mode of transport to vehicles with rated capacities less than 10,000 points, for delivery directly to consumers or end-users primarily within the Morgan Hill zip code.

1. **Parcel Hub, Large.** A parcel hub facility that occupies 75,000 square feet or more in building area.
2. **Parcel Hub, Small.** A parcel hub facility that occupies less than 75,000 square feet in building area.

D.G.Parcel Sorting Facilities. Establishments for the sorting and or re-distribution of parcels or products from Heavy Distribution (Fulfillment Centers) to a Parcel Hub via intramodal transit truck to truck.

E.H. Research and Development. A facility for scientific research and the design, development, and testing of electrical, electronic, magnetic, optical, pharmaceutical, chemical, and biotechnology components and products in advance of product manufacturing. Includes assembly of related products from parts produced off site where the manufacturing activity is secondary to the research and development activities.

F.I. Salvage and Wrecking. Storage and

dismantling of vehicles and equipment for sale of parts, as well as their collection, storage, exchange or sale of goods including, but not limited to, any used building materials, used containers or steel drums, used tires, and similar or related articles or property.

G.J. Warehousing and Distribution. A use engaged in storage, wholesale and distribution of manufactured products, supplies, and equipment to retailers; to industrial, commercial, institutional, farm, or professional business users; or to other wholesalers; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies. Includes merchant wholesalers; agents, merchandise or commodity brokers, and commission merchants; assemblers, buyers and associations engaged in the cooperative marketing of farm products; and bottling works.

1. **Warehousing and Distribution, Large.** A warehousing distribution facility 75,000 square feet or more in building or use area.
2. **Warehousing and Distribution, Small.** A warehousing distribution facility less than 75,000 square feet in building area, or as a secondary/companion use of no more than 75,000 sf ancillary to another activity contained within a larger building area.
3. **Outdoor Storage.** Storage of commercial goods in open lots.

18.124.060 - Transportation, communication, and utility uses

- A. Light Fleet-Based Services.** Passenger transportation services, ~~local-delivery services,~~ medical transport, and other businesses that rely on fleets of three or more vehicles with rated capacities less than 10,000 pounds. Includes parking, dispatching, and offices for taxicab and limousine operations, ambulance services, nonemergency medical

	transport, local messenger and document delivery services, and similar businesses. Excludes towing operations (see "Towing and Impound") or delivery services with two or fewer fleet vehicles on site (see "Business Support Services").
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CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Dwight Good, Fire Marshal

APPROVED BY: City Manager

RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

RECOMMENDATION(S)

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightening Complex fire.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Supporting Our Youth
Seniors
and Entire Community

2020-2021 Strategic Priorities

Community Engagement and Messaging

REPORT NARRATIVE:

The Santa Clara Unit (SCU) Lightning Complex fires started on August 16, 2020 as a result of lightning strikes in the Northern Diablo Range of eastern Santa Clara County, southern Alameda and San Joaquin counties, eastern Contra Costa County, and western Stanislaus and Merced counties. The complex comprised of seven incidents which were grouped by geographical location and incident command structure. The complex burned 396,624 acres over multiple locations throughout the six counties and was 100% contained by October 1, 2020. The complex resulted in 26 structures being damaged, 222 structures being destroyed, and 6 confirmed civilian and fire personnel injuries.

The Santa Clara Unit of CAL FIRE (SCU) requested and received assistance from CAL FIRE's Incident Management Team #6 (IMT #6) very early in the SCU Lightning Complex. IMT #6 provided SCU with strong command and control functions needed to control what would become the 3rd largest wildfire in California's recent history. At its peak, the SCU Lightning Complex was staffed with a total of 2,025 personnel, including 253 fire engines, 41 bulldozers, 41 water tenders, 25 hand crews, 9 helicopters, and overhead and command staff. Cal Fire added to its ranks by bringing back retirees, calling employees back from vacations, and hiring new fire personnel, to help fill the demand. These resources were later supplemented by National Guard and U.S. military resources. Firefighters from Arizona, Idaho, Kansas, Montana, New Mexico, Texas, Utah, Washington, Canada, and Australia also responded. Suppression costs for this Complex exceeded \$100 million.

On August 20, 2020, it was determined the complex fires which started in the Northern Diablo Range of the eastern Santa Clara County were traveling south and threatening the unincorporated areas of the County and eastern foothills of the City of Morgan Hill. The unincorporated areas of eastern Santa Clara County were put under an evacuation order, and certain neighborhoods of eastern City limits (Holiday Lake Estates and Jackson Oaks) were put under an evacuation warning. As a result, the City activated its Emergency Operations Center (EOC) and proclaimed a local emergency.

On August 23, 2020, due to significant weather concerns, forecasted to bring heavy wind and dry lightning potentially starting new fires, CAL FIRE upgraded the evacuation warning to an order for Jackson Oaks, Holiday Lake Estates and Thomas Grade residents. The east of Peet Road to Coyote Creek; South of Eagle View Drive and North of Half Road was put under a warning. After the weather system passed, the evacuation orders were reverted on August 24, and repopulation of the evacuated neighborhoods was allowed.

Emergency Operations Center (EOC)

Upon activation, all the sections were operational either physically in the EOC or virtually.

Operations:

Police - Law enforcement branch established structure to physically go door-to-door to communicate the evacuation information to the residents in the impacted communities, and provided for controlled evacuation and checkpoint, and patrolling of the evacuated neighborhoods.

DEOC – A call center was established and staffed for residents to call with inquiries with access to resources. The establishment of the call center also relieved call volumes to the PD dispatch center and Public Information Office. Maintenance teams were staffed to provide support in setting up traffic signage and equipment.

Fire – Unit Chief Jake Hess, as the Agency Administrator, oversaw the CAL FIRE Incident Management Team 6 to ensure: the protection of life and property, cost-effective incident management, cooperation with local agency partners and stakeholders, the appropriate and timely use of evacuation orders and warnings, the clear and consistent release of public information, fire suppression repair, and to secure suppression and recovery funding through FEMA's Fire Management Assistant Grant program.

Assistant Chief Dwight Good provided Incident Support, coordinated with City and County agencies, and ensured that SCU maintained routine business and response functions.

Logistics: Operated virtually to arrange for various resources to include rental of message boards, traffic signage and other equipment.

Planning: Operated virtually to prepare and document incident updates. For situational analysis, the City's mobile command vehicle was staffed and deployed to the SCU Lightning Complex fire incident command center in Pleasanton. This allowed for real time information to flow directly from the CAL FIRE incident command post into the City's EOC. It essentially provided Morgan Hill a "seat at the table" and allowed opportunity to weigh in as CAL FIRE developed plans and actions with impacts to the Morgan Hill and South County communities.

Finance: Operated virtually to establish and communicate charge codes for timekeeping and tracking City's response costs on this incident. The section is responsible for facilitating FEMA reimbursement application process which is already underway.

Management: Operated physically out of the EOC and included the City Manager as the Director of Emergency Services, City Attorney, Emergency Services Coordinator, and Public Information Officer. The section was responsible for the activation of the EOC, proclamation of local emergency, participating in various situational awareness briefings, and sending communications to the Morgan Hill community, City staff, and other stakeholders.

What Worked

Situational Analysis – The City's partnership with CAL FIRE really proved to be invaluable during this incident. The CAL FIRE Santa Clara Unit Fire Chief, also the Morgan Hill Fire Chief, was the incident commander thereby providing comfort that Morgan Hill's interests were well represented. In addition, Morgan Hill PD's mobile command vehicle and staff were deployed to the incident command center in Pleasanton. This essentially allowed for real time information to flow directly from the CAL FIRE incident command post into the City's EOC.

Communications - During the incident, information was available on the City website through a homepage newsflash and limited information was provided on our government access channel, Channel 17, referring viewers to the City website with a direct URL. Communications were sent out via e-blasts, social media posts, including Nextdoor, and through AlertSCC. In addition, staff held two virtual town halls, with over 1100 community members participating in each, to update the community and answer any questions in a live environment. The call center provided a centralized resource center which offloaded over 1800 calls from the police department dispatch center and could be accessed by staff at the EOC or at remote locations. Unlike the October 2019 PSPS events, where access and flow of information from the utility was often delayed and inaccurate, the access and flow of information during this fire incident was impeccable. Having a direct inlet at the CAL FIRE incident command center, aided in the City access to factual information and maps, which were then shared with the community in a timely manner.

During the event, over 25 direct emails were sent, in English with a link to the Spanish translation, to over 18,000 Morgan Hill residents and businesses with an average open rate of 44% (industry standard is 20%). Facebook posts saw an amazing reach with an all-time high of over 72,000 on the day of the actual evacuation. Facebook posts reach averaged between 20,000 – 30,000 during the event. Nextdoor posts were viewed on average by approximately 1500 – 3000 households with a high of 7700 views of the post indicating that the evacuation warning had ended.

The communications and engagement team conducted a follow-up survey on the City's communication efforts. The survey had 1135 respondents with over 57% not being in the evacuation warning area. Just under 80% of respondents indicated that communication during the fire was good to outstanding and the average rating for content, frequency, quality, timeliness, and methods of communication was 4.4 out of 5. Many comments were shared in the survey, with a majority of them being complimentary and expressing appreciation. A few comments will be further followed up on to provide clarity for residents and/or to enhance future emergency communications. A link to the survey results and comments have been included for reference.

Evacuations – Law Enforcement issued evacuation warnings and orders under the advisement of CAL FIRE out of an abundance of caution and well in advance of any immediate threats, thereby providing adequate time for impacted community members to prepare or evacuate. During the fire event, the neighborhoods of Jackson Oaks, Holiday Lake Estates, and Thomas Grade started in an evacuation warning and progressed to an evacuation order before returning to an evacuation warning. The neighborhoods of Jackson Meadows, Borello Estates, and Coyote Estates were under evacuation warning for the duration of the event. The Holiday Lake Estates and Jackson Oaks neighborhoods have a single means of egress which poses a challenge during an evacuation. Thanks to the engaged and prepared residents, these neighborhoods were quickly evacuated in an orderly fashion and without any issues.

Challenges

Communications – Generally there are two key elements in the communication process, the sender and receiver of information. Another critical element is how the information is communicated or received. In modern times we rely heavily on electronic communications received via email and or cell phones. There remains an elevated concern of communicating important information in case loss of power is experienced either due to PSPS events, fire, and other natural or manmade incidents.

The California Public Utility Commission (CPUC) is the agency tasked with regulating privately owned public utilities, including electric power and telecommunications. Recently, the CPUC ordered wireless companies to ensure their towers have a minimum of 72-hours backup power to ensure a minimum level of service with work to be complete by July 2021. Although the City does not have exclusive jurisdiction to regulate telecommunication companies, the City is engaging with providers to communicate the unique challenges Morgan Hill encounters such as the single means

of egress for eastern hill side areas, and urge for increased resiliency of their telecommunication infrastructure servicing the Morgan Hill community.

In the event of a utility or telecommunications system failure during an emergency, the Morgan Hill Police Department will utilize patrol officers, mobile messaging boards, and Long-Range Acoustic Device (LRAD) to provide emergency orders. These supplemental methods were deployed successfully during the evacuation warnings and orders issued for the SCU Lightning Complex fires.

Egress – The single means of egress on the eastern hillside continues to pose a challenge. The evacuation during this fire incident provides some level of assurance, thanks to the engaged and prepared residents. It is important that residents stay informed and engaged and help mitigate their properties of any fire hazards.

How Can Community Help

Be prepared: As catastrophic wildfires continue to increase each year in California, make sure to protect yourself and your family – plan, prepare and stay aware. Property owners and residents in areas most at risk are encouraged to take the steps in CAL FIRE’s “Ready, Set, Go!” to be ready for wildfire.

Maintain fire hazards around home and property: Property owners and residents can reduce their risk of fire loss by as much as 70% by maintaining an adequate Defensible Space around their homes. The Santa Clara County FireSafe Council offers detailed wildfire hazard surveys upon request.

Subscribe to City communications: <http://bit.ly/signupforCityemailcommunications>

Subscribe to Alert SCC notifications: <https://www.sccgov.org/sites/oes/alertscc/Pages/home.aspx>

Termination of Local Emergency

The SCU Lightning Complex Fire is now 100% contained. No structures in Morgan Hill were damaged, and any other impacts from the fire are within the normal control of the City’s normal protective services personnel, equipment, and facilities. Staff recommends that Council terminate the local emergency caused by the SCU Lightning Complex Fire. However, termination of the local emergency due to fire does not change the City’s emergency status due to the COVID-19 global pandemic.

COMMUNITY ENGAGEMENT: Inform.

The communication efforts and results of the survey are outlined above. This report serves to inform the community with a debrief of the SCU Lightning Complex fire incident.

ALTERNATIVE ACTIONS:

None.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On August 26, 2020, the City Council held a special meeting to adopt the resolution ratifying proclamation of local emergency due to Santa Clara Unit (SCU) Lightning Complex Fire.

FISCAL AND RESOURCE IMPACT:

The City's current estimate of the financial impact of the SCU Lightning Complex Fire is \$181,000, the majority of which is overtime. These costs are primarily charged to the General Fund (010) operational budgets. No budgetary adjustments are recommended at this time but may be brought forward during mid-cycle budget adjustments.

The Federal Emergency Management Agency (FEMA) has authorized a major declaration for the SCU Lightning Complex fire and approved Santa Clara County to be eligible to submit for 75% reimbursement of eligible costs. The City has submitted initial application for public assistance. The process can sometimes take months or years before a decision is made and funds are received.

CEQA (California Environmental Quality Act):

Not a Project. This is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. Resolution Terminating Local Emergency-CSU Lightning Complex

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL
TERMINATING THE LOCAL EMERGENCY**

WHEREAS, under the authority contained in California Government Code sections 8610 and 8634 and Morgan Hill Municipal Code Chapter 2.44, the Director of Emergency Services proclaimed the existence of a disaster in the City of Morgan Hill (the "City") on August 20, 2020; and

WHEREAS, the situation resulting from said conditions of extreme peril is now deemed to be within the control of the normal protective services, personnel, equipment, and facilities of the City.

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

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

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct that the state of local emergency is hereby terminated.

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

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this ____ day of _____, 20____ by the following vote:

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

DATE: _____

Rich Constantine, MAYOR

APPROVED AS TO FORM AND LEGALITY:

Donald A. Larkin, CITY ATTORNEY

Attachment: Resolution Terminating Local Emergency-CSU Lightning Complex (2891 : SCU Fire Follow-up)

∞ 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. _____, adopted by the City Council at the meeting held on _____, 20____.

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

DATE: _____

Irma Torrez, CITY CLERK

Attachment: Resolution Terminating Local Emergency-CSU Lightning Complex (2891 : SCU Fire Follow-up)



CITY COUNCIL STAFF REPORT

MEETING DATE: October 21, 2020

PREPARED BY: Michelle Bigelow, Deputy City Clerk
APPROVED BY: City Manager

FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

RECOMMENDATION(S)

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Advancing Regional Initiatives

REPORT NARRATIVE:

The purpose of this report is for City Council to consider whether to direct staff to bring back a report for City Council discussion regarding adding Council reports to the agenda.

At the September 16, 2020 City Council meeting, Mayor Pro Tem Martinez Beltran requested that Council reports be added to the agenda.

COMMUNITY ENGAGEMENT: Inform

The report serves to inform the community of the potential discussion regarding adding Council reports to the agenda.

ALTERNATIVE ACTIONS:

City Council could direct staff to bring this item forward at the January 2021 Goal Setting Workshop or decide to wait for the discussion until in-person City Council meetings recommence.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Not applicable.

FISCAL AND RESOURCE IMPACT:

There is no direct fiscal impact to this item.

CEQA (California Environmental Quality Act):

Not a Project. This is an administrative activity of the government that will not result in direct or indirect physical changes in the environment.

From: [Chris Ghione](#)
To: [Michelle Bigelow](#); [Angie Gonzalez](#)
Cc: [Christina Turner](#)
Subject: Commission Recommendation for Item 5
Date: Tuesday, October 20, 2020 7:57:12 PM

Hello Michelle and Angie,

At the October 20th Parks and Recreation Commission meeting the Commission recommended (5-0) that the Council authorize the grant application for the Butterfield Park Project.

Can we include this recommendation as supplemental item.

Thank you,
Chris

Chris Ghione
Public Services Director
[Engage With Us!](#)

City of Morgan Hill
Community Services, Engineering and Utilities
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chris.ghione@morganhill.ca.gov
morganhill.ca.gov | [facebook](#) | [twitter](#)

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Item # 7
AGENDA DATE: 10/21/2020
SUPPLEMENT # 1

From: [Christina Turner](#)
To: [D. Muirhead](#)
Cc: [CC Public Comment](#)
Subject: RE: Comments City Council October 21, 2020 Items #7, #18, #19
Date: Wednesday, October 21, 2020 1:40:10 PM

Hi Doug - Please see responses to your comments below:

Item #7 Thank you for your comments.

Item #18 The CalFire Watershed Emergency Response Team (WERT) Evaluation was included in our weekly 411 and here is a direct link to the report: <https://www.morgan-hill.ca.gov/DocumentCenter/View/37327/SCU-Lightning-Complex-Fire-Watershed-Emergency-Response-Team-Report> We have also included it on our website on a Fire page.

Item #19 For the Council Reports, you can refer to the policy at the following link. <https://www.morgan-hill.ca.gov/DocumentCenter/View/6076/CP-97-01-Rules-for-the-Conduct-of-City-Council-Meetings>

Here is an excerpt for the reports:

4.5 City Council Reports: On an alternating basis, at each Council meeting a Council Member has the opportunity to share with the Council and community any pertinent updates or information in regard to their appointments to outside agencies, upcoming events, or relevant City business. These are non-action items.

4.8 Other Reports: These are pertinent updates or information on upcoming activities or events relevant to City business. These are non-action items.

These reports have been suspended until we return to in-person meetings. At the meeting on October 21, Council will decide whether to reconsider this decision at a future meeting.

Thank you,
Christina

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

From: D. Muirhead <doug.muirhead@stanfordalumni.org>
Sent: Thursday, October 15, 2020 11:23 AM
To: CC Public Comment <CCPublicComment@morganhill.ca.gov>
Subject: Comments City Council October 21, 2020 Items #7, #18, #19

Comments for Morgan Hill City Council Meeting: October 21, 2020

- Item #7. Purchase/install SRM, AM, and CRM systems
- Item #18. Report on SCU Lightning Complex fire
- Item #19. Discussion on adding Council Reports to the agendas.

- 7. Purchase/install Service Request Management (SRM),
Asset Management and Customer Relationship Management (CRM)
software for the Maintenance and Utility Departments

[comment] I am pleased to finally see some movement in this area. Eighteen months ago at the Goal Setting, I was excited to hear that a replacement for Report-A-Concern was in the works.

These systems benefit your employees but can also provide better request management from our residents. Last year at County GIS day, County Parks talked about their new Asset Management system. Automated generation and tracking of work orders as well as scheduled asset inventory assessment and preventative maintenance are all benefits.

The ability for the public to inject situations to be assessed would be a plus (to be enabled after staff had some experience with the new system).

Please acquire this capability.

18. Report on SCU Lightning Complex fire

[comment] I am disappointed that you did not inform the community of the CalFire Watershed Emergency Response Team Evaluation CA-SCU-005740 September 21, 2020 which the City and I have had since September 30.

19. Discussion on adding Council Reports to the agendas

[comment] I am unsure what a "Council Report" is.

