



Special - Regular Meeting Agenda

City Council

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

Wednesday, October 6, 2021 6:00 p.m.

Virtual Meeting

VIRTUAL MEETING GUIDELINES AND PUBLIC COMMENT

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. Physical meetings will not be in the City Council Chamber until further notice.

City Council meetings will be live streamed on Channel 17, on the City's website and on the City's Facebook page. Those members of the community that would like to participate in the meetings remotely may do so by joining the virtual meeting at: <https://bit.ly/MHCityCouncilMeeting> or by calling (888) 475-4499, then enter the webinar id: 873 3200 8380#.

Public comment may be provided in the following ways:

- Join the virtual City Council meeting via the link above, when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes
 - In order to speak, please be sure that your version of Zoom is up to date.
- Join the virtual meeting by calling in to the number above, dial *9 to raise your hand and be called upon to speak for up to 3 minutes
- Send public comments in writing to the City Clerk at ccpubliccomment@morganhill.ca.gov [<mailto:ccpubliccomment@morganhill.ca.gov>](mailto:ccpubliccomment@morganhill.ca.gov)

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

SPECIAL/REGULAR MEETING

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

6:00 p.m. Closed Session

7:00 p.m. Regular Meeting

SPECIAL MEETING

6:00 p.m. Closed Session

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

City Clerk Michelle Bigelow

CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Authority: Pursuant to Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney;

Michael Horta, Human Resources Director;

Dat Nguyen, Finance Director

Employee Organization: Morgan Hill Police Officers Association

Employees Covered under Management Resolution #21-025

AFSCME Local 101 Morgan Hill

Community Service Officers Association

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

REGULAR MEETING

7:00 p.m.

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.

RECOGNITIONS

Morgan Hill Hospitality and Tourism Industry

Madrone Channel Trail Completion

PROCLAMATIONS

Proclaiming October 6, 2021 as Clean Air Day

October 6, 2021

CITY COUNCIL REPORTS

Council Member Martinez Beltran

CITY MANAGER'S REPORT

City Manager Christina Turner

New/Promoted/Retired Teammate Recognitions

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

OTHER REPORTS

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

Recommendation:

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

2. ADOPT RESOLUTION AUTHORIZING PARTICIPATION IN THE CALPERS CALIFORNIA EMPLOYER'S RETIREE BENEFIT SECTION 115 TRUST (CERBT) PROGRAM FOR FUNDING OTHER POST-EMPLOYMENT BENEFIT (OPEB) AS AN ALTERNATIVE TO THE PUBLIC AGENCY RETIREMENT SERVICES (PARS) SECTION 115 TRUST FUND

Recommendation:

1. Authorize participation in the CalPERS CERBT program;
2. Adopt resolution delegating authority to request disbursements from the CERBT program; and
3. Terminate the PARS agreement for OPEB Section 115 Trust Fund.

3. APPROVE LEASE AGREEMENT FOR COMMUNITY AND CULTURAL CENTER BUILDING 2 TO UPLIFT FAMILY SERVICES

Recommendation:

Authorize the City Manager to execute and administer a lease agreement with Uplift Family Services for Building 2 (17060 Monterey Road) at the Community and Cultural Center.

4. ACCEPT ANNUAL REPORTS OF ACTIVITIES BY NONPROFIT PARTNER ORGANIZATIONS

Recommendation:

Accept annual reports from City partner organizations.

5. APPROVE MURAL AT GALVAN PARK FRIENDLY INN BUILDING

Recommendation:

Approve Galvan Park Mural.

6. APPROVE THE AUGUST 18, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

PUBLIC HEARING

7. CONDUCT TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) HEARING APPROVING ISSUANCE OF BONDS FOR DEPOT COMMONS AFFORDABLE HOUSING APARTMENTS AT 17145 DEPOT STREET AND THE WILLOWS AFFORDABLE HOUSING APARTMENTS AT 50 W. EDMUNDSON AVENUE WITHIN THE CITY OF MORGAN HILL

Recommendation:

1. Open/close public hearing consistent with the requirements of the Federal Tax and Equity Fiscal Responsibility Act ("TEFRA") and Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"); and
2. Adopt resolution approving the issuance of bonds by the California Municipal Finance Authority (CMFA), for the acquisition, rehabilitation, expansion, and improvement of two multifamily rental housing facilities: Depot Commons, located at 17145 Depot Street and The Willows, located at 50 W. Edmundson Avenue.

Estimated Time: 10 Minutes

OTHER BUSINESS

8. APPROVE AGREEMENT WITH FLOCK SAFETY CAMERAS FOR AUTOMATED LICENSE PLATE READERS

Recommendation:

Authorize the City Manager to execute and administer the lease agreement with Flock Safety for 25 Automated License Plate Readers for the initial term of 24 months with a cost of \$68,7500 for the first year and \$62,500 for the second year.

Estimated Time: 60 Minutes

9. ACCEPT MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNER'S ASSOCIATION ANNUAL REPORT (DBA VISIT MORGAN HILL)

Recommendation:

Accept and file the Visit Morgan Hill Annual Report.

Estimated Time: 30 Minutes

10. ADOPT THE 2020 URBAN WATER MANAGEMENT AND WATER SHORTAGE CONTINGENCY PLANS

Recommendation:

Adopt the 2020 Urban Water Management Plan and 2020 Water Shortage Contingency Plan.

Estimated Time: 10 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, equitable, 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 Equity, Diversity, and Inclusiveness
- Advancing Regional Initiatives
- Advocating for Local Control

2020-2021 Strategic Priorities

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



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



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: Donald Larkin, City Attorney
APPROVED BY: City Manager

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

RECOMMENDATION(S)

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

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

Preserving and Cultivating Public Trust

POLICY CONSIDERATIONS:

Should the City Council and City commissions continue to meet by teleconference while the spread of COVID-19 in Santa Clara County remains high?

REPORT NARRATIVE:

COVID-19 transmission remains widespread throughout California and locally. We remain under both a state and local emergency. Assembly Bill (AB) 361, which became operative on October 1, 2021, allows local agencies to continue meeting by teleconference during a statewide emergency, provided the local agency makes findings that continued teleconferencing is important to protect public health and safety.

Staff recommends adopting the proposed resolution declaring the need to continue teleconferenced meetings to protect public health and safety.

COMMUNITY ENGAGEMENT: Not Applicable

ALTERNATIVE ACTIONS:

The Council could choose not to adopt the proposed resolution and continue its October 6, 2021 meeting to a date certain for an in-person meeting. All meetings going forward would also be in-person.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

Continued use of teleconferencing software may have a minimal fiscal impact.

CEQA (California Environmental Quality Act):

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment are not projects that require environmental review.

LINKS/ATTACHMENTS:

1. Resolution Allowing Teleconferencing
2. 01 Supplement 1

RESOLUTION NO.

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this ____ day of _____, 2021 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Rich Constantine, MAYOR

⌘ CERTIFICATION ⌘

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. XXXX , adopted by the City Council at the meeting held on _____, 2021.

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

DATE: _____

Michelle Bigelow, CITY CLERK

Michelle Bigelow

From: Joe Baranowski <joe.b@mh-rgc.org>
Sent: Friday, October 1, 2021 4:13 PM
To: Michelle Bigelow; Christina Turner; Rich Constantine; Rene Spring; Yvonne Martinez Beltran; John McKay; Gino Borgioli
Subject: [EXTERNAL] **Should the City Council and City commissions continue to meet by teleconference while the spread of COVID-19 in Santa Clara County ...**

Good evening Staff and Council members:

Regarding the first consent calendar item on the Oct 7 City Council meeting agenda: No, the City should move to the hybrid model for which significant dollars and sufficient time have been allocated to support. The City's current implementation of remote participation is (given the time it has been in place) a HORRIBLE facsimile and falls far short of meeting many of the core principles of a Public Meeting. According to the CDC [1], Santa Clara County is currently *not* at a 'high' level of community transmission and there are numerous examples that at this stage in the pandemic it is possible to implement protocols and procedures that would ensure the safety of in-person attendance while not stopping anyone from participating remotely.

It's time to begin conducting Public Hearings in the public again even though the state has given an excuse to further delay.

Regards,

Joe Baranowski

[1] As of Oct 1, 2021 the community transmission rate in Santa Clara County is "substantial" and trending down rapidly (a 10% decrease in cases over last 7 days) https://covid.cdc.gov/covid-data-tracker/#county-view|California|6085|Risk|community_transmission_level

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CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: Dat Nguyen, Finance Director
APPROVED BY: City Manager

ADOPT RESOLUTION AUTHORIZING PARTICIPATION IN THE CALPERS CALIFORNIA EMPLOYER'S RETIREE BENEFIT SECTION 115 TRUST (CERBT) PROGRAM FOR FUNDING OTHER POST-EMPLOYMENT BENEFIT (OPEB) AS AN ALTERNATIVE TO THE PUBLIC AGENCY RETIREMENT SERVICES (PARS) SECTION 115 TRUST FUND

RECOMMENDATION(S)

1. Authorize participation in the CalPERS CERBT program;
2. Adopt resolution delegating authority to request disbursements from the CERBT program; and
3. Terminate the PARS agreement for OPEB Section 115 Trust Fund.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2020-2021 Strategic Priorities
Fiscal Sustainability

REPORT NARRATIVE:

On October 21, 2015, the City Council approved the creation of a Section 115 Trust for retiree medical benefits as well as a Section 115 Trust for the Pension Rate Stabilization Fund with PARS as the administrator for both of the Trusts. The City provides the required minimum medical benefits to retirees, also referred to as Other Post-Employment Benefit (OPEB). The OPEB Section 115 Trust was established to provide the City with a legal vehicle to domicile payments toward the City's unfunded OPEB liabilities. An initial \$387,000 was deposited into the PARS Trust for the OPEB account in 2016 with additional deposits programmed over the course of the year as well as investment earnings for a current total of \$3.5 million in assets as of July 31, 2021. The current assets of \$3.5 million provides the City with a funded status of approximately 55% of the total OPEB liability of about \$6.3 million. A \$400,000 contribution to our Section 115 OPEB trust has been programmed in this year's budget as well as a potential budget savings contribution of \$500,000. Once this year's planned contribution is made, the City's funded status for OPEB would be at about 70%.

As the City approaches the goal of fully funded status for the OPEB liability and the assets continue to grow, minimizing the cost of investment is becoming a priority. The total fees charge by PARS and the investment manager, HighMark, amount to about 56 basis points (0.56%) of the current assets versus CERBT program by CalPERS of 10 basis points (0.10%). In addition, there's been no significant difference in the

performance when comparing PARS and CalPERS CERBT program in the 1, 3, and 5-year period.

COMMUNITY ENGAGEMENT: Inform

This staff report serves to inform the community of the City's recommendation to participate in the CalPERS CERBT program for prefunding of Other Post-Employment Benefit (OPEB), as an alternative to PARS.

ALTERNATIVE ACTIONS:

The City Council could reject staff's request to participate in the CalPERS CERBT program and instead direct staff to continue with PARS as the administrator for the City's OPEB Section 115 Trust.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 21, 2015, the City Council approved the creation of the Section 115 Trust for OPEB with PARS as the administrator.

FISCAL AND RESOURCE IMPACT:

The cost of administering the City's OPEB program could be reduced with the participation in the CalPERS CERBT program, an alternative to PARS.

CEQA (California Environmental Quality Act):

Not a Project.

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

LINKS/ATTACHMENTS:

1. CERBT Participation Agreement
2. Resolution
3. Exhibit A - CERBT Delegation of Authority

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

AGREEMENT AND ELECTION OF

City of Morgan Hill

(NAME OF EMPLOYER)

TO PREFUND OTHER POST-EMPLOYMENT BENEFITS THROUGH CalPERS

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post-employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) City of Morgan Hill

(NAME OF EMPLOYER)

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post-Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer defined benefit plan as defined in Governmental Accounting Standards Board (GASB) Statements for Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB Standards) consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

Attachment: CERBT Participation Agreement (3182 : Authorize Participation in CalPERS CERBT Program)

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
 CERBT (OPEB)
 P.O. Box 1494
 Sacramento, CA 95812-1494

Filing in person, deliver to: CalPERS Mailroom
 CERBT (OPEB)
 400 Q Street
 Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

Attachment: CERBT Participation Agreement (3182 : Authorize Participation in CalPERS CERBT Program)

C. Other Post-Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by applicable GASB OPEB Standards. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB OPEB Standards, may be prepared as an Alternative Measurement Method (AMM) report.

- (a) Unless qualified under GASB OPEB Standards, to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
 - 2) prepared in accordance with generally accepted actuarial practice and GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.
- (b) If qualified under GASB OPEB Standards, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) affirmed by Employer's external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB OPEB Standards;
 - 2) prepared in accordance with GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report for financial reporting purposes submitted to it, but shall not unreasonably do so. In the event that the Board

determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report for financial reporting purposes acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB OPEB Standards. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. Contributions can be made at any time following the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts are maintained for each employer so that the Employer's assets will provide benefits only under the Employer's post-employment benefit plan(s).

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among participating employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

(1) Employer may receive disbursements not to exceed the annual premium and other costs of post-employment healthcare benefits and other post-employment benefits as defined in GASB OPEB Standards.

(2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer's participation in the Prefunding Plan if:

- (a) Employer gives written notice to the Board of its election to terminate;
- (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After the Employer's participation in the Prefunding Plan terminates, the governing body of the Employer may request either:

- (a) A trustee to trustee transfer of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the date of the transfer (the "transfer date") and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.
- (b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of post-employment health care benefits and other post-employment benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the

Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as that term is used in GASB OPEB Standards), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

- (a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized

representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.

- (b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:
 1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
 2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
 3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
 4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
 5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written

confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.
- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(5) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and

signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(6) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the 6 day of the month of October in the year 2021, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: Mayor Rich Constantine

Name of Governing Body: City Council of the City of Morgan Hill

Name of Employer: City of Morgan Hill

Date: _____

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
ARNITA PAIGE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS

The effective date of this Agreement is: _____

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DELEGATING AUTHORITY TO REQUEST DISBURSEMENTS FROM THE CALIFORNIA EMPLOYERS' RETIREE BENEFITS TRUST PROGRAM**

WHEREAS, the City of Morgan Hill is a municipal service provider; 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 Morgan Hill City Council has elected to approve an Agreement and Election to establish the CalPERS California Employers' Retiree Benefit Trust Program (CERBT) as the City's Trust Administrator for prefunding Other Post-Employment Benefits (OPEB); and

WHEREAS, the CERBT requires a Delegation of Authority to Request Disbursements from the Trust for payment of future retiree medical premiums (Exhibit A).

NOW, THEREFORE, BE IT RESOLVED that the City Council delegates to the incumbents in the following position, authority to request on behalf of the City of Morgan Hill disbursements from the CERBT Other Post Employment Prefunding Plan and to certify as to the purpose for which the disbursed funds will be used:

City Manager;
Finance Director;
Budget Manager

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 6th day of October, 2021 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

RICH CONSTANTINE, MAYOR

Attachment: Resolution (3182 : Authorize Participation in CalPERS CERBT Program)

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, adopted by the City Council at the meeting held on October 6, 2021.

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

DATE: _____

Michelle Bigelow, CITY CLERK

Attachment: Resolution (3182 : Authorize Participation in CalPERS CERBT Program)



DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS

RESOLUTION OF THE City Council

(GOVERNING BODY)

OF THE City of Morgan Hill

(NAME OF EMPLOYER)

The City Council delegates to the incumbents
(GOVERNING BODY)

in the positions of City Manager and
(TITLE)

Finance Director and/or
(TITLE)

Budget Manager authority to request on
(TITLE)

behalf of the Employer disbursements from the Other Post Employment Prefunding
Plan and to certify as to the purpose for which the disbursed funds will be used.

By _____
Title Mayor

Witness _____

Date _____



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

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

APPROVE LEASE AGREEMENT FOR COMMUNITY AND CULTURAL CENTER BUILDING 2 TO UPLIFT FAMILY SERVICES

RECOMMENDATION(S)

Authorize the City Manager to execute and administer a lease agreement with Uplift Family Services for Building 2 (17060 Monterey Road) at the Community and Cultural Center.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The Community and Cultural Center was constructed and opened in 2001, and since that time, Gavilan College has been the sole tenant occupying Building 2. In early 2020, Gavilan College notified the City they were not planning to extend their lease when it expired in June 2020. Until that point, City staff had been working with Gavilan on a lease extension. Gavilan staff informed the City that their decision was based on a financial need. City staff expressed an interest in working with Gavilan on the lease terms, but the costs associated with managing and offering classes at a remote site made it financially impossible for the college to continue using the site.

After being informed of the future vacancy, Economic Development teammates began marketing the space for lease. Unfortunately, the City has received very limited interest in the space due to timing associated with the Covid-19 Pandemic and changing market conditions. The space is over 10,000 square feet and is made up of 8 classrooms and supporting space. The layout of the site makes use by tenants other than school facilities somewhat limited.

Recently staff was approached by the organization Uplift Family Services. Uplift is a non-profit organization whose principal business provides and manages mental health services for families, individuals, and children. The intended use for the space would be to provide a South County headquarters for the organization and provide onsite services to youth and families. The use of the site for these purposes is consistent with the zoning for the site. The use by Uplift is also anticipated to be highly compatible with the existing uses of the Community and Cultural Center, which have the highest attendance

during evening and weekend time periods. Additionally, the Police Department engages the services of Uplift in their work, and teammates in the Department believe their location in Morgan Hill will expand partnership opportunities.

The proposed lease agreement is attached. The key components of the lease agreement include:

- 72 Month Lease
- Option to extend for a second 60-month term
- Lease commencement February 1, 2022
- Initial rent is 1.55/sq ft for 10,600 square feet (\$16,430/mo)
- Tenant Improvement Rent Abatement – Tenant shall be responsible for all tenant improvements. As abatement for the costs associated with the tenant improvements, no rent shall be charged for the first 12 months of the lease.
- Base Rent increase of 3% per year

One of the difficulties in marketing the space has been its layout with classrooms. Every interested tenant the City has discussed the space with has proposed that the City perform some tenant improvements to convert some space to smaller offices. Tenant improvements are typically a cost covered by the landlord. The high cost of proposed tenant improvements has been a sticking point with interested parties in the past. Uplift is proposing the conversion of some space for office and smaller group use. Staff recommends allowing Uplift to make the improvements and have the cost credited against their first year of lease payments to facilitate the improvements without the City paying for them out of pocket. The improvements will have a value of up to \$197,160. This improvement cost is believed to be reasonable and, for the long term, will provide increased value for the site should the City need to find a new tenant in the future.

COMMUNITY ENGAGEMENT: Not Applicable

City teammates have not engaged the community on the use of the site due to the very limited interest for those looking to lease the site and the confidential nature of lease negotiations. The use is consistent with the zoning for the site. The City will work to inform the community and other users of the future use/tenant. Additionally, the City will work with Uplift to share the availability of services to the community upon their use commencing.

ALTERNATIVE ACTIONS:

The City Council could choose not to authorize the lease's execution and provide specific alternate direction to City staff. The City Council could also provide alternate direction on the future use of the site. City staff does not recommend these alternate options as it may prolong or reduce the ability of the City to collect lease payments on the site. The revenue associated with the lease is needed to recover costs at the Community and Cultural Center.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council has not taken on previous actions related to leasing the site to tenants other than Gavilan college since opening the Community and Cultural Center in 2001.

The City Council most recently approved a lease extension with Gavilan College on June 17, 2015.

FISCAL AND RESOURCE IMPACT:

The lease will not generate any revenue in the current fiscal year due to the rent abatement for the tenant improvements. In FY 2022/23, \$84,615 will be received. In FY 2023/24, \$205,613 will be received, and in subsequent years of the agreement, the amount will increase by 3% annually through the agreement term.

CEQA (California Environmental Quality Act): Categorical Exemption

The planned management of city facilities with an approved use consistent with City zoning falls within the CEQA categorical exemption of Class 1, Existing Facilities.

LINKS/ATTACHMENTS:

1. Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift

OFFICE LEASE
BETWEEN THE CITY OF MORGAN HILL
AND
Uplift Family Services, a non-profit California Corporation

Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

OFFICE LEASE

This Lease ("Lease") is made and entered into as of _____, 2021, by and between the City of Morgan Hill, California, ("City" or "Lessor") and Uplift Family Services, a California non-profit corporation ("Tenant or Lessee").

RECITALS

The following recitals are a substantive portion of this Lease:

A. City is the owner of certain real property including a building at 17060 Monterey Road, Morgan Hill, in Santa Clara County, State of California, the entire property includes the Morgan Hill Community Center and Morgan Hill Community Theater ("City Facility") as more particularly shown in **Exhibit "A"** attached and incorporated by this reference.

B. Lessee is a non-profit corporation organized under the laws of the State of California, whose principal business is providing for and managing mental health services for families, individuals and children.

C. Lessee desires to lease from City the use of the building at 17060 Monterey Road, Morgan Hill (the "Premises") for its operations.

D. City is willing to permit Lessee to lease the property in accordance with the terms, conditions and covenants of this Lease ("Lease" or "Agreement").

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1 Leased Premises

1.1 Lease of Premises. City hereby Leases to Lessee and Lessee leases from City for the term, at the rental and upon all of the terms and conditions set forth, the City Facility located at 17060 Monterey Road, Morgan Hill, commonly known as the Morgan Hill Community Center and Morgan Hill Community Theater and formerly included the Gavilan College Morgan Hill location. Lessee shall Lease an approximately Ten Thousand Six Hundred (10,600) square foot building as shown in **Exhibit "B"** attached and incorporated herein.

ARTICLE 2 Term

2.1 Term. The term of this Lease shall be for a period of seventy-two (72) months or six (6) years commencing on the Commencement Date and terminating on the sixth anniversary of the Commencement Date, unless earlier terminated ("Term").

2.2 Commencement Date. The Commencement Date of this Lease shall be February 1, 2022, unless Lessee occupies and utilizes the Premises for business prior to that date.

2.3 Option to Extend. The Lease may be extended for a period of an additional sixty (60) months ("Option Term") upon a written request by Lessee not less than 180 days prior to the end of the term of this Agreement. The City acting by and through the City Manager, shall not unreasonably withhold an extension of the Lease.

ARTICLE 3 Rental

3.1 Base Rent. Base Rent shall be \$1.55 per square foot for approximately 10,600 square feet ("Base Rent"). The rental amount shall be Sixteen Thousand Four Hundred Thirty dollars and no cents (\$16,430.00) per month. The rent shall be payable on the first day of each month commencing February 1, 2022, unless the Lease commences prior to that date. The rent shall be paid without deduction, offset, prior notice or demand, in lawful money of the United States. Rent shall be provided to: City Manager, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037-4128, or an alternative address provided by City or via electronic payment if requested by City.

3.2 Annual Increase. During the Term of this Lease, the Base Rent shall be increased annually by 3%, beginning on the first anniversary date of the rental period, and effective each anniversary date during the Term. The sum shall be adjusted annually resulting in a compound rate of increase. For example, if the Base Rent for the annual period commencing February 1, 2022 is Sixteen Thousand Four Hundred Thirty Dollars and no cents (\$16,430.00) per month then the rate on February 1, 2023 would be Sixteen Thousand Nine Hundred Twenty Two Dollars and Ninety Cents (\$16,922.90).

3.3 Advance Rent. Lessee shall provide a check to Lessor for the first month's rent payable to the City of Morgan Hill upon execution of this Agreement. This advance rent shall be applied to the first month that rent is payable.

3.4 Security Deposit. Lessee shall deposit with Lessor upon execution of this Agreement and prior to any access to the Premises for the purposes of constructing the Improvements, as described below. The security deposit is provided as security for Lessee's faithful performance of its obligations under this Lease. The security deposit shall be the sum on one month's rent, which is Sixteen Thousand Four Hundred Thirty and no cents (\$16,430.00) ("Security Deposit"). If Lessee fails to pay rent, or otherwise defaults under this Lease, Lessor may use, apply or retain all or any portion of the Security Deposit for the payment of any amount already due Lessor, for Rent which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request deposit additional monies with Lessor sufficient to restore the Security Deposit to the full amount required by this Lease. Should the Lease be assigned or subleased as described in this Agreement and there is a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result. If a change in control of Lessee occurs during this Lease and following the change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Within 30 days after

the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

3.5 Adjustments to Rent due to Square Footage Calculation. Lessee is renting an entire space of approximately 10,600 square feet. Should either party determine that the premises rented are larger or small than originally determined there shall be no adjustment to rent.

3.6 Late Charge. Lessee acknowledges late payment by Lessee to City of rent will cause City to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing, accounting and late charges that may be imposed on City. If any installment of rent due from Lessee is not received by City within ten (10) days after the date rent is due, Lessee shall pay to City an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree this late charge represents a fair and reasonable estimate of the costs City will incur by reason of late payment by Lessee. Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent City from exercising any of the other rights and remedies available to City.

3.7 Option Term Rental Calculation. Should Lessee desire to extend this Lease under the Option Term, and City is already prepared to approve the lease extension as described in Section 2.3 then the rental amount shall be determined based upon comparable space in the building and/or rental for comparable single story office buildings in the Morgan Hill market area as of the date of the commencement of the option as reasonably determined by City and Lessee. If the City and Lessee cannot agree to a new rental amount the Parties shall enter into informal mediation between the City Manager or designee and a senior manager from Lessee in order to reach agreement on new rental terms. Should mediation be unsuccessful Lessor and Lessee shall each retain an appraiser who shall propose market rate rent utilizing the criteria described above. If the two appraisers are unable to reach agreement then the two appraisers shall choose a third appraiser to determine the new rental amount, using the same criteria. Any costs for the third appraiser shall be split equally between the Lessor and Lessee. The Option Term rental amount sum shall be increased by 3% annually during the Option Term, under the same terms and conditions as the original Lease term.

ARTICLE 4 TENANT IMPROVEMENTS

4.1 Tenant Improvements. The Lessee agrees that no tenant improvements, alterations or changes of any nature shall be made to the Premises without first obtaining the consent of the Lessor in writing, which consent shall not be unreasonably withheld, conditioned or delayed by Lessor as long as the plans and any requisite permits meet all applicable requirements of the building, electrical, plumbing and other construction codes and all City zoning requirements, and thereafter, any tenant improvements made to the Premises which become affixed or attached to the leasehold Premises shall remain the property of the Lessor at the expiration or termination of this Lease Agreement. Tenant shall provide Lessee with plans and specifications for any

tenant improvements for City's reasonable review. It is anticipated that Lessee shall provide City with detailed plans and specifications for extensive tenant improvements ("Improvements") after approval of this Lease by the City Council. A copy of the tentative plans for the Improvements is attached and incorporated by this reference as **Exhibit "C."** Lessee shall at Lessee's sole cost and expense be permitted to build out and construct the Improvements. It is anticipated that the Improvements will consist of light demolition of the existing build out, construction of new walls and upgrading some of the finishes and fixtures. Lessee shall retain a qualified, licensed general contractor to complete the Improvements. Prior to retaining the general contractor Lessee shall submit the name and qualifications of the general contractor to the City for its approval, which shall not be unreasonably withheld, conditioned or delayed by Lessor, as long as the general contractor or its subcontractors have all requisite licenses for the construction involved and ample experience in this type of construction. Any Improvements shall be made only in accordance with applicable federal, state or local codes, ordinances or regulations, having due regard for the type of construction of the building housing the Premises. If the Lessee makes any Improvements to the Premises the Lessee shall be responsible for payment for those Improvements, except for rental deduction as described below. Lessee shall not be required to remove the Improvements at the end of the Lease Term, but shall be required to return the Premises in a commercially reasonable end of lease condition with the exception of ordinary wear and tear.

4.2 Mechanics Lien. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic or material lien against the Premises, City Facility or any City property or any interest therein. Lessee shall give City not less than ten (10) days' notice prior to the commencement of any work on the Premises, and City shall have the right to post notices of non-responsibility in or on the Premises. If Lessee, in good faith, contests the validity of any lien, claim or demand, then Lessee shall, at its sole expense, defend itself and City against it and shall pay any adverse judgment that may be rendered before enforcement against the City. If City shall require, Lessee shall furnish to City a surety bond satisfactory to City in an amount equal to the contested lien, claim indemnifying City against liability for and holding the Premises free from the lien or claim. In addition, Lessee shall pay City's attorneys' fees and costs in participating in the action if City decides to participate.

4.3 Early Access. Lessee shall be entitled to early access to the Premises upon entering into this Lease for the sole purpose of completing the Improvements, and installing Tenant's furniture, fixtures and equipment. Tenant is not permitted to start conducting Tenant's business prior to the Commencement Date. Early access is available after City Council approval of the Lease, full execution of this Lease, delivery of the prepaid rent and security deposit to Lessor and the Certificate of Insurance as required under the Lease. Should Lessee utilize the early access period Lessee shall indemnify, protect, defend and hold Lessor free and harmless from and against any and all claims, actions, causes of action, suits, proceedings, costs, expenses (including, without limitation, reasonable attorneys' fees and costs), liabilities, damages, and liens caused by the activities of Lessee its contractors, subcontractors, employees, vendors or agents while upon the Premises prior to the official commencement of the Lease. Lessee shall repair any damage to the Premises that may be caused by the Lessee or its contractors, subcontractors, agents or employee while on the Premises constructing the Improvements prior to the start of this Lease.

4.4. Tenant Improvement Requirements. Before construction of any Improvements are commenced on the Premises, and before any building materials have been delivered to the Premises by Lessee or agents, Lessee shall comply with the following conditions or procure City's written waiver of the conditions specified:

4.4.1 Construction Schedule. A construction schedule approved by the City setting forth in detail a description of the Improvements and all steps for construction of the Improvements, and Lessee's best estimate of the date upon which each step shall be substantially completed when completed and approved by City will be attached and incorporated herein as **Exhibit "D"**.

4.4.2 Protection of Adjacent Property, Indemnity of the City. Lessee shall protect the Premises, City Facility and all City property as well as adjacent property against damage resulting from the performance of work undertaken by Lessee or Lessee's agents, employees, contractors excluding any damage caused by gross negligence or the willful act of City, and shall indemnify the City against all liens or liability arising out of the performance of the work or the furnishing of labor, services, materials, supplies, equipment or power.

4.4.3 Insurance. City may require any third party(ies) performing work at the Premises maintain workers' compensation insurance at Lessee's sole cost and expense at all times when any work is in process and shall otherwise conform to the requirements of this Lease for insurance.

4.4.4 Final Inspection. Lessee shall not provide service to its clients utilizing the Improvements in any way without receiving a final inspection of the Improvements from the City.

4.4.5 Notice of Changes in Plans. Upon completion of any Improvements, Lessee shall give City notice of all changes in the plans and specifications made during the course of the work and at the same time deliver to City "as built" drawings accurately reflecting all changes, provided that no change that substantially alters the final plans last approved by the City shall be made without the City's prior written approval.

4.4.6 Commencement of Construction. Lessee shall not commence physical installation of the Improvements before approval of Plans and Specifications, and obtaining approval of all applicable permits. Approval of Plans and Specifications by City Departments shall not release Lessee from the responsibility for, or the correction of, any errors, omissions or other mistakes that may be contained in Plans and Specifications. Lessee agrees to perform any work at Lessee's sole cost and at Lessee's sole expense and in accordance with and in a manner City is satisfied conforms to Plans and Specifications as may be approved by City in furtherance of this Agreement.

4.5 City Access. The City or its agents, may enter into the Premises at all reasonable times during the term of this Lease Agreement for the purpose of determining whether or not Lessee is complying with the terms and conditions or for any other purpose incidental to rights of the City. Lessor shall give Lessee reasonable advance notice of such entry except in case of emergency.

4.6 Rent Abatement. City shall permit rent abatement in the amount not to exceed the first year's rental charge (\$197,160.00). as long as Lessee constructs all of the improvements listed in Exhibit C.

4.7 Inducement Recapture. Any agreement for free or abated rent or other charges, which includes the Improvements for Lessee paid for Lessee, all of these concessions are referred to as "Inducement Provisions," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon a material breach of this Lease by Lessee, which is not subsequently remedied under the default provisions of this Agreement, any Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge or consideration abated, given or paid by Lessor under the Inducement Provision shall be immediately due and payable. The acceptance by Lessor of rent after a breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically stated in writing by Lessor at the time of the acceptance of rent.

4.8 Cabling Improvements. Within the first year of this Agreement, Lessor shall provide cabling improvements within the premises in an amount not to exceed \$5000.00. Requests for improvements must be provided by the Lessee to the Lessor within 6 months of execution of the agreement. If the request is not made Lessor shall not be required to make the improvements.

ARTICLE 5

Use

5.1 Permitted Uses. Lessee shall use the Premises for purposes related to its non-profit function including providing for and managing mental health services for families, individuals and children. This may include, but is not limited to general office, individual and group therapy and related uses.

5.2 Prohibited Uses. Lessee shall not use Premises for any purpose not expressly permitted. Lessee shall not (a) create, cause, or permit any nuisance or waste in, on or about the Premises or permit the Premises to be used for any unlawful activity, (b) do or permit to be done anything which unreasonably disturbs the users of the City Facility or the occupants of neighboring property. Specifically, and without limiting the above, Lessee agrees not to cause any unreasonable odors, noise, vibration, power emissions or other item to emanate from the Premises. Lessee shall not use or permit the use of the Premises in a manner that creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles.

5.3 Approval by the City and Other Agencies. Lessee, at its sole cost and expense, may install the Improvements, subject to Lessee's obtaining all required permits, Leases and approvals from the City and any other governmental agencies having jurisdiction. Lessee shall maintain permits, Leases and approvals in force through the term of this Lease. The revocation or expiration of any permit, Lease or approval shall be a breach of this Lease. Should Lessee wish to install additional improvements ("Additional Improvements") beyond like kind exchange of existing Improvements, it shall not do so without the prior written approval of City which shall not be unreasonably withheld. Additional Improvements shall not be made without obtaining all required permits from the City and any other governmental agencies with jurisdiction. If Additional Improvements are approved and constructed, Lessee and City shall amend **Exhibit "C"** to

reflect the changes. Should Lessee construct Additional Improvements without the prior approval of City, City may require that Lessee remove the expansion or change at Lessee's sole cost and expense. Lessee shall be solely responsible for conducting any environmental review required in association with Lessee's use of the Premises and for all costs associated, as well as all fees, charges or other expenses imposed by the City or other regulatory agencies in connection with Lessee's use of the Premises prior to the Lease commencement or at any time during the term of the Lease.

5.4 Condition, Use of Premises. City makes no warranty or representation concerning the condition of the Premises, or the fitness of the Premises for the use intended by Lessee, and disclaims any personal knowledge, it being expressly understood by the parties that Lessee has personally inspected the Premises, knows its condition, finds it fit for Lessee's intended use, accepts it as is and has ascertained that it can be used for the limited purposes as specified in this Agreement.

5.5 Hazardous Materials.

5.5.1 Hazardous Materials on Premises. Lessee shall not introduce any Hazardous Materials (as defined below) to the Premises or the City Property excluding any Hazardous Materials which are components of commercially available products, ordinarily used in an office setting, provided that Hazardous Materials are transported, obtained, handled, stored and/or disposed of in accordance with all federal, state and local laws, ordinances, rules, regulations or policies.

5.5.2 Hazardous Materials Defined. The term "Hazardous Material(s)" shall mean any toxic or hazardous substance, material or waste or any pollutant or contaminant or infectious or radioactive material, including but not limited to, those substances, materials or wastes regulated now or in the future under any of the following statutes or regulations and any and all of those substances included within the definitions of "hazardous substances," "hazardous waste," "hazardous chemical substance or mixture," "imminently hazardous chemical substance or mixture," "toxic substances," "hazardous air pollutant," "toxic pollutant" or "solid waste" in the (a) "CERCLA" or "Superfund" as amended by SARA, 42 U.S.C. Secs. 9601 et seq., (b) RCRA, 42 U.S.C. Secs. 6901 et seq., (c) CWA, 33 U.S.C. Secs. 1251 et seq., (d) CAA, 42 U.S.C. Secs. 7401 et seq., (e) TSCA, 15 U.S.C. Secs. 2601 et seq., (f) The Refuse Act of 1899, 33 U.S.C. Secs. 407, (g) OSHA, 29 U.S.C. Secs. 651 et seq. (h) Hazardous Materials Transportation Act, 49 U.S.C. Secs. 5101 et seq., (i) USDOT Table (49 CFR Sec. 172.101 App. A and amendments) or the EPA Table (40 CFR Part 302 and amendments), (j) Carpenter- Presley-Tanner Hazardous Substance Account Act, Cal. Health & Safety Code Secs. 25300 et seq., (k) California Hazardous Waste Control Act, Cal. Health & Safety Code Secs. 25100 et seq., (l) Porter-Cologne Act, Cal. Water Code Secs. 13000 et seq., (m) Hazardous Waste Disposal Land Use Law, Cal. Health & Safety Code Sec. 25220 et seq., (n) "Proposition 65," Cal. Health and Safety Code Sec. 25249.5 et seq., (o) Hazardous Substances Underground Storage Tank Law, Cal. Health & Safety Code Sec. 25280 et seq., (p) California Hazardous Substance Act, Cal. Health & Safety Code Secs. 108100 et seq., (q) Air Resources Law, Cal. Health & Safety Code Secs. 39000 et seq., (r) Hazardous Materials Release Response Plans and Inventory, Cal. Health & Safety Code Secs. 25500 et seq., (s) TPCA, Cal. Health and Safety Code Secs. 25208 et seq., and (t) regulations promulgated pursuant to said laws or any replacement thereof, or as similar terms are defined in the federal, state and local laws, statutes, regulations, orders or rules. Hazardous Materials shall also mean any and all other substances, materials and wastes which are, or in the future become regulated under applicable local, state or federal law for the protection of health or the environment, or which are classified as hazardous or toxic substances, materials or wastes, pollutants or contaminants, as defined, listed or

regulated by any federal, state or local law, regulation or order or by common law decision, including, without limitation, (i) trichloroethylene, tetrachloroethylene, perchloroethylene and other chlorinated solvents, (ii) any petroleum products or fractions thereof, (iii) asbestos, (iv) polychlorinated biphenyls, (v) flammable explosives, (vi) urea formaldehyde, and (vii) radioactive materials and waste.

5.5.3 Hazardous Materials Indemnity. Lessee shall indemnify, defend (by counsel reasonably acceptable to City), protect and hold Lessor harmless from and against any and all claims, liabilities, penalties, forfeitures, losses and/or expenses, including, without limitation, diminution in value of the Premises or City Facility, damages for the loss or restriction on use of the rentable or usable space or of any amenity of the Premises or City Facility, damages arising from any adverse impact or marketing of the Premises or City Property and sums paid in settlement of claims, response costs, cleanup costs, site assessment costs, attorney's fees, consultant and expert fees, judgments, administrative rulings or orders, fines, costs of death of or injury to any person or damage to any property whatsoever (including, without limitation, groundwater, sewer systems and atmosphere), arising from, or caused or resulting, either prior to or during the Lease Term or Option Term, in whole or in part, directly or indirectly, by the presence or discharge in, on, under or about the Premises or City Facility by Lessee, Lessee's agents, employees, Lessees or invitees or at Lessee's direction, of Hazardous Material, or by Lessee's failure to comply with any Hazardous Materials Law, whether knowingly or by strict liability. Lessee's indemnification obligations shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary Hazardous Materials management plan, investigation, repairs, cleanup or detoxification or decontamination of the Premises or City Facility, and the presence and implementation of any closure, remedial action or other required plans, and shall survive the expiration of or early termination of the Lease Term. For purposes of the indemnity, any acts or omissions of Lessee or its employees, agents, customers, sublessee, assignees, contractors or subcontractors of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee.

5.5.4 City's Right to Perform Tests. At any time prior to the expiration of the Lease Term or Option Term, City shall have the right to enter upon the Premises in order to conduct tests of water and soil and to deliver to Lessee the results of such tests to demonstrate that levels of any Hazardous Materials in excess of permissible levels has occurred as a result of Lessee's use of the Premises. Lessee shall be solely responsible for and shall indemnify, protect, defend and hold City harmless from and against all claims, costs and liabilities including actual attorney's fees and costs arising out of or in connection with any removal, remediation, clean up, restoration and materials required hereunder to return the Premises and any other property of whatever nature to their condition existing prior to the appearance of the Hazardous Materials. The testing shall be at Lessee's expense if City has a reasonable basis for suspecting and confirms the presence of Hazardous Materials in the soil or surface or groundwater in on, under, or about the Premises or the Project, which has been caused by or resulted from the activities of Lessee, its agents, employees, contractors or invitees.

5.5.5. Survival. This entire Section 5.5 of this Lease shall survive termination of the Lease, as to any activities during the term of this Lease.

5.5.6 Termination of Lease. City shall have the right to terminate the Lease in City's sole and absolute discretion in the event that (i) any anticipated use of the Premises by Lessee involves

the generation or storage, use, treatment, disposal or release of Hazardous Material in a manner or for a purpose prohibited or regulated by any governmental agency, authority or Hazardous Materials Laws; (ii) Lessee has been required to take remedial action in connection with Hazardous Material contaminating the Premises, if the contamination resulted from Lessee's action or use of the Premises; or (iii) Lessee is subject to an enforcement order issued by any governmental authority in connection with the release, use, disposal or storage of a Hazardous Material on the Premises.

ARTICLE 6

Maintenance, Repairs and Alterations

6.1 General. Lessor shall at Lessor's sole cost and expense deliver the Premises broom clean and free of debris with all operating systems in good operating condition. Lessee shall keep in good order, condition and repair the Premises, and the Improvements placed on the Premises. Lessee shall keep the Premises clean and free of debris.

6.2 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises;; (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, environmental aspects, and compliance with applicable legal requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use; (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, and (d) neither Lessor, nor Brokers have made any oral or written representations or warranties with respect to these matters other than as set forth in this Lease.

6.3 Surrender. On the last day of the term, Lessee shall surrender the Premises to City in the same condition as when received, clean and free of debris; normal wear and tear excepted. Lessee shall repair any damage to the Premises by Lessee, its clients, contractor, invitees or any others aside from City.

6.4 Lessee's Operating Expenses. Lessee shall be responsible for all building operating expenses including, but not limited to custodial service, interior maintenance (not including HVAC), interior plumbing, utilities including water, sewer, power gas, phones and data, alarm systems, and any interior maintenance not listed as a Lessor expense.

6.5 Lessor's Operating Expenses. Lessor shall be responsible for all exterior maintenance of the building including, but not limited to: (i) the exterior, roof, roof drains, gutters and downspouts, and structural portions of the building, including the floor slab, bearing walls and foundations; (ii) to all systems, including electrical, mechanical, plumbing, water and sewer, up to the point of entry into or hook-up with the Premises, (iii) landscape maintenance, all major building system replacement, HVAC maintenance and repair, exterior pest service, parking lot maintenance, fire inspections and repairs to fire sprinkler system.

6.6 City's Assumption of Lessee's Responsibilities. If Lessee is in default, subject to the applicable cure periods. City may (but shall not be required to) enter upon the Premises with reasonable notices as referenced below, (except in the case of an emergency, in which case no notice shall be required), to perform obligations on Lessee's behalf and put the Premises and/or

Improvements in good order, condition and repair, and the cost, together with interest at the maximum rate then allowable by law, shall become due and payable as additional rent to City with Lessee's next rental installment, provided, however, in the case of a non-emergency, City shall notify Lessee of City's intention to perform Lessee's obligations ten (10) days prior to performing any work on Lessee's behalf. If no rental installment is due to City, these costs shall become due and payable within thirty (30) days from the date of City's invoice.

6.7 Waiver of Repair and Deduct Provisions. Lessee expressly waives the benefit of any statute now or hereinafter in effect which would afford Lessee the right to make repairs at City's expense or to terminate this Lease because of City's failure to keep Premises in good order, condition and repair, except for Lessor's operating expenses obligation described above.

6.8 Security Measures. City shall have the right to require a reasonable security system, device, operation or plan be installed and implemented to protect the Premises or the Improvements. Should City, in its sole discretion, require Lessee to install a security system, Lessee agrees to bear the sole cost of any security system, device, operation or plan and the installation and implementation. Lessee shall obtain City's prior approval before installing or implementing any security system, device, operation or plan.

6.9. Right to Enter Premises. City and City's agents shall have the right to enter the Premises for the purpose of showing to prospective purchasers, lenders or Lessees, and making alterations, repairs, improvements or additions to the Premises as required by the Agreement and as City may deem necessary. Landlord shall give Tenant reasonable advance notice of such entry except in case of emergency.

ARTICLE 7 Indemnity and Insurance

7.1 Indemnity. This Lease is made upon the express condition that Lessee shall indemnify and hold harmless City and its officers, agents and employees against any suits, claims or actions arising out of Lessee's use of the Premises or from any act permitted, or any omission to act, in or about the Premises or the City Facility by Lessee or its agents, employees, contractors or invitees, including, but not limited to, any injury or injuries to, or death or deaths of, persons or property that may occur, or that may be alleged to have occurred from any cause or causes whatsoever, while in, upon, about or in any way connected with the Premises during the term of this Lease, or during any holdover tenancy thereof (except where caused solely by the active negligence or willful misconduct of City, its employees or agents). Lessee agrees to defend any actions, suits or claims and pay all reasonable charges of attorneys and all other costs and expenses arising therefrom; and, if any judgment be rendered against the City or any of the other individuals enumerated above in any action, except to the extent the judgment arises from the active negligence or willful misconduct of the City, its employees or agents, Lessee shall, at its expense, satisfy and discharge same. Lessee shall be responsible for any loss of income, for damage to Licensor's property, or for injury or death of any person in or about the Premises, from any cause whatsoever, except to the extent caused by City's active negligence or willful misconduct.

7.3 Insurance. During the term of this Lease, Lessee shall maintain in full force and affect the following insurance policies as described **Exhibit "E"** attached and incorporated by this reference.

ARTICLE 8

Damage, Destruction and Termination

8.1 Nontermination and Nonabatement. Except as provided herein, no destruction or damage to the Premises by fire, windstorm or other casualty, whether insured or uninsured, shall entitle Lessee to terminate this Lease, unless a majority of the Premises are rendered unusable as an office for Lessor.

8.2 Force Majeure. Prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor, materials or reasonable substitutes, governmental restrictions, governmental regulation, governmental controls, judicial orders, enemy, or hostile governmental actions, civil commotion, fire or other casualty, shall excuse the performance by Lessee for a period equal to the prevention, delay or stoppage, except the obligations imposed with regard to rent to be paid by Lessee pursuant to this Lease. In the event any work performed by Lessee or Lessee's contractor's results in a strike, lockout, and/or labor dispute, the strike, lockout, and/or labor dispute shall not excuse the performance by Lessee of the provisions of this Lease. Prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor, materials or reasonable substitutes, governmental restrictions, governmental regulation, governmental controls, judicial orders, enemy, or hostile governmental actions, civil commotion, fire or other casualty, shall excuse the performance by Lessor of its obligations under this Lease for a period equal to the prevention, delay or stoppage

8.3 Waiver. City and Lessee waive the provisions of any statutes which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

ARTICLE 9

Taxes

9.1 Personal Property. Lessee shall pay prior to delinquency all taxes, Lease fees and public charges assessed or levied against Lessee or Lessee's estate in this Lease or Lessee's Improvements, trade fixtures, furnishings, equipment and other personal property.

9.2 Real Property. Lessee shall pay Lessee's share of all real property taxes (as defined in Section 9.3 below) which become due and payable to City or County or other entity on or before the later of ten (10) days prior to the delinquency, or three (3) days after the date on which Lessee receives a copy of the tax bill and notice of City's determination, including documentation reasonably supporting determination hereunder. Lessee's liability to pay real property taxes shall be prorated on the basis of a three hundred sixty-five (365) day year to account for any fraction or portion of a tax year included in the Lease term at the commencement or expiration of the Lease. Lessee is not responsible for taxes related to rental income to City under this Agreement. Lessee specifically acknowledges it is familiar with Section 107.6 of the California Revenue and Taxation Code, realizes that a possessory interest subject to property taxes may be created, agrees to pay any tax, and waives any rights Lessee may have under Revenue and Taxation Code 107.6.

9.3 Definition. The term "real property taxes" as used herein shall mean:

9.3.1 All taxes, assessments, levies and other charges, general and special, foreseen and unforeseen, now or hereafter imposed by any governmental or quasi-governmental authority or special district having the direct or indirect power to tax or levy assessments, which are levied or assessed against or with respect to (i) value, occupancy, use or possession of the Premises and/or the Improvements, (ii) any improvements, fixtures, equipment and other real or personal property of Lessee that are an integral part of the Premises, (iii) use of the Premises, Improvements public utilities or energy within the Premises;

9.3.2 All charges, levies or fees imposed by reason of environmental regulation or other governmental control of the Premises and/or the Improvements;

9.3.3 New excise, transaction, sales, privilege or other taxes now or hereafter imposed upon City as a result of this Lease; and,

9.3.4 All costs and fees (including attorneys' fees) incurred by City in contesting any real property taxes and in negotiating with public authorities as to any real property taxes affecting the Premises. If at any time during the Lease or Option Term, the taxation or assessment of the Premises and/or the Improvements existing as of the commencement of this Lease shall be altered, then any tax or charge, however designated, shall be included within the meaning of the term "real property taxes." If any real property taxes are based upon property or rents unrelated to the Premises and/or the Improvements, then only that part of such tax that is fairly allocable to the Premises and/or the Improvements, as determined by City, on the basis of the assessor's worksheets or other available information, shall be included within the meaning of the term "real property taxes."

ARTICLE 10

Parking

10.1 Parking. Lessee may use the adjacent shared parking lot for its employees and clients. Lessee's use is non-exclusive and parking is available to Lessee's employees and clients during normal business hours and not for overnight storage of vehicles or RV's. Overnight parking shall be allowed only with advanced written approval by City following request by Lessee. At Lessee's request, only for temporary one day use during events held at the rest of the City Facility City may designate up to 20 temporary parking spaces for the sole use of Lessee's employees and guests during the hours of 8:00 a.m. to 5:00p.m. during normal workdays. Lessee shall install temporary markings which shall be installed and removed at the start of and the finish of these designated work days. The designated parking for Lessee may not be directly adjacent to the Premises.

10.2 Parking Limitations. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, clients, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities. Lessee shall not service or store any vehicles in the Common Areas, as defined below. If Lessee permits or allows any of the prohibited activities described in this Article, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

ARTICLE 11. Common Areas

11.1 Common Areas - Definition. The term "Common Areas" includes all areas and facilities outside the Premises and within the City Facility boundary line which are designed for the non-exclusive use of Lessor, members of the public, Lessee and other users of the City Facility and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roofs, roadways, walkways, driveways and landscaped areas.

11.2 Common Areas - Lessee's Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, clients and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof. It is the intent that Common Areas are to be utilized by Lessee, its clients or invitees solely for the purpose of ingress, egress and where permitted, parking. Under no circumstances shall the right granted to use the Common Areas be include the right to store any property, temporarily or permanently, in the Common Areas. Any storage shall by Lessee in the Common Areas shall be permitted only by the prior written consent of Lessor, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

11.3 Common Areas - Rules and Regulations. Lessor shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other users, occupants or tenants of the City Facility and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform.

11.4 Common Areas - Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

11.4.1 To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

11.4.2..To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

11.4.3..To designate other land outside the boundaries of the City Facility to be a part of the Common Areas;

11.4.4 To add additional buildings and improvements to the Common Areas;

11.4.5 To use the Common Areas while engaged in making additional improvements, repairs or alterations to the City Facility, or any portion thereof; and

11.4.6 To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and City Facility as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

11.4.7 Should Lessee desire to utilize the Common Areas for a specific event, it may do so only for a limited duration and following the prior written permission from the City.

ARTICLE 12

Covid 19

12. Compliance with Laws. Lessee shall comply with all federal, state, and local laws, statutes, codes, ordinances, regulations, rules, orders, permits, leases, approvals and requirements applicable to the use and occupancy of the Premises, including those related to Covid 19 or any other health requirement, and Lessee shall not commit and shall not knowingly permit others to commit any violation of such laws upon the Premises or City Facility.

ARTICLE 13

Signage

13. Lessee is permitted to install signage at two exterior locations where signage currently exists. Signage shall be of the same format and sizing as existing exterior signage. Lessee shall provide Lessor with plans for the signage for its approval, which shall not be unreasonably denied, prior to construction and installation. Lessee shall be solely responsible for the costs of all signage, including any permits. Lessee shall obtain any required permits prior to installation. Lessor may provide additional options for wayfinding signs at Lessee's expense within the City Facility.

ARTICLE 14

Assignment and Subletting

14.1 City's Consent Required. Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of Lessee's interest in this Lease or in the Premises, without City's prior written consent, this consent shall not be unreasonably withheld. Any assignment shall be consistent with the approved use of the Premises and shall not be in conflict with other uses at the City Facility. City shall respond to Lessee's request for consent in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without consent shall be void and shall constitute a breach of this Lease.

14.2 City's Consent Exceptions. Notwithstanding the foregoing, Lessee may assign or sublet the Premises, or any portion thereof, without the City's consent, to any entity which controls, is controlled by, or is under the common control with Lessee, or to any entity resulting from any merger or consolidation with Lessee, or to any partner of Lessee or to any partnership in which Lessee is a general partner.

14.3 Sublease Requirements. If Lessee desires to sublease a portion of the Premises to another compatible user it, following City approval it shall share 50% of any profits from the sublease with

Lessor. Deductions from profits shall not include Lessee's costs in obtaining the sublessor, including but not limited to commissions, improvement allowance, free rent periods, attorney's fees or marketing costs.