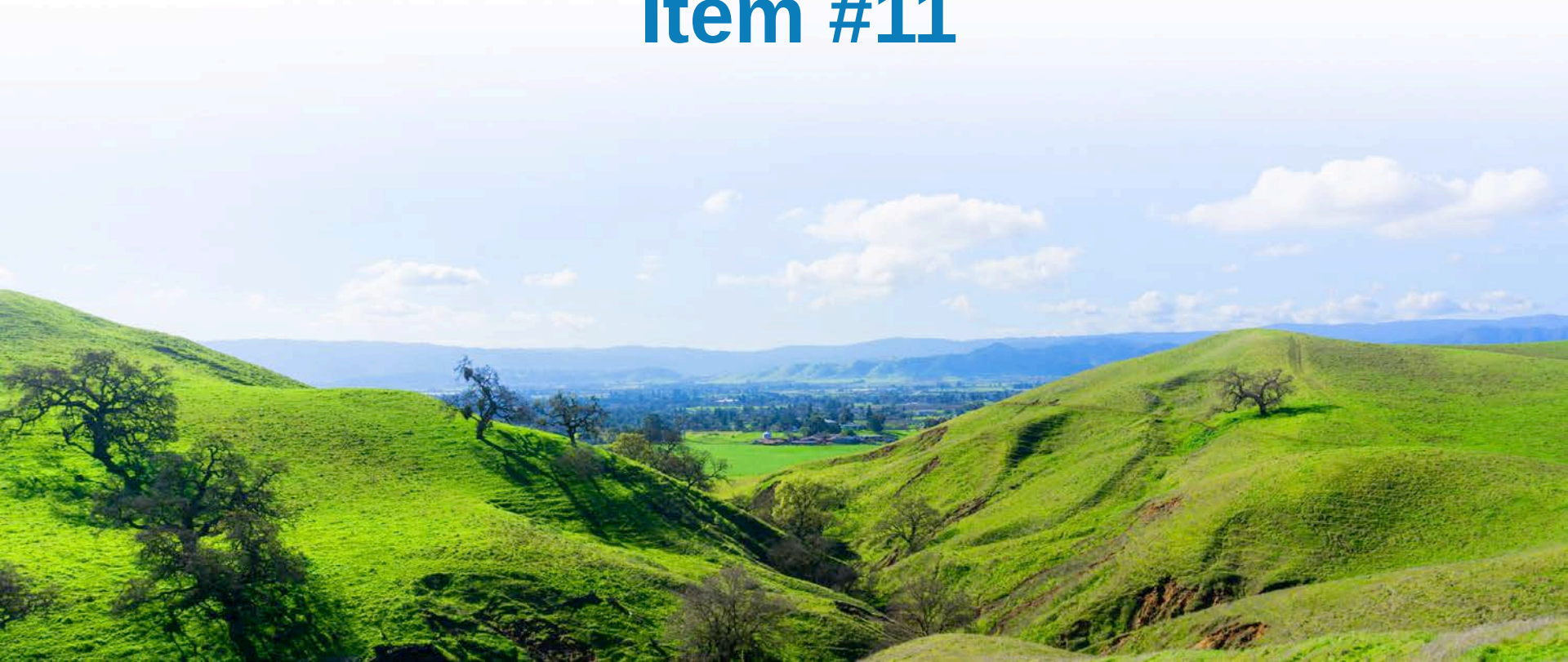
You used to have a single Council Member do a brief report at the start of each meeting, rotating through all members. This no longer happens. At the Goal Setting at the start of the year, Council Members endorsed more reporting by more members as a way to inform the entire Council and the community on what and how members were benefiting our City and its residents through their outside assignments and local activities.

You have talked about wanting more interaction with residents and this is one way to start the conversations.

Thank you for your consideration, Doug Muirhead, Morgan Hill

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Award of Tree Maintenance Services Agreement Item #11



Background



- City has neither staff resources, expertise, nor equipment to safely maintain publicly-owned trees
- Tree maintenance services have been bid out and awarded for many years
- Grid pruning (every tree), spot pruning as needed, emergency responses, arborist consultation, tree planting, tree removals
- City currently without a contract due to delays in awarding contract

First Solicitation

- June 16th Release
- August 5th Notice of Award
- Protest
- August 19th Reject All Proposals



Second Solicitation

- August 21st Release
- September 2nd Notice of Award
- Award Scheduled for September 23rd
- Last Minute Protests = Delay to October 21st
- Numerous Additional Communications Received



Communications Received



- Foundation for Fair Contracting
- Local Laborers' Union
- West Coast Arborists' Attorney
- West Coast Arborists
- Union Members



Foundation for Fair Contracting (FFC) Letter



- Allegation: A Plus does not provide its employees with good fringe benefits such as Health and Welfare, or Pension.
- *FFC supplied no evidence of this and these are not factors that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore are not grounds to refuse the award of the contract to A Plus Tree Service.*

Foundation for Fair Contracting (FFC) Letter



- Allegation: The persons associated with A Plus's license and others have been known not to comply with the Laws and Regulations Governing the Payment of Prevailing Wages.
- *There is no evidence to support this allegation. Requests for substantiation went unanswered. There have been no judgments against A Plus Tree located in public records. A Plus Tree indicates it has no judgments against it.*

Foundation for Fair Contracting (FFC) Letter



- Allegation: The unbalanced bid submitted by A Plus represents a clear discrepancy in the bid and must be scrutinized by City staff. Furthermore, this discrepancy may result in a contractual dispute between the City and A Plus.
- *Even with a mistake in the bid for tree removal, for which A plus Tree received 0 points, A Plus is still the low bidder based on the weighted point system. Furthermore, the RFP allowed for the City's right to negotiate with the selected bidder to amend services to meet the City's financial requirements.*

Scoring



Morgan Hill: REBID 2020 Tree Maintenance Narrative and Bid Pricing

NARRATIVE SCORING								NARRATIVE SCORING (40 points)								
								Points Available	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist		
Previous Experience providing superior levels of tree maintenance service to like-sized public and/or private agencies								15.0	13.0	11.5	12.0	13.3	12.5	14.0		
Assessments of work quality, performance and working relationships by current and recent clients indicating high levels of satisfaction and eff								10.0	8.5	8.3	8.8	7.8	8.5	9.0		
Qualifications of staff to be assigned to provide tree maintenance services to the City								5.0	4.8	4.5	4.3	4.5	4.5	4.8		
Well organized communication systems and electronic reporting capabilities								10.0	9.5	7.8	7.0	7.8	7.5	9.25		
SUBTOTAL- NARRATIVE POINTS								40.0	35.8	32.0	32.0	33.3	33.0	37.0		
BID PRICING								BID PRICING SCORING (60 points)								
Item	Lowest Bidder	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist	Points Available	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist		
1. Grid and Park Pruning Price	58.75	58.75	375.00	69.00	109.00	750.00	62.00	38.00%	22.8	22.8	3.6	19.4	12.3	1.8	21.6	
2A. to 2E. Average Trim Price	131.20	152.00	377.00	171.80	271.16	625.00	131.20	2.00%	1.2	1.0	0.4	0.9	0.6	0.3	1.2	
3A. To 3B. Average Tree Removal Price	36.00	1,100.00	1,100.00	36.00	55.60	88.50	44.00	2.50%	1.5	0.0	0.0	1.5	1.0	0.6	1.2	
4. Stump Removal	10.00	10.00	150.00	15.00	22.50	10.00	10.00	2.50%	1.5	1.5	0.1	1.0	0.7	1.5	1.5	
5A. To 5C. Average Tree Planting Price	220.00	235.67	516.67	236.67	281.67	366.67	220.00	2.00%	1.2	1.1	0.5	1.1	0.9	0.7	1.2	
6. Evaluation by Certified Arborist	70.00	70.00	150.00	127.50	172.00	140.00	100.00	4.00%	2.4	2.4	1.1	1.3	1.0	1.2	1.7	
7. Tree Watering	198.00	198.00	900.00	-	665.00	200.00	199.00	2.00%	1.2	1.2	0.3	-	0.4	1.2	1.2	
8. Average Crew Rental Price	180.00	212.50	180.00	357.50	322.50	437.50	255.00	47.00%	28.2	23.9	28.2	14.2	15.7	11.6	19.9	
SUBTOTAL-PRICING POINTS								100%	60.0	54.0	34.2	39.5	32.5	18.9	49.5	
GRAND TOTAL								100.0	89.7	66.2	71.5	65.8	51.9	86.5		
									1	4	3	5	6	2		

Point Score is lowest bidder's item price divided by each Contractor's item price times the number of points available. For example, Arbor Work's Average Crew Rental Price Amount = $180.00/357.50 \times 28.2 \text{ points} = 14.2 \text{ points}$

Scoring



BID PRICING								
Item	Lowest Bidder	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist	
1. Grid and Park Pruning Price	58.75	58.75	375.00	69.00	109.00	750.00	62.00	38.00%
2A. to 2E. Average Trim Price	131.20	152.00	377.00	171.80	271.16	625.00	131.20	2.00%
3A. To 3B. Average Tree Removal Price	36.00	1,100.00	1,100.00	36.00	55.60	88.50	44.00	2.50%
4. Stump Removal	10.00	10.00	150.00	15.00	22.50	10.00	10.00	2.50%
5A. To 5C. Average Tree Planting Price	220.00	235.67	516.67	236.67	281.67	366.67	220.00	2.00%
6. Evaluation by Certified Arborist	70.00	70.00	150.00	127.50	172.00	140.00	100.00	4.00%
7. Tree Watering	198.00	198.00	900.00	-	665.00	200.00	199.00	2.00%
8. Average Crew Rental Price	180.00	212.50	180.00	357.50	322.50	437.50	255.00	47.00%
SUBTOTAL-PRICING POINTS								100%

GRAND TOTAL

Scoring



BID PRICING SCORING (60 points)							
	Points Available	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist
38.00%	22.8	22.8	3.6	19.4	12.3	1.8	21.6
2.00%	1.2	1.0	0.4	0.9	0.6	0.3	1.2
2.50%	1.5	0.0	0.0	1.5	1.0	0.6	1.2
2.50%	1.5	1.5	0.1	1.0	0.7	1.5	1.5
2.00%	1.2	1.1	0.5	1.1	0.9	0.7	1.2
4.00%	2.4	2.4	1.1	1.3	1.0	1.2	1.7
2.00%	1.2	1.2	0.3	-	0.4	1.2	1.2
47.00%	28.2	23.9	28.2	14.2	15.7	11.6	19.9
100%	60.0	54.0	34.2	39.5	32.5	18.9	49.5
	100.0	89.7	66.2	71.5	65.8	51.9	86.5
		1	4	3	5	6	2

Foundation for Fair Contracting (FFC) Letter



- Allegation: A Plus has not made a good faith effort to participate and invest in Local Workforce Development, nor have participated in local hiring of workers in the community through formal and recognized pre-apprenticeship programs.
- *These are not factors that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore are not grounds to refuse the award of the contract to A Plus Tree Service.*

Foundation for Fair Contracting (FFC) Letter



- Allegation: West Coast Arborists, Inc. (WCA) employs approximately forty employees who live and invest in the County of Santa Clara.
- *This is not a factor that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore is not grounds to refuse the award of the contract to A Plus Tree Service.*

Laborers' Local 270 Letter



- Allegation: The bid provided by APlus represents discrepancies and actually charges more for specific items than the other bidder.
- *While this specific issue is true, this contract is to be awarded based on the “best value” methodology. City team carefully drafted the RFP bidding criteria to give weight to the items the City historically uses the most to achieve the overall best value for the City. A Plus’ proposal will result in cost savings to the City if historical use patterns continue. Notably, the West Coast’s proposal charges more for the most-often used services.*

Laborers' Local 270 Letter



- Allegation: A Plus questionable involvement and investment in local workforce development, including, but not limited, to formal approved Federal and State apprenticeship programs.
- *These are not factors that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore are not grounds to refuse the award of the contract to A Plus Tree Service. Furthermore, no evidence was provided to support this allegation.*

Laborers' Local 270 Letter



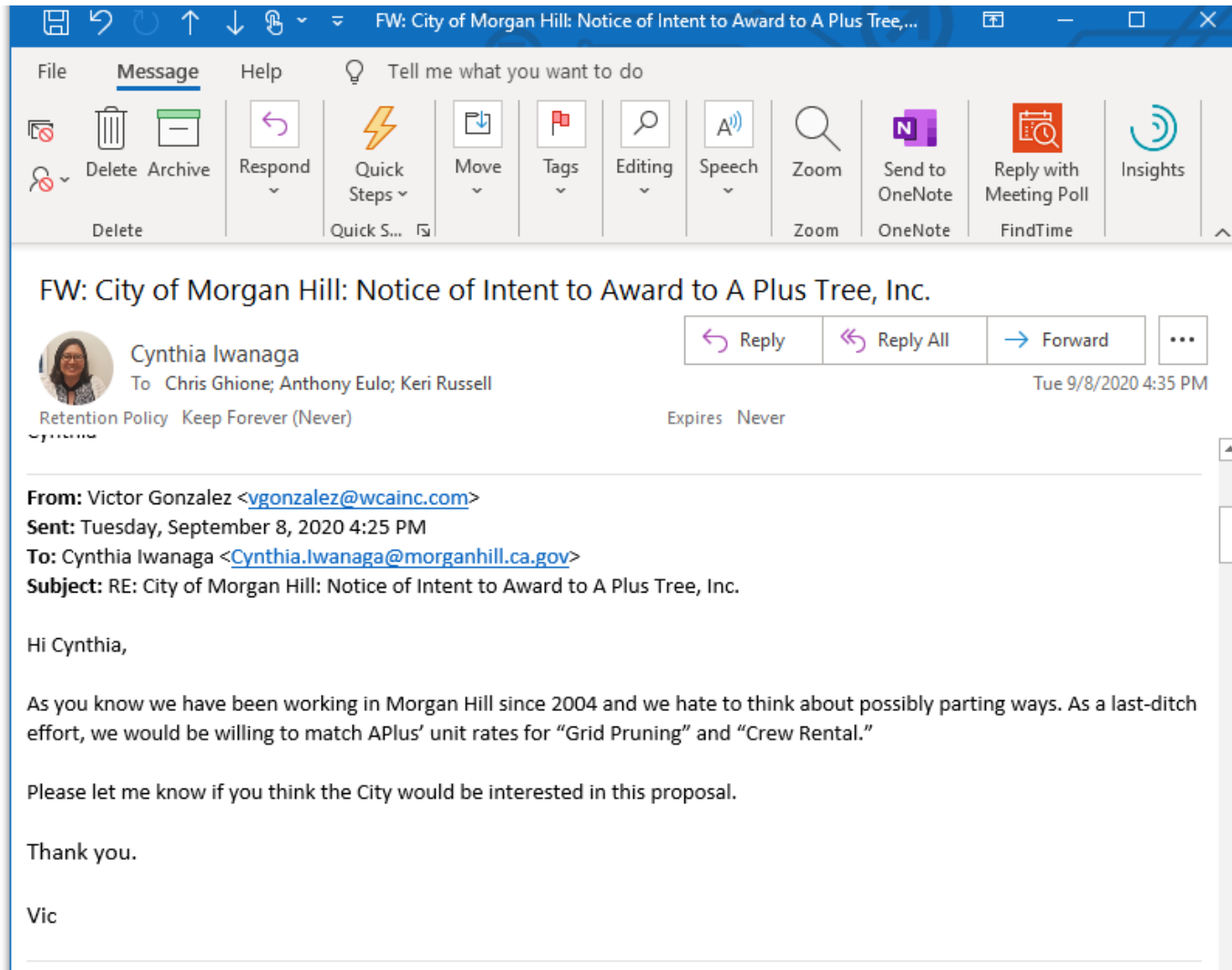
- Allegation: Prevailing wage and hour laws are very complex and everchanging, A Plus knowledge base of these laws are questionable and could create disputes with change-orders, Labor Commissioner involvement, and litigation implications.
- *No evidence was provided to support this allegation. Nothing in City team's review of the proposal supports this allegation. There have been no judgments against A Plus Tree located in public records. A Plus Tree indicates it has no judgments against it.*

West Coast Arborists' Attorney Letters



- Allegation: The City allowed A Plus to change their bid.
- *There are three problems with his arguments:*
 1. *The City did not allow A Plus to change their bid.*
 2. *Relying on inapplicable section of California law.*
 3. *It is West Coast that attempted to change their bid.*

Email from Victor Gonzalez – Sept 8th



Email from Victor Gonzalez – Sept 8th



From: Victor Gonzalez <vgonzalez@wcainc.com>
Sent: Tuesday, September 8, 2020 4:25 PM
To: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>
Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Hi Cynthia,

As you know we have been working in Morgan Hill since 2004 and we hate to think about possibly parting ways. As a last-ditch effort, we would be willing to match APlus' unit rates for "Grid Pruning" and "Crew Rental."

Please let me know if you think the City would be interested in this proposal.

Thank you.

Vic

Political Issues

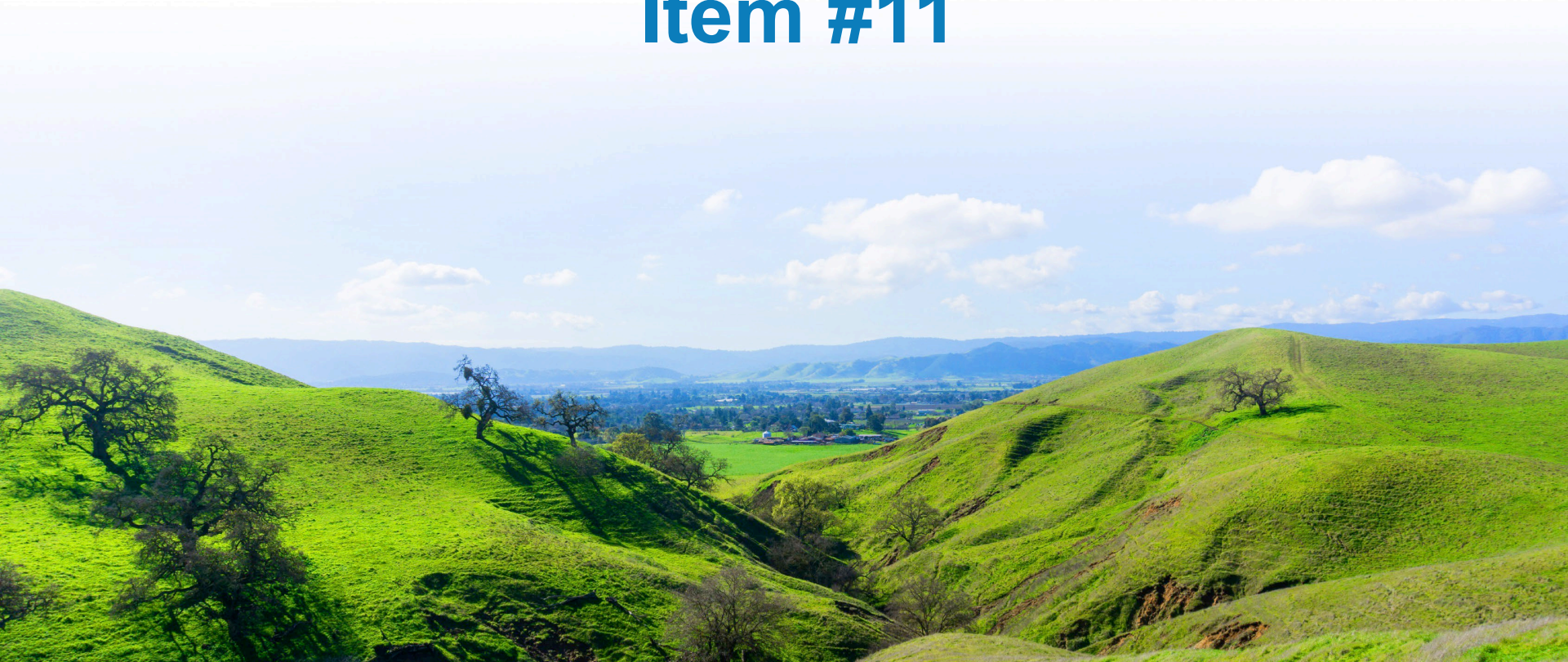
We are a professional organization that awards contracts based on the law and the rules governing the procurement.