14.4 Relief of Obligations. No assignment as approved by City shall relieve Lessee of Lessee's obligations under this Agreement or alter the primary liability of Lessee to pay the rent and to perform all other obligations required by Lessee. The acceptance of rent by City from any other person shall not be a waiver by City of any provision. Consent to one assignment shall not be deemed to be consent to any subsequent assignment or subletting. In the event of default by any assignee of Lessee or any successor of Lessee in the performance of any of the terms hereof, City may proceed directly against Lessee without the necessity of exhausting remedies against the assignee.

ARTICLE 15

Defaults; Remedies

15.1 Defaults. The occurrence of any one or more of the following events shall constitute a material default or breach of this Lease by Lessee:

15.1.1 The abandonment of the Premises by Lessee as defined by Civil Code §1951.3.

15.1.2 The failure by Lessee to make any payment of rent or any other payment required by Lessee hereunder, when due, where the failure shall continue for a period of ten (10) business days after written notice from City to Lessee. In the event City serves Lessee with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes, Notice to Pay Rent or Quit shall also constitute the notice required by this subparagraph.

15.1.3 The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease in any material respect to be observed or performed by Lessee, where the failure shall continue for a period of thirty (30) days after written notice from City to Lessee; provided, however, that if the nature of Lessee's default is that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default, if Lessee commenced cure within the thirty (30) day period and thereafter diligently prosecutes the cure to completion.

15.1.4 The making by Lessee of any general arrangement or assignment for the benefit of creditors; Lessee's becoming a "debtor" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, it is dismissed within sixty (60) days); the appointment of a bankruptcy trustee or receiver to take possession of all or substantially all of Lessee's assets located at or on the Premises or of Lessee's interest in this Lease where possession is not restored to Lessee within thirty (30) days; or the attachment, execution or other judicial seizure of all or substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where seizure is not discharged within thirty (30) days.

15.2 Remedies. In the event of any material default or breach by Lessee, City may at any time, thereafter, following any notice required by statute, and without limiting City in the exercise of any right or remedy which City may have by reason of default or breach:

15.2.1 Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises and Improvements to City. In that event, City shall be entitled to recover from Lessee all damages incurred by City by reason of Lessee's default including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including if necessary, removal of Improvements and restoration of the Premises, reasonable attorneys' fees, the worth at the time of the award of the unpaid rent that had been earned at the time of termination of this Lease and the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of rental loss for the same period that Lessee proves could be reasonably avoided.

15.2.2 Maintain Lessee's right to possession, in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the Premises. In that event, City is entitled to enforce all of City's rights and remedies under this Lease, including the right to recover rent as it becomes due.

15.2.3 Pursue any other remedy now or hereafter available to City under the laws or judicial decisions of the State of California.

15.3 No Relief from Forfeiture After Default. Lessee waives all rights of redemption or relief from forfeiture under California Code of Civil Procedure §§1174 and 1179, and any other present or future law, in the event Lessee is evicted or City otherwise lawfully takes possession of the Premises by reason of any default or breach of this Lease by Lessee.

ARTICLE 16

Termination of Lease

16.1 Termination by Lessee. Except as provided otherwise herein or by applicable law, Lessee may terminate this Lease for cause upon the giving of not less than thirty (30) days written notice to City if any of the following occur:

16.1.1 The failure by City to observe or perform any of the covenants, conditions or provisions of this Lease in any material respect to be observed or performed by City, where the failure shall continue for a period of thirty (30) days after written notice from Lessee to City; provided, however, that if the nature of the City's default is such that more than thirty (30) days are reasonably required for its cure, then City shall not be deemed to be in default, if City commenced to cure within a thirty (30) day period and thereafter diligently prosecutes such cure to completion;

16.1.2 Any time after the 60th month of the Lease Term, following 12 months' notice if Lessee is not able to renew their programs housed at the Premises. This provision is not applicable to the five year extension should one be approved.

16.2 Termination by City. Except as otherwise provided or by applicable law, City may terminate this Lease for cause upon giving thirty (30) days written notice if any of the following occur:

16.2.1 If Lessee's operation of the Premises substantially, materially and unreasonably interferes with the use of the City Facility and such threat or danger cannot reasonably be cured within

the Default provisions above; or (i) if CITY is mandated by law, a court order or decision, or the federal, state or local government to take certain actions that will cause or require the removal of the building containing the Premises; or (ii) upon 12 months' prior written notice if the removal of the Premises is needed to accommodate the construction, installation, operation, repair or maintenance of any improvement desired by CITY.

16.3 Condemnation of Leased Premises. Should all or majority of the Premises be taken by any public or quasi-public agency or entity under the power of eminent domain under the term of this Lease:

16.3.1 Either City or Lessee may terminate this Lease by giving the other thirty (30) days written notice of termination; and

16.3.2 Any damages and compensation awarded or paid because of the taking shall belong to the City, except for amounts paid Lessee for moving expenses or for damage to property owned by Lessee and the value of the unexpired term of this Lease.

ARTICLE 17

City's Liability

17. The term "City" as used herein, shall mean the City only while the City is the owner of the fee title of the Premises. In the event of any transfer of title or interest, the City (and in case of any subsequent transfer, then the grantor) shall, after the date of the transfer, the City is relieved from all liability with respect to its obligations hereunder occurring after the transfer date, provided that any funds in the hands of City at the time of transfer, in which Lessee has an interest, will be provided to City's grantee.

ARTICLE 18

Interest on Past-Due Obligations

18. Except as expressly provided, any amount due City when not paid when due shall bear interest at the lesser of ten percent (10%) per year or the maximum rate allowable by law from the date due.

ARTICLE 19

Holding Over

19. If Lessee remains in possession of the Premises or any part after the expiration of the term the occupancy shall be a tenancy from month to month with all the obligations of this Lease applicable to Lessee and at a monthly rental obligation of one and one half (1.5) times the Base Rent in effect at the time of expiration.

ARTICLE 20

Quiet Possession

20. Upon Lessee's paying rent for the Premises and observing and performing all of the covenants, conditions and provisions on Lessee's part, Lessee shall have quiet possession and

quiet enjoyment of the Premises for the entire Term and Option Term subject to all of the provisions of this Lease.

ARTICLE 21

Lessee Requirements

21.1 Cooperation upon Financing. If Lessor desires to finance, refinance, or sell the Premises, or the City Facility or any part thereof, Lessee shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor any financial statements as may be reasonably required by the lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All the financial statements shall be held by Lessor and their lender or purchaser in confidence and shall only be used for the purposes listed here.

21.2 Reservations. Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

21.3 Waiver of Relocation Benefits. Lessor specifically waives any and all rights to relocation benefits or assistance that might otherwise be available to Lessor upon termination of this Lease (for any reason or under any circumstances) including, but not limited to, those authorized under California Government Code §7260 et seq. or otherwise.

ARTICLE 22

General Provisions

22.1 Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision.

22.2 Time of Essence. Time is of the essence under this Lease.

22.3 Additional Rent. Any monetary obligations of Lessee to City under the terms of this Lease shall be deemed to be rent and all references to "rent" include the Base Rent and all other sums paid or payable by Lessee to City.

22.4 Entire Agreement, Modification. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding shall be effective. This Lease may be modified in writing only.

22.5 No Warranty. Except as otherwise stated in this Lease, Lessee hereby acknowledges that neither the City nor any employees or agents of the City has made any oral or written warranties or representations to Lessee relative to the condition or use by Lessee of the Premises and Lessee acknowledges that Lessee assumes all responsibility regarding the Occupational Safety and Health Act, the legal use and adaptability of the Premises and compliance with all applicable laws and regulations in effect during the term of this Lease.

22.6 Notices. Any notice required or permitted, shall be in writing and may be given by personal delivery or by first class mail, and if given personally or by mail, shall be deemed sufficiently given if addressed to Lessee or to City at the address noted below:

Lessee:

Uplift Family Services
Gordon Richardson
251 Llewellyn Avenue
Campbell, CA 95008
916.388.6301

City:

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

With Copy to:

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

Each notice shall specify the provision pursuant to which it is provided. Either party may specify a different address or contact person. A copy of all notices required or permitted to City shall be concurrently transmitted to the party at the address as City designated by notice to Lessee. Notice given under this section shall be in compliance with applicable statutory notice requirements, including Code of Civil Procedure §1162.

22.7 Waivers. No waiver by City or Lessee of any provision shall be a waiver of any other provision or of any subsequent breach by City or Lessee of the same or any other provision. City's or Lessee's or approval of any act shall not be unnecessary obtaining of their consent of any subsequent act. The acceptance of rent by City shall not be a waiver of any preceding breach by Lessee of a provision, other than the failure of Lessee to pay the particular rent so accepted, regardless of City's knowledge of the breach at the time of acceptance of rent.

22.8 Cumulative Remedies. No remedy or election under this Lease shall be exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

22.9 Choice of Law. This Lease shall be governed by the laws of the State of California. The language of all parts of this Lease shall be construed with its fair meaning and not strictly for or against the City or Lessee.

22.10 Condition to Effectiveness of Lease. The approval of the City Council of City constitutes an express condition precedent to the effectiveness of this Lease.

22.11 Attorneys' Fees. If either party brings an action to enforce the terms or declare rights hereunder, the prevailing party in any such action, shall be entitled to its reasonable attorneys' fees and court costs paid by the other party. Any action brought pursuant to this Lease shall be filed in the Superior Court of the County of Santa Clara.

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22.12 Brokers. Lessee has utilized a real estate broker or finder, with respect to this Lease. Lessor has not utilized any broker or finder with respect to this Lease. Lessee shall be solely responsible for any commission, cost or charge by their broker. Lessee shall hold harmless Lessor from all damages resulting from any claims that may be asserted against the Lessee by any broker, finder, or other person with whom Lessee has or purportedly has dealt.

22.13 Authority. Each individual executing this Lease on behalf of Lessee and City represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said party.

22.14 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.

22.15 Non-Discrimination. Lessee covenants it shall not discriminate based upon race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry in any activity under this Lease.

22.16 Independent Contractor. Lessee shall act and be an independent contractor and not an agent nor employee of City.

22.17 Conflict of Interest. Lessee shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this agreement.

22.18 Memorandum of Lease. Following execution of this Lease, either party, at its sole expense shall be entitled to record a Memorandum of Lease in the official records of Santa Clara County. Upon termination or expiration of this Lease, if requested by Lessor, Lessee shall execute and record a quitclaim deed.

22.19 Estoppel Certificate. Lessee shall, from time to time, upon at least thirty (30) days prior written notice from City, execute, acknowledge and deliver to City a statement in writing (a) certifying this Lease is unmodified and in full force and effect, or, if modified, stating the nature of the modification and certifying that the Lease, as modified, is in full force and effect, and the date to which the rental and other charges, if any, have been paid; and, (b) acknowledging that there are not to Lessee's knowledge, any defaults, or stating if any defaults are claimed, any statement may

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be relied upon by any prospective purchaser or encumbrancer of the City Property.

**CITY OF MORGAN HILL, CALIFORNIA
“LESSOR”**

APPROVED AS TO
FORM:

Donald A. Larkin
City Attorney

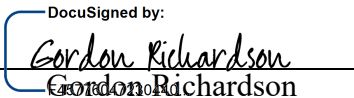
Christina Turner
City Manager

ATTEST:

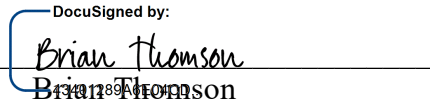
City Clerk

“City”

**Uplift Family Services
“LESSEE”**

By: 
Gordon Richardson

Title: Vice President Clinical Administration

By: 
Brian Thomson

Title: Vice President Clinical Operations

“Lessee”

Exhibit A	City Facility
Exhibit B	Premises
Exhibit C	Copy of Improvement Plans
Exhibit D	Construction Schedule
Exhibit E	Insurance Requirements

Lease Agreement Uplift Family Services Morgan Hill FINAL 9-13-21

Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

Exhibit A

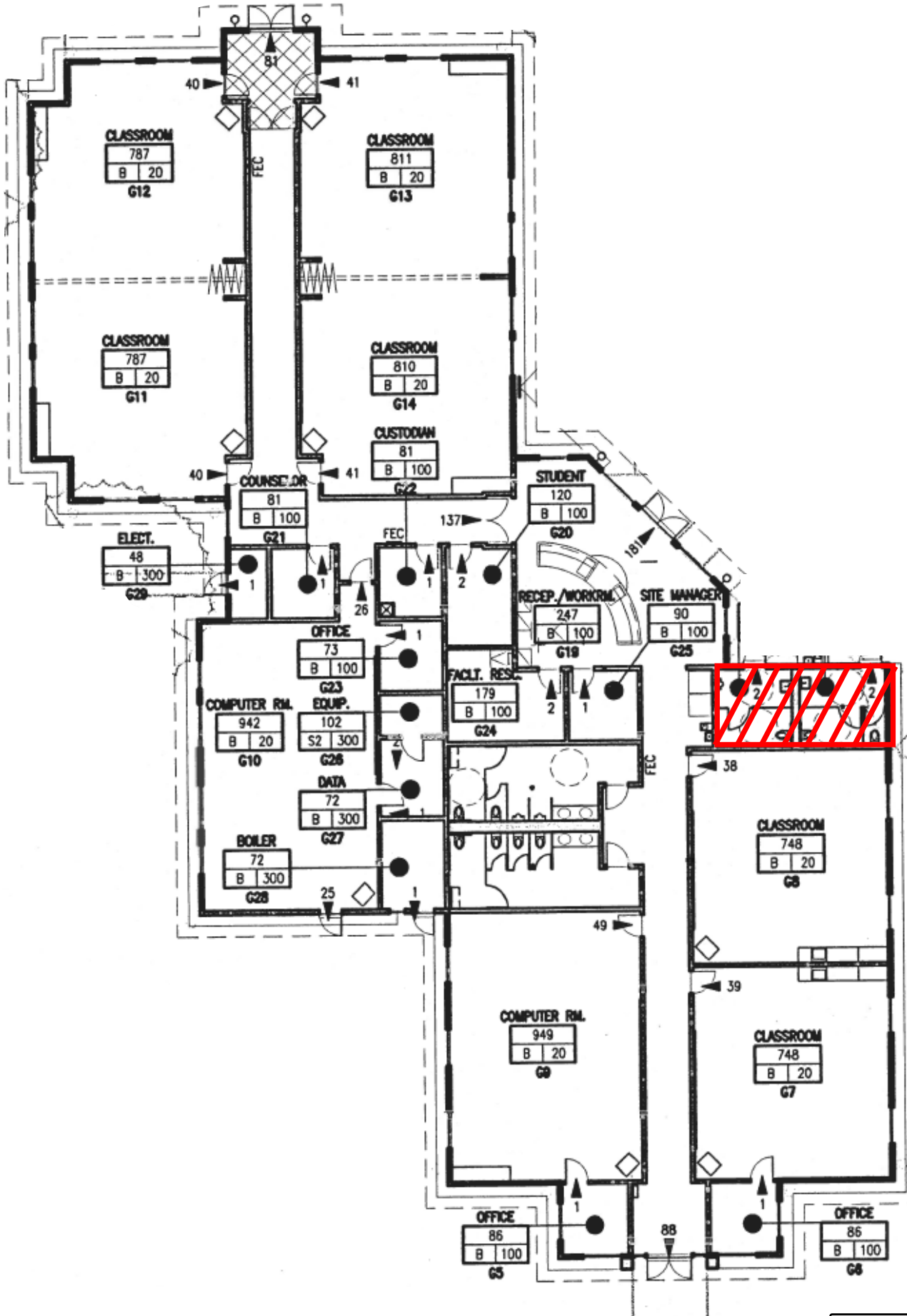
Community Center Site

17000 Monterey Road



Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

Exhibit B – Leased Premises



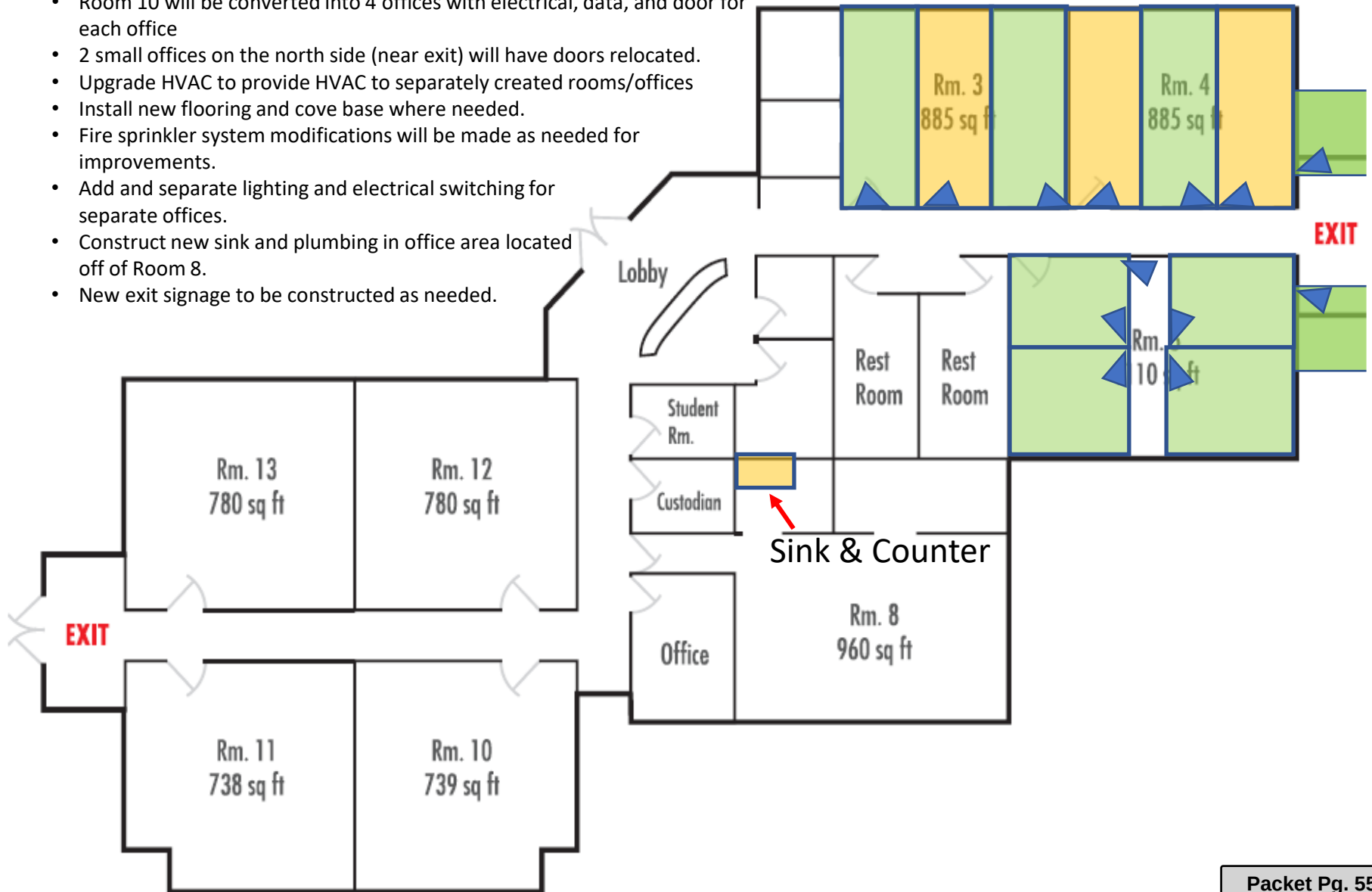
Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

Exhibit C Improvement Plans

3.a

Description of Improvements:

- Rooms 3 & 4 will be built out into 6 offices with electrical, data and door constructed for each office
- Room 10 will be converted into 4 offices with electrical, data, and door for each office
- 2 small offices on the north side (near exit) will have doors relocated.
- Upgrade HVAC to provide HVAC to separately created rooms/offices
- Install new flooring and cove base where needed.
- Fire sprinkler system modifications will be made as needed for improvements.
- Add and separate lighting and electrical switching for separate offices.
- Construct new sink and plumbing in office area located off of Room 8.
- New exit signage to be constructed as needed.



Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease

Exhibit D

Construction Schedule for Tennant Improvements

Design Development for Tennant Improvements - Lease approval through October 31

Submittals and permitting – November 1 through November 30

Construction of tenant improvement – December 1 through January 31

EXHIBIT E

INSURANCE REQUIREMENTS.

[Subject to revision by City's Risk Manager upon her return] LESSEE shall procure and provide proof of the insurance coverage required by this Exhibit in the form of certificates and endorsements. The required insurance must cover the activities of LESSEE, including liability for damage or injury to the property or person (including death) of any LESSEE or invitee of LESSEE or any other person entering upon or using the Premises, or any structure thereon, or any part thereof, and arising from LESSEE's use thereof, and must remain in full force and effect at all times during the period covered by this Lease. 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 self-insured retentions must be declared to and approved by City. LESSEE further understands that CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to LESSEE, at any time as deemed necessary to protect the interests of CITY.

1. **Insurance Types and Amounts.**

1.1. **Commercial General Liability (CGL).** LESSEE shall maintain CGL against claims and liabilities for personal injury, death, and property damage in the minimum amount of one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence.

1.2. **Automobile Liability.** LESSEE shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if LESSEE does not own automobiles, then LESSEE 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 one million dollars (\$1,000,000.00) combined single limit.

1.3. **Workers' Compensation Insurance and Employer's Liability.** LESSEE shall maintain Workers Compensation coverage, as required by law, in the minimum amount of one million dollars (\$1,000,000.00) for any one accident or occurrence. If LESSEE is self-insured, LESSEE shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

1.4. **Property.** LESSEE shall maintain Property Insurance to cover LESSEE's personal property, including furniture and fixtures, at an amount equal to the full replacement cost of such property. Such coverage shall include protection against fire, theft, vandalism, sprinkler leakage, malicious activity, and all other forms of loss ("all-risk" coverage). LESSEE may elect to self-insure LESSEE's personal property by written notice given to CITY.

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

2.1. General and Automobile Liability.

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;

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,

2.1.3. insurance shall be primary non-contributing.

3. **Qualification of Insurers.** All insurance required pursuant to this Lease must be issued by a company Leased 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.

4. **Absence of Insurance Coverage.** City may direct LESSEE to immediately cease all activities with respect to this Lease if it determines that LESSEE fails to carry, in full force and effect, all insurance policies with coverages at or above the limits specified in this Lease. Any delays or expense caused due to stopping of work and change of insurance shall be considered LESSEE's delay and expense. At the City's discretion, under conditions of lapse, City may purchase appropriate insurance and charge all costs related to such policy to LESSEE.

5. **Certificates.** LESSEE shall furnish CITY with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to this Lease 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 as follows:

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

Certificate Of Completion

Envelope Id: 55BCB303A1084612AAB8A3704B6AF48B

Status: Completed

Subject: Please DocuSign: Lease Agreement Uplift w Exhibits

Source Envelope:

Document Pages: 28

Signatures: 2

Certificate Pages: 5

Initials: 0

AutoNav: Enabled

Envelopeld Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:

City Clerk's Office

17575 Peak Ave

Morgan Hill, CA 95037

cityclerk@morganhill.ca.gov

IP Address: 174.85.103.169

Record Tracking

Status: Original

9/21/2021 12:03:18 PM

Holder: City Clerk's Office

cityclerk@morganhill.ca.gov

Location: DocuSign

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: City of Morgan Hill

Location: DocuSign

Signer Events

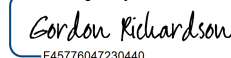
Gordon Richardson

gordon.richardson@upliftfs.org

Uplift Family Services

Security Level: Email, Account Authentication
(None)**Signature**

DocuSigned by:



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Signature Adoption: Pre-selected Style

Using IP Address: 63.202.166.131

Timestamp

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Viewed: 9/28/2021 10:23:19 AM

Signed: 9/28/2021 4:09:25 PM

Electronic Record and Signature Disclosure:

Accepted: 9/28/2021 10:23:19 AM

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Brian Thomson

bthomson@upliftfs.org

Security Level: Email, Account Authentication
(None)

DocuSigned by:



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Signature Adoption: Pre-selected Style

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Electronic Record and Signature Disclosure:

Accepted: 9/30/2021 8:17:07 AM

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In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Chris Ghione

chris.ghione@morganhill.ca.gov

Public Services Director

Security Level: Email, Account Authentication
(None)**COPIED**

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Viewed: 9/30/2021 10:09:07 AM

Electronic Record and Signature Disclosure:

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Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/28/2021 10:18:16 AM
Certified Delivered	Security Checked	9/30/2021 8:17:07 AM
Signing Complete	Security Checked	9/30/2021 8:17:25 AM
Completed	Security Checked	9/30/2021 8:17:32 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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

Getting paper copies

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

Withdrawing your consent

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

Consequences of changing your mind

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

All notices and disclosures will be sent to you electronically

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

How to contact City of Morgan Hill:

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

To contact us by email send messages to: michelle.bigelow@morganhill.ca.gov

To advise City of Morgan Hill of your new email address

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

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

To request paper copies from City of Morgan Hill

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

To withdraw your consent with City of Morgan Hill

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

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to michelle.bigelow@morganhill.ca.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

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

Acknowledging your access and consent to receive and sign documents electronically

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

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

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



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: Nichole Martin, Community Services Coordinator
APPROVED BY: City Manager

ACCEPT ANNUAL REPORTS OF ACTIVITIES BY NONPROFIT PARTNER ORGANIZATIONS

RECOMMENDATION(S)

Accept annual reports from City partner organizations.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth

Seniors

and Entire Community

Preserving and Cultivating Public Trust

GUIDING DOCUMENTS

Bikeways

Trails

Parks

and Recreation Masterplan

REPORT NARRATIVE:

The City of Morgan Hill partners with various organizations through funding agreements and facility leases. The agreements require that these organizations provide annual reports to the City outlining the activities provided by the organization in relation to the City partnership. Annual reports are based on activities occurring in the prior fiscal year. This item includes reports from the following organizations for the 2020-21 fiscal year:

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

The City has received statements from each of the nonprofit partner organizations sharing their commitment to diversity and inclusion, as requested by the City Council. Multiple organizations that had been awarded funding but did not accept it because of event or program cancellation did not submit reports.

COMMUNITY ENGAGEMENT: Inform

These reports serve to share the various activities these organizations have offered over the last year with the community.

ALTERNATIVE ACTIONS:

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

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

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

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with receiving this report.

CEQA (California Environmental Quality Act): Not a Project.

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

LINKS/ATTACHMENTS:

1. Boys and Girls Clubs of Silicon Valley Report
2. Community Christian El Toro Report
3. Healthier Kids Foundation Report
4. IDC Freedom Fest Report
5. Villa Mira Monte MHHS Report

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

COVID-19

Since the very beginning of the pandemic, our Morgan Hill Clubhouse has kept our “doors” open, offering half-day care and distance/virtual learning (see *Figure 1*). Due to COVID, we served a third of our normal school year members, with average daily attendance also taking a significant hit.

For in-person care, we served as a resource to the broader community providing our traditional afterschool enrichment programs, e.g. daily homework assistance, literacy, STEM, fine arts, digital arts, fitness and interest-based electives such as chess. Elements of our virtual programming strategy included: 1) directing traffic to our website’s iClub page; 2) engaging members in virtual programming such as social-emotional wellness, homework help, arts, fitness and other enrichment activities; 3) converting our events to virtual events; 4) when possible, host grab and go events that include care packages, drive-up birthday parties and graduations; and 5) deploy staff to help with school supplies and food distribution.

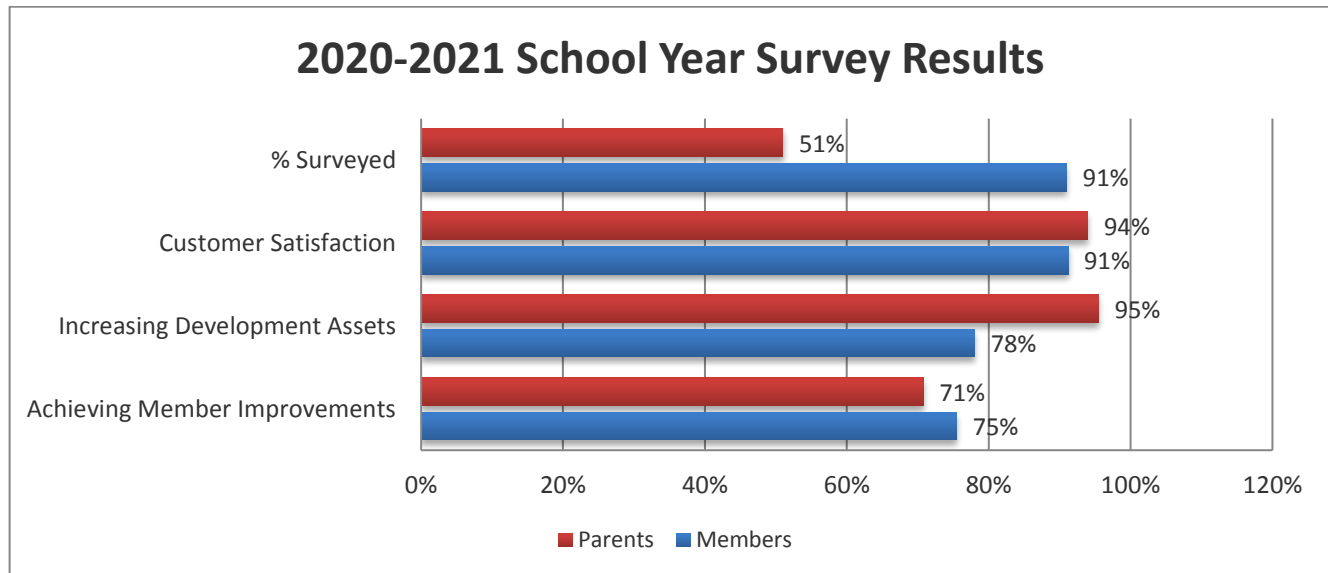
Figure 1

PHASE 1 Distance Learning	PHASE 2 Hybrid Learning	PHASE 3 In-Person Learning
•School/District Approach •Start school year with distance learning •Focused in-person learning for targeted specialized groups by grade or identified need •Distance learning is 100% online with limited in-person contact •Schools/Districts: Alpha, Downtown College Prep, Escuela Popular, Gilroy, Morgan Hill, Oak Grove, Santa Clara •BGCSV Response •Select distance learning •Limited full-day/half-day, in-person programming (e.g. County, other) with strict adherence to safety protocols (e.g. PPE, distancing) •Daily homework assistance •Daily targeted programming by Core Area •Online volunteer support, guest speakers •Enrollment impact: 40% reduction for in-person; no impact for distance learning	•School/District Approach •Launch hybrid learning model with alternating schedules (2-day in-person and 3-day distance learning) •Focused in-person learning for targeted specialized groups by grade or identified need •Distance learning is 100% online with limited in-person contact •Schools/Districts: none •BGCSV Response •Hybrid learning with alternating in-person and distance learning schedules •Limited full-day, in-person programming (e.g. County, other) with strict adherence to safety protocols (e.g. PPE, distancing) •Daily homework assistance •Daily targeted programming by Core Area •Online volunteer support, guest speaker •Enrollment impact: 40% reduction, if still 1:12 ratio, but alternating days may remedy impact	•School/District Approach •Launch in-person learning with preventative practices and additional processes •Schools/Districts: none •BGCSV Response •Elements of distance learning would be suspended (e.g. daily programming) •After-school, in-person programming would resume, 5 days per week, with strict adherence to safety protocols •Limited full-day, in-person programming (e.g. County, other) with strict adherence to safety protocols (e.g. PPE, distancing) •Daily homework assistance •Daily targeted programming by Core Area •Enrollment impact: 40% reduction, if still 1:12 ratio

2020-2021 SCHOOL YEAR SUMMARY

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

Across all categories we exceeded the threshold. 91% of members and 94% of parents reported being satisfied with our program. 78% of members and 95% of parents reported an increase in developmental assets (i.e., attitudes towards learning, resilience, communication, connectedness, self-efficacy). 75% of members and 71% of parents reported member improvements (i.e., behavior, academic performance, goal setting, making responsible choices).

Table 1


For those attending the 2+ days per week (attending at least 62 days per academic year) stand-out data results include:

IMPACT ON ACADEMICS

- **On-Track:** 92% of members are on-track academically (e.g. attending school 90%+ and 2.0+ GPA).
- **High School Graduation:** 100% (2) of eligible high school seniors graduated on time and are attending the following colleges: De Anza College, Evergreen College and Foothill.
- **Academic Performance:** 96% improved or sustained their academic performance (85%/11%).
- **Learning and Applying New Concepts:** 100% improved or sustained their ability to learn new things (85%/15%).
- **Future Academic Plan:** 100% of members, who are not high school seniors, plan to graduate from high school and attend college or a technical program.

- **Expectations of Academic Success:** 100% report that academic success is important to their future; and 100% report that Club staff care about their learning and academic performance.

IMPACT ON CHARACTER, CITIZENSHIP, LEADERSHIP & OTHER DEVELOPMENTAL ASSETS

- **Staff-Member Connectedness:** 100% report positive relationships with Club staff.
- **Member-Member Connectedness:** 98% report positive relationships with other members.
- **Self-Concept:** 97% report that the program improved or sustained a positive understanding of who they are and their abilities (78%/19%).
- **Critical Thinking:** 99% report that the program improved or sustained their ability to make informed and important choices (72%/27%).
- **Communication:** 94% report that the program improved or sustained their interpersonal communication skills (54%/40%).
- **Collaboration:** 99% report that the program improved or sustained their ability to work collaboratively with their peers (76%/23%).
- **Creativity:** 99% report that the program improved or sustained their divergent and lateral thinking skills and their desire to express themselves creatively (93%/8%).
- **Citizenship:** 98% report that the program helped them find ways to help their community.
- **Involvement with Juvenile Justice** (*middle and high school only*): 96% report that they have not had any involvement with the juvenile justice system in the last twelve months.

IMPACT ON HEALTHY LIFESTYLES

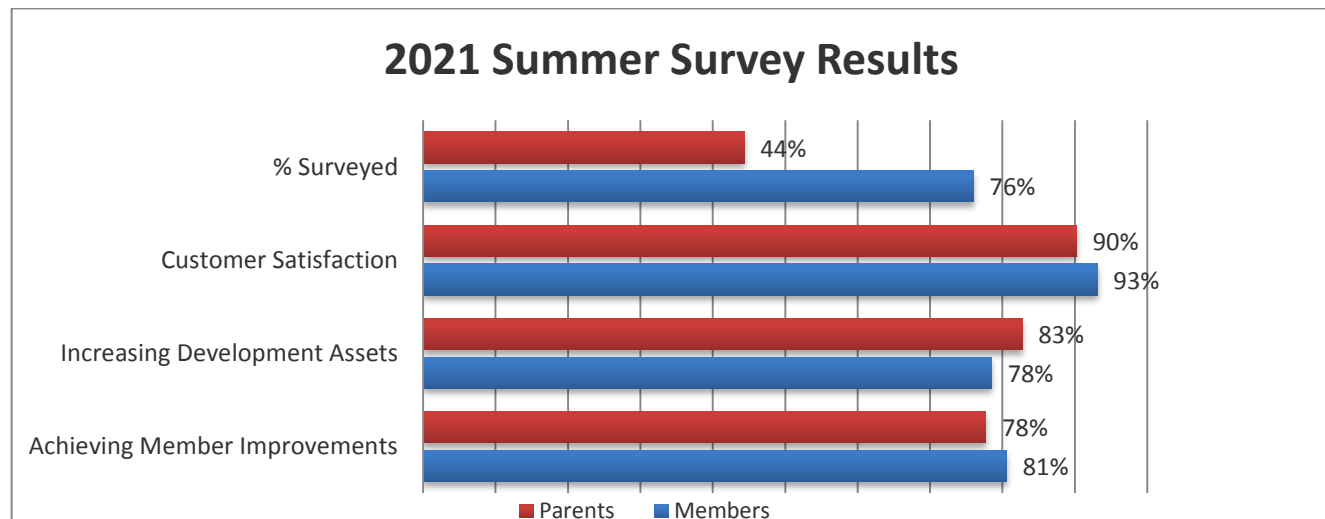
- **Avoidance of Risky Behaviors:** (*middle and high school only*): a) 95% abstained from substance use; and 95% abstained from sexual risk taking—defined as onset of sexual activity at an early age, having multiple sexual partners and/or engaging in unprotected sex.
- **Healthful Choices:** 96% report that the program improved or sustained their ability to make healthful lifestyle choices that nurture their personal well-being (60%/36%).

2021 SUMMER SUMMARY

There were three types of questions on our annual survey (five to twenty questions per category): satisfaction, asset development service productivity and agency-specified service productivity. Desirable level of performance is as follows: customer satisfaction (70%+), increasing development assets (60%+) and achieving member improvements (60%+). *See Table 2*

Across all categories, we exceeded the threshold. 93% of members and 90% of parents reported being satisfied with our program. 78% of members and 83% of parents reported an increase in developmental assets (i.e., attitudes towards learning, resilience, communication, connectedness, self-efficacy). 81% of members and 78% of parents reported member improvements (i.e., behavior, academic performance, goal setting, making responsible choices).

Table 2



Standout data includes:

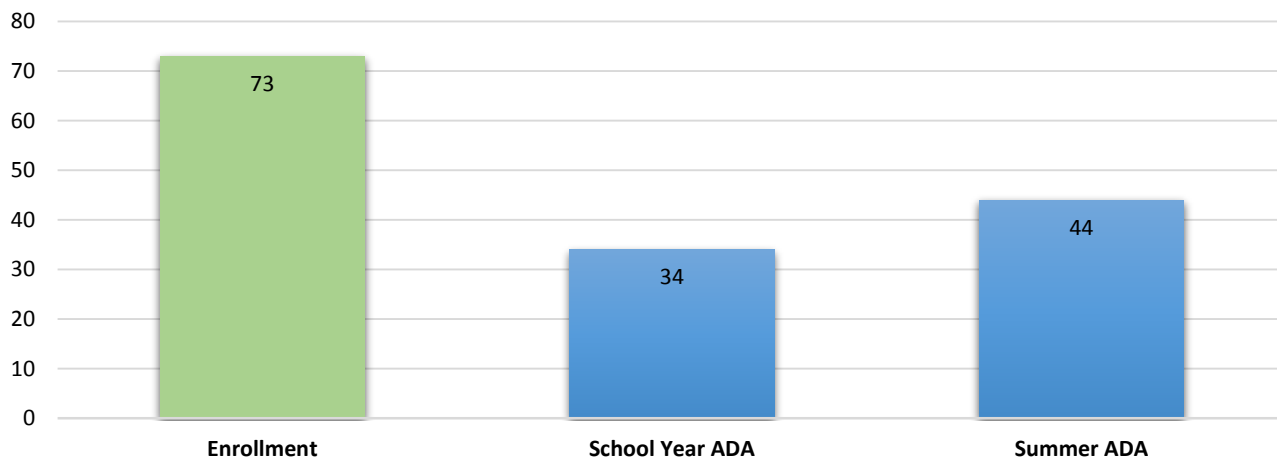
- 98% youth reported feeling safe during their involvement with the Summer Enrichment Program.
- 98% of youth reported having learned more about themselves and their capabilities.
- 90% of youth reported increased resistance skills.
- 97% of youth report increased thought about their future plans.
- 89% of parents reported that the program improved their child's ability to learn new things.
- 90% of parents reported the program improved their child's physical activity.
- 80% of parents reported that being in the Club's summer program the year prior improved their child's academic performance.
- 86% of parents said being in the program improved their child's self-confidence.
- 85% of parents reported that the program improved their child's ability to work with others.

Other standout data includes:

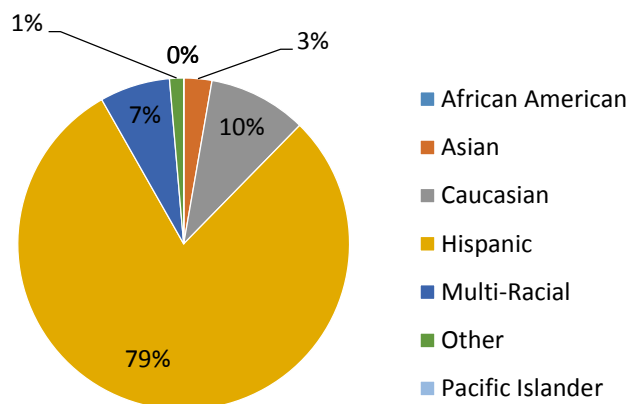
- 91% of youth and 100% of parents reported that the member benefitted from the program with 84% of parents reporting that their child benefitted 'a lot'.
- 92% of youth said the program improved their interest in math.
- 98% of youth said the program improved their interest in art.
- 97% of youth said the program improved their interest in physical fitness and sports.
- 96% of youth said the program improved their interest in science.
- 93% of youth said the program improved their interest in reading, textual analysis and creative writing.
- 82% of parents reported that the program improved their child's ability to communicate.
- 81% of parents said being in the program improved their child's understand of their interests and talents.
- 80% of parents said the program improved their child's understanding of computers and technology.

DASHBOARD

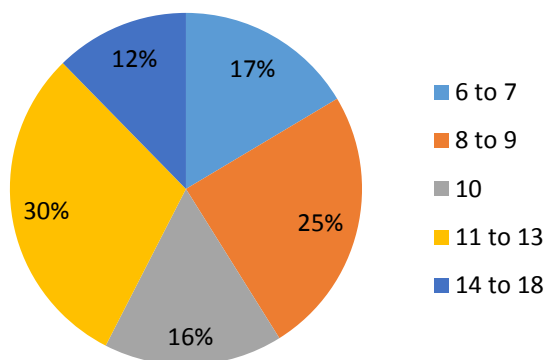
Average Daily Attendance (ADA)



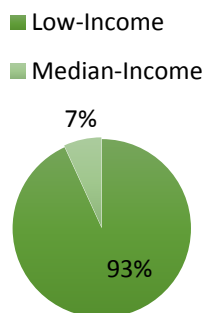
Ethnicity



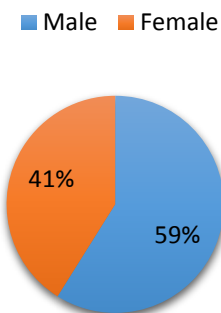
Age %



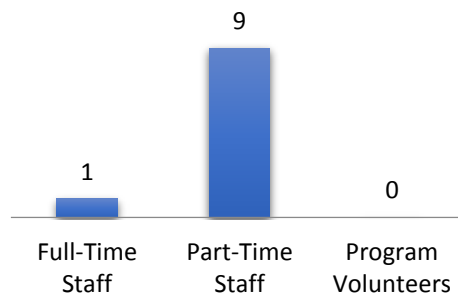
Income



Gender



Staff and Volunteers



FACE OF THE FUTURE


The Club has been many things to me, but ultimately it has taught me to be bold, to be more than my circumstances, and to be a significant leader within my community.

Alex, Youth of the Year

Boys & Girls Clubs of Silicon Valley is proud to recognize Alex as our 2020-2021 *Youth of the Year*—our organization’s highest honor.

Raised by an impoverished single mother, Alex and his siblings experienced uncertainty, food insecurity and financial hardship. But as difficult as these experiences were, Alex found refuge at the Club.

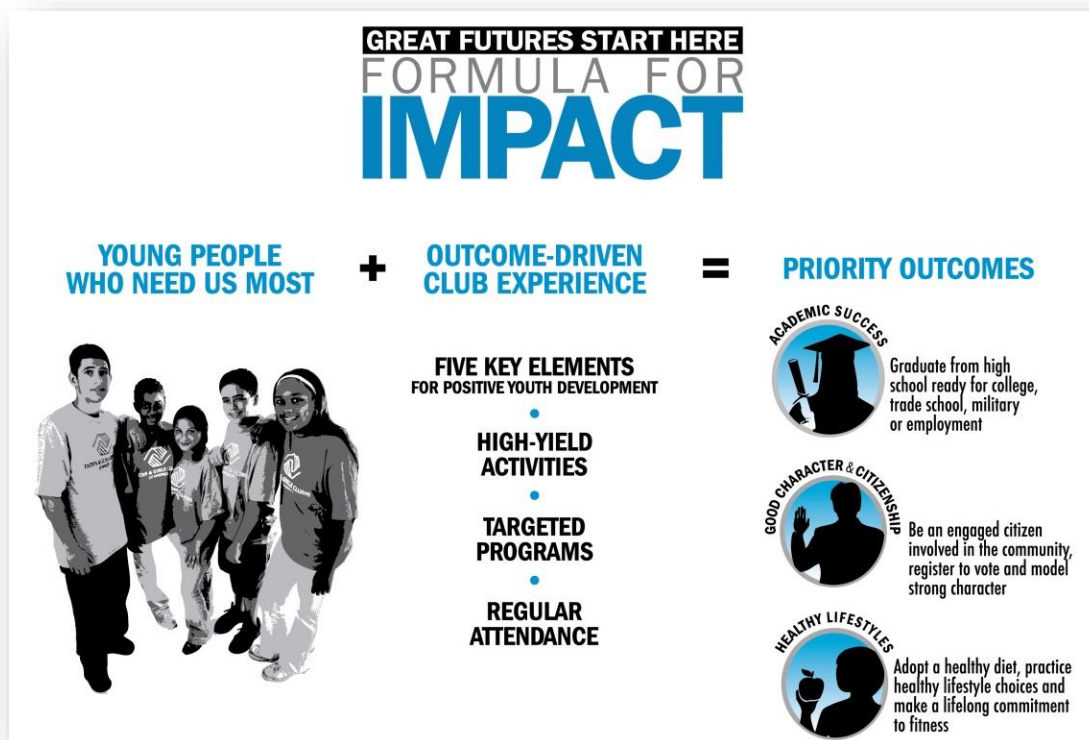
A member for over ten years, Alex has participated in our C⁵ programs (e.g. Power Hour, STEM), sports leagues, life skills programs such as Passport to Manhood and leadership programs such as Keystone Club—and serving as President of his clubhouse’s Leaders In Training program.

Alex is grateful for the positive role the Club played in his upbringing and how it shaped him into the person he is today. “Having been born into poverty, regularly subjected to community violence, and attending underperforming and underinvested schools, have all made me feel that there was little to no chance of making a better life for myself,” Alex says. “But at the Club, the adult staff cared about me—they made me feel safe and made me feel like I mattered. They assured me that my future was bright—even though, at times, I couldn’t see it for myself.”

“What I’ve learned about resiliency, I learned at the Boys & Girls Club,” Alex says. “I now have a new path in life and have goals that I once thought were impossible just a few short years ago. I am someone—someone who can accomplish anything that I set my mind to.”

Now a freshman at a local community college, Alex plans to attend the University of Southern California and major in science or healthcare. After earning his undergraduate degree, he plans to attend graduate school after which he hopes to have a career as a Physician Assistant. He currently works part-time at our Smythe Clubhouse as a Youth Development Professional.

THEORY OF CHANGE AND TARGETED PROGRAMS



2020-2021 Targeted Programs by Outcome Area

Academic Success

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

Good Character & Citizenship

- **Youth of the Year:** celebrates youth and their service to Club, community and family.
- **Leaders In Training:** chartered service learning clubs dedicated to citizenship, leadership and fellowship.

Healthy Lifestyles

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

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

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

Thank you!



September 16, 2021

El Toro Status Report

Quick Facts for 2020/2021:

- AA was closed due to COVID from March 2020 through June 2021. As of July 2021 they are slowly starting to regroup and meeting times are limited.
- NA was closed due to COVID from March 2020 through June 2021. As of July 2021 they are slowly starting to regroup and meeting times are limited.
- One of the small rooms was remodeled. On the back patio the concrete was painted, and pergolas with seating were added. Secure fencing and a storage unit were also installed.
- Total expenditure on the renovation was \$32,000.00.
- Plans to use the space for Youth Meetings and Celebration Services were put on hold due to COVID.

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

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





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

July 29, 2021

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

Re: City of Morgan Hill Year-End Report for Fiscal Year 2020-2021

Dear Mr. Ghione,

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

Healthier Kids Foundation Core Programming

In the City of Morgan Hill, Healthier Kids foundation identifies children who are not currently covered by health insurance and assists their parents in enrolling them into coverage. Between July 1, 2020 and June 30, 2021, Healthier Kids Foundation successfully **identified 27 uninsured Morgan Hill children**. Of the 27 children identified, **21 have enrolled into a health coverage program**, 6 are in the process of enrolling.

Healthier Kids Foundation's primary channel for identifying uninsured children in Morgan Hill is through the hearing, dental, and vision screenings that are conducted for Morgan Hill Unified School Districted students. Unfortunately, due to COVID-19 and the associated closures of schools, Healthier Kids Foundation had to place school-based health screenings on hold for much of the year. With the support of committed funders, such as yourselves, the agency's programs evolved to continue to meet the changing needs of the Morgan Hill community.

Pivoted Services During COVID-19

Vaccine Appointment Support: Since the vaccine became available, Healthier Kids Foundation has been assisting eligible community members in accessing the COVID-19 vaccine by operating a 1-800 number to answer questions and make appointments in their preferred language.

Results: Healthier Kids Foundation assisted **93 Morgan Hill residents in obtaining their COVID-19 vaccine**.

Needs Tracking and Referrals for Resources: Healthier Kids Foundation has leveraged their parent advocates to assist families in safely accessing general support services during this time of crisis. Case managers have been making referrals to agencies who can help them with essential items.

Results: The team has assisted a total of **121 City of Morgan Hill residents** with the following referrals: employment (17), housing (26), financial (24), food (98), toiletries (54), child care (20), kid's activities (42), K-12 services (28), family stress/mental health (8), COVID-19 resources (6), health (1), immigration (12), and domestic violence (2).

Diaper Distribution: Shelter in place has put an extraordinary burden on families with young children, particularly for low income families. In conjunction with FIRST 5 Santa Clara County, Healthier Kids Foundation is supporting families by registering families for diaper distribution and managing the inventory throughout the county to help families access the basics like diapers, wipes, and formula.

Results: Morgan Hill and Adelante Family Resource Centers located in Morgan Hill are distribution sites. They have distributed 2,579 packages to families **in the Morgan Hill area, for a total of over 206,320 diapers** distributed.

10 Steps to a Healthier You! (10 Steps): Healthier Kids Foundation delivers 10 Steps workshops to parents and caregivers in the City of Morgan Hill, providing strategies to implement healthy habits at home.

Results: Healthier Kids Foundation **served 53 Morgan Hill residents through the 10 Steps! program** during FY 20-21 over Zoom. Of those who attend a 10 Steps workshop: 97% felt that they had learned new things that they would go home and try; 90% felt the class was very or extremely valuable.

SmileFirst: Healthier Kids Foundation is providing live virtual oral health education classes through Zoom to preschool aged children and adults in the City of Morgan Hill.

Results: These engaging, interactive classes have been **provided to 810 preschoolers and adults in Morgan Hill.**

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

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

In community spirit,

Laura Clendaniel
Director of Operations
Healthier Kids Foundation

During the height of the pandemic there was a greater need than ever to find a way for communities to celebrate important holidays in a safe manner. July 4th was no exception, and while an in-person traditional gathering would not be appropriate, a back-up plan was put into place to ensure that this 149 year tradition still took place. The team reached out to past participants and asked if they would be willing to try something a little unconventional, they responded with enthusiastic affirmations. Thus, the virtual live celebration was born.

Freedom Fest sent out a camera crew and producer to multiple equestrian groups throughout the Bay Area to record performances at their own ranches. They then closed a single road from the traditional parade route and taped dozens of standard participants marching down the road and finally had bands and other musical groups perform remotely and captured each individual performer. Then over the course of several weeks all of this raw footage (totally over 2,000 hours of 'tape') was put together into one live performance with live narration. Come July 4th, this virtual celebration was streamed out on multiple platforms to an audience of more than 20,000 households. The response from our community was humbling. The excitement and happiness of having not previous years, but live performances that recognized the challenges everyone was facing during 2020 and yet still finding a way to celebrate.

Freedom Fest would like to thank the over 1,000 participants from the community who took time to perform in this virtual celebration but the tens of thousands who watched and shared with others. We are so proud we could continue this tradition for the 149th year to our community.

Thank you
Matthew stein



Morgan Hill Historical Society
Established 1971

Preserving and sharing the history of Morgan Hill, and its environs, to inspire a sense of community.

Date: Sept. 17, 2021

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

Re: FY 2020-21 Year-end Expense and Revenue Report and Annual Budget for use of City Funds

Wow; another challenging year for both the City and the Society. Pressure on revenues as the result of continuing Covid-19 restrictions. Expense structures that had been reduced in the prior FY leaving little room to reduce further without impairing and or damaging the facilities and infrastructure we are responsible for maintaining on behalf of our citizens.

The Morgan Hill Historical Society is pleased to submit this annual report outlining the past year's expenses and revenues, particularly those included in the City's Operating and Capital Improvement budget. The City supports the MHHS financially in a number of ways. The City has contributed annually to help offset operating costs at the Villa Mira Monte site. In FY 2019/20 that contribution was \$20,000. This past FY 2020-21 the amount was reduced by 25% to \$15,000. On top of that, through a Memorandum of Understanding and subsequent agreement, the City is contributing maintenance and capital funds for site improvements.

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

\$15,000 for Operations of Villa Mira Monte

The MHHS received \$15,000 in FY 2020/21 for ongoing operations support at the Villa Mira Monte site which has two structures the 1884 Hiram Morgan Hill House and the 1911 Acton house serving our community as its museum. This generous contribution goes towards utility bills and site maintenance. The Villa Mira Monte site would not be able to be kept up as one of the City's most beautiful parks without this contribution.