CITY OF MORGAN HILL

Award of Tree Maintenance Services Agreement Item #11



Background



- City has neither staff resources, expertise, nor equipment to safely maintain publicly-owned trees
- Tree maintenance services have been bid out and awarded for many years
- Grid pruning (every tree), spot pruning as needed, emergency responses, arborist consultation, tree planting, tree removals
- City currently without a contract due to delays in awarding contract

First Solicitation



- June 16th Release
- August 5th Notice of Award
- Protest
- August 19th Reject All Proposals



Second Solicitation

- August 21st Release
- September 2nd Notice of Award
- Award Scheduled for September 23rd
- Last Minute Protests = Delay to October 21st
- Numerous Additional Communications Received



Communications Received



- Foundation for Fair Contracting
- Local Laborers' Union
- West Coast Arborists' Attorney
- West Coast Arborists
- Union Members



Foundation for Fair Contracting (FFC) Letter



- Allegation: A Plus does not provide its employees with good fringe benefits such as Health and Welfare, or Pension.
- *FFC supplied no evidence of this and these are not factors that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore are not grounds to refuse the award of the contract to A Plus Tree Service.*

Foundation for Fair Contracting (FFC) Letter



- Allegation: The persons associated with A Plus's license and others have been known not to comply with the Laws and Regulations Governing the Payment of Prevailing Wages.
- *There is no evidence to support this allegation. Requests for substantiation went unanswered. There have been no judgments against A Plus Tree located in public records. A Plus Tree indicates it has no judgments against it.*

Foundation for Fair Contracting (FFC) Letter



- Allegation: The unbalanced bid submitted by A Plus represents a clear discrepancy in the bid and must be scrutinized by City staff. Furthermore, this discrepancy may result in a contractual dispute between the City and A Plus.
- *Even with a mistake in the bid for tree removal, for which A plus Tree received 0 points, A Plus is still the low bidder based on the weighted point system. Furthermore, the RFP allowed for the City's right to negotiate with the selected bidder to amend services to meet the City's financial requirements.*

Scoring



Morgan Hill: REBID 2020 Tree Maintenance Narrative and Bid Pricing

NARRATIVE SCORING								NARRATIVE SCORING (40 points)							
								Points Available	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist	
Previous Experience providing superior levels of tree maintenance service to like-sized public and/or private agencies								15.0	13.0	11.5	12.0	13.3	12.5	14.0	
Assessments of work quality, performance and working relationships by current and recent clients indicating high levels of satisfaction and eff								10.0	8.5	8.3	8.8	7.8	8.5	9.0	
Qualifications of staff to be assigned to provide tree maintenance services to the City								5.0	4.8	4.5	4.3	4.5	4.5	4.8	
Well organized communication systems and electronic reporting capabilities								10.0	9.5	7.8	7.0	7.8	7.5	9.25	
SUBTOTAL - NARRATIVE POINTS								40.0	35.8	32.0	32.0	33.3	33.0	37.0	
BID PRICING								BID PRICING SCORING (60 points)							
Item	Lowest Bidder	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist	Points Available	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist	
1. Grid and Park Pruning Price	58.75	58.75	375.00	69.00	109.00	750.00	62.00	38.00%	22.8	22.8	3.6	19.4	12.3	1.8	21.6
2A. to 2E. Average Trim Price	131.20	152.00	377.00	171.80	271.16	625.00	131.20	2.00%	1.2	1.0	0.4	0.9	0.6	0.3	1.2
3A. To 3B. Average Tree Removal Price	36.00	1,100.00	1,100.00	36.00	55.60	88.50	44.00	2.50%	1.5	0.0	0.0	1.5	1.0	0.6	1.2
4. Stump Removal	10.00	10.00	150.00	15.00	22.50	10.00	10.00	2.50%	1.5	1.5	0.1	1.0	0.7	1.5	1.5
5A. To 5C. Average Tree Planting Price	220.00	235.67	516.67	236.67	281.67	366.67	220.00	2.00%	1.2	1.1	0.5	1.1	0.9	0.7	1.2
6. Evaluation by Certified Arborist	70.00	70.00	150.00	127.50	172.00	140.00	100.00	4.00%	2.4	2.4	1.1	1.3	1.0	1.2	1.7
7. Tree Watering	198.00	198.00	900.00	-	665.00	200.00	199.00	2.00%	1.2	1.2	0.3	-	0.4	1.2	1.2
8. Average Crew Rental Price	180.00	212.50	180.00	357.50	322.50	437.50	255.00	47.00%	28.2	23.9	28.2	14.2	15.7	11.6	19.9
SUBTOTAL-PRICING POINTS								100%	60.0	54.0	34.2	39.5	32.5	18.9	49.5
GRAND TOTAL								100.0	89.7	66.2	71.5	65.8	51.9	86.5	
									1	4	3	5	6	2	

Point Score is lowest bidder's item price divided by each Contractor's item price times the number of points available. For example, Arbor Work's Average Crew Rental Price Amount = $180.00/357.50 \times 28.2 \text{ points} = 14.2 \text{ points}$

Scoring



BID PRICING								
Item	Lowest Bidder	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist	
1. Grid and Park Pruning Price	58.75	58.75	375.00	69.00	109.00	750.00	62.00	38.00%
2A. to 2E. Average Trim Price	131.20	152.00	377.00	171.80	271.16	625.00	131.20	2.00%
3A. To 3B. Average Tree Removal Price	36.00	1,100.00	1,100.00	36.00	55.60	88.50	44.00	2.50%
4. Stump Removal	10.00	10.00	150.00	15.00	22.50	10.00	10.00	2.50%
5A. To 5C. Average Tree Planting Price	220.00	235.67	516.67	236.67	281.67	366.67	220.00	2.00%
6. Evaluation by Certified Arborist	70.00	70.00	150.00	127.50	172.00	140.00	100.00	4.00%
7. Tree Watering	198.00	198.00	900.00	-	665.00	200.00	199.00	2.00%
8. Average Crew Rental Price	180.00	212.50	180.00	357.50	322.50	437.50	255.00	47.00%
SUBTOTAL-PRICING POINTS								100%

GRAND TOTAL

Scoring



BID PRICING SCORING (60 points)							
	Points Available	A Plus Tree	Arborist Now	Arbor Works	Brightview Tree	Atlas Tree	West Coast Arborist
38.00%	22.8	22.8	3.6	19.4	12.3	1.8	21.6
2.00%	1.2	1.0	0.4	0.9	0.6	0.3	1.2
2.50%	1.5	0.0	0.0	1.5	1.0	0.6	1.2
2.50%	1.5	1.5	0.1	1.0	0.7	1.5	1.5
2.00%	1.2	1.1	0.5	1.1	0.9	0.7	1.2
4.00%	2.4	2.4	1.1	1.3	1.0	1.2	1.7
2.00%	1.2	1.2	0.3	-	0.4	1.2	1.2
47.00%	28.2	23.9	28.2	14.2	15.7	11.6	19.9
100%	60.0	54.0	34.2	39.5	32.5	18.9	49.5
	100.0	89.7	66.2	71.5	65.8	51.9	86.5
		1	4	3	5	6	2

Foundation for Fair Contracting (FFC) Letter



- Allegation: A Plus has not made a good faith effort to participate and invest in Local Workforce Development, nor have participated in local hiring of workers in the community through formal and recognized pre-apprenticeship programs.
- *These are not factors that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore are not grounds to refuse the award of the contract to A Plus Tree Service.*

Foundation for Fair Contracting (FFC) Letter



- Allegation: West Coast Arborists, Inc. (WCA) employs approximately forty employees who live and invest in the County of Santa Clara.
- *This is not a factor that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore is not grounds to refuse the award of the contract to A Plus Tree Service.*

Laborers' Local 270 Letter



- Allegation: The bid provided by APlus represents discrepancies and actually charges more for specific items than the other bidder.
- *While this specific issue is true, this contract is to be awarded based on the “best value” methodology. City team carefully drafted the RFP bidding criteria to give weight to the items the City historically uses the most to achieve the overall best value for the City. A Plus’ proposal will result in cost savings to the City if historical use patterns continue. Notably, the West Coast’s proposal charges more for the most-often used services.*

Laborers' Local 270 Letter



- Allegation: A Plus questionable involvement and investment in local workforce development, including, but not limited, to formal approved Federal and State apprenticeship programs.
- *These are not factors that the City included in evaluating proposals submitted in response to the tree maintenance RFP, and therefore are not grounds to refuse the award of the contract to A Plus Tree Service. Furthermore, no evidence was provided to support this allegation.*

Laborers' Local 270 Letter



- Allegation: Prevailing wage and hour laws are very complex and everchanging, A Plus knowledge base of these laws are questionable and could create disputes with change-orders, Labor Commissioner involvement, and litigation implications.
- *No evidence was provided to support this allegation. Nothing in City team's review of the proposal supports this allegation. There have been no judgments against A Plus Tree located in public records. A Plus Tree indicates it has no judgments against it.*

West Coast Arborists' Attorney Letters



- Allegation: The City allowed A Plus to change their bid.
- *There are three problems with his arguments:*
 1. *The City did not allow A Plus to change their bid.*
 2. *Relying on inapplicable section of California law.*
 3. *It is West Coast that attempted to change their bid.*

Email from Victor Gonzalez – Sept 8th



FW: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Cynthia Iwanaga
To: Chris Ghione; Anthony Eulo; Keri Russell
Retention Policy: Keep Forever (Never) Expires: Never
Tue 9/8/2020 4:35 PM

Reply Reply All Forward

From: Victor Gonzalez <vgonzalez@wcainc.com>
Sent: Tuesday, September 8, 2020 4:25 PM
To: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>
Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Hi Cynthia,

As you know we have been working in Morgan Hill since 2004 and we hate to think about possibly parting ways. As a last-ditch effort, we would be willing to match APlus' unit rates for "Grid Pruning" and "Crew Rental."

Please let me know if you think the City would be interested in this proposal.

Thank you.

Vic

Email from Victor Gonzalez – Sept 8th



From: Victor Gonzalez <vgonzalez@wcainc.com>
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To: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>
Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

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As you know we have been working in Morgan Hill since 2004 and we hate to think about possibly parting ways. As a last-ditch effort, we would be willing to match APlus' unit rates for "Grid Pruning" and "Crew Rental."

Please let me know if you think the City would be interested in this proposal.

Thank you.

Vic

Political Issues

We are a professional organization that awards contracts based on the law and the rules governing the procurement.





CITY OF MORGAN HILL

LAWRENCE GRAZE
Attorney at Law

5666 La Jolla Blvd. #196
La Jolla CA 92037

telephone: 858-459-7144
email: lgraze@san.rr.com

October 2, 2020

Donald Larkin
City Attorney
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Re: Tree Maintenance Services Agreement
City Council Meeting: October 21, 2020

Dear Mr. Larkin:

Thank you for your letter dated October 1, 2020, in response to mine dated September 23. I offer the following reply in response to the principal points raised in your letter.

I am aware of the impossibly limited timeframe set out in the RFP, but where pertinent information about granting relief from mistake and changing a bid price is withheld by the City and not disclosed until the September 22, 2020, email from Anthony Eulo, that period is tolled pending disclosure. I also point out that a wrongful award remains wrongful and should be remedied by responsible City officials, regardless of Protest formalities.

Despite your willingness to ignore the Public Contract Code, it applies to the City of Morgan Hill and required award to the lowest responsive and responsible bidder and prohibits relief from mistake except upon explicit action by the City Council, which then would disqualify the bidder from further participation in the contract solicitation.

Moreover, the RFP clarified (at Addendum 3, Exhibit II, Q.7) that the contract would be awarded to the "[l]owest responsive and responsible bidder based on Scheduled and

Donald Larkin, Esq.
October 2, 2020
Page Two

Seasonal Work." And where the RFP itself recited that "the City reserves the right to negotiate with the selected bidder to amend services to meet the City's financial requirements," it talks about amending services, not prices.

The description of the proposed price change as an amendment of services to meet the City's financial requirements is disingenuous. APlus submitted a bid item based on its calculated per tree price, not per inch. That was its mistake and APlus will have to accept the legal consequences. Whether or not APlus requested relief from its mistake, that is what City staff proposes to do.

Valley Crest Landscape v. City Council (1996) 41 CA4th 1432 and Colombo Const. v. Panama USD (1982) 136 CA3rd 875 are quite clear: relief from mistake under Public Contract Code section 5105 is the exclusive remedy to correct bid "irregularities" and such relief will bar the bidder from further consideration for award.

I request that you reconsider your assessment of this matter and instruct the City Council that it may grant relief to APlus and allow it to withdraw its bid, but that it must disqualify APlus and award to West Coast Arborists as the lowest and best responsive and responsible bidder.

Sincerely,

Lawrence Graze
LG:o

Via email only: donald.larkin@morganhill.ca.gov

Item # 11

AGENDA DATE: 10/21/2020
SUPPLEMENT # 2

October 20, 2020

Dear Mayor and City Councilmembers of Morgan Hill,

My name is **Alfonso Chacon** and I have lived in Santa Clara County for almost 30 years raising my family. I love this County and I plan to retire here. I have been with WCA for almost 19 years working as a Groundman, then Tree Trimmer and now Foreman. The best thing about WCA is being in the union. I have a good pension that I look forward to when I retire. It gives me good security. Plus, the full medical insurance has been good for me and my family. I love the opportunity that WCA has given me and my family. I always recommend people to work for WCA because of the benefits, the overtime and they let us take our trucks home for emergency response. Please choose WCA for the new contract for tree maintenance services.

Thank you.

Alfonso Chacon

October 20, 2020

Hello Mayor and City Councilmembers,

My name is **Pedro Hernandez** and I have lived in Santa Clara County for over 30 years. I have raised my family here in this County and I have worked with WCA for 20 years. Since we signed with the union 5 years ago, we now get better health insurance and paid vacation and sick days. This is really helpful. I also have a retirement plan that will help me when I retire. I want to let the City Council know that I support the award of contract for tree maintenance services to WCA. They also are very involved with the communities by giving their time to support events. WCA also has the best equipment and newer trucks to do the job. They always keep the fleet fresh and looking new.

Thank you.

Pedro Hernandez

10/20/20

Dear Members of the Morgan Hill City Council,

My name is **Juan Ortiz** and I live in Santa Clara County for almost 25 years. I am a 18-year employee of West Coast Arborists, Inc. and I want to show my support for awarding a new contract for tree maintenance services to WCA. It is a great company and they treat their employees really well. We have good benefits, paid vacation days and full medical insurance for me and my family. The training programs also help employees to get promoted from Groundman to Managers. I am an example of an employee growing within the company as I started as a Groundman and now I am the company's Area Manager for all of Santa Clara County. I have personally volunteered my time on many occasions to the City of Morgan Hill participating in Arbor Day and Earth Day events over the last 10 years. Please consider WCA for the new contract and I will continue to do my best to serve the residents of Morgan Hill.

Thank you.

Juan Ortiz

10/20/20

Dear Members of the Morgan Hill City Council,

My name is Lorene Okamoto and I was born and raised in Santa Clara County and have lived here for more than 48 years. I have worked for West Coast Arborists, Inc. for over 9 years. I started working for a small private tree company back in 1998, which West Coast acquired, and they have been an excellent company to work for. They are very professional, with an outstanding reputation, and provide great benefits for me and my family. Not a day goes by that I'm not proud to be part of this company that works so well as a team! I want to show my full support in your consideration of awarding the tree maintenance services contract to WCA.

Sincerely,

Lorene Okamoto

Item # 11

AGENDA DATE: 10/21/2020
SUPPLEMENT # 3

From: Jason Pinegar <jpinegar@wcainc.com>
Sent: Wednesday, October 21, 2020 2:36 PM
To: General <general@morganhill.ca.gov>
Subject: Morgan Hill - Letter to City Council 10-21-2020 - Item #11

Good afternoon,

I am sending this letter in support of awarding the contract for Citywide Tree Maintenance Services to our firm, West Coast Arborists, Inc. I respectfully request that this letter be distributed to the members of the City Council and will be made part of the official public record of the meeting. Additionally, I would like this letter to be read aloud when appropriate.

If you have any questions or require additional information, please feel free to contact me directly at (408) 210-6415.

Sincerely,

Jason Pinegar | Vice President

Certified Treecare Safety Professional 259 | ISA Certified Arborist WE-2039AU

West Coast Arborists, Inc.

209-547-0297 office | 408-210-6415 cell

jpinegar@wcainc.com | www.wcainc.com

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October 21, 2020

City of Morgan Hill
Honorable May and Members of the City Council
17575 Peak Avenue
Morgan Hill, CA 95037

**RE: Consent Calendar - Item #11 - Tree Maintenance Services
City Council Meeting dated 10/21/2020**

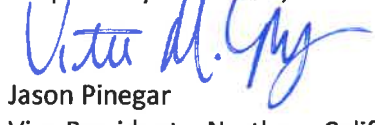
Dear Honorable Mayor and Members of the Morgan Hill City Council,

I respectfully request that the City Council disqualify APlus Tree Service for the following reasons and award the Tree Maintenance Services contract to West Coast Arborists, Inc. as the lowest and best responsive and responsible bidder.

- APlus made a mistake in its bid. (Staff calls it "an obvious calculation error").
- Staff first ignored the mistake and then proposed to fix it by altering the bid and changing the terms of the contract.
- The City allowed APlus Tree to change their bid price for Tree Removal from \$1,100 per diameter inch to \$36 per diameter inch. This is a bid enhancement and not a post-award negotiation.
- The City typically uses a straightforward process to correct bid mistakes by allowing the bidder to withdraw, not by disregarding the error and awarding a contract based on a modified bid.
- Disqualifying APlus Tree protects the integrity of the City's bidding system.
- The City asserts that "this contract for tree maintenance work is being awarded pursuant to the terms of the RFP and the Morgan Hill Municipal Code, not the Public Contract Code. Therefore, your arguments are inapplicable to the contract under consideration." The City chooses to ignore the Public Contract Code in this case, which prevents total transparency.

I thank you in advance for your consideration. Please know that we have enjoyed our partnership with the City for nearly 16 years and it is our desire to continue our successful business relationship for years to come.

Respectfully submitted,

For 

Jason Pinegar
Vice President – Northern California Regional Manager

Item # 11

AGENDA DATE: 10/21/2020
SUPPLEMENT # 4

From: Victor Gonzalez <vgonzalez@wcainc.com>

Sent: Wednesday, October 21, 2020 2:42 PM

To: General <general@morganhill.ca.gov>

Cc: Pat Mahoney <pmahoney@wcainc.com>

Subject: Morgan Hill - Supporting Documents for the City Council regarding Item #11

Good afternoon,

Attached to this email please find copies of pertinent information related to Item #11 on tonight's City Council Agenda. I respectfully request that these documents be distributed to the members of the City Council for their review and consideration.

These are listed in chronological order.

If you have any questions or require additional information, please feel free to contact Patrick Mahoney directly at (714) 920-0445.

Sincerely,

Victor Gonzalez

Vice President, Business Development

ISA Certified Arborist/Municipal Specialist #WE-7175AM

West Coast Arborists, Inc.

TCIA Accredited Company CA-058

www.wcainc.com

(714) 991-1900 Office - Ext. 153

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SACRAMENTO • STOCKTON • SAN FRANCISCO • INDIO • PHOENIX

----- Original message -----

From: Pat Mahoney <pmahoney@wcainc.com>
Date: 9/22/20 1:50 PM (GMT-08:00)
To: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>
Cc: Cynthia Hasson <Cynthia.Hasson@morganhill.ca.gov>
Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Hi Cynthia,

Can you confirm you got my email, I'm not sure if it went out?

Thank You,

Pat

From: Pat Mahoney
Sent: Tuesday, September 22, 2020 12:33 PM
To: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>
Cc: Cynthia Hasson <Cynthia.Hasson@morganhill.ca.gov>
Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Cynthia,

Can I get copy of the proposal submitted by APlus Tree Inc.? I think Victor asked you for a copy this morning. Amelia from my office asked Angie Gonzalez for a copy also.
I'm trying to figure out how the bid price comparison showed APlus price at \$1,100 compared to the contract showing \$36 an inch for tree removals.
How do I go about registered to speak at the council meeting on the tree contact award item?
Thank you,

Pat Mahoney

----- Original message -----

From: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>
Date: 9/22/20 12:18 PM (GMT-08:00)
To: Pat Mahoney <pmahoney@wcainc.com>
Cc: Cynthia Hasson <Cynthia.Hasson@morganhill.ca.gov>
Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Hi Pat,

Please submit your question via e-mail.
Thank you,

Cynthia

From: Pat Mahoney <pmahoney@wcainc.com>
Sent: Tuesday, September 22, 2020 11:34 AM
To: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>
Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Hi Cynthia,

Can you give me a call on my cell phone 714 920 0445. I have a question on the tree maintenance contract award process?

Thank you,

Pat Mahoney
President
West Coast Arborists, Inc.

From: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>
Sent: Tuesday, September 8, 2020 8:52 AM
To: Victor Gonzalez <vgonzalez@wcainc.com>; Business Development <BusinessDevelopment@wcainc.com>
Cc: Juan Ortiz <jortiz@wcainc.com>; Jason Pinegar <jpinegar@wcainc.com>; Pat Mahoney <pmahoney@wcainc.com>; Dale Dapp <Dale.Dapp@morganhill.ca.gov>; Keri Russell <Keri.Russell@morganhill.ca.gov>
Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Thank you Victor.

From: Victor Gonzalez <vgonzalez@wcainc.com>
Sent: Tuesday, September 8, 2020 8:44 AM
To: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>; Business Development <BusinessDevelopment@wcainc.com>
Cc: Juan Ortiz <jortiz@wcainc.com>; Jason Pinegar <jpinegar@wcainc.com>; Pat Mahoney <pmahoney@wcainc.com>; Dale Dapp <Dale.Dapp@morganhill.ca.gov>; Keri Russell <Keri.Russell@morganhill.ca.gov>
Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Thank you Cynthia, I appreciate it.

One question, so will APlus be allowed to charge an average of \$1,100 per diameter INCH for Tree & Stump Removals? Clearly this is a mistake as all the other bidders (except Arborist Now) furnished bids based on the diameter inch. Obviously, APlus manipulated their bid rate because they did bid correctly in the first bid with a rate of \$36 per diameter inch. I surely hope that this is corrected before you enter into an agreement.

It was a pleasure working with you, your team and the City of Morgan Hill. Should you ever find a reason to seek bids in the future, please feel free to contact us.

Thank you.

Victor Gonzalez

Vice President, Business Development
ISA Certified Arborist/Municipal Specialist #WE-7175AM

West Coast Arborists, Inc.

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SACRAMENTO • STOCKTON • SAN FRANCISCO • INDIO • PHOENIX

From: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>

Sent: Tuesday, September 8, 2020 8:27 AM

To: Victor Gonzalez <vgonzalez@wcainc.com>; Business Development
<BusinessDevelopment@wcainc.com>

Cc: Juan Ortiz <jortiz@wcainc.com>; Jason Pinegar <jpinegar@wcainc.com>; Pat Mahoney
<pmahoney@wcainc.com>; Dale Dapp <Dale.Dapp@morganhill.ca.gov>; Keri Russell
<Keri.Russell@morganhill.ca.gov>

Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Victor,

Attached please find the bid analysis and summary.