September 9, 2017 MOU

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

17860 Monterey Road • P.O. Box 1258, Morgan Hill, CA 95038 | 408.779.5755 | www.morganhillhistoricalsociety.org
An all-volunteer 501(c)(3) Nonprofit Corporation Tax ID 94-2562450

September 9, 2017 MOU

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

1. Many of the specified services for the community that are specified in the MOU have been curtailed by Covid-19 restrictions. FY 2021-22 should see all of us get back to the “old normal”
2. The MHHS is in the process of re-evaluating its operations in accordance with its Strategic Plan. In addition, the Covid-19 situation has limited activities at the Society. For these reasons, regular meetings with the City Liaisons, Nichole Martin and Jennie Tucker, as well as other City Staff, have been curtailed. However, MHHS has communicated with City staff from time to time to collaborate on marketing and promoting Villa Mira Monte and Historical Society events and programs, once the Covid-19 restrictions are lifted.
3. The MHHS has met with Mr. Ghione periodically to discuss capital improvements at Villa Mira Monte and other budget matters.
4. Library, Culture and Arts Commission Liaisons remain available and open to discuss matters related to the MHHS mission. Kathy Sullivan, Society Liaison, makes monthly reports to LCAC
5. Any public safety issues are immediately addressed by the MH Police Department or through Director Ghione when other services are needed.
6. Capital funding improvement discussions are ongoing.
7. Operation funds in the amount of \$15,000 contribute to the upkeep of the site.
8. Villa Mira Monte would normally remain open to the public as a community resource for education, research, and recreation. However, due to Covid-19 restrictions, the site was closed until May 15, 2021, when the site without the house or museum were opened to the public. Constant Contact emails expand our outreach providing more opportunities for connecting with our cultural heritage.
9. Historical Society has and will continue to apply for grants that support the maintenance, improvements, and preservation of Villa Mira Monte. The Historical Society was awarded a \$1,000 grant help with the costs of creating a “native garden” next to the museum. Construction of the native garden will start in Fall 2021.
10. Historical Society has annual membership drives with donation requests to support the collection, preservation, and presentation of our local history. Those funds also cover the shortfall from the City’s contribution to cover the expenses of operating Villa Mira Monte. In FY 2020-21 the amount was \$22,000.
11. Historical Society, in collaboration with the City, is continually changing its marketing materials and recognizes the city in program and media materials.

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

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

Status of Expenditures

Below is a summary on project details and funding uses.

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

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

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

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

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

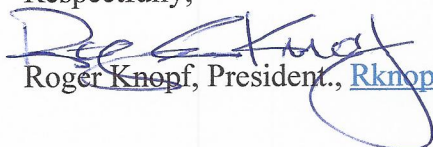
FY 2019/20: MHHS invoiced City \$67,935 for painting of Morgan Hill House and Museum

FY 2020-21: MHHS Installed magnetic locks on the wrought iron gates at the main entry and the driveway, to create a more secure site. The cost was \$3,400, Society has not billed the City yet,

Balance: \$73,216.22 (before reimbursement of \$3,400 for mag. locks)

Future projects: Villa Mira Monte site; maintenance of trees, replacing lawn and irrigation system for lower water-use, a native garden, install 2 handicap parking spaces. Morgan Hill House and Museum; re-building porches in the back, replacing the cellar door, interior painting, refurbish interior flooring, replace furnace, and repairing damaged gutters.

Respectfully,



Roger Knopf, President., Rknopf@morganhillhistoricalsociety.com or (408) 621-3617



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

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

APPROVE MURAL AT GALVAN PARK FRIENDLY INN BUILDING

RECOMMENDATION(S)

Approve Galvan Park Mural.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan

REPORT NARRATIVE:

The South County Youth Task Force (SCYTF) is a collaborative entity dedicated to supporting youth in Morgan Hill, Gilroy, and the South Santa Clara County area. Recently the SCYTF received a grant from Beautiful Day (www.beautifulday.org) to beautify Galvan Park. Within this project, SCYTF is including a mural on the east side of the Friendly Inn Building within the Park. The mural will face the field and open Park Area. The mural space will also incorporate a small free lending library. This project is a collaboration between the SCYTF, the City of Morgan Hill, and the Morgan Hill Library. The Library will be taking on the management of the lending library.

The SCYTF is seeking approval to install a mural reflective of our community's youth and values. A rendering of the mural is included as Attachment 1. The background layer of the mural is a geometric composition in greens and white. In contrast, the foreground layer comprises icons representing core community and youth values, including a list of each icon's represented value. Attachment 2 shows the proposed location of the artwork. The Boys and Girls Club, the tenants in the building, are partners in the Beautiful Day Event and a part of the project.

The City has a formal policy for approving permanent public art. This mural is considered permanent art as it will be present for many years. The Library, Culture, and Arts Commission has reviewed the artwork and recommended its approval.

COMMUNITY ENGAGEMENT: Empower

This project has been designed and brought forward by volunteers working in collaboration with City teammates. Volunteers from the surrounding community will support the entire Beautiful Day Event.

ALTERNATIVE ACTIONS:

The Council could choose not to approve the artwork and provide further feedback. This would cause the artwork not to be installed as part of the Beautiful Day Event scheduled for October 9.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

No previous Council action has occurred in relation to this specific artwork.

FISCAL AND RESOURCE IMPACT:

There is no significant fiscal impact for installing the event as the organization is paying for supply costs. Teammates from the Maintenance Division are supporting the implementation and planning for the Beautiful Day Event. This work is part of the Division's planned work supporting volunteer projects in parks.

CEQA (California Environmental Quality Act): Categorical Exemption

The minor modifications to City facilities, such as the proposed painting of a mural on an existing structure, falls within the CEQA categorical exemption of Class 1, Existing Facilities.

LINKS/ATTACHMENTS:

1. Attachment 1 - Mural
2. Attachment 2 - Mural Location



1 = knowledge/speaking knowledgeably

2 = peace/peace and justice

3 = transformation

4 = home

5 = human rights

6 = equity

7 = transparency

8 = kindness

9 = inclusion

10 = honesty

11 = community

12 = diversity

Attachment 2



Attachment: Attachment 2 - Mural Location (3187 : APPROVAL OF MURAL AT GALVAN PARK FRIENDLY INN BUILDING)

DRAFT



Meeting Minutes City Council

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

Wednesday, August 18, 2021 6:00 pm

Virtual Meeting

SPECIAL/REGULAR MEETING

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

6:00 p.m. Closed Session

7:00 p.m. Regular Meeting

SPECIAL MEETING

6:00 p.m. Closed Session

CALL TO ORDER

Mayor Constantine called the meeting to order at 6:00 p.m.

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow

Attendee Name	Title	Status	Arrived
Rich Constantine	Mayor	Remote	
John McKay	Mayor Pro Tem	Remote	
Gino Borgioli	Council Member	Remote	

Minutes Acceptance: Minutes of Aug 18, 2021 6:00 PM (CONSENT CALENDAR)

Yvonne Martinez Beltran	Council Member	Remote	
Rene Spring	Council Member	Remote	

DECLARATION OF POSTING AGENDA

City Clerk Michelle Bigelow declared the posting of the agenda.

CLOSED SESSION

City Attorney Donald Larkin announced the closed session item.

OPPORTUNITY FOR PUBLIC COMMENT

Public comment opened, there being no requests to speak, public comment closed.

ADJOURN TO CLOSED SESSION

The meeting adjourned to closed session at 6:01 p.m.

CONFERENCE WITH LABOR NEGOTIATOR

Authority: Pursuant to Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney;
Michael Horta, Human Resources Director; Dat Nguyen, Finance
Director

Employee Organization: Morgan Hill Police Officers Association
Employees Covered under Management Resolution #21-025
AFSCME Local 101 Morgan Hill
Community Service Officers Association

REGULAR MEETING

The regular meeting convened at 7:01 p.m.

PRESENTATIONS

2021 PG&E Community Wildfire Safety Program update

Daniel Cedeno and Kevin Conant with PG&E provided the presentation.

PG&E PRESENTATION

RECOGNITIONS

Recognizing Phil Couchee, Recology General Manager, for his years of service to the community

Recognizing the many agencies who supported the vaccination clinics in Morgan Hill

PROCLAMATIONS

Proclaiming the week of August 22-28, 2021 as Women's Equality Week

Minutes Acceptance: Minutes of Aug 18, 2021 6:00 PM (CONSENT CALENDAR)

CITY COUNCIL REPORTS

Mayor Pro Tem McKay commented that the evening's proclamations were great. He shared that he and Council Member Spring sit on the Water Resources Committee and they had a great conversation focusing on understanding the role of recycling and water supply. He shared that he was appointed to the General Resolution Committee for Cal Cities. They will be reviewing the resolutions that will be voted on at the annual conference in September. He announced that on August 25, 2021, there will be a Cal Cities event that will be highlighting local wineries, and he is hoping that all Council Members are able to make that event. He concluded by recognizing Chief Hess for bringing modern and prevention firefighting techniques to our community, and for his collaboration and efforts during high fire risks.

CITY MANAGER'S REPORT

City Manager Christina Turner recognized the local organizations that are helping plan events for Women's Day in our community. American Association of University Women (AAUW), Community Agency for Resources, Advocacy, and Services (CARAS), League of Women Voters, Morgan Hill Chamber of Commerce, Nueva Esperanza, South County Women's Equality Series, Showing Up For Justice (SURJ), YMCA, and other community organizations. She shared that the City has pushed back our return to work date to September 27, 2021 with a full reopening of City facilities on October 4, 2021. Our initial re-opening dates were postponed due to the Delta Variant and the increase of COVID cases in Santa Clara County. She strongly encouraged City teammates and the community to get vaccinated.

She provided updates on several projects going on in town. Pedestrian safety improvements and undergrounding and utilities projects are underway in front of Britton Middle School. Improvements on Central Avenue are substantially complete and construction along Monterey Road is anticipated to be completed by October. Pavement rehabilitation is being done in the areas of Peak Avenue, Wright Avenue, and nearby streets; work is expected to be completed near the end of the month. Overnight work on Tennant Avenue is also currently occurring. The Hale Avenue extension is underway and the major off-haul of dirt that occurred over the last several weeks is now complete. The number of large trucks that have been on Dunne Avenue will be greatly reduced in the coming weeks. Work on the Butterfield Linear Path has entered its final phase near San Pedro Avenue and will be completed in September. She concluded by announcing that Morgan Hill, South County, and Gilroy will hold their 18th annual Second Chance Week September 11-19, 2021. The goal is to put more used stuff back into circulation and keeping it out of landfills. This features a diverse range of reuse, resale, and repair activities. One of the most popular activities are the garage sales. The deadline to set up for garage sales is August 27, 2021. People can go on our website to register, the dates are September 11 and 12, 2021 in Morgan Hill and San Martin and the following weekend for Gilroy.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin shared that there was no reportable action from the closed session that took place earlier in the evening.

OTHER REPORTS

Council Member Martinez Beltran spoke regarding the vaccine efforts in Morgan Hill. She recognized Monterey Mushrooms and Nueva Esperanza for all their efforts. She announced that for those celebrating Women's Equality Day, they will be holding the South County Women's Equality Series and they have tried to make it so that you are able to participate in all the different events happening in our area.

PUBLIC COMMENT

Public comment opened at 7:56 p.m.

Brittney Sherman was called to speak.

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

ADOPTION OF AGENDA

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

PUBLIC HEARING (TO BE HEARD AT 8:00 P.M.)

7. REDISTRICTING PUBLIC HEARING #1

Recommendation:

Open and close the public hearing.

Item 7 was heard ahead of the consent calendar at a time certain of 8:00 p.m.

Deputy City Clerk Angie Gonzalez kicked off the report and introduced Dr. Justin Levitt with National Demographics Corporation and Michelle Bigelow, City Clerk and Interim Communications & Engagement Director who continued the presentation.

The public hearing opened at 8:38 p.m.

Armando Benavides was called to speak.

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

RESULT:	NO ACTION TAKEN
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CONSENT CALENDAR

The consent calendar was heard after item 7.

MOTION:

Approving consent calendar items 2, 4, 5, and 6.

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

1. ITEM PULLED FOR DISCUSSION

2. ADOPT ORDINANCE 2324, NEW SERIES, APPROVING AMENDMENTS TO DEVELOPMENT AGREEMENT DA2018-0001: OLD MONTEREY-KELLY VO FOR A 6-UNIT RESIDENTIAL DEVELOPMENT ON A 1.13-ACRE SITE LOCATED ON THE SOUTHWEST CORNER OF OLD MONTEREY ROAD AND MUSTARD AVENUE (APN 764-24-061)

Recommendation:

Waive the reading, adopt Ordinance No. 2324, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

3. ITEM PULLED FOR DISCUSSION

4. APPROVE AN IMPROVEMENT AGREEMENT WITH LEVEL 10 CONSTRUCTION, LP

Recommendation:

1. Approve and authorize the City Manager to execute an Improvement Agreement with Level 10 Construction, LP; and
2. Authorize the recordation of the Improvement Agreement.

5. APPROVE THE AUGUST 4, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

6. APPROVE THE AUGUST 6, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

ITEMS PULLED FOR DISCUSSION

1. ADOPT RESOLUTION AUTHORIZING TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 GRANT APPLICATION FOR BICYCLE LANE IMPROVEMENTS

Recommendation:

Adopt resolution approving the following actions:

1. Authorizing staff to prepare and submit a Transportation Development Act (TDA) Article 3 Bicycle Expenditure Program (BEP) grant application to the Santa Clara Valley Transportation Authority for implementation of a Bike Lane Improvement project; and
2. Authorizing the City Manager to negotiate and execute the TDA grant agreement and other documents, reports, forms, and agreements related to the performance of the identified project.

Public Services Director Chris Ghione provided the report.

Public comment opened at 9:03 p.m. The following people were called to speak:

Armando Benavides

Nick Gaich

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

MOTION:

Approving the recommended action.

RESULT:	ADOPTED [3 TO 2]
MOVER:	John McKay, Mayor Pro Tem
SECONDER:	Gino Borgioli, Council Member
AYES:	Constantine, McKay, Borgioli
NAYS:	Martinez Beltran, Spring

3. APPROVE AGREEMENT FOR CONDIT ROAD SPORTS FACILITIES MASTER PLAN CONSULTANT

Recommendation:

Authorize the City Manager to execute and administer a consultant services agreement with Verde Design, Inc. for \$135,718 for the development of a Sports Facilities Master Plan for the Condit Road Recreation Facilities.

Public Services Director Chris Ghione provided the report.

Public comment opened at 9:43 p.m.

Joe Baranowski was called to speak.

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

MOTION:

Approving the recommended actions.

RESULT:	AUTHORIZED [UNANIMOUS]
MOVER:	Gino Borgioli, Council Member
SECONDER:	Rene Spring, Council Member
AYES:	Constantine, McKay, Borgioli, Martinez Beltran, Spring

The meeting recessed at 9:50 p.m. and reconvened at 10:00 p.m.

OTHER BUSINESS

8. MONTHLY BUDGET UPDATE, PRELIMINARY FY20-21 FINANCIAL AND INVESTMENT REPORTS, AND BUDGET AMENDMENT

Recommendation:

1. Accept and file Preliminary Fiscal Year (FY) 2020-2021 Financial and Investment Report and City Manager Authority Report; and
2. Adopt resolution authorizing changes to the adopted Fiscal Year (FY) 2020-2021 and 2021-22 City of Morgan Hill Operating Budget, including appropriation of American Rescue Plan Act (ARPA) Funding; and
3. Approve amendment to Fiscal Policies to fund General Fund unfunded needs and unfunded liabilities from General Fund budget savings.

Finance Director Dat Nguyen provided the presentation and report.

Public comment opened at 10:23 p.m.

Joe Baranowski was called to speak.

There being further requests to speak, public comment closed.

MOTION:

Approving the recommended actions.

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

9. LOCC VOTING DELEGATE 2021

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” positions on resolutions to be considered on sales tax and litter along railroad lines; and
4. Authorize the City’s voting delegate(s) to vote on the resolutions to be considered at the League of California Cities (LOCC) annual conference.

City Manager Christina Turner and City Clerk Michelle Bigelow provided the report.

Public comment opened at 10:38 p.m. There being no requests to speak, public comment closed.

MOTION:

Appointing Mayor Rich Constantine as the primary voting delegate and Council Members Martinez Beltran and Borgioli as voting delegate alternates and approving the recommended actions.

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

FUTURE COUNCIL INITIATED AGENDA ITEMS

Council Member Martinez Beltran requested an item on the Outdoor Sports Center partnership and working structure.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:39 p.m.

MINUTES PREPARED BY:

Michelle Bigelow, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: Rebecca Garcia, Housing Manager
APPROVED BY: City Manager

CONDUCT TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) HEARING APPROVING ISSUANCE OF BONDS FOR DEPOT COMMONS AFFORDABLE HOUSING APARTMENTS AT 17145 DEPOT STREET AND THE WILLOWS AFFORDABLE HOUSING APARTMENTS AT 50 W. EDMUNDSON AVENUE WITHIN THE CITY OF MORGAN HILL

RECOMMENDATION(S)

1. Open/close public hearing consistent with the requirements of the Federal Tax and Equity Fiscal Responsibility Act ("TEFRA") and Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"); and
2. Adopt resolution approving the issuance of bonds by the California Municipal Finance Authority (CMFA), for the acquisition, rehabilitation, expansion, and improvement of two multifamily rental housing facilities: Depot Commons, located at 17145 Depot Street and The Willows, located at 50 W. Edmundson Avenue.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure
Preserving and Cultivating Public Trust
Enhancing Equity
Diversity and Inclusiveness
Advancing Regional Initiatives

2020-2021 Strategic Priorities

Affordable Housing and Homelessness

GUIDING DOCUMENTS

Morgan Hill 2035 General Plan

REPORT NARRATIVE:

The City is required to hold this public hearing allowing community members to speak in favor of or against the use of tax-exempt bonds for the financing of the project. The City Council previously held a TEFRA hearing on this same item on June 2, 2021; however, it was later determined that the bond amount is greater than originally expected. A second hearing is being held to provide notice of the updated bond amount.

Due to the very high demand from other developers statewide, the State could not grant EDEN Housing a "bond volume" allocation for all of the bond financing needed for the project. To fill in the financing gap, the developer has elected to utilize a different type of bond, "Recycled" bonds, a type of tax-exempt bond that does not require a bond volume allocation from the State. These Recycled Bonds are being used in lieu of a Bond

Volume allocation to obtain the full leveraging points with the California Debt Limit Allocation Committee (CDLAC).

During the original TEFRA hearing held in June, EDEN did not anticipate having the Recycled Bonds. Therefore, the TEFRA resolution approval did not reflect a high enough tax-exempt bond amount. The bond amount is going from \$15,000,000 to \$21,000,000. There are no additional changes to the project. The City Council's only role is to listen to public testimony regarding the appropriateness of bond financing. Following the close of the hearing, the City must approve the issuance of the bonds for the financing of the Rehabilitation Project through an updated resolution. The City has no financial obligation or legal risk with the bond issuance.

To support the affordable housing goals, the City of Morgan Hill entered a 55-year ground lease with EDEN Housing, a nonprofit affordable housing developer, for the Depot Commons in 1994, and with The Willows in 1991, for the management of two multifamily rental housing facilities. The City receives \$1 as an annual lease payment on each ground lease. Eden proposed and Council approved combining Depot Commons with Willows Apartments in a new scattered-site financing. This would allow them to share financing and be cross-collateralized. Eden Housing will require an extension of the ground leases by up to 77 years, extending the projects' affordability.

To finance the Rehabilitation Project of Depot Commons and The Willows, Eden Housing has applied and received a very competitive award for Federal Low Income Housing Tax Credits ("LIHTC") from the California Tax Credit Allocation Committee and a tax-exempt bond allocation from the California Debt Limit Allocation Committee ("CDLAC").

The Borrower, Eden, requested that the California Municipal Finance Authority ("CMFA"), a joint exercise of powers authority and public entity of the State of California, serve as the municipal issuer of the tax-exempt revenue bonds in an aggregate principal amount not to exceed \$21,000,000.

The tax-exempt bond financing is a "conduit" financing in which the City has no exposure for the debt. Rather, Eden, the sponsor, asks the CMFA to issue the bonds upon CDLAC's authorization and then solicits a lender who purchases all of the bonds in a private sale. CMFA is a public entity that is authorized and experienced in the issuance of such bonds. To maximize the amount of tax credits for the rehabilitation of Depot Commons and The Willows, Eden will need to acquire a new ownership entity, which will be an Eden-controlled entity.

The proceeds of the bonds will be used to (1) finance and refinance the acquisition, rehabilitation, expansion, and improvement of both of the multifamily rental housing facilities, known as Depot Commons (19 units located at 17145 Depot Street) and The Willows (20 units at 50 W. Edmundson Avenue) to be occupied by lower-income families and individuals, to be owned and operated by the Borrower, (together, the "Project"), and (2) pay certain expenses in connection with the issuance of the Bonds.

As the nature of the financing vehicle is tax-exempt, the Tax and Equity Fiscal Responsibility Act ("TEFRA") requires the local jurisdiction to support the transaction. This requirement is fulfilled through the public hearing approving the conduit financing after public notice is published seven days prior, allowing the community members an opportunity to speak in favor of or against the use of tax-exempt bonds for the financing of the combined Rehabilitation Project. Following the close of the TEFRA Hearing, the City must approve the issuance of the bonds for the financing of the Rehabilitation Project through a resolution. The Rehabilitation Project meets the Council's goal of preserving the condition of affordable communities and leveraging outside financing to preserve the City's affordable housing supply.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY:

The CMFA was created on January 1, 2004, pursuant to a joint exercise of powers agreement to promote economic, cultural, and community development through the financing of economic development and charitable activities throughout California. To date, over 230 municipalities have become members of CMFA.

The CMFA was formed to assist local governments, nonprofit organizations, and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California. The CMFA's representatives and its Board of Directors have considerable experience in bond financings. The City is a member of the CMFA's JPA.

The bonds to be issued by the CMFA for the Rehabilitation Project will be the sole responsibility of the Borrower, and the City will have no financial, legal, moral obligation, liability, or responsibility for the Rehabilitation Project or the repayment of the bonds for the financing of the Rehabilitation Project. All financing documents with respect to the issuance of the bonds will contain clear disclaimers that the bonds are not obligations of the City or the State but are to be paid for solely from funds provided by the Borrower.

There are no costs associated with membership in the CMFA, and the City will not become exposed to any financial liability by reason of its membership. In addition, participation by the City in the CMFA will not impact the City's appropriations limits and will not constitute any type of indebtedness by the City. Outside of holding the TEFRA Hearing and adopting the required resolution, no other participation or activity of the City or the City Council with respect to the issuance of the bonds will be required.

COMMUNITY ENGAGEMENT: The community was informed by a notice published in the Morgan Hill Times on September 24, 2021.

ALTERNATIVE ACTIONS:

There are no alternative actions as the City must approve the resolution after the public hearing.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On December 5, 2018, the City Council approved the assignment, modification, extension assumption, and resubordinating of existing City loans and ground leases to

rehabilitate apartments; Skeels, Villa Ciolino, Willows, and Depot Commons. On June 2, 2021, the City Council held a TEFRA hearing for the lesser bond amount of \$15,000,000.

FISCAL AND RESOURCE IMPACT:

There will be no fiscal impact on City funds. The City is holding a TEFRA Hearing needed to approve the issuance of bonds by CMFA, not issuing bonds themselves. The Board of Directors of the California Foundation for Stronger Communities, a California nonprofit public benefit corporation (the "Foundation"), acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation to support local charities. With respect to the City, it is expected that the CMFA will grant a portion of the issuance fee attributable to the City to the City's general fund at a later time. Such grant may be used for any lawful purpose of the City.

CEQA (California Environmental Quality Act):

This is not a project but rather an administrative activity that will not result in direct or indirect physical changes in the environment.

LINKS/ATTACHMENTS:

1. Depot Willows Resolution

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$21,000,000 TO FINANCE A MULTIFAMILY RENTAL HOUSING FACILITY OF APPROXIMATELY 13 TO 19 UNITS AND A MULTIFAMILY RENTAL HOUSING FACILITY CONSISTING OF APPROXIMATELY 20 UNITS, FOR THE BENEFIT OF DEPOT WILLOWS, L.P. OR AN AFFILIATE, AND CERTAIN OTHER MATTERS RELATING THERETO

WHEREAS, Eden Housing, Inc. (the “Sponsor”), on behalf of Depot Willows, L.P., a California limited partnership, or an entity to be created by the Sponsor or an affiliate of the Sponsor (the “Borrower”), has requested that the California Municipal Finance Authority (the “Authority”) issue one or more series of revenue bonds in an aggregate principal amount not to exceed \$21,000,000 (the “Bonds”), including but not limited to revenue bonds issued as part of a plan to (1) finance and refinance the acquisition, rehabilitation, expansion and improvement of two multifamily rental housing facilities, referred to as (a) Depot Commons (19 units located at 17145 Depot Street, Morgan Hill, California), for which the Authority will issue Bonds in a principal amount not to exceed \$9,000,000, and (b) The Willows (20 units located at 50 W. Edmundson Avenue, Morgan Hill, California), for which the Authority will issue Bonds in a principal amount not to exceed \$12,000,000 (together, the “Project”), both of which will be occupied in whole or in part by low-income families, and (2) pay certain expenses in connection with the issuance of the Bonds; and

WHEREAS, an “applicable elected representative” of a jurisdiction in which the Project is to be located is required to approve the issuance of the Bonds under Section 147(f) of the Code; and

WHEREAS, the City Council of the City (the “City Council”) is the elected legislative body of the City and is an “applicable elected representative” for purposes of Section 147(f) of the Code; and

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the “Agreement”), among certain local agencies, including the City; and

WHEREAS, pursuant to Section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority;

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

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority, including but not limited to Bonds issued as part of a plan to finance and refinance the facilities described herein. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority for the Project, for the purposes of (a) Section 147(f) of the Code by the applicable elected representative of a governmental unit having jurisdiction over the area in which the Project is located, in accordance with said Section 147(f) and (b) Section 4 of the Agreement.

Section 3. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 4. The Clerk shall forward a certified copy of this Resolution to the Authority in care of its counsel:

Ronald E. Lee, Esq.
 Jones Hall, APLC
 475 Sansome Street, Suite 1700
 San Francisco, CA 94111

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

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the October 6, 2021.

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

APPROVED:

ATTEST:

RICH CONSTANTINE, Mayor

MICHELLE BIGELOW, City Clerk

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. ____, adopted by the City Council at a regular meeting held on October 6, 2021.

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

DATE: _____

MICHELLE BIGELOW, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: Mario Ramirez,
APPROVED BY: City Manager

APPROVE AGREEMENT WITH FLOCK SAFETY CAMERAS FOR AUTOMATED LICENSE PLATE READERS

RECOMMENDATION(S)

Authorize the City Manager to execute and administer the lease agreement with Flock Safety for 25 Automated License Plate Readers for the initial term of 24 months with a cost of \$68,7500 for the first year and \$62,500 for the second year.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

2020-2021 Strategic Priorities

Economic Development

Fiscal Sustainability

GUIDING DOCUMENTS

Public Safety Master Plan

REPORT NARRATIVE:

Flock Safety

Flock Safety provides automatic license plate reader (ALPR) camera technology to public safety agencies with a mission to eliminate crime. The Flock Safety cameras are placed at fixed locations and provide continuous coverage throughout the City, alerting officers and dispatchers of wanted vehicles. Flock Safety cameras are activated by motion, photographing the vehicle, including vehicles with no license plates, temporary license plates, and dirty/covered license plates. Traditional ALPR cameras utilize infrared (IR) technology and only capture the conventional metal license plate, and only if the reflective coating is still on the license plate. The Flock software uses enhanced technology that captures all plates and is searchable by vehicle type, make, model, color, timeframe, or license plate details.