Thank you,

Cynthia

From: Victor Gonzalez <vgonzalez@wcainc.com>

Sent: Tuesday, September 8, 2020 6:52 AM

To: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>; Business Development
<BusinessDevelopment@wcainc.com>

Cc: Juan Ortiz <jortiz@wcainc.com>; Jason Pinegar <jpinegar@wcainc.com>; Pat Mahoney
<pmahoney@wcainc.com>

Subject: RE: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

Good morning Cynthia, I hope you enjoyed your weekend. I am writing to request a copy of the bid analysis and summary. Please email that to me when it becomes available.
Thank you.

Victor Gonzalez

Vice President, Business Development
ISA Certified Arborist/Municipal Specialist #WE-7175AM

West Coast Arborists, Inc.

TCIA Accredited Company CA-058

www.wcainc.com

(714) 991-1900 Office - Ext. 153

"Tree care professionals serving communities who care about trees."

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SACRAMENTO • STOCKTON • SAN FRANCISCO • INDIO • PHOENIX

From: Cynthia Iwanaga <Cynthia.Iwanaga@morganhill.ca.gov>
Sent: Wednesday, September 2, 2020 12:23 PM
To: Victor Gonzalez <vgonzalez@wcainc.com>; Business Development
<BusinessDevelopment@wcainc.com>
Subject: City of Morgan Hill: Notice of Intent to Award to A Plus Tree, Inc.

September 2, 2020

City of Morgan Hill
NOTICE OF INTENT TO AWARD TO A PLUS TREE, INC.

Request for Proposals (RFP) # and Title: **CSD2021-004 – Rebid Annual Tree Maintenance Services**

Opening Date and Time: **September 1, 2020 @ 11:00 a.m.**

A response to the solicitation was submitted by:

A Plus Tree, Inc.
Arbor Works, Inc.
Arborist Now, Inc.
Brightview Tree Care Services
Kingsborough Atlas-Tree Surgery, Inc.
West Coast Arborists, Inc.

Responses were evaluated according to the criteria stated in the solicitation. We intend to award a contract at the September 23, 2020 City Council meeting to:

A Plus Tree, Inc.

Thank you for your time and efforts in preparing a response to this solicitation. Please e-mail me if you would like additional information or have any questions about the evaluation process.

Any protests of this decision must be submitted electronically in writing to the City Attorney's Office at cynthia.hasson@morganhill.ca.gov before 5 p.m. no later than two (2) working days after the issuance of this Notice of Intent to Award. The protest must be in writing, clearly identify the RFP number and title, and detail the nature of the protest.

The successful company is instructed not to begin work, purchase materials, or enter into subcontracts relating to the services until both the recipient and City sign the contract.

We appreciate your interest in doing business with the City of Morgan Hill.

Sincerely,

Cynthia Iwanaga
Management Analyst
E-mail: cynthia.iwanaga@morganhill.ca.gov

----- Original message -----

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

Date: 9/22/20 2:20 PM (GMT-08:00)

To: Pat Mahoney <pmahoney@wcainc.com>

Subject: Communications regarding award of tree maintenance services contract

To: West Coast Arborists

1. At this point, we have received numerous queries for information from different people in your organization going to different people in our organization. Since this is neither appreciated nor efficient for our organization, please direct any further communication on this matter directly to me alone. While you are legally free to send additional queries to others, please know that doing so will only delay the response as it will still need to be forwarded to me.
2. In addition, since the communication from the Foundation for Fair Contracting was received at the 11th hour, we do not believe that there was an adequate amount of time for the recommended proposer to respond between the receipt of their communication and the Council meeting. We are, therefore, recommending that the award of the contract be delayed until the next Council meeting on October 21st.
3. You asked: "How do I go about registered to speak at the council meeting on the tree contract award item?" There is no preregistration process for members of the public. Instructions on how to participate as a member of the public are included on the meeting agenda.
4. You asked: "I'm trying to figure out how the bid price comparison showed APlus price at \$1,100 compared to the contract showing \$36 an inch for tree removals." A Plus Tree mistakenly used their "per tree" price instead of their "per inch" price for tree removals in their submitted cost proposal which resulted in their cost proposal listing a \$1,100 per inch tree removal cost. However, since that's what was listed in their cost proposal, the City used this amount when scoring the cost proposals. This resulted in a lower cost proposal score than A Plus would have otherwise received – but was a fair process to all proposers. To be clear, we did not let them fix or edit their cost proposal prior to determining the highest scoring proposer. Once the highest scoring proposer was determined, we did contact them and they provided the correct "per inch" price which is what we used in preparing the contract. For the sake of clarity, let me repeat: the City did NOT let them fix or edit their cost proposal prior to scoring the proposals. We used the \$1,100 price as submitted when scoring the proposals.
5. We are working on the disclosure of the proposal per your public records act request. Please stand by.

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

LAWRENCE GRAZE
Attorney at Law

5666 La Jolla Blvd. #196
La Jolla CA 92037

telephone: 858-459-7144
email: lgraze@san.rr.com

September 23, 2020

Donald Larkin
City Attorney
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Re: Tree Maintenance Services Agreement
Agenda Item #
City Council Meeting: October 21, 2020

Dear Mr. Larkin:

My client, West Coast Arborists, Inc. (WCA), previously filed a protest in connection with the above-referenced tree maintenance Request for Proposals (RFP). The purpose of this letter is to provide the legal basis for the protest and to encourage your review and assessment of staff's recommendation to award, to be considered by the City Council on October 21, 2020.

The underlying facts are straightforward. In its bid proposal (see bid results, attached), the apparent low bidder (APlus) included a bid item for tree removal at \$1,100, substantially above that of other bidders (\$40+/-). APlus has since asserted that its bid was mistakenly calculated on a per tree basis, rather than per inch, as required by the RFP.

Based upon a weighted average of only 2.5%, or a maximum of 1.5 out of 60 points maximum for tree removals, APlus would still remain the lowest apparent bidder, even if it was allotted 0 points for this item; however, changing the bid item would be an absolute necessity for the City, which could not reasonably accept the financial burden of a contract requiring it to actually pay \$1,100 per inch for tree removals if it went forward with the contract with APlus.

Donald Larkin, Esq.
September 23, 2020
Page Two

In fact, in response to an inquiry by WCA to staff, Program Administrator Anthony Eulo advised by email that "[o]nce the highest scoring proposer was determined, we did contact them and they provided the correct "per inch" price which is what we used in preparing the contract."

Thus, APlus and City staff appear content to allow the bid to be assessed as-is, with tree removals priced at \$1,100 per inch, while contract award will correct the bidding "mistake" and substitute a much lower amount for that bid item. Without that "correction," the City would not contemplate entering into a contract with APlus with the bid item as originally priced.

1. APlus' bid is materially unbalanced and must be rejected as non-responsive. On its face, APlus' proposal presents a classic example of an unbalanced bid that would, if accepted, result in a substantially higher actual cost to the City. (See Matter of Crown Laundry and Dry Cleaners (1983) Gen. B-208795.2.; generally, Daniel J. Gordon, Unbalanced Bids, 24 Public Contracts LJ 1 (Fall 1994)).

In terms of bidding, the higher price for tree removals hides the effective pricing for all other bid items, including by far the most weighted item of grid pruning, for which APlus barely underbid its competitors.

In terms of contract payments, the City would wind up paying 20 times more for tree removals with APlus than it would with other bidders' proposals. The bid item is both mathematically and materially unbalanced.

Finally, by asserting that it mistakenly bid on a per tree rather than the per inch basis called for by the RFP, APlus admits that its proposal was non-responsive and must be rejected.

Donald Larkin, Esq.
September 23, 2020
Page Three

2. APlus may not obtain relief from its mistaken bid without City Council approval, which cannot be granted where, as here, APlus would be afforded an unfair advantage. Staff's Agenda report and recommendation for award ignores APlus' failure to formally request relief from its mistake, which only the City Council may grant. Instead, Staff has taken it upon itself to "correct" the mistaken bid item and alter the contract that has been presented for award.

Staff lacks authority to simply substitute a different bid amount and *the Council has not even been alerted to the fact that the contract presented for award is materially different from the bid it has been asked to approve.*

The question of whether a city council could provide relief to a bidder on the basis of mistake and then proceed to award to that bidder was answered in Valley Crest Landscape v. City Council (1996) 41CA4th1432, holding that relief may not be afforded to correct a material mistake or to waive an irregularity in the bid, (whether or not it affected the bid price), because doing so would give the bidder an unfair advantage of having the option of going forward or withdrawing its bid without penalty. If a bidder has the right to relief without penalty, then its bid is illusory and must be rejected.

3. Even if APlus is allowed relief from its bid in order to correct its mistake, it cannot proceed as a bidder on this or any re-bid contract solicitation. Once a bidder is granted relief from its mistake, that bidder is disqualified from entering into that contract, either in connection with the current solicitation or a re-bid after rejection of all bids. A bidder who claims a mistake may not participate further in the bidding for the project. Public Contract Code, § 5105; Colombo Const. v. Panama USD (1982) 136 CA3d 875.

Donald Larkin, Esq.
September 23, 2020
Page Four

The materially unbalanced bid submitted by APlus must be rejected as non-responsive, for which no relief for mistake may be granted. WCA is entitled to contract award as the lowest responsive and responsible bidder.

Sincerely,

Lawrence Graze
LG:o
Enclosure



CITY'S RESPONSE TO OUR LETTER DATED 9/23/20

CITY ATTORNEY'S OFFICE

CITY OF MORGAN HILL
17575 PEAK AVENUE
MORGAN HILL, CA 95037
TEL: 408-779-7271
FAX: 408-779-1592
WWW.MORGANHILL.CA.GOV

October 1, 2020

Via email only to lgraze@san.rr.com>

Lawrence Graze
5666 La Jolla Blvd #16
La Jolla CA 92037

Re: City of Morgan Hill Tree Maintenance Services Agreement

Dear Mr. Graze:

Thank you for your letter regarding the City of Morgan Hill's tree maintenance service Request for Proposals (RFP) which was rebid on August 24, 2020. The Notice of Intent to Award was sent on September 2, and therefore protests were due on September 4 by 5:00 pm. No protest was received from West Coast Arborist or any other bidder. A timely protest was the bidder's sole and exclusive remedy. By failing to file a timely bid protest, any right to further pursue a bid protest, including filing a Government Code Claim or initiation of legal proceedings was waived.

This contract for tree maintenance work is being awarded pursuant to the terms of the RFP and the Morgan Hill Municipal Code, not the Public Contract Code. Therefore, your arguments are inapplicable to the contract under consideration. Furthermore, A Plus Tree, Inc. did not request to correct their bid nor did the City allow them to do so; the City team awarded A Plus zero points out of 1.5 points available for tree removal. A Plus Tree is the low bid based on the weighted point system, even after receiving no points for tree removal.

The City will be awarding this contract using a "Best Value" methodology including evaluation of price and responses to technical questions. The City team carefully drafted the RFP bidding criteria to give weight to the items the City historically uses the most to achieve the overall best value for the City. In the RFP, the City reserved the right to award the contract on the basis of the bid most advantageous to the City, as well as the right to negotiate with the selected bidder to amend services to meet the City's financial requirements. Upon concluding that A Plus Tree Incorporated provided the best value for tree maintenance services to the City, the City thereafter negotiated the correct price for tree removal.

/s/ Donald A. Larkin
Donald A. Larkin
City Attorney
CITY OF MORGAN HILL

LAWRENCE GRAZE
Attorney at Law

5666 La Jolla Blvd. #196
La Jolla CA 92037

telephone: 858-459-7144
email: lgraze@san.rr.com

October 2, 2020

Donald Larkin
City Attorney
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Re: Tree Maintenance Services Agreement
City Council Meeting: October 21, 2020

Dear Mr. Larkin:

Thank you for your letter dated October 1, 2020, in response to mine dated September 23. I offer the following reply in response to the principal points raised in your letter.

I am aware of the impossibly limited timeframe set out in the RFP, but where pertinent information about granting relief from mistake and changing a bid price is withheld by the City and not disclosed until the September 22, 2020, email from Anthony Eulo, that period is tolled pending disclosure. I also point out that a wrongful award remains wrongful and should be remedied by responsible City officials, regardless of Protest formalities.

Despite your willingness to ignore the Public Contract Code, it applies to the City of Morgan Hill and required award to the lowest responsive and responsible bidder and prohibits relief from mistake except upon explicit action by the City Council, which then would disqualify the bidder from further participation in the contract solicitation.

Moreover, the RFP clarified (at Addendum 3, Exhibit II, Q.7) that the contract would be awarded to the "[l]owest responsive and responsible bidder based on Scheduled and

Donald Larkin, Esq.
October 2, 2020
Page Two

Seasonal Work." And where the RFP itself recited that "the City reserves the right to negotiate with the selected bidder to amend services to meet the City's financial requirements," it talks about amending services, not prices.

The description of the proposed price change as an amendment of services to meet the City's financial requirements is disingenuous. APlus submitted a bid item based on its calculated per tree price, not per inch. That was its mistake and APlus will have to accept the legal consequences. Whether or not APlus requested relief from its mistake, that is what City staff proposes to do.

Valley Crest Landscape v. City Council (1996) 41 CA4th 1432 and Colombo Const. v. Panama USD (1982) 136 CA3rd 875 are quite clear: relief from mistake under Public Contract Code section 5105 is the exclusive remedy to correct bid "irregularities" and such relief will bar the bidder from further consideration for award.

I request that you reconsider your assessment of this matter and instruct the City Council that it may grant relief to APlus and allow it to withdraw its bid, but that it must disqualify APlus and award to West Coast Arborists as the lowest and best responsive and responsible bidder.

Sincerely,

Lawrence Graze
LG:o

Via email only: donald.larkin@morganhill.ca.gov



City Council Meeting Item #15 Monthly Budget Update



October 21, 2020

Overview



- 1st Quarter Financial Report
- Monthly Budget Update
- Staff does not recommend any budget adjustments at this time

1st Quarter Financial Report



General Fund

- Key GF revenues:

Category	Budget	YTD	Prior YTD FY19-20
Property Tax	\$13.6	\$0.0	\$0.0
Sales Tax	8.4	0.9	1.1
Svc Charges	8.6	1.2	2.8
Hotel Tax	1.8	0.2	0.6

- Expenditures including encumbrances:

Total Exp	\$43.8	\$11.1	\$12.5
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Development Services Fund



- Revenues are tracking as budgeted

Category	Budget	YTD	Prior YTD FY19-20
Revenues	\$3.8*	\$1.0	\$1.1
Expenditures	4.9	1.5	1.9

* Does not include \$1.0 million loan from the General Fund

Enterprise Funds

- Wastewater Operations

Category	Budget	YTD	Prior YTD FY19-20
Revenues	\$13.3	\$2.2	\$1.9
Expenditures	\$13.3	3.3	\$3.1
Net	\$0	(\$1.1)	(\$1.2)

- Water Operations

Category	Budget	YTD	Prior YTD FY19-20
Revenues	\$15.6	\$3.4	\$3.1
Expenditures	15.6	3.4	5.0
Net	\$0	\$0.0	(\$1.9)

Budget Update



Property Tax



- **Refunded 2013 Successor Agency Bonds**
 - Expecting additional \$0.6 million in property tax revenue for the General Fund

Sales Tax



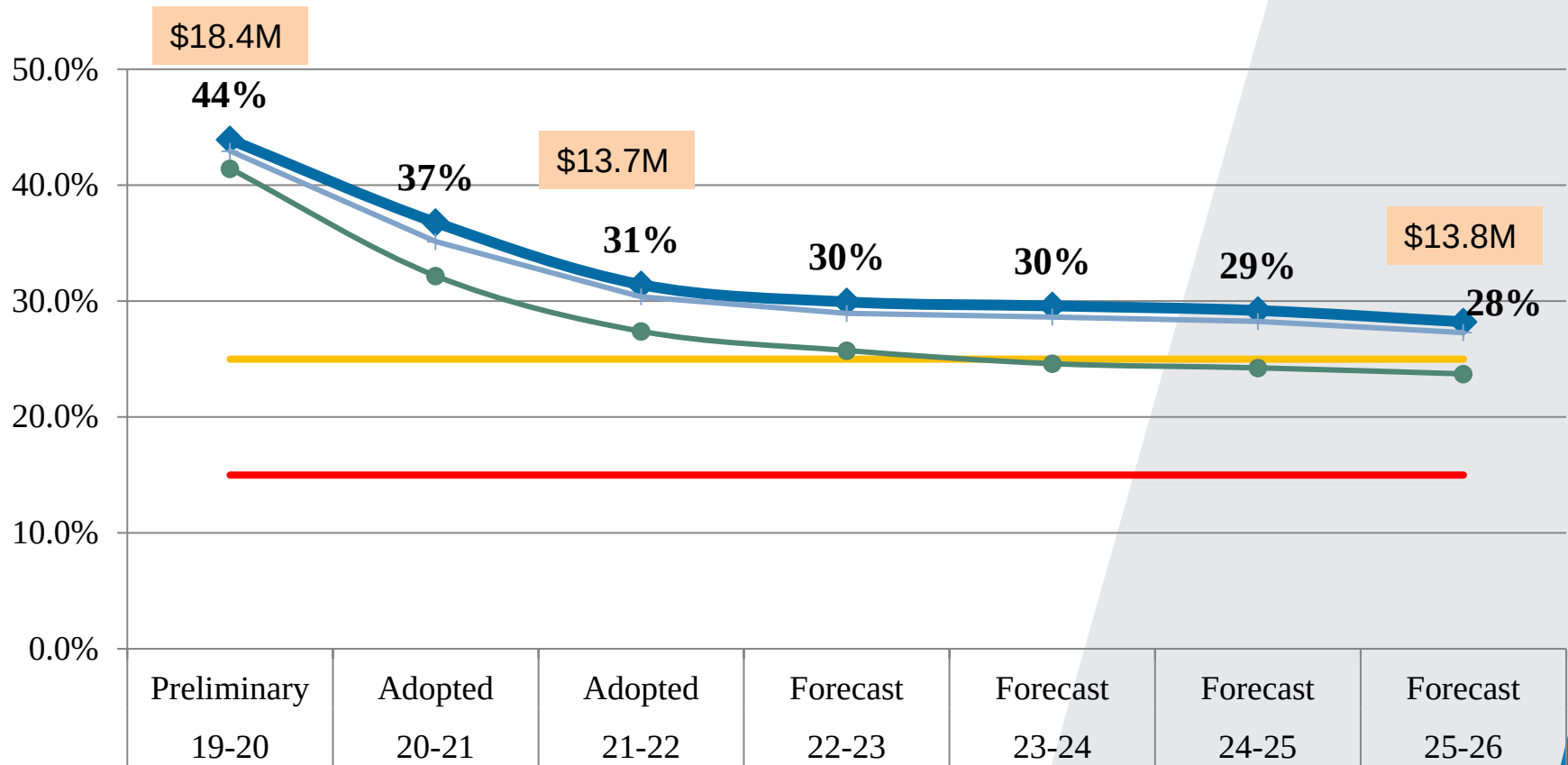
- Prior year 19-20 ended higher than expected
 - \$9.7 million versus \$8.9 estimated in July
- Anticipating higher than budgeted for the current fiscal year
 - \$9.7 million versus \$9.2 consultant's prior estimate versus City's conservative estimate of \$8.3

Recreation Services



- Continued limitations on opening
- Very limited rental revenue
- Best case scenario = additional net loss of \$0.8 million
- Worst case scenario = additional net loss of \$1.6 million

Updated General Fund Forecast



◆ GF Six Year Forecast October 21, 2020

— Fund Balance Minimum Level of 15% of Revenues

+ GF Six Year Forecast July 22, 2020

— Fund Balance Goal of 25% of Revenues

● GF Six Year Forecast Budget Adoption June 17, 2020

Questions?