Flock Safety is committed to protecting the privacy of our residents and visitors. There is no live video; the data is never sold or shared, never used for traffic enforcement or immigration status, and is deleted every 30 days.

Flock Safety cameras are currently utilized in over 1000 cities, 38 states, and over 500 Police Departments, including here in our County: Milpitas Police Department, Los Gatos Police Department, and City of Santa Clara Police Department.

Crime Reduction Strategy

As a city, we continue to see an increase in crime. Based on crime statistics from 2020, Part 1 Violent Crime increased by 12%, and Part 1 Property Crime increased by 9%. Flock Safety will provide a scalable solution to increase arrest rates and deter crime. According to the FBI Uniformed Crime Report, 87% of non-violent crime goes unsolved in the United States. It's not because police aren't doing their job; it's because they lack actionable evidence. Flock Safety ALPR cameras provide officers the evidence needed to help solve crimes. In 2019, the Los Angeles Sheriff's Department conducted a side-by-side study of Flock Safety Cameras and traditional ALPR cameras. The study found the Flock Safety cameras captured 30% more license plates than traditional ALPR cameras. In April 2019, the Marietta Police Department released a study that showed they experienced a 34% reduction in calls for services by targeting crime hot spots throughout their city with Flock Safety cameras. Moreover, in October 2019, Cobb County Police Department released a study based on their installation of 13 Flock Safety cameras. Over six months, the Cobb County Police Department reported a 60% reduction in overall crime by focusing on targeted crime hot spots.

Prior ALPR

The Police Department currently does not own any operable ALPR readers. The prior mobile ALPR readers have surpassed their useful life and are no longer supported by the manufacturer.

Pilot Program

The Police Department is currently participating in a 30 to 60-day pilot program that began on August 30, 2021. Officers have arrested more drivers of stolen vehicles in the first three weeks of the pilot program than they had the entire prior year. Officers have also solved other crimes such as commercial burglaries, felony assaults, package theft investigations, catalytic converter thefts, and at-risk missing person investigations.

Townhall Meetings

The Police Department held two community meetings before the pilot program's start: 1) a virtual community meeting by invite on July 29 and 2) a virtual Town Hall meeting on August 5 open to the entire community.

The presentation was well received at both meetings, and the staff received positive feedback. The community members at those meetings did not share opposition to the use of Flock Safety cameras.

Sole Source Provider

Flock Safety is the sole manufacturer and developer of the Flock Safety ALPR Camera. Flock Safety is also the sole provider of the comprehensive monitoring, processing, and machine vision services that integrate with the Flock Safety ALPR Camera. The Flock Safety ALPR camera is the only law enforcement grade ALPR system to offer the following combination of features:

- Machine vision to analyze vehicle license plate, state recognition, vehicle color, vehicle type, and vehicle make
- Machine vision to capture and identify characteristics of vehicles with paper license plates and vehicles with the absence of a license plate

- Ability to capture two lanes of traffic simultaneously with a single camera from a vertical mass
- Wireless deployment of license plate reading camera with integrated cellular communication weighing less than 5 pounds and able to be powered solely by a solar panel of 60W or less
- Ability to capture and process up to 30,000 vehicles per day with a single camera powered exclusively by solar power
- On-device machine processing to limit LTE bandwidth consumption
- Cloud storage of footage
- Direct integration with Axon Evidence.com
- Web-based footage retrieval tool with filtering capabilities such as vehicle color, vehicle type, vehicle manufacturer, partial or license plate, state of the license plate, and object detection
- Performance monitoring software to predict potential failures, obstructions, tilts, and other critical or minor issues
- Cover industrial design for minimizing visual pollution

Due to their wireless nature and use of integrated cellular communication, the cameras do not rely on any existing City Internet or Wi-Fi infrastructure to be deployed, thus reducing the need for City staff to maintain and/or support the deployed cameras.

Cloud data storage can be stored locally and/or send/store data through the Northern California Regional Intelligence Center (NCRIC). NCRIC is a Federal, State, and Local public safety government program that helps safeguard each of our communities by serving as a dynamic security nexus that is connected to the National Network of Fusion Centers and our nation's High-Intensity Drug Trafficking Areas. Flock Safety delivers web-based data access with no per-user license fee. It integrates a web-based retrieval tool with filtering capabilities such as vehicle color, partial/full license plate, and object detection: performance monitoring software to predict potential failures, obstructions, tilts, and other critical or minor issues.

While other ALPR camera systems are available from vendors such as PIPS Technology, Vigilant Solutions, and V5 Systems, Flock Safety offers an ALPR program in which the Police Department retains the cameras on an as-needed basis rather than permanently retained cameras as required by other vendors. Should the Police Department end its partnership with Flock Safety, there is no need to sell cameras no longer needed or attempt to locate another vendor that would be able to repurpose the cameras for additional use. Upon ending the partnership, the Police Department would merely return the hardware and not incur any financial loss for hardware or licensing other than the payment for the term the products were used. Other vendors do not have a similar model, and if the partnership is terminated, the Police Department would retain the equipment, which would essentially have no usefulness.

Deployment of Cameras

The deployment locations of the cameras will be based upon ingress and egress points of the City and on 3-years crime trend data. A map is attached to this staff report identifying the deployment locations of the 25 cameras (Attachment 3).

COMMUNITY ENGAGEMENT: Inform

This staff report informs the community of the Police Department's request to the City Council to enter into a lease agreement with Flock Safety. In addition, the Department has held two community meetings to introduce the ALPR system: 1) Stakeholder meeting on July 29 and (2) Town Hall on August 5.

ALTERNATIVE ACTIONS:

The Council could direct staff to reduce or increase the number of Flock cameras. The Council could request staff to seek and contract with an alternative provider for ALPR cameras or choose not to deploy stationary ALPR cameras within the City.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Council has approved the deployment of mobile ALPRs to be used by the Police Department in 2012 and 2015.

FISCAL AND RESOURCE IMPACT:

The initial cost to deploy all 25 cameras will be \$68,750 in Fiscal Year 2021-22. In future years, the annual fee will be \$62,500, which equals \$2,500 per camera for support and maintenance. As mentioned, upon ending the partnership with Flock Safety, the Police Department would merely return the hardware and not incur any financial loss for hardware or licensing other than the payment for the term the products are in use. There are sufficient funds carried over from the prior fiscal year for the initial cost of the deployment. The annual fee of \$62,500 will be included in the two-year budget preparation process for Fiscal Years 2022-23 and Fiscal Year 2023-24.

CEQA (California Environmental Quality Act):

Not a Project.

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

LINKS/ATTACHMENTS:

1. FLOCK Pilot Agreement - Morgan Hill PD
2. Flock Camera Location

**FLOCK GROUP INC.
SERVICES AGREEMENT
ORDER FORM**

This Order Form together with the Terms (as defined herein) describe the relationship between Flock Group Inc. (“**Flock**”) and the customer identified below (“**Customer**”) (each of Flock and Customer, a “**Party**”). This order form (“**Order Form**”) hereby incorporates and includes the “GOVERNMENT AGENCY CUSTOMER AGREEMENT” attached (the “**Terms**”) which describe and set forth the general legal terms governing the relationship (collectively, the “**Agreement**”). The Terms contain, among other things, warranty disclaimers, liability limitations and use limitations.

The Agreement will become effective when this Order Form is executed by both Parties (the “**Effective Date**”).

Customer: Morgan Hill Police Department	Contact Name: Mario Ramirez
Address: 16200 Vineyard Blvd Morgan Hill, CA 95037	Phone: (408) 779-2101 E-Mail: mario.ramirez@morganhill.ca.gov
Expected Payment Method:	Billing Contact: (if different than above)

Initial Term: 24 Months Renewal Term: 24 Months	Pilot period: First 30 days of Initial Term; option to cancel contract at no cost. Initial Term invoice due after Pilot period. Billing Term: Annual payment due Net 30 per terms and conditions
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Name	Price	QTY	Subtotal
(Includes one-time fees)			
Flock Falcon Camera	\$2,500.00	25	\$62,500.00
Implementation Fee (Public)	\$250.00	25	\$6,250.00

Year 1 Total **\$68,750.00**

Flock Group Inc.
Today's Date - Jun 15, 2021
This proposal expires in 30 days.

Order Form
CA - Morgan Hill PD

Recurring Total:

62500

Special terms:

- N/A

By executing this Order Form, Customer represents and warrants that it has read and agrees all of the terms and conditions contained in the Terms attached. The Parties have executed this Agreement as of the dates set forth below.

Flock Group Inc	Customer:
By: Name: Title: _ Date:	By: Name: Title: _ Date:

Attachment: FLOCK Pilot Agreement - Morgan Hill PD (3154 : Flock Safety Cameras)

Flock Group Inc.
Today's Date - Jun 15, 2021
This proposal expires in 30 days.

Order Form
CA - Morgan Hill PD

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GOVERNMENT AGENCY CUSTOMER AGREEMENT

This Government Agency Agreement (this “**Agreement**”) is entered into by and between Flock Group, Inc. with a place of business at 1170 Howell Mill Rd NW Suite 210, Atlanta, GA 30318 (“**Flock**”) and the police department or government agency identified in the signature block below (“**Agency**”) (each a “**Party**,” and together, the “**Parties**”).

RECITALS

WHEREAS, Flock offers a software and hardware solution for automatic license plate detection through Flock’s technology platform (the “**Flock Service**”), and upon detection, the Flock Service creates images and recordings of suspect vehicles (“**Footage**”) and can provide notifications to Agency upon the instructions of Non-Agency End User (“**Notifications**”);

WHEREAS, Agency desires to purchase, use and/or have installed access to the Flock Service in order to create, view, search and archive Footage and receive Notifications, including those from non-Agency users of the Flock System (where there is an investigative purpose) such as schools, neighborhood homeowners associations, businesses, and individual users;

WHEREAS, because Footage is stored for no longer than (thirty) 30 days in compliance with Flock’s records retention policy, Agency is responsible for extracting, downloading and archiving Footage from the Flock System on its own storage devices for auditing for prosecutorial/administrative purposes; and

WHEREAS, Flock desires to provide Agency the Flock Service and any access thereto, subject to the terms and conditions of this Agreement, solely for the purpose of crime awareness and prevention by police departments and archiving for evidence gathering (“**Purpose**”).

AGREEMENT

NOW, THEREFORE, Flock and Agency agree as follows and further agree to incorporate the Recitals into this Agreement.

1. DEFINITIONS

Certain capitalized terms, not otherwise defined herein, have the meanings set forth or cross-referenced in this Section 1.

- 1.1 “**Authorized End User**” shall mean any individual employees, agents, or contractors of Agency accessing or using the Flock Services through the Web Interface, under the rights granted to Agency pursuant to this Agreement.
- 1.2 “**Agency Data**” will mean the data, media and content provided by Agency through the Flock Services. For the avoidance of doubt, the Agency Data will include the Footage and geolocation information and environmental data collected by sensors built into the Units.
- 1.3 “**Documentation**” will mean text and/or graphical documentation, whether in electronic or printed format, that describe the features, functions and operation of the Flock Services which are provided by Flock to Agency in accordance with the terms of this Agreement.
- 1.4 “**Embedded Software**” will mean the software and/or firmware embedded or preinstalled on the Hardware.
- 1.5 “**Flock IP**” will mean the Flock Services, the Documentation, the Hardware, the Embedded Software, the Installation Services, and any and all intellectual property therein or otherwise provided to Agency and/or its Authorized End Users in connection with the foregoing.

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1.6 “**Footage**” means still images and/or video captured by the Hardware in the course of and provided via the Flock Services.

1.7 “**Hardware**” shall mean the Flock cameras and any other physical elements that interact with the Embedded Software and the Web Interface to provide the Flock Services. The term “**Hardware**” excludes the Embedded Software.

1.8 “**Implementation Fee(s)**” means the monetary fees associated with the Installation Services, as defined in Section 1.9 below.

1.9 “**Installation Services**” means the services provided by Flock regarding the installation, placements and configuration of the Hardware, pursuant to the Statement of Work attached hereto.

1.10 “**Flock Services or Services**” means the provision, via the Web Interface, of Flock’s software application for automatic license plate detection, searching image records, and sharing Footage.

1.11 “**Non-Agency End User**” means a Flock’s non-Agency customer that has elected to give Agency access to its data in the Flock system.

1.12 “**Non-Agency End User Data**” means the Footage, geolocation data, environmental data and/or notifications of a Non-Agency End User.

1.13 “**Unit(s)**” shall mean the Hardware together with the Embedded Software.

1.14 “**Usage Fee**” means the subscription fees to be paid by the Agency for ongoing access to Flock Services and Hardware.

1.15 “**Support Services**” shall mean On-site Services and Monitoring Services, as defined in Section 2.9 below.

1.16 “**Web Interface**” means the website(s) or application(s) through which Agency and its Authorized End Users can access the Flock Services in accordance with the terms of this Agreement.

2. FLOCK SERVICES AND SUPPORT

2.1 Provision of Access. Subject to the terms of this Agreement, Flock hereby grants to Agency a non-exclusive, non-transferable right to access the features and functions of the Flock Services via the Web Interface during the Service Term (as defined in Section 6.1) and No-Fee Term, solely for the Authorized End Users. The Footage will be available for Agency’s designated administrator, listed on the Order Form, and any Authorized End Users to access via the Web Interface for thirty (30) days. Authorized End Users will be required to sign up for an account, and select a password and username (“**User ID**”). Flock will also provide Agency the Documentation to be used in accessing and using the Flock Services. Agency shall be responsible for all acts and omissions of Authorized End Users, and any act or omission by an Authorized End User which, if undertaken by Agency, would constitute a breach of this Agreement, shall be deemed a breach of this Agreement by Agency. Agency shall undertake reasonable efforts to make all Authorized End Users aware of the provisions of this Agreement as applicable to such Authorized End User’s use of the Flock Services and shall cause Authorized End Users to comply with such provisions. Flock may use the services of one or more third parties to deliver any part of the Flock Services, including without limitation using a third party to host the Web

Interface which the Flock Services makes available to Agency and Authorized End Users. WARRANTIES PROVIDED BY SUCH THIRD PARTIES, ARE THE AGENCY’S SOLE AND EXCLUSIVE REMEDY AND FLOCK’S SOLE AND EXCLUSIVE LIABILITY WITH REGARD TO SUCH THIRD-PARTY SERVICES, INCLUDING WITHOUT LIMITATION HOSTING THE WEB INTERFACE. To the extent practicable, Agency agrees to comply with any acceptable use policies and other terms of any third-party service provider that are provided or otherwise made available to Agency from time to time.

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2.2 Embedded Software License. Subject to all terms of this Agreement, Flock grants Agency a limited, non-exclusive, non-transferable, non-sublicensable (except to the Authorized End Users), revocable right to use the Embedded Software as installed on the Hardware by Flock; in each case, solely as necessary for Agency to use the Flock Services.

2.3 Documentation License. Subject to the terms of this Agreement, Flock hereby grants to Agency a non-exclusive, non-transferable right and license to use the Documentation during the Service Term in connection with its use of the Flock Services as contemplated herein, and under Section 2.4, below.

2.4 Usage Restrictions. The purpose for usage of the Hardware, Documentation, Services, support, and the Flock IP is solely to facilitate gathering evidence that could be used in a lawful criminal investigation by the appropriate government agency and not for tracking activities that the system is not designed to capture (“**Permitted Purpose**”). Agency will not, and will not permit any Authorized End Users to, (i) copy or duplicate any of the Flock IP; (ii) decompile, disassemble, reverse engineer or otherwise attempt to obtain or perceive the source code from which any software component of any of the Flock IP is compiled or interpreted, or apply any other process or procedure to derive the source code of any software included in the Flock IP, or attempt to do any of the foregoing, and Agency acknowledges that nothing in this Agreement will be construed to grant Agency any right to obtain or use such source code; (iii) modify, alter, tamper with or repair any of the Flock IP, or create any derivative product from any of the foregoing, or attempt to do any of the foregoing, except with the prior written consent of Flock; (iv) interfere or attempt to interfere in any manner with the functionality or proper working of any of the Flock IP; (v) remove, obscure, or alter any notice of any intellectual property or proprietary right appearing on or contained within any of the Flock Services or Flock IP; (vi) use the Services, support, Hardware, Documentation or the Flock IP for anything other than the Permitted Purpose; or (vii) assign, sublicense, sell, resell, lease, rent or otherwise transfer or convey, or pledge as security or otherwise encumber, Agency’s rights under Sections 2.1, 2.2, or 2.3.

2.5 Retained Rights; Ownership. As between the Parties, subject to the rights granted in this Agreement, Flock and its licensors retain all right, title and interest in and to the Flock IP and its components, and Agency acknowledges that it neither owns nor acquires any additional rights in and to the foregoing not expressly granted by this Agreement. Agency further acknowledges that Flock retains the right to use the foregoing for any purpose in Flock’s sole discretion. There are no implied rights.

2.6 Suspension. Notwithstanding anything to the contrary in this Agreement, Flock may temporarily suspend Agency’s and any Authorized End User’s access to any portion or all of the Flock IP if (i) Flock reasonably determines that (a) there is a threat or attack on any of the Flock IP; (b) Agency’s or any Authorized End User’s use of the Flock Service disrupts or poses a security risk to the Flock Service or any other customer or vendor of Flock; (c) Agency or any Authorized End User is/are using the Flock IP for fraudulent or illegal activities; (d) Flock’s provision of the Flock Services to Agency or any Authorized End User is prohibited by applicable law; (e) any vendor of Flock has suspended or terminated Flock’s access to or use of any third party services or products required to enable Agency to access the Flock IP; or (f) Agency has violated any term of this provision, including, but not limited to, utilizing the Flock Services for anything other than the Permitted Purpose (each such suspension, in accordance with this Section 2.6, a “**Service Suspension**”). Flock will make commercially reasonable efforts, circumstances permitting, to provide written notice of any Service Suspension to Agency (including notices sent to Flock’s registered email address) and to provide updates regarding resumption of access to the Flock IP following any Service Suspension. Flock will use commercially reasonable efforts to resume providing access to the Flock Service as soon as reasonably possible after the event giving rise to the Service Suspension is cured. Flock will have no liability for any damage, liabilities, losses (including any loss of data or profits) or any other consequences that Agency or any Authorized End User may incur as a result of a Service Suspension. To the extent that the Service Suspension is not caused by Agency’s direct actions or by the actions of parties associated with the Agency, the expiration of the Term will be tolled by the duration of any suspension (for any continuous suspension lasting at least one full day).

2.7 Installation Services.

2.7.1 Designated Locations. Prior to performing the physical installation of the Units, Flock shall advise Agency on the location and positioning of the Units for optimal license plate image capture, as conditions and location

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allow. Flock and Agency must mutually agree on the location (mounting site or pole), position and angle of the Units (each Unit location so designated by Agency, a “**Designated Location**”). Flock shall have no liability to Agency resulting from any poor performance, functionality or Footage resulting from or otherwise relating to the Designated Locations or delay in installation due to Agency’s delay in identifying the choices for the Designated Locations, in ordering and/or having the Designated Location ready for installation including having all electrical work preinstalled and permits ready. Designated Locations that are suggested by Flock and accepted by Agency without alteration will be known as Flock Designated Locations. After a deployment plan with Designated Locations and equipment has been agreed upon by both Flock and the Agency, any subsequent changes to the deployment plan (“**Reinstalls**”) driven by Agency’s request will incur a charge for Flock’s then-current list price for Reinstalls, as listed in the then-current Reinstall Policy (available at <https://www.flocksafety.com/reinstall-fee-schedule>) and any equipment charges. These changes include but are not limited to camera re-positioning, adjusting of camera mounting, re-angling, removing foliage, camera replacement, changes to heights of poles, regardless of whether the need for Reinstalls related to vandalism, weather, theft, lack of criminal activity in view, and the like.

2.7.2 Agency’s Installation Obligations. Agency agrees to allow Flock and its agents reasonable access in and near the Designated Locations at all reasonable times upon reasonable notice for the purpose of performing the installation work. The “**Agency Installation Obligations**” include, to the extent required by the deployment plan, but are not limited to electrical work to provide a reliable source of 120V AC power that follow Flock guidelines and comply with local regulations if adequate solar exposure is not available. Agency is solely responsible for (i) any permits or associated costs, and managing the permitting process; (ii) any federal, state or local taxes including property, license, privilege, sales, use, excise, gross receipts or other similar taxes which may now or hereafter become applicable to, measured by or imposed upon or with respect to the installation of the Hardware, its use, or (iii) any other services performed in connection with installation of the Hardware. Flock will provide options to supply power at each Designated Location. If Agency refuses alternative power supply options, Agency agrees and understands that Agency will not be subject to any reimbursement, tolling, or credit for any suspension period of Flock Services due to low solar. Flock will make all reasonable efforts within their control to minimize suspension of Flock Services. Any fees payable to Flock exclude the foregoing. Without being obligated or taking any responsibility for the foregoing, Flock may pay and invoice related costs to Agency if Agency did not address them prior to the execution of this Agreement or a third party requires Flock to pay. Agency represents and warrants that it has all necessary right title and authority and hereby authorizes Flock to install the Hardware at the Designated Locations and to make any necessary inspections or tests in connection with such installation.

2.7.3 Flock’s Installation Obligations. The Hardware shall be installed in a workmanlike manner in accordance with Flock’s standard installation procedures, and the installation will be completed within a reasonable time from the time that the Designated Locations are selected by Agency. Following the initial installation of the Hardware and any subsequent Reinstalls or maintenance operations, Flock’s obligation to perform installation work shall cease; however, Flock will continue to monitor the performance of the Units for the length of the Term and will receive access to the Footage for a period of three (3) business days after the initial installation in order to monitor performance and provide any necessary maintenance solely as a measure of quality control. Agency can opt out of Flock’s access to Footage after the initial installation which would waive Flock’s responsibility to ensure such action was successful. Agency understands and agrees that the Flock Services will not function without the Hardware. Labor may be provided by Flock or a third party.

2.7.4 Security Interest. The Hardware shall remain the personal property of Flock and will be removed upon the termination or expiration of this Agreement. Agency agrees to perform all acts which may be necessary to assure the retention of title of the Hardware by Flock. Should Agency default in any payment for the Flock Services or any part thereof or offer to sell or auction the Hardware, then Agency authorizes and empowers Flock to remove the Hardware or any part thereof. Such removal, if made by Flock, shall not be deemed a waiver of Flock’s rights to any damages Flock may sustain as a result of Agency’s default and Flock shall have the right to enforce any other legal remedy or right.

2.8 Hazardous Conditions. Unless otherwise stated in the Agreement, Flock’s price for its services under this Agreement does not contemplate work in any areas that contain hazardous materials, or other hazardous conditions, including, without limit, asbestos, lead, toxic or flammable substances. In the event any such hazardous materials are discovered in the designated locations in which Flock is to perform services under this Agreement, Flock shall have the right to cease work immediately in the area affected until such materials are removed or rendered harmless.

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Any additional expenses incurred by Flock as a result of the discovery or presence of hazardous material or hazardous conditions shall be the responsibility of Agency and shall be paid promptly upon billing.

2.9 Support Services. Subject to the payment of fees, Flock shall monitor the performance and functionality of Flock Services and may, from time to time, advise Agency on changes to the Flock Services, Installation Services, or the Designated Locations which may improve the performance or functionality of the Services or may improve the quality of the Footage. The work, its timing, and the fees payable relating to such work shall be agreed by the Parties prior to any alterations to or changes of the Services or the Designated Locations (“**Monitoring Services**”). Subject to the terms hereof, Flock will provide Agency with reasonable technical and on-site support and maintenance services (“**On-Site Services**”) in-person or by email at hello@flocksafety.com. Flock will use commercially reasonable efforts to respond to requests for support.

2.10 Special Terms. From time to time, Flock may offer certain “Special Terms” related to guarantees, service and support which are indicated in the proposal and on the order form and will become part of this Agreement. To the extent that any terms of this agreement are inconsistent or conflict with the Special Terms, the Special Terms shall control.

2.11 Changes to Platform. Flock Safety may, in its sole discretion, make any changes to any system or platform that it deems necessary or useful to (i) maintain or enhance (a) the quality or delivery of Flock Safety’s products or services to its customers, (b) the competitive strength of, or market for, Flock Safety’s products or services, (c) such platform or system’s cost efficiency or performance, or (ii) to comply with applicable law.

3. AGENCY RESTRICTIONS AND RESPONSIBILITIES

3.1 Agency Obligations. Upon creation of a User ID, Agency agrees to provide Flock with accurate, complete, and updated registration information. Agency may not select as its User ID a name that Agency does not have the right to use, or another person’s name with the intent to impersonate that person. Agency may not transfer its account to anyone else without prior written permission of Flock. Agency will not share its account or password with anyone, and must protect the security of its account and password. Agency is responsible for any activity associated with its account. Agency shall be responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Services. Agency will, at its own expense, provide assistance to Flock, including, but not limited to, by means of access to, and use of, Agency facilities, as well as by means of assistance from Agency personnel, to the limited extent any of the foregoing may be reasonably necessary to enable Flock to perform its obligations hereunder, including, without limitation, any obligations with respect to Support Services or any Installation Services.

3.2 Agency Representations and Warranties. Agency represents, covenants, and warrants that Agency will use the Services only in compliance with this Agreement and all applicable laws and regulations, including but not limited to any laws relating to the recording or sharing of video, photo, or audio content and retention thereof. To the extent allowed by the governing law of the state mentioned in Section 10.6, or if no state is mentioned in Section 10.6, by the law of the State of Georgia, Agency hereby agrees to indemnify and hold harmless Flock against any damages, losses, liabilities, settlements and expenses, including without limitation costs and attorneys’ fees, in connection with any claim or action that arises from an alleged violation of the foregoing, Agency’s Installation Obligations, or otherwise from Agency’s use of the Services, Hardware and any Embedded Software, including any claim that such actions violate any applicable law or third party right. Although Flock has no obligation to monitor Agency’s use of the Services, Flock may do so and may prohibit any use of the Services it believes may be (or alleged to be) in violation of the foregoing.