CITY OF MORGAN HILL



City Council Meeting Item #15 Monthly Budget Update



October 21, 2020

Overview



- 1st Quarter Financial Report
- Monthly Budget Update
- Staff does not recommend any budget adjustments at this time

1st Quarter Financial Report



General Fund

- Key GF revenues:

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-----------	--------	--------	--------

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Budget Update



Property Tax



- **Refunded 2013 Successor Agency Bonds**
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Sales Tax



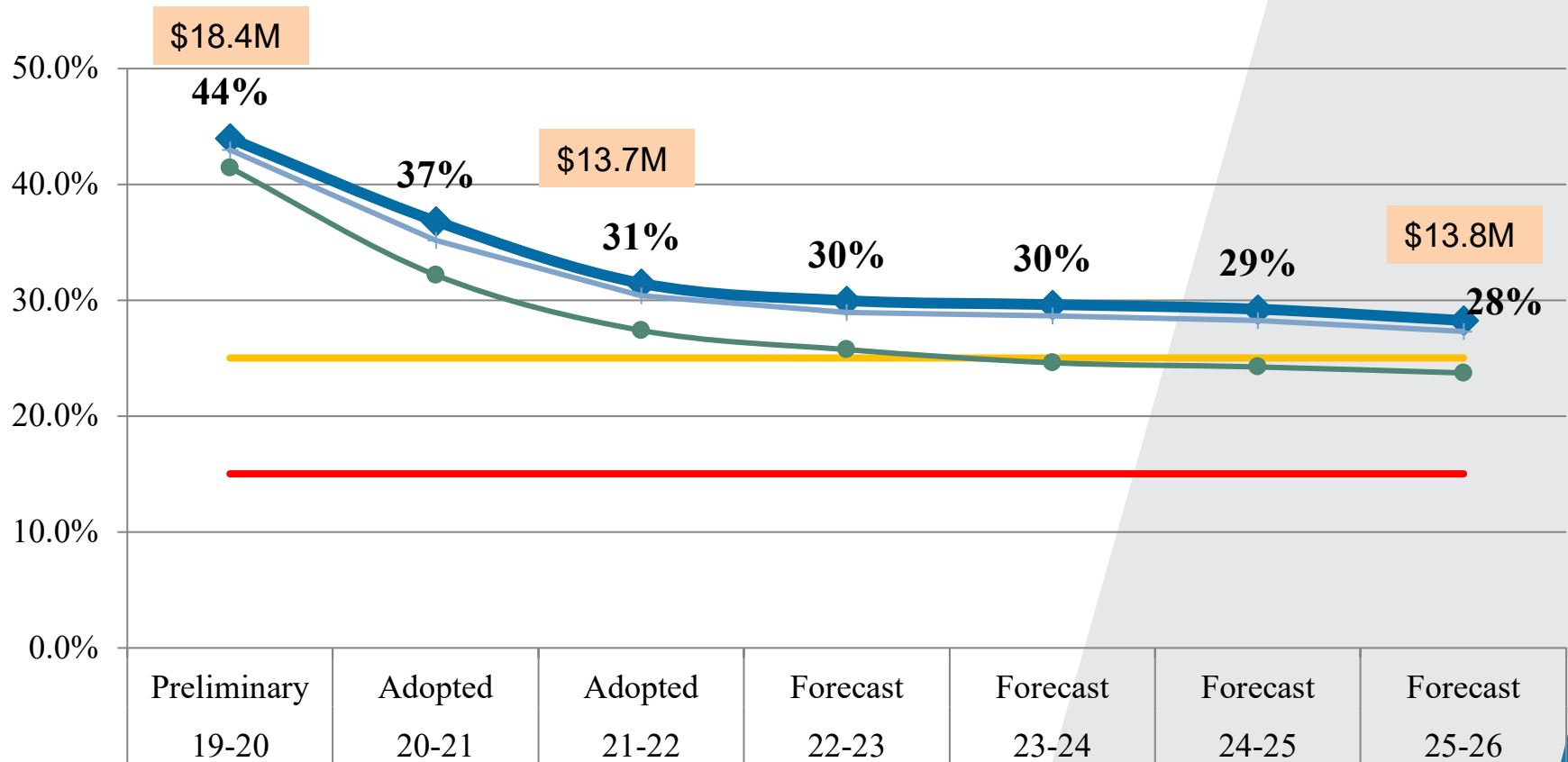
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Updated General Fund Forecast



◆ GF Six Year Forecast October 21, 2020

— Fund Balance Goal of 25% of Revenues

— Fund Balance Minimum Level of 15% of Revenues

● GF Six Year Forecast Budget Adoption June 17, 2020

+ GF Six Year Forecast July 22, 2020

Questions?



CITY OF MORGAN HILL

**City of Morgan Hill
City Council
October 21, 2020
Item #17**



ZONING TEXT AMENDMENT AMENDING CH 18.26

- 1** Land use regulations for industrial buildings
- 2** Design permit review for large projects
- 3** Use Definitions for E-Commerce
- 4** Warehousing & Distribution and Light Fleet-Based Services

Current Zoning Code

- Includes land use regulations for traditional warehouse (wholesale and business to business), but not direct-to-consumer warehousing (“fulfillment centers”)
- Does not use thresholds to determine what projects are required to go to Planning Commission for site and design review.
- Does not include definitions for e-commerce uses
- Permits local delivery services in all industrial zones regardless of size or intensity

Proposed design review regulations

Changes to Design Permit Process in the Municipal Code to require Planning Commission review of large projects.

B. Review Authority.

1. Except as provided below, ~~The~~ the Community Development Director shall review and act on all Design Permit applications.
2. The Community Development Director may ~~refer~~ elevate any Design Permit application under his or her authority to the Planning Commission for review and final decision.
3. The City Council shall review and act on all Design Permit applications for new City projects (e.g., new municipal buildings, parks) determined by the Community Development Director to be significant in accordance with Subsection D below.
4. Except for new City projects, the Planning Commission shall act on any Design Permit Application for any other projects determined by the Community Development Director to be significant in accordance with Subsection D below.

Significant projects

Any structure of
100,000 SF or more

Any structure 40 feet
of building height or
greater

Any residential
development of 200
units or more

D. Significant Projects.

1. The Community Development Director shall determine whether a project in Subsection C above is significant and thus requires a Design Review permit. When determining if a project is significant, the Community Development Director shall consider:
 - a. The visual prominence of the project when viewed from the public right-of-way and/or private property;
 - b. The project height, mass, and area of site disturbance;
 - c. The type, character, and proximity of adjacent development; and
 - d. The potential of the project to create adverse impacts on adjacent uses or the community at large.
2. Any structure with more than 100,000 square feet of floor area or a building height greater than 40 feet, not including projections allowed by-right under Table 18.56-1, is presumed to be significant for purposes of this Chapter.
3. Any residential development of more than 200 units is presumed significant for purposes of this chapter.
- ~~2.4.~~ The Community Development Director's determination that a project is significant may be appealed to the Planning Commission in accordance with Chapter 18.112 (Appeals).

18-124-050 Industrial Uses

Added definitions
for E-commerce
uses

E-Commerce Distribution.

1. Heavy Distribution. A Fulfillment Center or similar use with a minimum gross 108- floor area of 200,000 square feet and a minimum ceiling height of 24 feet. The Fulfillment Center's primary purpose is storage and distribution of e-commerce products to consumers or end-users, either directly or through a Parcel Hub. Heavy Distribution is prohibited in all zones in the City of Morgan Hill.

2. Parcel Sorting Facilities. Establishments for the sorting and or re-distribution of parcels or products from Heavy Distribution (Fulfillment Centers) to a Parcel Hub via intramodal transit truck to truck.

3. Parcel Hub. A "Last Mile" facility or similar establishment for the processing and/or re-distribution of parcels or products. A Parcel Hub's primary function is moving a shipment from one mode of transport to vehicles with rated capacities less than 10,000 pounds, for delivery directly to consumers or end-users primarily within the Morgan Hill zip code.

- **Parcel Hub, Large.** A parcel hub facility that occupies 75,000 square feet or more in building area.
- **Parcel Hub, Small.** A parcel hub facility that occupies less than 75,000 square feet in building area.

Approach to Definitions

- Looked at numerous City's zoning definitions
- Reviewed Urban Land Institute working paper for nuances in manufacturing, warehouse and distribution definitions
- Communicated with other cities about best practices

Proposed land use regulations



Prohibits large fulfillment centers

Prohibits parcel sorting centers

Identifies areas where parcel hubs (sometimes called last mile delivery centers) to be permitted or conditionally permitted

Warehousing and Distribution						
Warehousing and Distribution, Large	C	C [3]	C [3]	C	P	
Warehousing and Distribution, Small	C	C [3]	C [3]	P	P	
Warehousing and Distribution with Outdoor Storage	C	–	–	C	C	
Heavy Distribution	–	–	–	–	–	
<u>Parcel Sorting Facilities</u>	–	–	–	–	–	
<u>Parcel Hub Small < 75,000 sq. ft.</u>	–	–	–	<u>P</u>	<u>P</u>	
<u>Parcel Hub Large > 75,000 sq. ft.</u>	–	–	–	<u>C</u>	<u>C</u>	

Other proposed changes

Removed “Local Delivery” from the definition of Light Fleet Based Services

- A. Light Fleet-Based Services.** Passenger transportation services, ~~local delivery services,~~ medical transport, and other businesses that rely on fleets of three or more vehicles with rated capacities less than 10,000 pounds. Includes parking, dispatching, and offices for taxicab and limousine operations, ambulance services, nonemergency medical transport, local messenger and document delivery services, and similar businesses. Excludes towing operations (see “Towing and Impound”) or delivery services with two or fewer fleet vehicles on site (see “Business Support Services”).

Other proposed changes

Added “(wholesale)” to Warehousing and Distribution definition

Added “or use” to definition Warehousing and Distribution definition for large and clarified that small Warehousing and Distribution includes facilities where the warehousing is a secondary use that occupies less than 75,000 square feet of building area.

F.J. Warehousing and Distribution. A use engaged in storage, wholesale and distribution of manufactured products, supplies, and equipment to retailers; to industrial, commercial, institutional, farm, or professional business users; or to other wholesalers; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies. Includes merchant wholesalers; agents, merchandise or commodity brokers, and commission merchants; assemblers, buyers and associations engaged in the cooperative marketing of farm products; and bottling works.

1. **Warehousing and Distribution, Large.** A warehousing distribution facility 75,000 square feet or more in building or use area.
2. **Warehousing and Distribution, Small.** A warehousing distribution facility less than 75,000 square feet in building area or as a secondary/companion use of no more than 75,000 sf ancillary to another activity contained within a larger building area.
3. **Outdoor Storage.** Storage of commercial goods in open lots.

Next Steps



Next Steps

- Address PUD Zoning for Phase I of the Morgan Hill Ranch Business Park
- Develop E-Commerce definitions for commercial zoning districts
- Further refine development standards. Consider regulations to prevent concentration of warehouse/e-commerce uses.

Other Factors and Considerations

- Design standards and articulation
- Landscaping requirements
- Parking ratios
- Set-backs
- Building orientation

Questions?



CITY OF MORGAN HILL

**City of Morgan Hill
City Council
October 21, 2020**



ZONING TEXT AMENDMENT AMENDING CH 18.26

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1. The Community Development Director shall determine whether a project in Subsection C above is significant and thus requires a Design Review permit. When determining if a project is significant, the Community Development Director shall consider:
 - a. The visual prominence of the project when viewed from the public right-of-way and/or private property;
 - b. The project height, mass, and area of site disturbance;
 - c. The type, character, and proximity of adjacent development; and
 - d. The potential of the project to create adverse impacts on adjacent uses or the community at large.
2. Any structure with more than 100,000 square feet of floor area or a building height greater than 40 feet, not including projections allowed by-right under Table 18.56-1, is presumed to be significant for purposes of this Chapter.
3. Any residential development of more than 200 units is presumed significant for purposes of this chapter.
- 2.4. The Community Development Director's determination that a project is significant may be appealed to the Planning Commission in accordance with Chapter 18.112 (Appeals).

18-124-050 Industrial Uses

Added definitions
for E-commerce
uses

E-Commerce Distribution.

1. Heavy Distribution. A Fulfillment Center or similar use with a minimum gross 108- floor area of 200,000 square feet and a minimum ceiling height of 24 feet. The Fulfillment Center's primary purpose is storage and distribution of e-commerce products to consumers or end-users, either directly or through a Parcel Hub. Heavy Distribution is prohibited in all zones in the City of Morgan Hill.

2. Parcel Sorting Facilities. Establishments for the sorting and or re-distribution of parcels or products from Heavy Distribution (Fulfillment Centers) to a Parcel Hub via intramodal transit truck to truck.

3. Parcel Hub. A "Last Mile" facility or similar establishment for the processing and/or re-distribution of parcels or products. A Parcel Hub's primary function is moving a shipment from one mode of transport to vehicles with rated capacities less than 10,000 pounds, for delivery directly to consumers or end-users primarily within the Morgan Hill zip code.

- **Parcel Hub, Large.** A parcel hub facility that occupies 75,000 square feet or more in building area.
- **Parcel Hub, Small.** A parcel hub facility that occupies less than 75,000 square feet in building area.

Approach to Definitions

- Looked at numerous City's zoning definitions
- Reviewed Urban Land Institute working paper for nuances in manufacturing, warehouse and distribution definitions
- Communicated with other cities about best practices

Proposed land use regulations



Prohibits large fulfillment centers

Prohibits parcel sorting centers

Identifies areas where parcel hubs (sometimes called last mile delivery centers) to be permitted or conditionally permitted

Warehousing and Distribution						
Warehousing and Distribution, Large	C	C [3]	C [3]	C	P	
Warehousing and Distribution, Small	C	C [3]	C [3]	P	P	
Warehousing and Distribution with Outdoor Storage	C	—	—	C	C	
Heavy Distribution	—	—	—	—	—	
<u>Parcel Sorting Facilities</u>	—	—	—	—	—	
<u>Parcel Hub Small < 75,000 sq. ft.</u>	—	—	—	<u>P</u>	<u>P</u>	
<u>Parcel Hub Large > 75,000 sq. ft.</u>	—	—	—	<u>C</u>	<u>C</u>	

Other proposed changes

Removed “Local Delivery” from the definition of Light Fleet Based Services

A. Light Fleet-Based Services. Passenger transportation services, ~~local delivery services,~~ medical transport, and other businesses that rely on fleets of three or more vehicles with rated capacities less than 10,000 pounds. Includes parking, dispatching, and offices for taxicab and limousine operations, ambulance services, nonemergency medical transport, local messenger and document delivery services, and similar businesses. Excludes towing operations (see “Towing and Impound”) or delivery services with two or fewer fleet vehicles on site (see “Business Support Services”).

Other proposed changes

Added “(wholesale”) to Warehousing and Distribution definition

Added “or use” to definition Warehousing and Distribution definition for large and clarified that small Warehousing and Distribution includes facilities where the warehousing is a secondary use that occupies less than 75,000 square feet of building area.

F.J. Warehousing and Distribution. A use engaged in storage, wholesale and distribution of manufactured products, supplies, and equipment to retailers; to industrial, commercial, institutional, farm, or professional business users; or to other wholesalers; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies. Includes merchant wholesalers; agents, merchandise or commodity brokers, and commission merchants; assemblers, buyers and associations engaged in the cooperative marketing of farm products; and bottling works.

1. **Warehousing and Distribution, Large.** A warehousing distribution facility 75,000 square feet or more in building or use area.
2. **Warehousing and Distribution, Small.** A warehousing distribution facility less than 75,000 square feet in building area, or as a secondary/companion use of no more than 75,000 sf ancillary to another activity contained within a larger building area.
3. **Outdoor Storage.** Storage of commercial goods in open lots.

Next Steps



Next Steps

- Address PUD Zoning for Phase I of the Morgan Hill Ranch Business Park
- Develop E-Commerce definitions for commercial zoning districts
- Further refine development standards. Consider regulations to prevent concentration of warehouse/e-commerce uses.

Other Factors and Considerations

- Design standards and articulation
- Landscaping requirements
- Parking ratios
- Set-backs
- Building orientation

Questions?



CITY OF MORGAN HILL

Who benefits from allowing more Distribution Centers?

Morgan Hill has proven it can attract companies that are the sustainable job generators of the future. Our Industrial Lands should be used to develop advanced manufacturing and R&D businesses not for Distribution Centers that are highly automated and create very few jobs. That is what residents want and our City budget needs. With no jobs and very little fiscal benefit, why should we permit development that will destroy the unique character of Morgan Hill? Who benefits from allowing Distribution Centers? Developers and commercial real estate brokers like JLL who is the source of the city's "Industrial Preservation Policy" - which was supposed to be completed in November 2019. **The city did nothing until the Responsible Growth for Morgan Hill Initiative**, and then after one 'forum'[1] in July 2020, JLL's needs became our industrial use policy. Cut & Paste. Just because commercial real estate brokers need more Distribution Centers doesn't mean Morgan Hill does.

Calling them 'Parcel Hubs', doesn't make Distribution Centers better. MH's economic development team may think Newark & Fremont are "shining examples" like their experts say but residents don't agree. Stop the smoke screens and quit misleading the public. The City proposal is a rush to **permit** turning Morgan Hill into a Newark-like Distribution Hub with devastating consequences for all of us.

Item # 17

AGENDA DATE: 10/21/2020
SUPPLEMENT # 1

October 21, 2020

[1] <https://www.youtube.com/watch?v=OdRcy3jDY8s&feature=youtu.be>



A flawed Industrial Preservation 'policy' --> flawed Zoning Amendment proposal

- After being a work item for more than a 1 1/2 years, the 'Industrial Preservation Policy' is essentially the output of JLL , the second largest commercial brokerage in the Bay Area with \$9.6B in sales and leasing transactions in 2019 that has Amazon as a Bay Area client. JLL needs more distribution centers, but does Morgan Hill?
- The entire 'policy' in a nutshell: "the whole notion of Advanced Manufacturing is great to promote but it doesn't get spec industrial built, e-commerce is the carrot that gets spec industrial built", from there"hope (unrealistically) you can come up with ways to make traffic impact and lousy economic benefit 'less bad' **and don't even talk about jobs.** Who does this benefit? Really ask yourself that question. Taxpayers funded ~\$95K for Strategic Economics 'studies', what do they say?
- **YES**, COVID-19 has increased demand, leasing rates and sales of Distribution Centers to all time highs! *the reality of social distancing has also dramatically increased the plans to accelerate automation and human replacement in distribution.*
- **YES** MH, with land near highway 101 *could* 'capitalize' on the market demand and allow a flood of DC's to be built
- The City's experts explicitly recognize that other industries concentrated in the Bay Area are forecast to grow faster than the national economy overall, and like other studies, points to artificial intelligence, automation & robotics, digital solutions, and life sciences as sectors that will thrive in a post-COVID world. But want MH to accept Distribution.
- The question isn't whether MH *could* attract 'speculative' built Distribution Centers, the question is *should* we?
- The very proponents of the plan explain why the answer is NO. **Low number of JOBS created, lots of Trucks, and very poor net revenue** (fiscal benefit) to the City. They ARE RIGHT! As justification, they claim companies that want to come to MH or expand in MH can't or won't do so without speculative Distribution space that is argued to be 'acceptable' for other uses. They ARE WRONG and the opposite is true. (Have they driven around MH?)
- <https://drive.google.com/file/d/1E32Abg15AzGf8F1gxMhI6suGdUsm7Kx9/view?usp=sharing>

JOBS today and in the future - more than 'just' opportunities for residents

- Jobs don't 'just' represent opportunities for MH residents, **jobs drive the net revenue (economic benefit) to City**
- You HAVE to have a fact-based view on JOBS and in today's world that means appreciating the impact of **automation**
- Every fiscal impact analysis, including the one City did with \$45K of taxpayer money, uses Employment Density as key input. The number of employees per square feet of floor area (or per acre of total development) is a key parameter.
- [1] City's current analysis assumes 1 employee per 1,000 square feet floor area for Distribution Center.
- [2] Consultant used exact same density in 2015. But a lot has changed and 'best available' data is NOT 5 years old .
- Multiple factors including evolution of e-commerce business and automation impact number of jobs.
- Best available data shows Distribution Center employment density is ~ 1 employee per 2,000 square feet today
- Distribution Center jobs being displaced by automation, employment density will continue to decrease at *accelerating* rate
- Current analysis [1] does not even mention automation. In 2020?
- While automation is impacting many industries, almost no industry [3] will be more impacted by job displacement than distribution / logistics. Experts expect that automation will displace between 75% and 90% of Distribution Center jobs.
- The introduction of robotics in distribution centers started in 2012. Large scale use of automation is happening now at a breathtaking pace! https://drive.google.com/file/d/1yiQwSZQHE__I2hmT5ImckVibrZFzzxWg/view?usp=sharing

[1] Strategic Economics, *Economic and Fiscal Impact Analysis Memo*, July 1 2020 (pg. 10)

[2] Strategic Economics, *San Jose Overview and Employment Lands Analysis*, January 20, 2016 (pg. 76) and see slide 8 attached)

3 [3] McKinsey & Company, *Where machines could replace humans-and where the can't (yet)*, M. Chui, J. Manyika, M. Miremadi, July 2016



What about the City's favored ('Last-Mile' / 'Parcel Hub') Distribution case?



This is the 'shining example' in Fremont that City's experts point to. Pacific Commons 'industrial park'. Amazon has got approval from Fremont to 'convert' 566,000 square feet of space that was planned to be 'industrial' into a "Fleet Yard" that would be utilized 24/7. (https://www.fremont.gov/DocumentCenter/View/43022/PLN2020_00128-Pacific-Commons-South-Parking-Lot-rpt)

Amazon uses "Delivery Service Providers" which have been well documented in press to be a means to maximize their PROFIT. Drivers get no Amazon benefits and many service providers, lured by Amazon promise of 'starting a new business', are unscrupulous and put drivers under unsafe operating conditions.

What is net effective Employment Density?

~ 1 employee per 4000 - 5000 sq feet ?!!

Do we want to be a 'shining example' and allow Industrial Lands that SHOULD be used for JOB generating business to be converted into "Fleet Yards" whose only long-term purpose is to enable autonomous vehicles? Who does this benefit?



‘Last-Mile’ / ‘Parcel Hubs’ : Distribution Centers that should be banned!

- Amazon has begun massive expansion (1,500) of their ‘Delivery Stations’ across US. What Amazon does , others follow so can use recent, documented cases where cities have given permitted such facilities as being representative of ‘Last-Mile Distribution’ that Morgan Hill city staff has arbitrarily decided to call a “Parcel Hub”. What do we learn from Fremont and American Canyon?
- **‘Last-Mile’ Distribution (aka Parcel Hub only in MH) has all the negatives of any other DC and MORE**
 - » Typical size 250,000 - 375,000 square feet, with clear ceiling heights ~32 feet or more.
 - » City would like to pretend all big rig (what Amazon calls ‘line-haul’) truck traffic just disappears. While ‘line-haul’ trip generation may be lower than some other types of DC’s the facilities are designed to operate at peak throughput and product must be transported into the facility accordingly. There will still be significant big rig truck traffic!
 - » ~200 - 300 delivery vans, with high peak and total daily trips (~3,500+). There is NO SUCH THING as ‘true last-mile’. Typical targeted delivery range is up to ~44 miles but it’s absurd to believe delivery would be ‘just’ for MH residents.
 - » Fleet parking requirement results in VERY low net Employment Density and use of land for PARKING! HOW IS THAT ‘preserving’ job-generating industrial land?
 - » The driving / delivery jobs are outsourced to ‘Delivery Service Providers’ for ONE reason - Amazon PROFITS. Drivers get no Amazon company benefits, many of the ‘Delivery Service Providers’ are unscrupulous companies lured by Amazon’s promise to fund their ‘startup’ business. (Amazon Pushes Fast Delivery but Avoids Responsibility for Human Costs)
<https://www.nytimes.com/2019/09/05/us/amazon-delivery-drivers-accidents.html>
 - » Most sales tax routed through county pools. Combined with low number of jobs and high impact to street maintenance costs, **what is realistic estimate of NET REVENUE for this favored use case?** It could be negative.



ANY type of Distribution Center will generate Truck Traffic

- Trucks don't magically go away in 'Last-Mile' scenario. What is REALISTIC estimate for big-rig Truck traffic in "Parcel Hub" that City wants to allow and promote in Morgan Hill?
- Morgan Hill faces ~ **\$2,300,000** 'unfunded needs' required for street maintenance. Today!
- Our streets are going to get worse and there is no money to pay for needed maintenance.
- At public meetings and in emails to City staff over the past 12 months, MHRGC has pointed out many times that Trucks cause more damage to roads than cars, and cities that have permitted Distribution Centers have seen street maintenance costs skyrocket. The Fiscal Analysis mentions 'Truck' one time and completely ignores the impact to street maintenance costs they will have. How?
- Impact to street maintenance costs: 1 Big Rig Truck : ~7,000 - 8,000 Passenger Cars
- What is impact of a very high number of 'delivery vans' to MH streets? (MHRGC continues to research this to arrive at realistic fact-based answer, not hand-waving assumptions.)
- Impact & other 'developer fees' do NOT contribute to street maintenance. Projects don't magically 'pay for themselves'. Make assumptions to justify a project. Look up and find a \$2.3M dollar deficit.



Fewer jobs, More Trucks --> Very Low Net Revenue to City

Development Program	Distribution Center	Scenario 1	Scenario 2	Scenario 3
R&D/Office	0	0	540,000	0
Manufacturing/Assembly	0	522,300	22,500	0
Distribution	1,044,600	522,300	22,500	0
Retail	50,000	50,000	218,000	0
Administrative Office	0	0	305,965	0
Distribution Center Employment Density (gross square feet of building are per employee)	2000	1000	1,000	n/a
Revenues				
Property Tax	\$194,445	\$236,500	\$297,800	\$30,000
Property Transfer Tax	\$7,379	\$8,600	\$10,800	\$1,100
Sales Tax (Note: error in original version not fixed)	\$172,639	\$411,200	\$963,600	\$0
Property Tax in Lieu of VLF	\$83,166	\$101,100	\$127,300	\$12,800
Other Recurring Revenues	\$32,912	\$87,200	\$185,800	\$0
Per capita adjustments for realistic DC salary?	\$0	\$0	\$0	\$0
Impact on current city wide property & sales tax ?	\$0	\$0	\$0	\$0
Indirect / Induced revenue effects?	\$0	\$0	\$0	\$0
Subtotal, Revenues	\$490,541	\$844,600	\$1,585,300	\$43,900
Expenditures				
Police Cost (one new field officer for Real-World)	\$197,830	\$216,400	\$436,600	\$0
Fire & EMS Cost (needs separate category)	\$0	\$0	\$0	\$0
Recreation	\$7,975	\$21,100	\$45,000	\$0
Downtown Maint./Street Maint./Congest Mgmt.	\$104,954	\$21,300	\$45,400	\$0
Environmental Programs	\$1,267	\$3,400	\$7,100	\$0
Park Maintenance	\$14,800	\$14,800	\$31,500	\$0
General Government	\$58,648	\$155,367	\$331,100	\$0
Subtotal, Expenditures	\$385,473	\$432,367	\$896,700	\$0
Net Revenue	\$105,068	\$412,233	\$688,600	\$43,900
Net Revenue as % of Total Revenues	21.4%	48.8%	43.4%	100.0%

Assumptions

1) Same calculations & assumptions as Strategic Economics except for the following:

- Employment Density: One employee per 2,000 square feet gross floor area
- Street Maintenance & Congestion Management expenditures for Truck Traffic added. Based on conservative number of 400 daily truck trips and passenger car equivalent of 7000 cars per Truck. 'Per Employee' cost same as in report with Downtown Maintenance cost removed

The City paid ~40K for this fiscal impact analysis - why aren't they talking about it ???!
What is a REALISTIC estimate for 'Last-Mile' scenario? Close you eyes and hope is not a 'plan', it's a ponzi scheme.

The first column in this table was presented during the 2020 mid-year budget update based on the TC project. MHRGC is in process of updating it to model 'Parcel Hubs' that the City wants to bring to Morgan Hill.



There is NO case for ANY kind of DC in our City

- City's own consultants are RIGHT. Low Jobs, High Trucks, Poor Use of Land, High Risk to General Fund.
- What about nothing will get built if you don't open your arms to Distribution as the 'carrot'?
 - » Golden State Assembly expansion
 - » Applied Motion Products
 - » Silicon Valley Glass
 - » Techcon
 - » Known interest and long term plans of existing businesses to stay and expand (e.g. Paramit)
- Economic winner is the developer. In today's environment building Distribution Centers is NOT 'speculative'. Typical (e.g. Trammel Crow) model is to sell entire project to REIT / Hedge Fund and they are currently able to do this even before the project is fully leased. Incentive to build and flip is ~\$35M - \$50M gross profit for ~500K sq ft project.
- Just because commercial developers and brokers want to build speculative Distribution Centers in MH does not mean that it is in the Public Interest to allow them! WHO DOES THIS 'PLAN' BENEFIT?
- **We can do better. The 'industrial land preservation' policy is flawed, and the very people who are proponents admit it. The 'shiny examples' of Fremont and Newark don't fit Morgan Hill in any way. A flawed idea is being used to propose Zoning Code Amendments with predictable results.**

City's proposed Zoning Amendment

- The proposed Zoning Amendment is the realization of a “Industrial Preservation Policy’ straight from JLL and an attempt to subvert the Responsible Growth for Morgan Hill Initiative and would ALLOW TC’s original 192 Truck Dock proposal.
- **Heavy Distribution** is a completely made up definition with no common use in the industry or in zoning: *“A fulfillment Center or similar use with a minimum gross floor area of 200,000 square feet and a minimum ceiling height of 24 feet. **The Fulfillment Center’s primary purpose is storage and distribution of e-commerce products to consumers or end-users....”***
- Any denial of an application for a use that is permitted in the Zoning Code can only be made on findings based on facts in the record. The City knows this very well and knows their ‘ban’ is a misleading way to allow projects like TC to be approved by right. They don’t even make ANY attempt whatsoever to define HOW they would measure, monitor and enforce “primary purpose’. Just like Shoe Palace, where the City’s “plan’ to enforce 8 Truck Trips per day is literally to “wait for citizens to complain”. We are to believe that the MH Planning Commission and City Council have discovered a ‘truth serum’ to give applicants.
- ***“primary purpose is storage and distribution of e-commerce products” is not a crack that developers will attempt to use it is an OPEN DOOR.*** TC and any other applicant that says they are building a “Technology Center” would HAVE to be approved!
- “MH Technology Park” 192 Dock, 1,000,000 square foot Distribution Center was supposedly not ever going to be used ‘primarily for storage and distribution of e-commerce products’. The Responsible Growth for Morgan Hill Initiative recognizes you can NOT ban Distribution Centers based on the naive belief that developers have the Public Interest as their goal. What does Shoe Palace and 8 Truck Trips per day teach us? <https://drive.google.com/file/d/1nITDr77CM1fOa5xQMiuLpc5yMvh4bMnl/view?usp=sharing>
- City can’t even count trucks going in and out and has NO plans and NO ideal whatsoever how they would even monitor and enforce ‘primarily used for’. City Council members still want Citizens to believe that a 192 Dock facility is for Advanced Manufacturing.
- **Parcel Hubs** are no better than any other type of Distribution Centers so why explicitly ALLOW them?

Why is the City using knowingly FALSE information?

- Why is the City using knowingly false information to purposely mis-characterize the Responsible Growth for Morgan Hill Initiative? Ask yourself why? **What does this tell us about their true motive?**
- Responsible Growth for Morgan Hill Initiative: “Fulfillment Center. Any structure that has **all** of the following 3 attributes: (1) a floor area of 75,000 square feet or greater, **and** (2) a clear ceiling height of 24 feet or greater over more than 25% of the floor area, **and** (3) more than one dock-high door per 25,000 square feet of floor area.
- At the September 21 PC Meeting the City Attorney showed a set of “large buildings in MH” as attached. These were shown because the City wants you to believe these companies would somehow be negatively impacted when the Responsible Growth for Morgan Hill Initiative becomes enacted. BTW: Where is Shoe Palace in the list?
- Specialized : 22 foot clear ceiling height. Is not a Fulfillment Center by definition. Would not be impacted in any way.
- NxEdge & Mission Bell: supposedly they have clear ceiling heights of ‘exactly’ 24 feet. Suppose that is true and they wanted to expand. Would a clear ceiling height of 23.99 feet really be ‘restrictive’?
- Sunbasket/Talamo Foods: City says their building has 28-32 ft clear ceiling heights which can’t possibly be correct because the exterior building height is 32 feet. When Sunbasket’s VP of Manufacturing was asked by the City if 24 foot clear ceiling heights would be a problem for that industry: “24 is pretty reasonable from what I can see, for a building inside a building so when you need to put a clean-room or you need to put in a refrigerated space for something, that gives you plenty of height within a production space to take care of that, you still have a nice 18-20 foot room inside”
- Airtronics: 18 foot clear ceiling height. Not impacted so why is it being shown in their ‘list’ of impacted buildings?
- Greif: 20+ foot clear ceiling height. Not impacted so why is it being shown in their ‘list’ of impacted buildings?

Residents support the Responsible Growth for MH Initiative

- Residents see through the City's smoke screen and support the Responsible Growth for Morgan Hill Initiative (RG4MHI)
- Unlike the City's duplicitous proposal which would ALLOW and ENCOURAGE developers to turn Morgan Hill into a Distribution Hub, the RG4MHI prohibits more Distribution Centers from being built anywhere in the City.
- The RG4MHI is modeled after a commonsense definition that was enacted by planning professionals after they did a year long study in how to promote Advanced Manufacturing and Research & Development businesses and discourage trucking-intensive operations that had overwhelmed their city and caused significant harm to the city budget.
- The RG4MHI encourages industrial land be used for Advanced Manufacturing, Research and Development and other businesses that offer sustainable job growth; as opposed to highly-automated Distribution Centers that are full of robots and offer very few jobs for human workers. Why is the City not even talking about jobs?
- There has been NO good-faith effort to discuss the RG4MHI. After 16 months the City suddenly says there is a rush to 'get something done'. The only logical conclusion from their proposal is the 'rush' is a rush to permit developers to build more Distribution Centers. They are willing to use knowingly false information as a blatant scare tactic.
- The City should rush to adopt the RG4MHI. If there were legitimate concerns about being 'too restrictive' the City would be asking about modifications that would be acceptable to residents and there are some simple modifications that could be considered.
- No jobs, a lot of Truck Traffic, and little or negative net revenue to the City. Who would benefit from allowing more Distribution Centers in OUR City? The answer is clear. It's time to adopt the Responsible Growth for MH Initiative.



Large Buildings in Morgan Hill

What is the REAL purpose of this list shown by the City Attorney and mentioned as being impacted by the Responsible Growth for Morgan Hill Initiative? Why is the City so willing to push these knowingly FALSE examples of businesses that would supposedly be impacted?

How come Shoe Palace is not shown as a 'large building in MH'?



Specialized Headquarters



- 312,000 sq. ft.
- 22 feet clear height
- Dock doors: 15 (13 dock high)

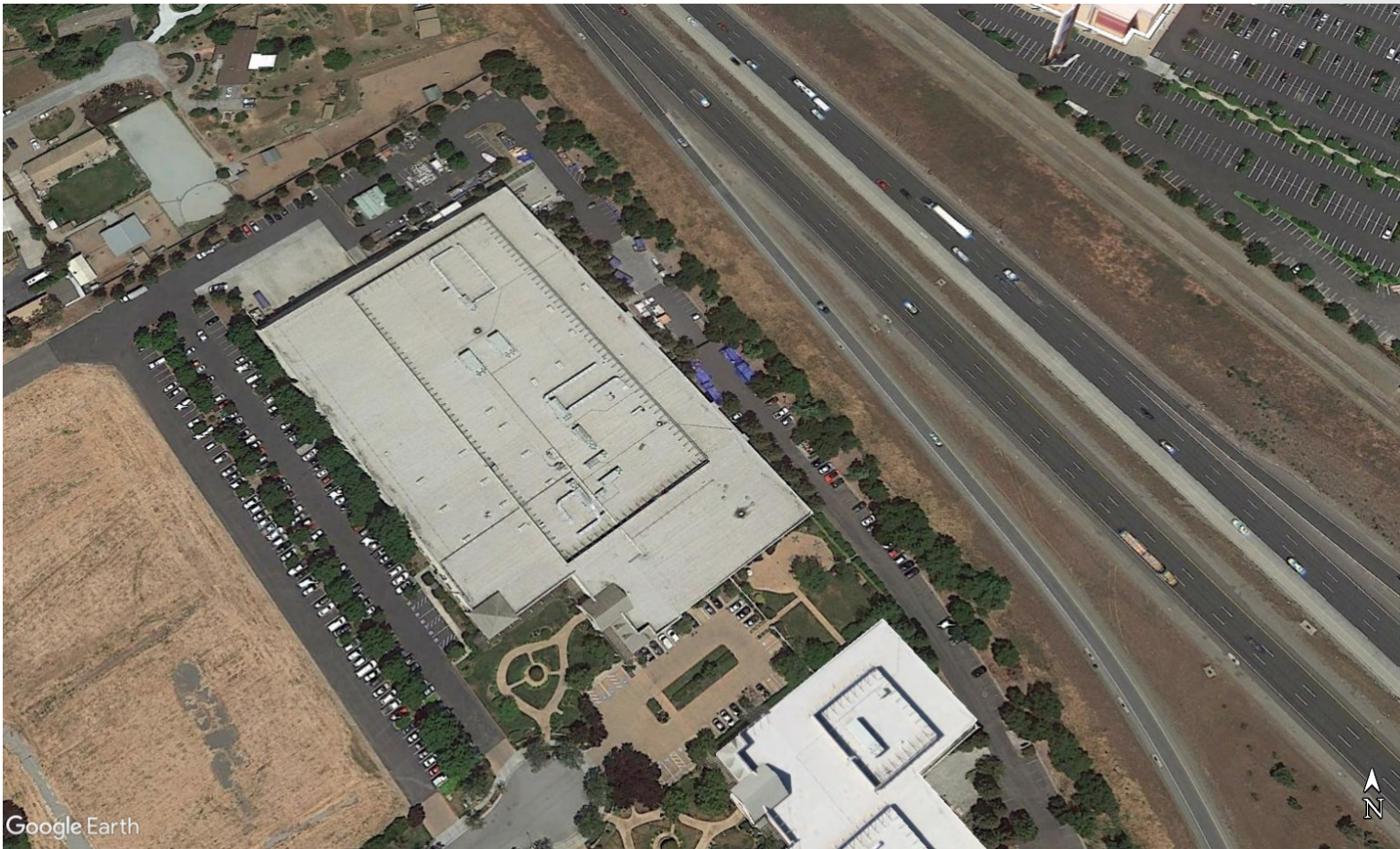
Young's Market



Young's Market is a Distribution Center. If we want more of these then the City's proposal will certainly bring many more building just like this one.

- 286,000 sq ft
- 32 feet clear height
- 40 dock doors (40 dock high)

NxEdge



- 155,520 sq ft
- 24 ft clear height
- 12 dock doors (8 dock high)

Sunbasket/Talamo Foods



MHRGC does not know the actual clear ceiling height but Google Earth indicates the EXTERIOR building height is 32 feet. Also see comments from Sunbasket VP of Manufacturing in the presentation.

- 126,370 sq ft
- ~~28-32 ft clear heights~~
- 16 dock doors (12 dock high)

Mission Bell



- 103,000 sq ft
- 24 ft clear height
- 6 dock doors (4 dock high)

Creative Manufacturing/Pinnacle



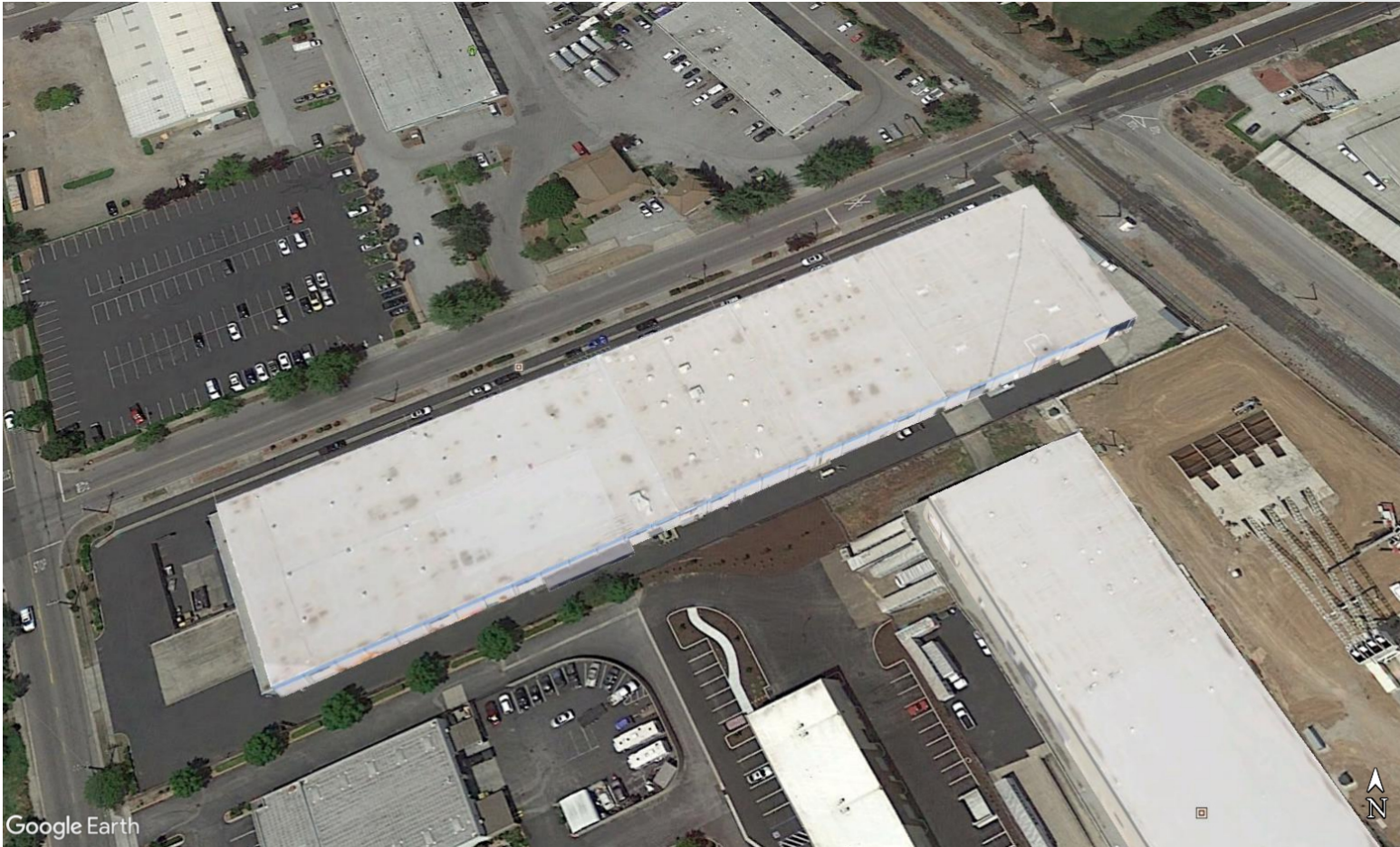
MHRGC has not yet evaluated whether the information regarding this facility is accurate.