4. CONFIDENTIALITY; AGENCY DATA; NON-AGENCY DATA

4.1 Confidentiality. Each Party (the “**Receiving Party**”) understands that the other Party (the “**Disclosing Party**”) has disclosed or may disclose business, technical or financial information relating to the Disclosing Party’s business

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(hereinafter referred to as “**Proprietary Information**” of the Disclosing Party). Proprietary Information of Flock is non-public information including but not limited to features, functionality, designs, user interfaces, trade secrets, intellectual property, business plans, marketing plans, works of authorship, hardware, customer lists and requirements, and performance of the Flock Services. Proprietary Information of Agency includes non-public Agency Data, Non-Agency End User Data, and data provided by Agency or a Non-Agency End User to Flock or collected by Flock via the Unit, including the Footage, to enable the provision of the Services. The Receiving Party shall not disclose, use, transmit, inform or make available to any entity, person or body any of the Proprietary Information, except as a necessary part of performing its obligations hereunder, and shall take all such actions as are reasonably necessary and appropriate to preserve and protect the Proprietary Information and the parties’ respective rights therein, at all times exercising at least a reasonable level of care. Each party agrees to restrict access to the Proprietary Information of the other party to those employees or agents who require access in order to perform hereunder. The Receiving Party agrees: (i) to take the same security precautions to protect against disclosure or unauthorized use of such Proprietary Information that the party takes with its own proprietary information, but in no event will a party apply less than reasonable precautions to protect such Proprietary Information, and (ii) not to use (except in performance of the Services or as otherwise permitted herein) or divulge to any third person any such Proprietary Information. Flock’s use of the Proprietary Information may include processing the Proprietary Information to send Agency Notifications or alerts, such as when a car exits Agency’s neighborhood, or to analyze the data collected to identify motion or other events.

The Disclosing Party agrees that the foregoing shall not apply with respect to any information that the Receiving Party can document (a) is or becomes generally available to the public, or (b) was in its possession or known by Receiving Party prior to receipt from the Disclosing Party, or (c) was rightfully disclosed to Receiving Party without restriction by a third party, or (d) was independently developed without use of any Proprietary Information of the Disclosing Party.

Nothing in this Agreement will prevent the Receiving Party from disclosing the Proprietary Information pursuant to any subpoena, summons, judicial order or other judicial or governmental process, provided that the Receiving Party gives the Disclosing Party reasonable prior notice of such disclosure to obtain a protective order or otherwise oppose the disclosure. For clarity, Flock may access, use, preserve and/or disclose the Footage to law enforcement authorities, government officials, and/or third parties, if legally required to do so or if Flock has a good faith belief that such access, use, preservation or disclosure is reasonably necessary to: (a) comply with a legal process or request; (b) enforce this Agreement, including investigation of any potential violation thereof; (c) detect, prevent or otherwise address security, fraud or technical issues; or (d) protect the rights, property or safety of Flock, its users, a third party, or the public as required or permitted by law, including respond to an emergency situation. Having received notice prior to data being deleted, Flock may store Footage in order to comply with a valid court order but such retained Footage will not be retrievable without a valid court order.

4.2 Agency and Non-Agency End User Data. As between Flock and Agency, all right, title and interest in the Agency Data and Non-Agency End User Data, belong to and are retained solely by Agency. Agency hereby grants to Flock a limited, non-exclusive, royalty-free, worldwide license to use the Agency Data and Non-Agency End User Data and perform all acts with respect to the Agency Data and Non-Agency End User Data as may be necessary for Flock to provide the Flock Services to Agency, including without limitation the Support Services set forth in Section 2.9 above, and a non-exclusive, perpetual, irrevocable, worldwide, royalty-free, fully paid license to use, reproduce, modify and distribute the Agency Data and Non-Agency End User Data as a part of the Aggregated Data (as defined in Section 4.4 below). As between Flock and Agency, Agency is solely responsible for the accuracy, quality, integrity, legality, reliability, and appropriateness of all Agency Data and Non-Agency End User Data. As between Agency and Non-Agency End Users that have prescribed access of Footage to Agency, each of Agency and Non-Agency End Users will share all right, title and interest in the Non-Agency End User Data. This Agreement does not by itself make any Non-Agency End User Data the sole property or the Proprietary Information of Agency. Flock will automatically delete Footage older than thirty (30) days. Agency has a thirty (30) day window to view, save and/or transmit Footage to the relevant government agency prior to its deletion.

4.3 Feedback. If Agency provides any suggestions, ideas, enhancement requests, feedback, recommendations or other information relating to the subject matter hereunder, Agency hereby assigns (and will cause its agents and representatives to assign) to Flock all right, title and interest (including intellectual property rights) with respect to or resulting from any of the foregoing.

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4.4 Aggregated Data. Notwithstanding anything in this Agreement to the contrary, Flock shall have the right to collect and analyze data that does not refer to or identify Agency or any individuals or de-identifies such data and other information relating to the provision, use and performance of various aspects of the Services and related systems and technologies (including, without limitation, information concerning Agency Data and data derived therefrom). For the sake of clarity, Aggregated Data is compiled anonymous data which has been stripped of any personal identifying information. Agency acknowledges that Flock will be compiling anonymized and/or aggregated data based on Agency Data and Non-Agency End User Data input into the Services (the “**Aggregated Data**”). Agency hereby grants Flock a non-exclusive, worldwide, perpetual, royalty-free right and license (during and after the Service Term hereof) to (i) use and distribute such Aggregated Data to improve and enhance the Services and for other marketing, development, diagnostic and corrective purposes, other Flock offerings, and crime prevention efforts, and (ii) disclose the Agency Data and Non-Agency End User Data (both inclusive of any Footage) to enable law enforcement monitoring against law enforcement hotlists as well as provide Footage search access to law enforcement for investigative purposes only. No rights or licenses are granted except as expressly set forth herein.

5. PAYMENT OF FEES

5.1 Fees. Agency will pay Flock the first Usage Fee, the Implementation Fee and any fee for Hardware (as described on the Order Form, together the “**Initial Fees**”) as set forth on the Order Form on or before the 7th day following the Effective Date of this Agreement. Flock is not obligated to commence the Installation Services unless and until the Initial Fees have been made and shall have no liability resulting from any delay related thereto. Agency shall pay the ongoing Usage Fees set forth on the Order Form with such Usage Fees due and payable thirty (30) days in advance of each payment period. All payments will be made by either ACH, check, or credit card. The first month of Flock Services corresponding to the first Usage Fee payment will begin upon the first installation of Hardware. For Agencies who purchase ten (10) or more Units, in the event that only a portion of the Units are installed at the first installation with additional Units to be installed at a later date, Usage Fees shall be calculated on a pro rata basis corresponding to the then-installed Units. Agencies will be invoiced for the additional Units immediately upon installation of the remaining Units.

5.2 Changes to Fees. Flock reserves the right to change the Fees or applicable charges and to institute new charges and Fees at the end of the Initial Term or any Renewal Term, upon sixty (60) days’ notice prior to the end of such Initial Term or Renewal Term (as applicable) to Agency (which may be sent by email). Agency believes that Flock has billed Agency incorrectly, Agency must contact Flock no later than sixty (60) days after the closing date on the first billing statement in which the error or problem appeared, in order to receive an adjustment or credit. Inquiries should be directed to Flock’s customer support department. Agency acknowledges and agrees that a failure to contact Flock within this sixty (60) day period will serve as a waiver of any claim Agency may have had as a result of such billing error.

5.3 Invoicing, Late Fees; Taxes. Flock may choose to bill through an invoice, in which case, full payment for invoices issued in any given month must be received by Flock thirty (30) days after the mailing date of the invoice. Unpaid amounts are subject to a finance charge of 1.5% per month on any outstanding balance, or the maximum permitted by law, whichever is lower, plus all expenses of collection, and may result in immediate termination of Service. To the extent allowable by law or Agency regulations pertaining to tax-exempt entities, Agency shall be responsible for all taxes associated with Services other than U.S. taxes based on Flock’s net income.

5.4 No-Fee Term Access. Subject to Flock’s record retention policy, Flock offers complimentary access to the Flock System for thirty (30) days (“**No Fee Term**”) to Agency when Non-Agency End Users intentionally prescribe access or judicial orders mandate access to Non-Agency End User Data. Agency agrees to pay the Initial Fees and Usage Fees according to Section 5.1 and will receive Flock’s complimentary access to the Flock Service and Footage for no additional cost. Should such access cause Flock to incur internal or out-of-pocket costs that are solely the result of the access, Flock reserves the right to invoice these costs to Agency under Section 5.3 and Agency agrees to pay them. The complimentary No-Fee Term access to Flock Services shall survive the expiration or

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termination of this Agreement for five (5) years unless Agency provides written notice of the intent to cancel access to Flock Services.

6. TERM AND TERMINATION

6.1 Term. Subject to earlier termination as provided below, the initial term of this Agreement shall be for the period of time set forth on the Order Form (the “*Initial Term*”). *Following the Initial Term, unless otherwise indicated on the Order Form, this Agreement will automatically renew for successive renewal terms for the greater of one year and the length set forth on the Order Form* (each, a “*Renewal Term*”, and together with the Initial Term, the “*Service Term*”) *unless either party gives the other party notice of non-renewal at least thirty (30) days prior to the end of the then-current term.*

6.2 Agency Satisfaction Guarantee. At any time during the agreed upon term, an Agency not fully satisfied with the service or solution may self-elect to terminate their contract. Self-elected termination will result in a one-time fee of actual cost of removal and labor, said cost not to exceed \$500 per camera. Upon self-elected termination, a refund will be provided, prorated for any fees paid for the remaining Term length set forth previously. Self-termination of the contract by the Agency will be effective immediately. Flock will remove all equipment at Flock’s own convenience, within a commercially reasonable period upon termination. Advance notice will be provided.

6.3 Termination. In the event of any material breach of this Agreement, the non-breaching party may terminate this Agreement prior to the end of the Service Term by giving thirty (30) days prior written notice to the breaching party; provided, however, that this Agreement will not terminate if the breaching party has cured the breach prior to the expiration of such thirty-day period. Either party may terminate this Agreement, without notice, (i) upon the institution by or against the other party of insolvency, receivership or bankruptcy proceedings, (ii) upon the other party's making an assignment for the benefit of creditors, or (iii) upon the other party's dissolution or ceasing to do business. Upon termination for Flock’s material breach, Flock will refund to Agency a pro-rata portion of the pre-paid Fees for Services not received due to such termination.

6.4 Effect of Termination. Upon any termination of the Service Term, Flock will collect all Units, delete all Agency Data, terminate Agency’s right to access or use any Services, and all licenses granted by Flock hereunder will immediately cease. Agency shall ensure that Flock is granted access to collect all Units and shall ensure that Flock personnel does not encounter Hazardous Conditions in the collection of such units. Upon termination of this Agreement, Agency will immediately cease all use of Flock Services.

6.5 No-Fee Term. The initial No-Fee Term will extend, after entering into this Agreement, for thirty (30) days from the date a Non-Agency End User grants access to their Footage and/or Notifications. In expectation of repeated non-continuous No-Fee Terms, Flock may in its sole discretion leave access open for Agency’s Authorized End Users despite there not being any current Non-Agency End User authorizations. Such access and successive No-Fee Terms are deemed to be part of the No-Fee Term. Flock, in its sole discretion, can determine not to provide additional No-Fee Terms or can impose a price per No-Fee Term upon thirty (30) days’ notice. Agency may terminate any No-Fee Term or access to future No-Fee Terms upon 30 days’ notice.

6.6 Survival. The following Sections will survive termination: 2.4, 2.5, 3, 4, 5 (with respect to any accrued rights to payment), 5.4, 6.5, 7.4, 8.1, 8.2, 8.3, 8.4, 9.1 and 10.5.

7. REMEDY; WARRANTY AND DISCLAIMER

7.1 Remedy. Upon a malfunction or failure of Hardware or Embedded Software (a “**Defect**”), Agency must first make commercially reasonable efforts to address the problem by contacting Flock’s technical support as described in Section 2.9 above. If such efforts do not correct the Defect, Flock shall, or shall instruct one of its contractors to repair or replace the Hardware or Embedded Software suffering from the Defect. Flock reserves the right in their sole discretion to refuse or delay replacement or its choice of remedy for a Defect until after it has inspected and tested the affected Unit provided that such inspection and test shall occur within seventy-two (72) hours after Agency notifies the Flock of a Defect. In the event of a Defect, Flock will repair or replace the defective Unit at no

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additional cost. In the event that a Unit is lost, stolen, or damaged, Flock agrees to replace the Unit at a fee according to the then-current Reinstall Policy (<https://www.flocksafety.com/reinstall-fee-schedule>). Agency shall not be required to replace subsequently lost, damaged or stolen Units, however, Agency understands and agrees that functionality, including Footage, will be materially affected due to such subsequently lost, damaged or stolen units and that Flock will have no liability to Agency regarding such affected functionality nor shall the Usage Fee or Implementation Fees owed be impacted.

7.2 Exclusions. Flock will not provide the remedy described in Section 7.1 above if any of the following exclusions apply: (a) misuse of the Hardware or Embedded Software in any manner, including operation of the Hardware or Embedded Software in any way that does not strictly comply with any applicable specifications, documentation, or other restrictions on use provided by Flock; (b) damage, alteration, or modification of the Hardware or Embedded Software in any way; or (c) combination of the Hardware or Embedded Software with software, hardware or other technology that was not expressly authorized by Flock.

7.3 Warranty. Flock shall use reasonable efforts consistent with prevailing industry standards to maintain the Services in a manner which minimizes errors and interruptions in the Services and shall perform the Installation Services in a professional and workmanlike manner. Upon completion of any installation or repair, Flock shall clean and leave the area in good condition. Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by Flock or by third-party providers, or because of other causes beyond Flock's reasonable control, but Flock shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption.

7.4 Disclaimer. THE REMEDY DESCRIBED IN SECTION 7.1 ABOVE IS AGENCY'S SOLE REMEDY, AND FLOCK'S SOLE LIABILITY, WITH RESPECT TO DEFECTIVE HARDWARE AND/OR EMBEDDED SOFTWARE. THE FLOCK DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE SERVICES. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE SERVICES AND INSTALLATION SERVICES ARE PROVIDED "AS IS" AND FLOCK DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. THIS DISCLAIMER OF SECTION 7.4 ONLY APPLIES TO THE EXTENT ALLOWED BY THE GOVERNING LAW OF THE STATE MENTIONED IN SECTION 10.6, OR IF NO STATE IS MENTIONED IN SECTION 10.6, BY THE LAW OF THE STATE OF GEORGIA.

7.5 Insurance. Flock and Agency will each maintain commercial general liability policies with policy limits reasonably commensurate with the magnitude of their business risk. Certificates of Insurance will be provided upon request.

7.6 Force Majeure. Flock Safety is not responsible nor liable for any delays or failures in performance from any cause beyond its control, including, but not limited to acts of God, changes to law or regulations, embargoes, war, terrorist acts, acts or omissions of third-party technology providers, riots, fires, earthquakes, floods, power blackouts, strikes, weather conditions or acts of hackers, internet service providers or any other third party or acts or omissions of Agency or any Authorized End User.

8. LIMITATION OF LIABILITY AND INDEMNITY

8.1 Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY, FLOCK AND ITS SUPPLIERS (INCLUDING BUT NOT LIMITED TO ALL HARDWARE AND TECHNOLOGY SUPPLIERS), OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY, OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY, INCOMPLETENESS OR CORRUPTION OF DATA OR FOOTAGE OR COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY OR LOSS OF

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BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; (C) FOR ANY MATTER BEYOND FLOCK'S ACTUAL KNOWLEDGE OR REASONABLE CONTROL INCLUDING REPEAT CRIMINAL ACTIVITY OR INABILITY TO CAPTURE FOOTAGE OR IDENTIFY AND/OR CORRELATE A LICENSE PLATE WITH THE FBI DATABASE; (D) FOR ANY PUBLIC DISCLOSURE OF PROPRIETARY INFORMATION MADE IN GOOD FAITH; (E) FOR CRIME PREVENTION; OR (F) FOR ANY AMOUNTS THAT, TOGETHER WITH AMOUNTS ASSOCIATED WITH ALL OTHER CLAIMS, EXCEED THE FEES PAID AND/OR PAYABLE BY AGENCY TO FLOCK FOR THE SERVICES UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS PRIOR TO THE ACT OR OMISSION THAT GAVE RISE TO THE LIABILITY, IN EACH CASE, WHETHER OR NOT FLOCK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN THE EVENT OF AN EMERGENCY, AGENCY SHOULD CONTACT 911 AND SHOULD NOT RELY ON THE SERVICES. THIS LIMITATION OF LIABILITY OF SECTION 8 ONLY APPLIES TO THE EXTENT ALLOWED BY THE GOVERNING LAW OF THE STATE MENTIONED IN SECTION 10.6, OR IF NO STATE IS MENTIONED IN SECTION 10.6, BY THE LAW OF THE STATE OF GEORGIA.

8.2 Additional No-Fee Term Requirements. IN NO EVENT SHALL FLOCK'S AGGREGATE LIABILITY, IF ANY, ARISING OUT OF OR IN ANY WAY RELATED TO THE COMPLIMENTARY NO-FEE TERM AS DESCRIBED IN SECTION 6.5 EXCEED \$100, WITHOUT REGARD TO WHETHER SUCH CLAIM IS BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE. Except for Flock's willful acts, Agency agrees to pay for Flock's attorneys' fees to defend Flock for any alleged or actual claims arising out of or in any way related to the No-Fee Term.

8.3 Responsibility. Each Party to this Agreement shall assume the responsibility and liability for the acts and omissions of its own employees, deputies, officers, or agents, in connection with the performance of their official duties under this Agreement. Each Party to this Agreement shall be liable (if at all) only for the torts of its own officers, agents, or employees that occur within the scope of their official duties. Agency will not pursue any claims or actions against Flock's suppliers.

8.4 Indemnity. Agency hereby agrees to indemnify and hold harmless Flock against any damages, losses, liabilities, settlements and expenses (including without limitation costs and attorneys' fees) in connection with any claim or action that arises from an alleged violation of Section 3.2, a breach of this Agreement, Agency's Installation Obligations, Agency's sharing of any data in connection with the Flock system, Flock employees or agent or Non-Agency End Users, or otherwise from Agency's use of the Services, Hardware and any Software, including any claim that such actions violate any applicable law or third party right. Although Flock has no obligation to monitor Agency's use of the Services, Flock may do so and may prohibit any use of the Services it believes may be (or alleged to be) in violation of Section 3.2 or this Agreement.

9. RECORD RETENTION

9.1 Data Preservation. The Agency agrees to store Agency Data and Non-Agency End User Data in compliance with all applicable local, state and federal laws, regulations, policies and ordinances and their associated record retention schedules. As part of Agency's consideration for paid access and no-fee access to the Flock System, to the extent that Flock is required by local, state or federal law to store the Agency Data or the Non-Agency End User Data, Agency agrees to preserve and securely store this data on Flock's behalf so that Flock can delete the data from its servers and, should Flock be legally compelled by judicial or government order, Flock may retrieve the data from Agency upon demand.

10. MISCELLANEOUS

10.1 Severability. If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable.

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10.2 Assignment. This Agreement is not assignable, transferable or sublicensable by Agency except with Flock's prior written consent. Flock may transfer and assign any of its rights and obligations, in whole or in part, under this Agreement without consent.

10.3 Entire Agreement. This Agreement, together with the Order Form(s), the then-current Reinstall Policy (<https://www.flocksafety.com/reinstall-fee-schedule>), and Deployment Plan(s), are the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications and other understandings relating to the subject matter of this Agreement, and that all waivers and modifications must be in a writing signed by both parties, except as otherwise provided herein. None of Agency's purchase orders, authorizations or similar documents will alter the terms of this Agreement, and any such conflicting terms are expressly rejected.

10.4 Relationship. No agency, partnership, joint venture, or employment is created as a result of this Agreement and Agency does not have any authority of any kind to bind Flock in any respect whatsoever.

10.5 Costs and Attorneys' Fees. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees.

10.6 Governing Law; Venue. This Agreement shall be governed by the laws of the State of Georgia without regard to its conflict of laws provisions. To the extent that the arbitration language below does not apply, the federal and state courts sitting in the State of Georgia will have proper and exclusive jurisdiction and venue with respect to any disputes arising from or related to the subject matter of this Agreement. The parties agree that the United Nations Convention for the International Sale of Goods is excluded in its entirety from this Agreement. Any dispute arising out of, in connection with, or in relation to this agreement or the making of validity thereof or its interpretation or any breach thereof shall be determined and settled by arbitration in Atlanta, Georgia by a sole arbitrator pursuant to the rules and regulations then obtaining of the American Arbitration Association and any award rendered therein shall be final and conclusive upon the parties, and a judgment thereon may be entered in the highest court of the forum, state or federal, having jurisdiction. The service of any notice, process, motion or other document in connection with an arbitration award under this agreement or for the enforcement of an arbitration award hereunder may be effectuated by either personal service or by certified or registered mail to the respective addresses provided herein.

10.7 Publicity. Unless otherwise indicated on the Order Form, Flock has the right to reference and use Agency's name and trademarks and disclose the nature of the Services provided hereunder in each case in business and development and marketing efforts, including without limitation on Flock's website.

10.8 Export. Agency may not remove or export from the United States or allow the export or re-export of the Flock IP or anything related thereto, or any direct product thereof in violation of any restrictions, laws or regulations of the United States Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, or any other United States or foreign agency or authority. As defined in FAR section 2.101, the Services, the Hardware, the Embedded Software and Documentation are "commercial items" and according to DFAR section 252.2277014(a)(1) and (5) are deemed to be "commercial computer software" and "commercial computer software documentation." Consistent with DFAR section 227.7202 and FAR section 12.212, any use, modification, reproduction, release, performance, display, or disclosure of such commercial software or commercial software documentation by the U.S. Government will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by the terms of this Agreement.

10.9 Headings. The headings are merely for organization and should not be construed as adding meaning to the Agreement or interpreting the associated Sections.

10.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.11 Authority. Each of the below signers of this Agreement represent that they understand this Agreement and have the authority to sign on behalf of and bind the organizations and individuals they are representing.

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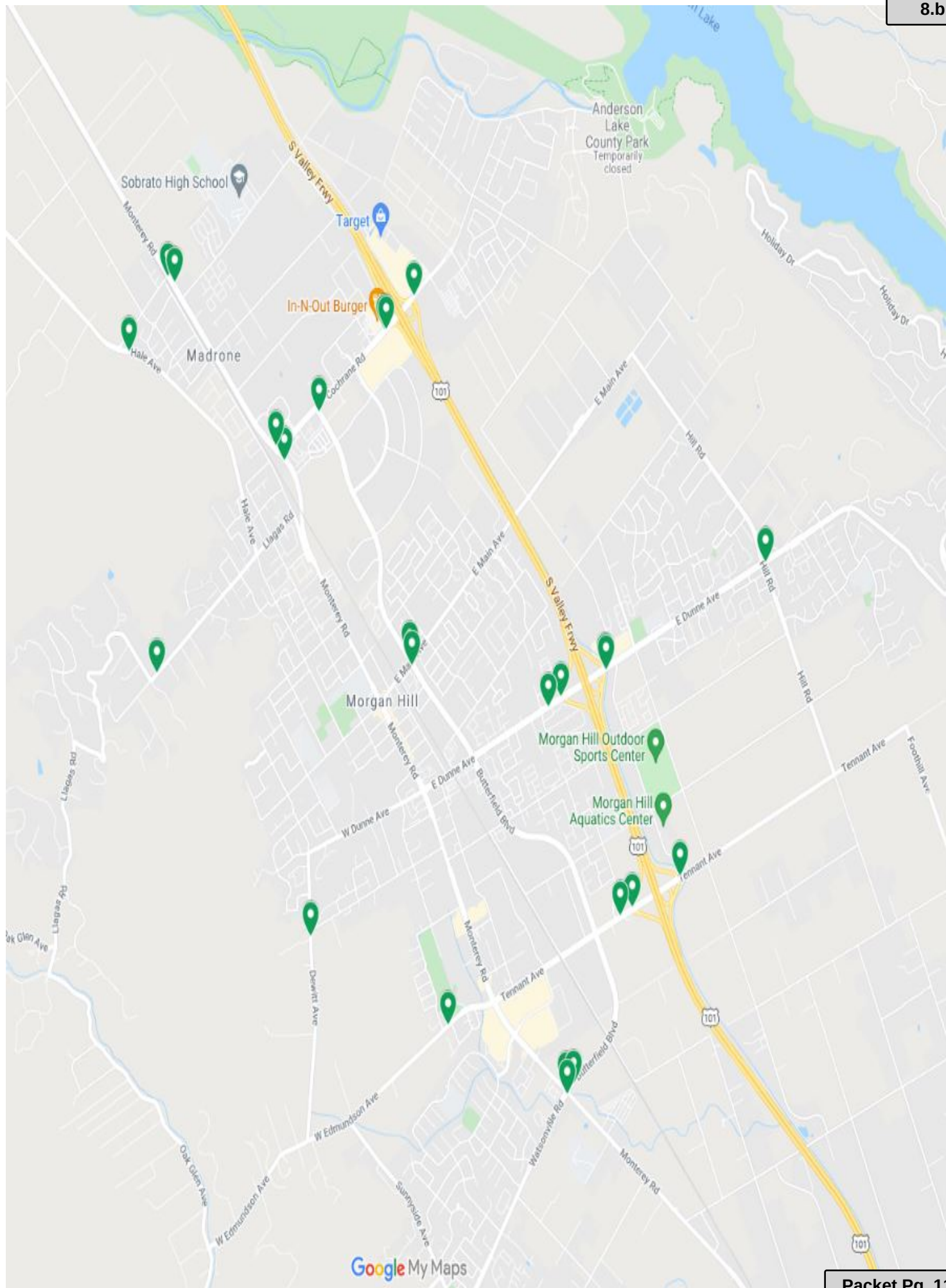
10.12 **Notices.** All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by facsimile or e-mail; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested.

EXHIBIT A

Statement of Work

Installation of Flock Camera on existing pole or Flock-supplied pole if required

Attachment: FLOCK Pilot Agreement - Morgan Hill PD (3154 : Flock Safety Cameras)



Attachment: Flock Camera Location [Revision 2] (3154 : Flock Safety Cameras)



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: Matthew Mahood, Economic Development Director
APPROVED BY: City Manager

ACCEPT MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNER'S ASSOCIATION ANNUAL REPORT (DBA VISIT MORGAN HILL)

RECOMMENDATION(S)

Accept and file the Visit Morgan Hill Annual Report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Infrastructure
Preserving and Cultivating Public Trust

2020-2021 Strategic Priorities

Economic Development
Fiscal Sustainability

GUIDING DOCUMENTS

Bikeways
Trails
Parks
and Recreation Masterplan
Economic Blueprint

REPORT NARRATIVE:

On January 23, 2019, the City Council adopted a resolution establishing a Morgan Hill Tourism Business Improvement District (MHTBID). The MHTBID provides for the collection of a 1.5% assessment of gross short-term room rental revenue, separate from and in addition to the City's Transient Occupancy Tax (TOT) of 11%. The City's 11% TOT are public funds that support the General Fund. In comparison, the 1.5% MHTBID assessments are public funds managed by a non-profit board and are used for marketing and sales promotions and sports facility improvements/programs designed to market the area as a tourism and event destination and increase room night sales at assessed lodging businesses.