- 112,600 sq ft
- 24-35 ft clear heights
- 9 dock doors (6 dock high)



- 94,680 sq ft
- 20+ ft clear heights
- 22 dock doors (16 dock high)

Airtronics



- 88,350 sq ft
- 18 ft clear height
- 18 dock doors (2 dock high)



October 21, 2020

Dear City Council,

I am writing this letter to address City Council about the proposed Industrial Zoning ordinance. While it is intended to provide a productive amendment to the City of Morgan Hill Municipal Code and ensure a continued high-quality living at the City, we believe If the City moves forward with modification as proposed, it will deter many new employers from entering Morgan Hill, which directly impacts the employment growth potential and the City's general fund fiscal generating uses.

Shoe Palace started its journey in 1993 with a single store in San Jose and a very strong commitment and philosophy to not only sell shoes, but to equally support and give back to the community. Throughout the years of our growth we have held true to this commitment and continue to hold it very close as one of our core values. We have provided assistance to those in need all around us through many different avenues. We have been fortunate enough to be able to grow the company into a strong national retailer with 170 locations and locally employing over 250 talented people in Morgan Hill alone. We most certainly could not have done this without the partnerships and support of the City.

I am not only a business owner and local employer, but am investing in the future of Morgan Hill and have acquired several properties in the Morgan Hill Ranch Business Park and Madrone Business Park. In recent months we have had to make many adjustments due to COVID-19 in order to maintain the long-term success of the company and its employees. Months ago, we were greatly impacted by the civil unrest in which entire stores were looted, set on fire and closed down only to find out that our insurance would not cover this type of acts and would cost us millions of dollars. We have endured a lot, as many have, but continue to stay true to our values and beliefs. Through this, we have maintained a strong company image and great partnerships, which will always be of the utmost importance to us.

Holding our operations in Morgan Hill has been crucial for our ability to push through recent turbulent times. For employers like Shoe Palace, there is a need for modern manufacturing, warehouse & light industrial buildings in Morgan Hill. In order for the City to succeed in both in the present and for the future, we will need to continue attracting employers to our industrial base and will also need to give existing employers the ability to grow within our City borders. Modern speculative industrial buildings are needed in the City business parks and industrial zoned areas to attract these tenants with skilled and higher wage workforces. Light Industrial, manufacturing, warehousing and distribution are currently permitted uses in the areas contemplated under the proposed Ordinance and are subject to Design Review and CEQA. Added red tape can stifle construction and thus, stifle the long-term prosperity of Morgan Hill.



Specifically, to a new building's physical attributes, modern manufacturing and light industrial buildings are best constructed to at least 32' clear to provide for flexibility in utilization of the space for equipment or processes. These are the clear heights in demand together with ESFR Fire Sprinkler Systems that can accommodate most uses without substantial building modifications and added costs.

Dock doors are more cost effective to install at the time of construction versus the added cost of installation at a future date. Significant building modifications become delays in occupancy and permitting approvals. Dock bays can also provide needed parking spaces on sites with limited land area.

If the City must move forward with modification to the zoning with this Ordinance, be aware this will likely deter many new employers from entering Morgan Hill as well as prevent existing employers from staying in Morgan Hill as they grow. If the City's goal is to adopt a new ordinance but still grow a solid employment base in the community, then we recommend at the very least for the City to spend more time on this ordinance to contemplate and ensure the policy is supportive of the community's short-term and long-term goals. We recommend proper engagement with local businesses, property owners and local developers who would be affected by the ordinance and who may not have voiced their opinion yet to City Council.

We encourage working with the City Planners and Officials on projects on a case by case basis, under the current rules and regulations. We recommend a business-friendly approach to your decisions for the long-term success of the City, employment and tax base.

Sincerely,

George Mersho
Chief Executive Officer
Shoe Palace



SCU Lightning Complex Fire Report

October 21, 2020

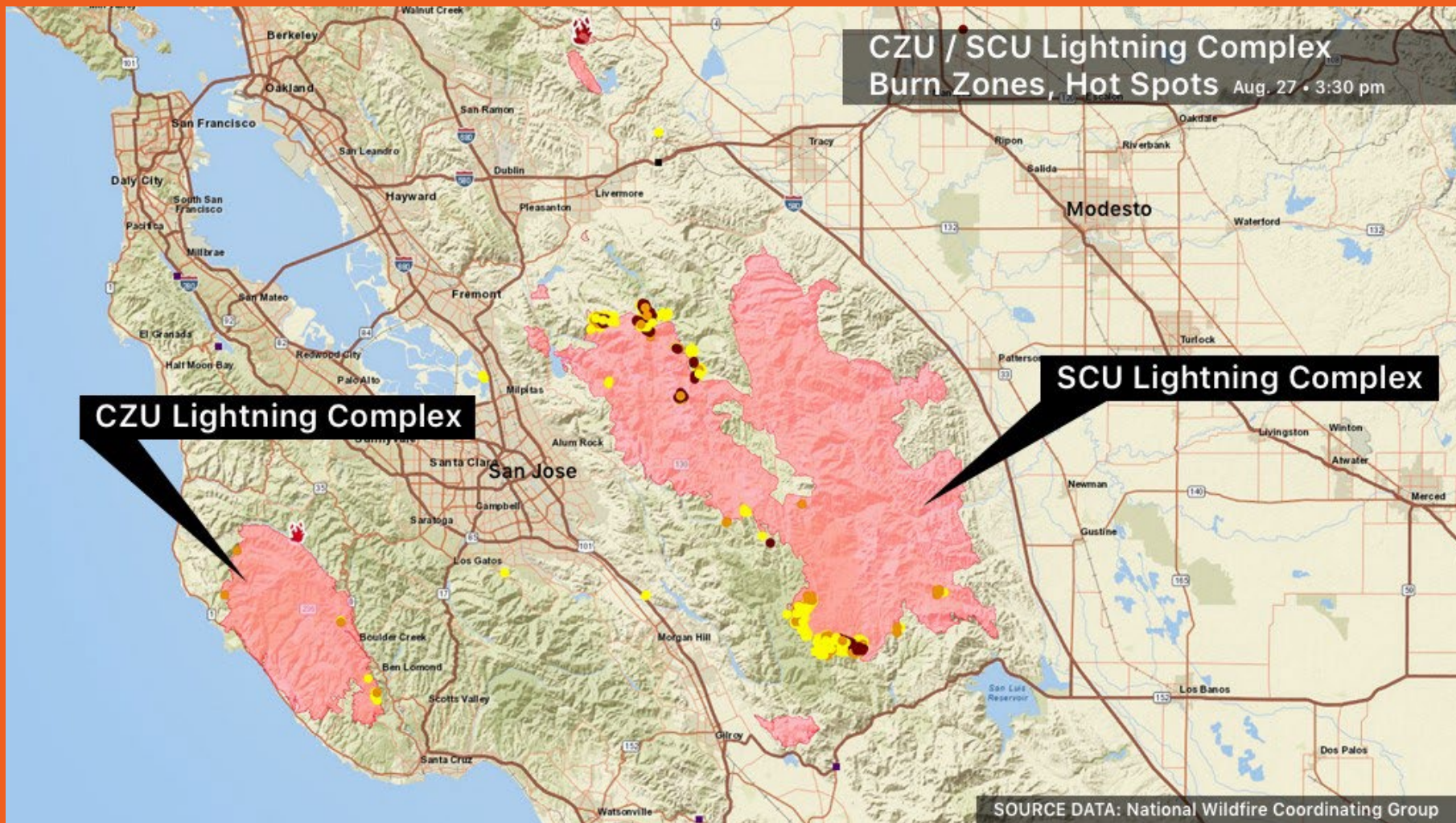
Item #18



Overview



- Fires began on August 16, 2020
- 100% contained by October 1, 2020
- 396,624 acres burned within 7 counties
- 3rd largest fire in California history
- 2025 fire personnel, 253 engines, 41 bulldozers, 41 water tenders, 25 hand crews, 9 helicopters



How did we get here?

- 4 million Acres burned in California since August 15, 2020
- Mega Fire Era
- Ember-cast has started fires up to 10 miles away
- Post Drought Conditions
- Wildland Urban Interface issues
- California's Mediterranean climate is designed to burn



Lightning Siege



- Lightning Siege
- Northern California Geographic Area Coordinating Center
- CAL FIRE Team 6 was activated for SCU Complex
- Cooperation with Law Enforcement & Fire Agencies was fantastic
- 80 Million Dollar Fire



Impacts to Morgan Hill



- As the western edge of the SCU Complex burned into Henry Coe Park, we needed to get aggressive with our evacuation and notifications
- Evacuation of residents on the eastside of Morgan Hill (out of an abundance of caution and to ensure evacuations were completed on our terms and timeframes)
- Air quality issues



Challenges

- 7 counties involved with SCU Complex
- Covid 19 mitigation efforts daily
- Private and public lands
- Limited resources available
- Aircraft Issues with visibility
- Evacuations
- CDCR Crews limited due to Covid-19 and early release of Inmates



Successes



- Amazing cooperation with all Law Enforcement and Fire Agencies
- Morgan Hill communications was outstanding
- Low firefighter injuries & no fatalities
- Alameda County Fairgrounds
- 858 new firefighter positions
- Holiday Lakes and Jackson Oaks are certified Firewise Communities

.



Communications



- Public Information Officer (PIO) Team located at Emergency Operations Center (EOC)
- Coordination with CALFIRE PIO at Incident Command Center, Morgan Hill Police Department Sgt at Incident Command Center and Santa Clara County EOC
- Call Center established in EOC

Communication Channels

- City website homepage
- 25 eblasts to over 18,000 (average open rate 44%)
- Facebook posts (high reach of 77,000)
- Call Center (1800+ calls)
- 4 Media Interviews
- 2 Town Halls (over 1100 Participants at each)
- Twitter
- Nextdoor
- Instagram
- Channel 17



Communication Survey Results



Over 78% rated communications as good to outstanding

* Please complete the following sentence. The overall communication from the City of Morgan Hill during the SCU Lightning Complex Fire event was ...

Answer	0%	100%	Number of Response(s)	Response Ratio
Outstanding, I felt well informed throughout the event.			604	53.2 %
Good			297	26.1 %
Fair			48	4.2 %
Poor, I did not feel well informed and I did not know where to find information			18	1.5 %
Non-existent, I received no information from the City of Morgan Hill			10	<1 %
Other			3	<1 %
No Response(s)			155	13.6 %
Totals			1135	100%

Communication Survey Results

4.4 out of 5

* Please indicate your level of satisfaction with the following attributes of our communications during the SCU Lighting Complex Fire event
 1 = Very Dissatisfied, 2 = Somewhat Dissatisfied, 3 = Neutral, 4 = Somewhat Satisfied, 5 = Very Satisfied

Answer	1	2	3	4	5	Number of Response(s)	Rating Score [*]
Quality and accuracy of information provided						975	4.4
Timeliness of information provided						975	4.4
Methods of communication						975	4.4
Frequency of updates						975	4.3

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

Survey Comments Summary



- The majority of respondents felt the communication was good to excellent/outstanding
- Appreciated the Virtual Town Halls
- Concern for elderly
- Concern that many people do not use Twitter
- Desire for text messages from the City

Survey Comments Summary (cont.)



- Misunderstandings about AlertSCC
- Lots of kudos for PD and Fire... appreciated the in-person notifications
- Very much appreciated the Call Center
- Interest in more information on Channel 17
- Lots of upset over the SJ AlertSCC
- More visuals and maps requested

Fiscal and Resource Impact to Morgan Hill

- Current estimate is \$181,000 to the General Fund (primarily overtime)
- Initial public assistance application has been submitted
- No budgetary adjustments are recommended at this time



Questions



Item # 19

AGENDA DATE: 10/21/2020
SUPPLEMENT # 1

From: [Christina Turner](#)
To: [D. Muirhead](#)
Cc: [CC Public Comment](#)
Subject: RE: Comments City Council October 21, 2020 Items #7, #18, #19
Date: Wednesday, October 21, 2020 1:40:10 PM

Hi Doug - Please see responses to your comments below:

Item #7 Thank you for your comments.

Item #18 The CalFire Watershed Emergency Response Team (WERT) Evaluation was included in our weekly 411 and here is a direct link to the report: <https://www.morgan-hill.ca.gov/DocumentCenter/View/37327/SCU-Lightning-Complex-Fire-Watershed-Emergency-Response-Team-Report> We have also included it on our website on a Fire page.

Item #19 For the Council Reports, you can refer to the policy at the following link. <https://www.morgan-hill.ca.gov/DocumentCenter/View/6076/CP-97-01-Rules-for-the-Conduct-of-City-Council-Meetings>

Here is an excerpt for the reports:

4.5 City Council Reports: On an alternating basis, at each Council meeting a Council Member has the opportunity to share with the Council and community any pertinent updates or information in regard to their appointments to outside agencies, upcoming events, or relevant City business. These are non-action items.

4.8 Other Reports: These are pertinent updates or information on upcoming activities or events relevant to City business. These are non-action items.

These reports have been suspended until we return to in-person meetings. At the meeting on October 21, Council will decide whether to reconsider this decision at a future meeting.

Thank you,
Christina

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

From: D. Muirhead <doug.muirhead@stanfordalumni.org>
Sent: Thursday, October 15, 2020 11:23 AM
To: CC Public Comment <CCPublicComment@morganhill.ca.gov>
Subject: Comments City Council October 21, 2020 Items #7, #18, #19

Comments for Morgan Hill City Council Meeting: October 21, 2020

- Item #7. Purchase/install SRM, AM, and CRM systems
- Item #18. Report on SCU Lightning Complex fire
- Item #19. Discussion on adding Council Reports to the agendas.

- 7. Purchase/install Service Request Management (SRM), Asset Management and Customer Relationship Management (CRM) software for the Maintenance and Utility Departments

[comment] I am pleased to finally see some movement in this area. Eighteen months ago at the Goal Setting, I was excited to hear that a replacement for Report-A-Concern was in the works.

These systems benefit your employees but can also provide better request management from our residents. Last year at County GIS day, County Parks talked about their new Asset Management system. Automated generation and tracking of work orders as well as scheduled asset inventory assessment and preventative maintenance are all benefits.

The ability for the public to inject situations to be assessed would be a plus (to be enabled after staff had some experience with the new system).

Please acquire this capability.

18. Report on SCU Lightning Complex fire

[comment] I am disappointed that you did not inform the community of the CalFire Watershed Emergency Response Team Evaluation CA-SCU-005740 September 21, 2020 which the City and I have had since September 30.

19. Discussion on adding Council Reports to the agendas

[comment] I am unsure what a "Council Report" is.

You used to have a single Council Member do a brief report at the start of each meeting, rotating through all members. This no longer happens. At the Goal Setting at the start of the year, Council Members endorsed more reporting by more members as a way to inform the entire Council and the community on what and how members were benefiting our City and its residents through their outside assignments and local activities.

You have talked about wanting more interaction with residents and this is one way to start the conversations.

Thank you for your consideration, Doug Muirhead, Morgan Hill

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September 16, 2020

Mayor Sam Liccardo
Dave Sykes, City Manager
City of San José
200 E. Santa Clara Street
San José, CA 95113

Dear Mayor Liccardo and Mr. Sykes,

The amount of illegal dumping and trash piling up along the Monterey Road corridor between San José and Morgan Hill is a concern for us. I am sure you are also receiving complaints on the corridor and we would like to collaborate with you to address this situation. As you know this is one of the main gateways between our communities and needs attention.

We understand there are competing priorities for all agencies involved, but I am writing to request action from Union Pacific Railroad and the City of San José.

We have recently heard that this section of Monterey Road will be rehabilitated soon and we are very appreciative of that.

Please contact me about a good time to discuss solutions either by e-mail at rich.constantine@morganhill.ca.gov or by phone 408-313-3305. I look forward to hearing from you.

Best Regards,



Rich Constantine
Mayor

Cc: Sergio Jimenez, City of San José Councilmember, District 2
Christina Turner, City of Morgan Hill City Manager

From: [Ortbal, Jim](#)
To: [Christina Turner](#); [Sykes, Dave](#)
Cc: [Wilcox, Leland](#); [Scott, Rick](#); [Williams, Olympia](#)
Subject: RE: Monterey Road
Date: Tuesday, September 22, 2020 7:28:28 AM

Christina:

Please see the email below ... it describes the joint UPRR and City of San Jose Clean Up effort along the UPRR tracks and Monterey Rd.

Jim Ortbal
Deputy City Manager
City of San Jose

From: Ortbal, Jim
Sent: Monday, September 21, 2020 11:32 AM
To: Liccardo, Sam <sam.liccardo@sanjoseca.gov>; Jones, Chappie <Chappie.Jones@sanjoseca.gov>; Jimenez, Sergio <sergio.jimenez@sanjoseca.gov>; Peralez, Raul <Raul.Peralez@sanjoseca.gov>; Diep, Lan <lan.diep@sanjoseca.gov>; Carrasco, Magdalena <Magdalena.Carrasco@sanjoseca.gov>; Davis, Dev <dev.davis@sanjoseca.gov>; Esparza, Maya <Maya.Esparza@sanjoseca.gov>; Arenas, Sylvia <sylvia.arenas@sanjoseca.gov>; Foley, Pam <Pam.Foley@sanjoseca.gov>; Khamis, Johnny <johnny.khamis@sanjoseca.gov>
Cc: Sykes, Dave <Dave.Sykes@sanjoseca.gov>; Maguire, Jennifer <jennifer.maguire@sanjoseca.gov>; Rios, Angel <Angel.Rios@sanjoseca.gov>; Harkness, Kip <Kip.Harkness@sanjoseca.gov>; Wilcox, Leland <Leland.Wilcox@sanjoseca.gov>; Cicirelli, Jon <Jon.Cicirelli@sanjoseca.gov>; Scott, Rick <rick.scott@sanjoseca.gov>; Williams, Olympia <Olympia.Williams@sanjoseca.gov>; Pereira, Paul <Paul.Pereira@sanjoseca.gov>; Davis, Rachel <Rachel.Davis@sanjoseca.gov>; Camarena, Carolina <Carolina.Camarena@sanjoseca.gov>; Chapman, Helen <helen.chapman@sanjoseca.gov>
Subject: Union Pacific Railroad and Monterey Rd Clean Up in South San Jose

Mayor Liccardo and Members of the City Council:

On Monday, September 21, 2020, the Union Pacific Railroad (UPRR) and City of San Jose collectively initiated a major clean up in south San Jose along the Union Pacific Railroad tracks, adjacent City right of way on the westside of Monterey Rd, and other adjoining properties. This email provides the general scope and timeline of the clean up activities.

Location

Most of the clean up work will be occurring in the area north of Bailey Ave in far south San Jose, more specifically just north of Emado Ave and South of Padua Lumber Co. on the westside of Monterey Rd, on property owned in various segments by UPRR, the City of San Jose, the Santa Clara Valley Open Space Authority, and the lumber company.

Clean Up Activities

Communication: City Manager's Report Supplement (CITY MANAGER'S REPORT)

The clean up will include the removal and disposal of over 20 vehicles, sorting, separation, and removal of various types of hazardous and bio-waste, removal and disposal of very large amounts of illegally dumped trash, disposal of trash associated with encamped residents, and the removal of the encampments.

City staff have been coordinating and working with the UPRR over a period of months to schedule and collaborate on cleanups along the entire UPRR right of way through the City of San Jose from north to south. Given the size of this particular clean up site, significant planning and mobilizing of equipment, crews, and materials to safely complete the effort has been undertaken by the City and UPRR jointly. Since the beginning of September, staff outreached to the encampment residents at this particular site to provide assistance and guidance regarding potential shelter options and to help them prepare for the scheduled clean up.

City staff is also exploring long-term mitigating measures to prevent a similar situation in the future.

Monterey Rd will remain open for the duration of the work, although lane closures to protect the safety of workers may cause traffic delays.

Duration of Clean Up

-

Given the volume of clean up work required, the effort is expected to take up to about 10 days.

Jim Ortbal
Deputy City Manager
City of San Jose

From: Christina Turner [mailto:Christina.Turner@morganhill.ca.gov]
Sent: Monday, September 21, 2020 8:44 PM
To: Sykes, Dave <Dave.Sykes@sanjoseca.gov>
Cc: Wilcox, Leland <Leland.Wilcox@sanjoseca.gov>; Ortbal, Jim <Jim.Ortbal@sanjoseca.gov>
Subject: RE: Monterey Road

[External Email]

Thank you!

From: Sykes, Dave <Dave.Sykes@sanjoseca.gov>
Sent: Monday, September 21, 2020 9:58 AM
To: Christina Turner <Christina.Turner@morganhill.ca.gov>

Cc: Wilcox, Leland <Leland.Wilcox@sanjoseca.gov>; Ortbal, Jim <Jim.Ortbal@sanjoseca.gov>
Subject: RE: Monterey Road

Hi Christina, thanks for the letter. This area is a major concern for us as well, we will be following up.

David Sykes
City Manager
City of San José
408-535-8111

From: Christina Turner <Christina.Turner@morganhill.ca.gov>
Sent: Wednesday, September 16, 2020 3:42 PM
To: The Office of Mayor Sam Liccardo <TheOfficeofMayorSamLiccardo@sanjoseca.gov>; Sykes, Dave <Dave.Sykes@sanjoseca.gov>
Cc: Rich Constantine <Rich.Constantine@morganhill.ca.gov>; Jimenez, Sergio <sergio.jimenez@sanjoseca.gov>
Subject: Monterey Road

[External Email]

Good Afternoon – on behalf of Mayor Constantine, please find attached a letter regarding Monterey Road.

Best regards,
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
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From: [Jimenez, Sergio](#)
To: [Christina Turner](#); [The Office of Mayor Sam Liccardo](#); [Sykes, Dave](#)
Cc: [Rich Constantine](#)
Subject: Re: Monterey Road
Date: Wednesday, September 16, 2020 10:37:54 PM

Mayor Constantine and City Manager Turner,

Thank you for sharing your concerns and your offer to partner in improving Monterey Road. This gateway/connection between our two cities has for far too long lacked the necessary attention and care. I want to ensure you that improving the conditions along this roadway is a priority of mine.

I expect that the recent announcement of our interest in investing more heavily in cleaning our city will provided some much needed relief to Monterey Road as it continues to be a prime hotspot for dumping in our city.

As I continue to bring a focus to this part of our city, I'll make certain to keep you both informed about opportunities for collaboration.

In community,

Sergio

Get [Outlook for iOS](#)

From: Christina Turner <Christina.Turner@morganhill.ca.gov>
Sent: Wednesday, September 16, 2020 3:42 PM
To: The Office of Mayor Sam Liccardo; Sykes, Dave
Cc: Rich Constantine; Jimenez, Sergio
Subject: Monterey Road

[External Email]

Good Afternoon – on behalf of Mayor Constantine, please find attached a letter regarding Monterey Road.

Best regards,
Christina

CITY OF MORGAN HILL

Christina J. Turner, CPA

Communication: City Manager's Report Supplement (CITY MANAGER'S REPORT)

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

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Special 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, October 21, 2020 5:30 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/10212020CityCouncilMtg> or by calling in to: (669) 900-9128, then enter the meeting id: 835 2176 4154.

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.

SPECIAL MEETING

A Special Meeting of the City Council is called at 5:30 p.m. for the purpose of conducting City business including a closed session.

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

Deputy City Clerk Michelle Bigelow

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2
Deputy City Clerk Michelle Bigelow

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

Conference with Real Property Negotiators (Govt Code § 54956.8)

Property: 19665 B, Hale Avenue, Morgan Hill; APN 764-07-005
Agency Negotiators: Chris Ghione, Christina Turner
Negotiating Parties: Santa Clara Valley Habitat Agency
Under Negotiation: Price and Terms of Payment

RECONVENE

CITY MANAGER'S REPORT

CITY MANAGER'S REPORT SUPPLEMENT

CITY ATTORNEY'S REPORT

PRESENTATIONS

YAC Presentation- Asset #10 - Safety

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. ADOPT RESOLUTION SUPPORTING TELECOMMUTING AND OTHER MEASURES TO REDUCE SINGLE-OCCUPANCY VEHICLE TRIPS

Recommendation:

Adopt resolution supporting expanded telecommuting and other measures to reduce single-occupancy vehicle trips and joining the Bay Area Air Quality Management District's Commute Free Tomorrow Initiative.

2. APPROVE APPLICATION FOR INNOVATIVE TRANSIT GRANT PARTNERSHIP WITH RIDECO, INC.

Recommendation:

Authorize the City Manager to execute a Memorandum of Understanding with RideCo, Inc. for the application and implementation of the Valley Transportation Authority's Innovative Transit Grant.

3. APPROVE STORMWATER BEST-MANAGEMENT-PRACTICES OPERATION AND MAINTENANCE AGREEMENT FOR THE WHITTAKER RESIDENCE AT 2295 ROLLING HILLS DRIVE

Recommendation:

1. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement with Gary Whittaker and Wanda Whittaker (property owners) pending review and approval by the City Attorney; and
2. Authorize the recordation of the Agreement.

4. APPROVE PETITION TO CANCEL WILLIAMSON ACT CONTRACT FOR PROPERTY IDENTIFIED BY ASSESSOR PARCEL NUMBER 726-09-002 (WA2017-0001: DIANA-GROSSWEILER)

Recommendation:

Adopt resolution approving the cancellation of the Williamson Act Contract.

5. APPROVE RESOLUTION AUTHORIZING GRANT APPLICATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT-RELATED AGREEMENTS AND DOCUMENTS

Recommendation:

Adopt resolution approving the following actions:

1. Authorizing staff to prepare and submit a Statewide Park Development and Community Revitalization Program Grant Application to the State of California Department of Parks and Recreation for an amount not to exceed \$8,500,000 for the development of the proposed park at Butterfield Boulevard and Monterey Road; and
2. Authorizing the City Manager to negotiate and execute the Statewide Park Development and Community Revitalization Program Grant agreement and other documents, reports, forms, and agreements related to the performance of the identified project.

6. APPROVE PURCHASE OF A POLICE SERGEANT VEHICLE

Recommendation:

1. Approve the purchase of new Police Sergeant Chevrolet Tahoe and associated build-out equipment not to exceed the amount of \$84,641.87, which includes a 10% contingency of \$7,694.72;
2. Approve repurposing of the existing Police Chevrolet Tahoe #141; and
3. Authorize the City Manager to approve the purchase order with Priority 1 Public Safety Equipment Installation, Inc.

7. APPROVE MILLER SPATIAL SERVICES, LLC CONSULTANT AGREEMENT

Recommendation:

1. Authorize the City Manager to execute a consultant agreement with Miller Spatial Services, LLC for the installation and implementation of the Cityworks and SeeClickFix software system for the amount of \$231,810 for the purchase and installation of a Service Request Management (SRM), Asset Management and Customer Relationship Management (CRM) software solution for the Maintenance and Utility Departments; and
2. Authorize the City Manager to execute any associated license agreements for system components upon approval by the City Attorney.

8. APPROVE STATE OF CALIFORNIA, OFFICE OF EMERGENCY SERVICES' UNIVERSAL RESOLUTION DESIGNATING APPLICANT'S AGENT FOR DISASTER ASSISTANCE

Recommendation:

1. Designate City Manager, Finance Director, or Assistant to the City Manager to submit for Disaster Assistance to the State of California, Office of Emergency Services, for the purpose of obtaining certain federal financial assistance; and
2. Direct the City Clerk to certify the Designation of Applicant's Agency Resolution to the State of California, Office of Emergency Services.

9. APPROVE THE SEPTEMBER 16, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

10. APPROVE THE SEPTEMBER 23, 2020 MEETING MINUTES

Recommendation:

Approve Minutes.

11. AWARD TREE MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a Maintenance Services Agreement to A Plus Tree, Inc. for up to \$600,000 (\$300,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

12. AWARD ENGINEERED WOOD FIBER AND MULCH MAINTENANCE SERVICES AGREEMENT

Recommendation:

1. Award a maintenance services agreement to JET Mulch, Inc. for up to \$80,000 (approximately \$40,000 annually for a two-year period) subject to future annual budget appropriations by the City Council; and
2. Authorize the City Manager to execute and administer the agreement.

13. DECLARE SURPLUS AND APPROVE AUCTION OF TWO BUILDING DIVISION VEHICLES

Recommendation:

1. Declare two vehicles to be surplus; and
2. Authorize the purchasing officer to dispose of the vehicles in accordance with Section 3.04.400 of the City of Morgan Hill Municipal Code.

OTHER BUSINESS

14. ACCEPT DONATION FROM MORGAN HILL COMMUNITY FOUNDATION FOR ANIMAL SERVICES

Recommendation:

Adopt resolution:

1. Accepting a donation from the Morgan Hill Community Foundation (MHCF) in the amount of \$31,509 for reimbursement of expenditures associated with the Santa Clara County Animal Shelter Agreement; and
2. Amending the adopted Fiscal Year (FY) 2020-21 budget in the General Fund (010) to recognize the MHCF donation as revenue, and appropriate \$31,509 in the Police Department budget for associated expenditures.

Estimated Time: 15 Minutes

15. RECEIVE MONTHLY BUDGET UPDATE; SEPTEMBER 2020 FINANCIAL AND INVESTMENT REPORTS; AND CITY MANAGER AUTHORITY REPORT

Recommendation:

Accept and file report.

Estimated Time: 15 Minutes

16. NON-PROFIT FUNDING AND ORGANIZATION INCLUSIVENESS

Recommendation:

1. Receive information on organizational inclusiveness for organizations receiving City funding; and
2. Provide direction for future policy work as desired.

Estimated Time: 45 Minutes

PUBLIC HEARING (TIME CERTAIN - TO BE HEARD NO EARLIER THAN 7:00 PM)

17. ADOPT ORDINANCE AMENDING THE ZONING CODE TO PROHIBIT HEAVY DISTRIBUTION AND PARCEL SORTING USES, AMEND PROVISIONS RELATED TO LOCAL DELIVERY SERVICES AND CLARIFY THE DEFINITION OF SIGNIFICANT PROJECTS SUBJECT TO DESIGN REVIEW

Recommendation:

1. Open/close the public hearing;
2. Waive the first and second reading of the ordinance; and
3. Introduce the ordinance.

Estimated Time: 90 Minutes

OTHER BUSINESS

18. RECEIVE REPORT ON SCU LIGHTNING COMPLEX FIRE AND TERMINATE LOCAL EMERGENCY PROCLAMATION

Recommendation:

1. Receive report; and
2. Adopt resolution terminating the local emergency related to the SCU Lightening Complex fire.

Estimated Time: 30 Minutes

19. FOLLOW UP ITEM REQUESTING COUNCIL REPORTS BE ADDED TO COUNCIL AGENDA

Recommendation:

Consider whether to direct staff to bring a report back to City Council for a discussion of adding Council Reports to the agendas.

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



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

Supplement & Presentation List

October 21, 2020

City Council Meeting

Supplements

- Item 5 – Butterfield Park Grant - Supplement 1 – PRC Recommendation
- Item 7 – Miller Spatial Services - Supplement 1 – Email from Doug Muirhead w/ response
- Item 11 – Tree Maintenance – - Supplement 1 - Letter from Attorney Lawrence Graze
- Item 11 – Tree Maintenance - Supplement 2- Letters from WCA employees
- Item 17 – Letter from George Mershino with Shoe Palace
- Item 17 – Comments from Joe Baranoski
- Item 18 – SCU Fire Report - Supplement 1- Email from Doug Muirhead w/ response
- Item 18 – SCU Fire Report - Supplement 2- Results from Fire Communication Survey (weblink)
- Item 19 – Council Reports - Supplement 1- Email from Doug Muirhead w/ response

Presentations

- YAC Presentation
- Item 15- Budget Update
- Item 17- Industrial Ordinance
- Item 18- SCU Fire

From: Victor Gonzalez <vgonzalez@wcainc.com>

Sent: Wednesday, October 21, 2020 2:42 PM

To: General <general@morganhill.ca.gov>

Cc: Pat Mahoney <pmahoney@wcainc.com>

Subject: Morgan Hill - Supporting Documents for the City Council regarding Item #11

Good afternoon,

Attached to this email please find copies of pertinent information related to Item #11 on tonight's City Council Agenda. I respectfully request that these documents be distributed to the members of the City Council for their review and consideration.

These are listed in chronological order.

If you have any questions or require additional information, please feel free to contact Patrick Mahoney directly at (714) 920-0445.

Sincerely,

Victor Gonzalez

Vice President, Business Development

ISA Certified Arborist/Municipal Specialist #WE-7175AM

West Coast Arborists, Inc.

TCIA Accredited Company CA-058

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October

Developmental Asset #10

Safety

Young person feels safe at home, school,
and in the neighborhood.

How does a safe climate affect youth?

Youth will:

- ☐ Feel comfortable engaging in daily positives activities
- ☐ Be brave and talk to someone if they are feeling uncomfortable
- ☐ Feel secure to seek help from neighbors or people living closeby
- ☐ Feel safe to live without facing danger





October

Complementary Asset #35

Resistance Skills

Young person can resist negative peer pressure
and dangerous situations.

Helping Us Thrive



Help us:

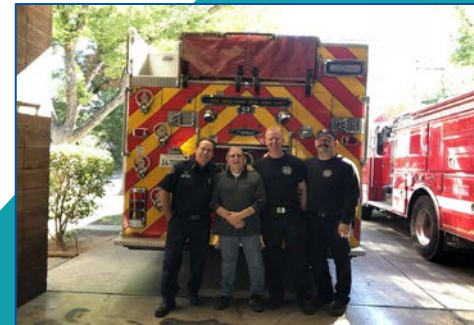
- ☐ Understand our values around safety and our personal development
- ☐ Gain insights into qualities needed to to make good life choices
- ☐ Discuss the dangers of gangs, drugs, physical violence, cyber bullying, etc
- ☐ Grow up to be caring citizens with admirable values



How this relates to our community during COVID-19:



- ❖ Our community offers:
 - Neighborhood watch groups (nextdoor.com)
 - School teachers/counselors (virtual)
 - City teammates and officials (City Mayor, Council Members, Police Officers, Firefighters, etc)



NOTE: these pictures were taken prior to COVID-19

Tips for Parents



- Build an open and trustful parent-child relationship
 - ◆ Understand and listen when youth is trying to convey their concerns/feelings
 - ◆ Have a discussion with youth to see if they feel safe

- Acknowledge dangers of COVID-19
 - ◆ Inform youth about the importance of practicing social distancing and wearing masks





NOTE: CRC during COVID-19



NOTE: YLMH and YAC during COVID-19



NOTE: picture was taken prior to COVID-19

In terms of safety, how has COVID19 affected our community:

- Vaishnavi Muralidharan (Co-Developmental Asset Ambassador)
- Melat Kahsay (Active Member)
- Agnes William (Active Member)

Questions to Council:

- What recommendations/tips do you think will help the youth in our community feel more safe during this challenging time?
- How do you ensure a safe and secure environment within your household?





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**City of Morgan Hill
City Council
October 21, 2020**



ZONING TEXT AMENDMENT AMENDING CH 18.26

- 1** Land use regulations for industrial buildings
- 2** Design permit review for large projects
- 3** Use Definitions for E-Commerce
- 4** Warehousing & Distribution and Light Fleet-Based Services

Current Zoning Code

- Includes land use regulations for traditional warehouse (wholesale and business to business), but not direct-to-consumer warehousing (“fulfillment centers”)
- Does not use thresholds to determine what projects are required to go to Planning Commission for site and design review.
- Does not include definitions for e-commerce uses
- Permits local delivery services in all industrial zones regardless of size or intensity

Proposed design review regulations

Changes to Design Permit Process in the Municipal Code to require Planning Commission review of large projects.

B. Review Authority.

1. Except as provided below, ~~The~~ the Community Development Director shall review and act on all Design Permit applications.
2. The Community Development Director may refer-elevate any Design Permit application under his or her authority to the Planning Commission for review and final decision.
3. The City Council shall review and act on all Design Permit applications for new City projects (e.g., new municipal buildings, parks) determined by the Community Development Director to be significant in accordance with Subsection D below.
4. Except for new City projects, the Planning Commission shall act on any Design Permit Application for any other projects determined by the Community Development Director to be significant in accordance with Subsection D below.

Significant projects

Any structure of
100,000 SF or more

Any structure 40 feet
of building height or
greater

Any residential
development of 200
units or more

D. Significant Projects.

1. The Community Development Director shall determine whether a project in Subsection C above is significant and thus requires a Design Review permit. When determining if a project is significant, the Community Development Director shall consider:
 - a. The visual prominence of the project when viewed from the public right-of-way and/or private property;
 - b. The project height, mass, and area of site disturbance;
 - c. The type, character, and proximity of adjacent development; and
 - d. The potential of the project to create adverse impacts on adjacent uses or the community at large.
2. Any structure with more than 100,000 square feet of floor area or a building height greater than 40 feet, not including projections allowed by-right under Table 18.56-1, is presumed to be significant for purposes of this Chapter.
3. Any residential development of more than 200 units is presumed significant for purposes of this chapter.
- 2.4. The Community Development Director's determination that a project is significant may be appealed to the Planning Commission in accordance with Chapter 18.112 (Appeals).

18-124-050 Industrial Uses

Added definitions
for E-commerce
uses

E-Commerce Distribution.

1. Heavy Distribution. A Fulfillment Center or similar use with a minimum gross 108- floor area of 200,000 square feet and a minimum ceiling height of 24 feet. The Fulfillment Center's primary purpose is storage and distribution of e-commerce products to consumers or end-users, either directly or through a Parcel Hub. Heavy Distribution is prohibited in all zones in the City of Morgan Hill.

2. Parcel Sorting Facilities. Establishments for the sorting and or re-distribution of parcels or products from Heavy Distribution (Fulfillment Centers) to a Parcel Hub via intramodal transit truck to truck.

3. Parcel Hub. A "Last Mile" facility or similar establishment for the processing and/or re-distribution of parcels or products. A Parcel Hub's primary function is moving a shipment from one mode of transport to vehicles with rated capacities less than 10,000 pounds, for delivery directly to consumers or end-users primarily within the Morgan Hill zip code.

- **Parcel Hub, Large.** A parcel hub facility that occupies 75,000 square feet or more in building area.
- **Parcel Hub, Small.** A parcel hub facility that occupies less than 75,000 square feet in building area.

Approach to Definitions

- Looked at numerous City's zoning definitions
- Reviewed Urban Land Institute working paper for nuances in manufacturing, warehouse and distribution definitions
- Communicated with other cities about best practices

Proposed land use regulations



Prohibits large fulfillment centers

Prohibits parcel sorting centers

Identifies areas where parcel hubs (sometimes called last mile delivery centers) to be permitted or conditionally permitted

Warehousing and Distribution						
Warehousing and Distribution, Large	C	C [3]	C [3]	C	P	
Warehousing and Distribution, Small	C	C [3]	C [3]	P	P	
Warehousing and Distribution with Outdoor Storage	C	—	—	C	C	
Heavy Distribution	—	—	—	—	—	
<u>Parcel Sorting Facilities</u>	—	—	—	—	—	
<u>Parcel Hub Small < 75,000 sq. ft.</u>	—	—	—	<u>P</u>	<u>P</u>	
<u>Parcel Hub Large > 75,000 sq. ft.</u>	—	—	—	<u>C</u>	<u>C</u>	

Other proposed changes

Removed “Local Delivery” from the definition of Light Fleet Based Services

- A. Light Fleet-Based Services.** Passenger transportation services, ~~local delivery services,~~ medical transport, and other businesses that rely on fleets of three or more vehicles with rated capacities less than 10,000 pounds. Includes parking, dispatching, and offices for taxicab and limousine operations, ambulance services, nonemergency medical transport, local messenger and document delivery services, and similar businesses. Excludes towing operations (see “Towing and Impound”) or delivery services with two or fewer fleet vehicles on site (see “Business Support Services”).

Other proposed changes

Added “(wholesale)” to Warehousing and Distribution definition

Added “or use” to definition Warehousing and Distribution definition for large and clarified that small Warehousing and Distribution includes facilities where the warehousing is a secondary use that occupies less than 75,000 square feet of building area.

F.J. Warehousing and Distribution. A use engaged in storage, wholesale and distribution of manufactured products, supplies, and equipment to retailers; to industrial, commercial, institutional, farm, or professional business users; or to other wholesalers; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies. Includes merchant wholesalers; agents, merchandise or commodity brokers, and commission merchants; assemblers, buyers and associations engaged in the cooperative marketing of farm products; and bottling works.

1. **Warehousing and Distribution, Large.** A warehousing distribution facility 75,000 square feet or more in building or use area.
2. **Warehousing and Distribution, Small.** A warehousing distribution facility less than 75,000 square feet in building area, or as a secondary/companion use of no more than 75,000 sf ancillary to another activity contained within a larger building area.
3. **Outdoor Storage.** Storage of commercial goods in open lots.

Next Steps



Next Steps

- Address PUD Zoning for Phase I of the Morgan Hill Ranch Business Park
- Develop E-Commerce definitions for commercial zoning districts
- Further refine development standards. Consider regulations to prevent concentration of warehouse/e-commerce uses.

Other Factors and Considerations

- Design standards and articulation
- Landscaping requirements
- Parking ratios
- Set-backs
- Building orientation

Questions?



CITY OF MORGAN HILL