The Streets and Highways Code 36650 requires the MHTBID to provide the City Council an annual report that articulates the following:

- Any proposed changes in the boundaries of the improvement district or any benefit zones or classification of businesses within the district
- The improvements and activities to be provided for that fiscal year
- An estimate of the cost of providing the improvements and the activities for that fiscal year

- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against their business for that fiscal year
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part

The purpose of this staff report is to present the MHTBID's Annual Report (Attachment 1) for acceptance by the City Council.

BACKGROUND:

Tourism Business Improvement District (TBID)

In California, Tourism Business Improvement Districts (TBIDs) for general law cities are formed under the Property and Business Improvement District Law of 1994 and the Parking and Business Improvement Area Law of 1989. California TBIDs are also subject to other laws designed to ensure approval by business owners paying the assessment and accountability by the managing body to those business owners.

TBIDs are formed by a majority of assessed businesses consenting and with local government approval. Funds raised through TBIDs are returned to a non-profit corporation that contracts with the local government to manage those funds. Several accountability mechanisms ensure funds are spent in accordance with a specifically defined Management District Plan that includes marketing and sales programs approved by the businesses paying into the MHTBID.

On November 28, 2018, the Council approved the Resolution of Intention, which allows the Council to initiate proceedings for District formation and scheduled the Public Hearing for January 23, 2019. At that time, the Council adopted a resolution establishing the MHTBID and adopting the MHTBID Management Plan.

Management District Plan

A Management District Plan (Plan) identifies the MHTBID's boundary, budget, services, and governance. Below is a summary of the parameters of the MHTBID's Plan:

- ☐ **Boundary:** All lodging businesses located within the boundaries of the City of Morgan Hill.
- ☐ **Term:** Five (5)-year assessment beginning March 1, 2019, through February 29, 2024, with an annual 30-day period of protest for termination by assessed businesses.
- ☐ **Budget:** Annual assessment rate of 1.5% (on top of the existing TOT) of gross short-term room rental revenue producing an annual budget of approximately \$410,000 (estimated pre-COVID-19).

- **Mission:** Marketing and sales promotions as well as sports facility improvements/programs designed to market the area as a tourism and event destination and increase room night sales at assessed lodging businesses.
- **Governance:** A non-profit corporation, Visit Morgan Hill, serves as the “Owner’s Association” charged with the management of funds and implementation of the MHTBID Management District Plan. An annual report is required to be provided to the City Council within 90 days of the anniversary of the effective date of the MHTBID assessment.

The district has a five (5) year life—dated January 23, 2019, with a new District start date of March 1, 2019, and ending February 29, 2024. The assessment began on March 1, 2019. The City is responsible for collecting the assessment on a monthly basis from each lodging business located in the District boundaries. The City forwards the assessments to the Owner’s Association, known as Visit Morgan Hill (VMH), a non-profit corporation in charge of managing District programs as provided in the Management District Plan. The City gets paid a fee equal to two percent (2%) of the amount of assessment collected to cover its collection and administration costs.

Owners’ Association Makeup (Visit Morgan Hill Board of Directors):

The Owner’s Association, VMH, is a private entity separate from the City of Morgan Hill. The make-up of the VMH Board of Directors includes four (4) lodging representatives, two (2) City of Morgan Hill representatives, and three (3) community representatives that represent areas associated with wineries, tourism, and sports recreation tourism. Currently, the Assistant City Manager serves on the VMH Board as Secretary and the Public Services Director as Treasurer.

Annual Report

The Owner’s Association is required to present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 within ninety (90) days of the MHTBID’s fiscal year (October 30). VMH has provided an Annual Report for the City Council’s review and acceptance (Attachment 1).

VMH’s Annual Report does not propose any changes to the boundaries, benefit zones, or classifications of businesses. A list of activities and accomplishments undertaken by the district are listed in the Annual Report, including the implementation of a Strategic Plan, Brand Marketing, and other various visitor marketing and promotions efforts.

In Fiscal Year 2020/2021, VMH’s income for July 1, 2020 – June 30, 2021, was \$182,181.48. This amount comprises TBID funds equaling \$167,181.48, plus California Relief Grant funds of \$15,000. The City collects 2% for management and administration. Pre-pandemic, the MHTBID was expected to collect approximately \$410,000 annually. However, the COVID-19 restrictions and travel limitations have made a significant impact on lodging. Hotels have continued to have extremely low occupancy levels, particularly during the restriction of all non-essential travel, approximately November 2020 – April 2021. VMH’s anticipated 50-55% decrease in year-over-year income was

realized for FY 2020/2021, which is 55-60% less than the original estimated income of \$410,000 for VMH annually.

COMMUNITY ENGAGEMENT: Inform

The VMH board meets monthly and conforms with Brown Act noticing requirements. These meetings are open to the public, and meeting records are kept at visitmorganhill.org.

ALTERNATIVE ACTIONS:

The City Council could choose to make changes to VMH Annual Report.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On July 18, 2018, the City Council directed staff to proceed with the creation of a Morgan Hill Tourism Business Improvement District (MHTBID).

On November 7, 2018, the City Council approved the Management District Plan that identifies the MHTBID's boundary, budget, services, and governance and directed staff to circulate the MHTBID Petition Form.

On November 28, 2018, the Council approved the Resolution of Intention that directed staff to issue MHTBID Public Notice.

On January 23, 2019, the City Council voted to establish the MHTBID and adopted per the Management Plan previously approved.

On November 4, 2020, the City Council approved VMH's first Annual Report and approved the Resolution of Intention to amend the Management District Plan to change reporting schedule to conform with the California Streets and Highways Code.

FISCAL AND RESOURCE IMPACT:

The City collects a 1.5% gross short-term room rental assessment rate on behalf of the MHTBID. The City retains a fee equal to two percent (2%) of the amount of assessment collected to cover its collection and administration costs. These revenues are separate from and in addition to the City's Transient Occupancy Tax (TOT) of 11%. The TBID funds are public funds managed by a non-profit board (VMH). They are used for marketing and sales promotions and sports facility improvements/programs designed to market the area as a tourism and event destination and increase room night sales at assessed lodging businesses.

CEQA (California Environmental Quality Act):

Pursuant to CEQA, organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment are exempt activities.

LINKS/ATTACHMENTS:

1. VMH Annual Report FY 20-21 FINAL

Morgan Hill Tourism Business Improvement District & Visit Morgan Hill

Annual Report

July 1, 2020 – June 30, 2021



OCTOBER 6, 2021

Submitted by: Visit Morgan Hill

VISIT
MORGAN HILL

Annual Report

This report serves as the Annual Report from Visit Morgan Hill (VMH) in charge of the Morgan Hill Tourism Business Improvement District (MHTBID) to the Morgan Hill City Council.

MHTBID BACKGROUND

The MHTBID assessment was implemented beginning March 1, 2019 and will continue for five (5) years through February 29, 2024. The assessment collects 1.5% of hotel tax revenue for the purpose of marketing and promoting Morgan Hill as an overnight sports, recreation, and wine tourism destination.

VISIT MORGAN HILL

The Owners Association responsible for the MHTBID is known as the Visit Morgan Hill Board of Directors (known as the advisory body) and is made up of four hotel representatives, three community members representing the wineries, sports, and community at large; and two representatives from the City of Morgan Hill Economic Development and Community Services departments, respectively. VMH was formed in March 2019.

As of June 30, 2021, the Visit Morgan Hill Board members, their areas, and terms are:

Representative	Industry	Appointment Term (2020)	Appointment Term (2021)
Michael Meredith	Hotel	2019-2021	2021-2023
Chris Ghione	City	N/A	N/A
Edith Ramirez	City	N/A	N/A
Andrew Firestone	Hotel	2019-2021	2021-2023
Gene Guglielmo	Winery	2019-2021	2021-2023
Carrie Benjamin	Sports/Recreation	2019-2021	2021-2023
Alexis Solis	Hotels	2021-2023	2021-2023
Doug Hall	Community	2020-2022	2021-2023
David Dworkin	Hotels	2020-2022	2021-2023

The initial appointment terms beginning at VMH's formation in March 2019 are as follows:

Representative	Industry	Initial Term (2019)
Michael Meredith	Hotel	2019-2021
Chris Ghione	City	N/A
Edith Ramirez	City	N/A

Andrew Firestone	Hotel	2019-2021
Gene Guglielmo	Winery	2019-2021
Carrie Benjamin*	Sports/Recreation	2019-2021
Karen Mendes	Hotels	2019-2020
Frank Leal	Community	2019-2020
Bina Roy Desai	Hotels	2019-2020

**formerly David Eadie*

METHOD AND BASIS OF LEVYING ASSESSMENT

The annual MHTBID assessment rate is one and a one-half of percent (1.5%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; stays by any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty; and stays pursuant to contracts executed prior to December 31, 2018. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the MHTBID. The proposed MHTBID will have a five (5) year life, beginning January 1, 2019 through December 31, 2023. Pursuant to Streets and Highways Code §36670, once per year, beginning on the anniversary of MHTBID formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on MHTBID termination.

IMPROVEMENTS AND ACTIVITIES

A summary is provided here. Please see detailed overview found in Appendix Item A.

- Adopted a fiscal year budget and annual work plan
- Vastly expanded visitor information and business listings on www.visitmorganhill.org
- Developed and launched digital advertising campaign and original creative assets
- Distributed 20 lodging and event RFPs to local hotels & venues
- Executed January 2021 Restaurant Month in collaboration with City and other orgs
- Created Tourism Video in partnership with Economic Development

Results

- **16,000** web visits (**654%** YOY growth)
- **29,000** page views (**476%** YOY growth)
- **1300%** growth YOY in website referrals generated from social media
- **20** videos created (YouTube, Instagram, Facebook, TikTok)
- **170** requests submitted via web forms (subscribes, requests, event submissions)

COST OF PROVIDING IMPROVEMENTS AND ACTIVITIES

See Appendix Items B & D

For the fiscal year July 1, 2020 – June 30, 2021, operating expenses totaled \$245,745.57.

Admin & Operations – 52%

Professional Fees & Dues – 18%

Marketing & Advertising – 22%

Business Development & Industry Relations – 8%

INCOME STATEMENT

See Appendix Item B

VMH's income for July 1, 2020 – June 30, 2021 was \$182,181.48. This amount is made up of TBID funds equaling \$167,181.48, plus California Relief Grant funds of \$15,000.

There is a 2-month processing period before VMH receives monthly TBID funds. May and June 2021 TBID collections will be distributed to VMH in July and August 2021, respectively. For July 1, 2020 – June 30, 2021 the TBID income collected, but not all distributed to VMH within FY 20-21 is \$172,150.82.

There were outstanding TBID payments from FY 20-21 that were collected in FY 21-22 that will be reported on in the FY 21-22 report.

BALANCE SHEET

See Appendix Item C

ESTIMATED AMOUNT OF SURPLUS OF DEFICIT REVENUES CARRIED OVER

See Appendix Item D

A \$157,556.27 balance was carried over into the current fiscal year (July 1, 2021).

CASH SUMMARY

See Appendix Item D

TAXES WERE PREPARED WITHOUT AUDIT

Visit Morgan Hill's 2020 Federal Return of Organization Exempt from Income Tax has been electronically filed and accepted with the Internal Revenue Service, Federal and State. No tax is payable with the filing of this return. Visit Morgan Hill's 2020 California Exempt Organization Annual Information Return was also electronically filed. No audit conducted.

OTHER CONTRIBUTIONS

As noted in the above Income Statement section, Visit Morgan Hill received a \$15,000 California Relief Grant from the State of California.

PROPOSED CHANGES

There are no proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.

APPENDIX Item A: IMPROVEMENTS AND ACTIVITIES DETAIL

Below are the improvements and activities of Visit Morgan Hill July 1, 2020 – June 30, 2021.

State of Travel with COVID-19 & Wildfire Crisis

The fiscal year encompassed many COVID-19 related restrictions to lodging and tourism business operations and gatherings/events. Non-essential hotel stays, although briefly permitted July – Nov 2020, were not permitted until March 23, 2021. Low travel demand and sentiment persisted, greatly impacting hotel revenue, the ability to market to travelers, and TBID income. Visit Morgan Hill posted relevant health and safety information via its website: www.visitmorganhill.org. In August 2020, Visit Morgan Hill also compiled reduced room rates from local hotels and posted them on a Visit Morgan Hill Wildfire Evacuee Hotel webpage and Visit Santa Cruz County website. Other communication efforts around the SCU & CZU Complex fires included fire safety social media posts and ongoing updates regarding the fire status, evacuations, and closures.

Budget Analysis

The annual VMH budget of \$410,000 estimated by the District Management Plan pre-pandemic has not been achieved. The Morgan Hill market was made up of roughly 80% business travel pre-pandemic, which is expected to be one of the last travel markets to recover as corporations continue work-from-home. FY 20-21 resulted in an approximately 60% TBID income deficit from the original pre-pandemic estimate. VMH Board authorized reserve funding access to cover expenses exceeding TBID income.

FY 19-20 TBID Income - \$366,759

FY 20-21 TBID Income - \$167,181



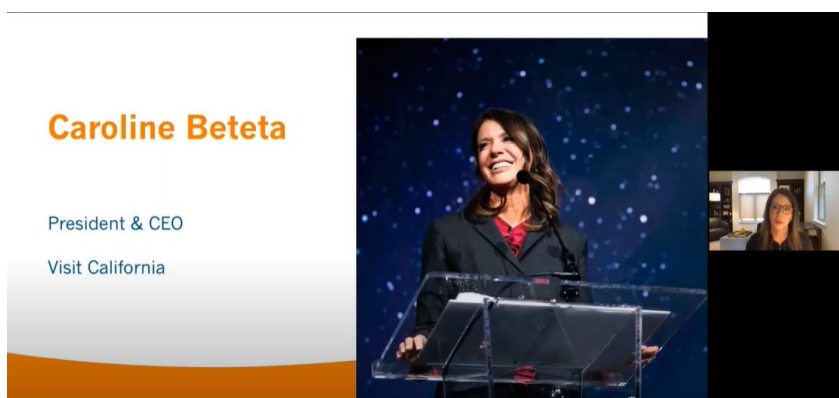
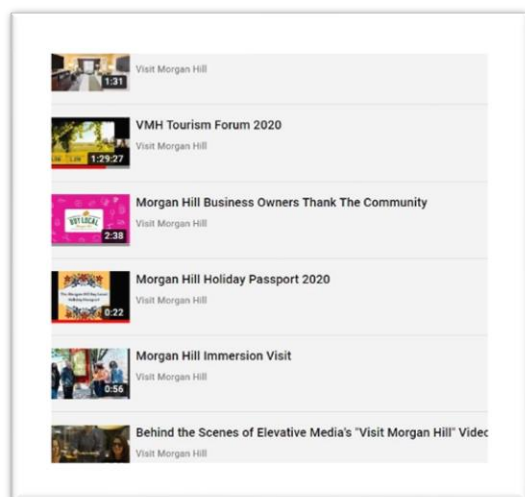
VMH Advocacy & Industry Partnership

Visit Morgan Hill provides a tourism industry voice locally and provided various public comments to the Morgan Hill City Council. VMH also joined MH organizations in writing to Caltrans regarding Highway Beautification and AB 239 Winery Container Bill. The Visit Morgan Hill Board of Directors wrote a letter supporting the general Traffic Calming concept in MH with expressed desire to see more data and research. Visit Morgan Hill partnered with Visit Gilroy, Morgan Hill Chamber of Commerce, and Gilroy Chamber of Commerce to write a letter to County of Santa Clara Public Health Department, asking for the metrics and goalposts informing travel guidelines, differing from the State of California. The essential travel-only mandate was removed before letter was sent, but the partnership is notable.

Tourism Forum & Local Partnership

VMH hosted a virtual Tourism Forum in October 2020, which included state and regional speakers: President & CEO of Visit California, Caroline Betetta, Visit San Jose VP of Communications Laura Chmielewski, Visit Gilroy's Director Jane Howard, and local partners Dan McCranie, Chris Ghione, and Brittney Sherman. VMH also played a role in ongoing local collaborative business support meetings with Economic Development, MHCOC, MHDA, the Wineries of SCV, and regional economic development task forces. VMH supported the Buy Local Campaign, winter shopping Passport, and January Restaurant Month through website, Google Ads, email marketing, organic and paid social media posts, in-house produced short-form videos, and a long-form "Business Leaders Thank You" video. We also nominated Bina Roy Desai, Co-Owner of Holiday Inn Express Morgan Hill for the Morgan Hill Community Foundation annual awards, producing a video, and supported creation of the City's pop-up park honoree video.

Videos @ Visit Morgan Hill YouTube "Tourism Industry" Playlist & Tourism Forum Screenshot



Visit Morgan Hill implemented robust, new online content to inspire and inform visitors. Several new and updated web pages at visitmorganhill.org provide foundational visitor info and more detailed, thematic, and partner linked content. Several examples include adding “what we’re doing to keep you safe” to each hotel listing; “Things To Do” tab with complete tourism business listings and links to individual restaurants, wineries, parks, sports, retail, and farms; listing local visitor events on our Event Calendar; listing area Event Venues and Capacity Chart; a Parks Activity Chart; a new Blog with timely and themed stories highlighting partners; and an archive for the quarterly Visitor E-Newsletter, and a Travel Info index with 5 pages. Relevant social media links included on multiple pages of website. The addition of online web forms for event venues, visitor inquiries, email subscribes, and local partners resulted in 170 requests submitted. VMH partnered with MH City Economic Development to produce a high-quality video “tour” of Morgan Hill, with local visual creative storytelling agency, Elevative Media. The video will serve for years to come as a public facing “selling tool,” illustrating Morgan Hill as a tourism and development destination. This complements a robust playlist of VMH-created visitor-facing video content on YouTube and social media.

[HOME](#)
[TRAVEL INFO](#)
[PLACES TO STAY](#)
[THINGS TO DO](#)
[VENUES](#)
[EVENT CALENDAR](#)
[BLOG](#)
[ABOUT](#)

Things To Do

DINE

WINE

BREW

FARMS

PARKS

SPORTS

SHOP

TOP TEN

LODGING & EVENT REQUEST FORM

**PLANNING A SPECIAL EVENT OR
IN NEED OF GROUP LODGING
QUOTES?**

These provide your details below
and we will assist you with finding
the perfect hotel or venue for your
needs!

Name*

First Name Last Name

Email*

Phone*

Country State Area

Event Group Name*

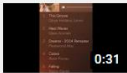
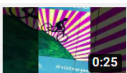
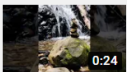
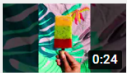
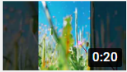
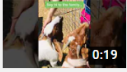
Event Date Start*

Day Mo Year

Event Date End*

Day Mo Year

Visit Morgan Hill YouTube Videos Sample List

 #MorganChill Playlists Visit Morgan Hill 0:31	 RESPECT Morgan Hill Responsible Travel Art Project with Moya Arts Visit Morgan Hill 0:25
 FridayNightMusic19 FinalVideo Morgan Hill Chamber of Commerce 1:53	 Uvas Canyon County Park Morgan Hill, California Visit Morgan Hill 0:24
 Free Outdoor Movie Series Downtown Morgan Hill, California Visit Morgan Hill 0:19	 La Playa Ice Cream Shop Downtown Morgan Hill, California Visit Morgan Hill 0:24
 Behind the Scenes of Elevative Media's "Visit Morgan Hill" Video Visit Morgan Hill 3:34	 Coyote Creek Parkway Morgan Hill, California Visit Morgan Hill 0:20
 Visit Morgan Hill, California Visit Morgan Hill 1:56	 Terra Amico Farms Morgan Hill-San Martin, California Visit Morgan Hill 0:19
 MOHI Social @ Leal Granada Theatre Morgan Hill, California Visit Morgan Hill 0:13	 Morgan Hill Business Owners Thank The Community Visit Morgan Hill 2:38

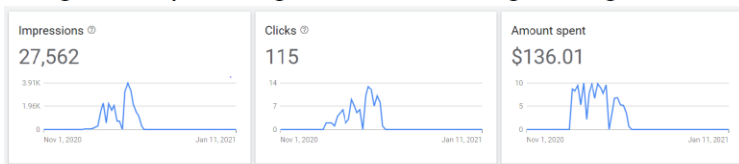
SEO & Google AdWords

VMH implemented SEO into the website back end, boosting searchability of pages. VMH also implemented ongoing Google AdWords search PPC campaigns, as well as ad hoc, targeted themed campaigns, to drive website traffic year-round. These efforts resulted in drastic increases of website performance for FY 20-21.

- 16,000 web visits (654% YOY growth)
- 29,000 page views (476% YOY growth)

PPC Campaign Example

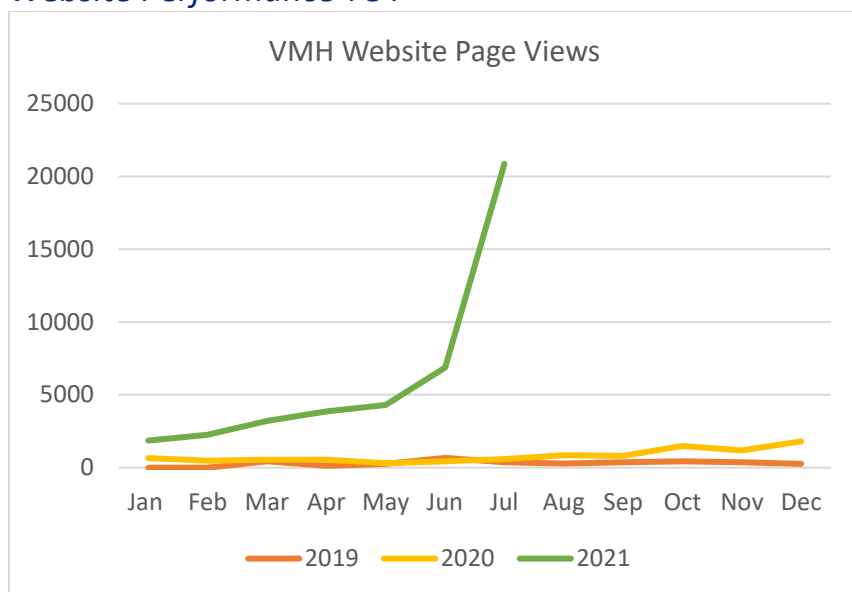
Google Ad – Explore Morgan Hill: www.visitmorganhill.org



Explore Morgan Hill | An Undiscovered CA Getaway | Things To Do
www.visitmorganhill.org
Discover Incredible Wineries, Restaurants, Parks, and a Charming Downtown. Safely visit the Hidden...

- Nov 13 – Nov 30
- Paused after shelter in place order after thanksgiving
- \$150 monthly limit
- Santa Clara County audience
- Will revive this with new "plan your stay" messaging

Website Performance YOY



Paid Media & Campaigns

VMH embarked on a competitive RFP process to secure a full suite of digital marketing campaign services and selected Noble Studios, who created a paid media campaign strategy, conducted a professional photo and video shoot, created campaign creative/visuals for campaign ads/landing page, and developed campaign activations. The campaign launched in July 2021 and will be reported within FY 21-22. Other advertising VMH conducted includes placement in Visit California's annual Road Trip Guide, with a circulation of 1 million -- 600,000 copies poly-bagged with Western subscribers' issues of *Travel + Leisure*, *Parents*, and *Better Homes & Gardens* magazines. 400,000 are distributed via requests on VisitCalifornia.com, 1800-GO-CALIF and at welcome centers throughout the state.

Campaign Ad Examples

Visit Morgan Hill
It's time to #MorganChill with a glass of locally grown wine and a delicious meal. Plan your visit and experience the 2021.

15 Local Wineries
Award-Winning Restaurants

Top-Performing Ad Variation by CTR

A FAMILY VACATION THAT'S ACTUALLY RELAXING
The Chillest Place to Get Away

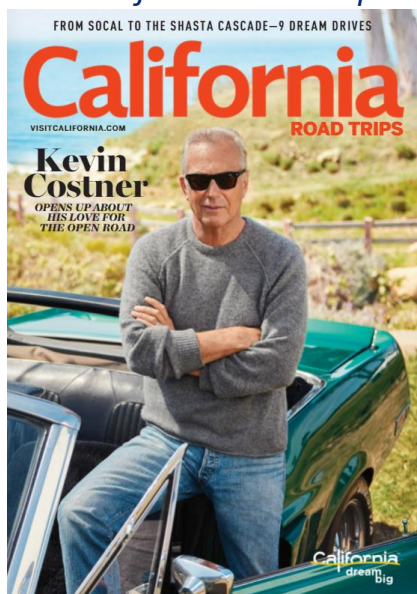
VISIT MORGAN CHILL
PLAN YOUR VISIT

Top-Performing Ad Variation by Conversions

CALIFORNIA'S NEWEST GETAWAY SPOT

PLAN YOUR VISIT
VISIT MORGAN CHILL

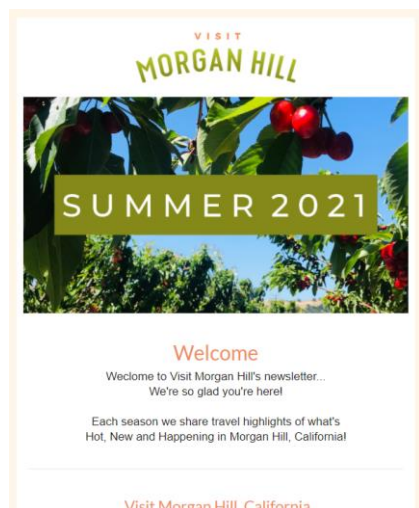
Visit California Road Trip Guide Co-op



Communications/PR/Social Media

VMH continued its local industry-focused Tourism Community e-newsletter, informing local partners of community news, opportunities, tourism research, and pandemic information. VMH also created a strategy for a quarterly Consumer traveler newsletter, which launched in July 2021 and serves an important piece of VMH's overall content marketing. We switched email platforms to accommodate better email marketing and list management. VMH also added YouTube, TikTok and Pinterest accounts to its existing roster of social media channels (Facebook, Instagram, Twitter, LinkedIn). Through strategic linking, original content, and engagement, we saw a YOY increase in referrals to the VMH website from social media channels of 1300%. VMH captured, produced, and edited 20 short form videos in-house and nearly 100 online quality photos. VMH secured additional photo and video, sourced from partners or local volunteers (i.e., drone aerials of MHOSC). Our Instagram engagement rate is above industry average at +5%. VMH also began proactive travel media story pitches through Visit California, which resulted in the Morgan Hill Freedom Festival being picked up by an online event publication and driving substantial web traffic to visitmorganhill.org. See examples:

Consumer E-Newsletter



Morgan Hill Times

Leisure time in Morgan Hill



Local nonprofit Visit Morgan Hill got off to a rough start in carrying out its mission to promote the city as a tourist destination, but now that travel demands and capacities are starting to return to consistent levels the organization's marketing campaign is in...

Instagram Engagement Rate



Restaurant Month Promotion

Visit Morgan Hill, in partnership with Economic Development, MH Chamber of Commerce, and the Downtown Association implemented a January 2021 Restaurant Month promotion called "Takeout Takeover." VMH created the digital campaign plan, sourced photography, made video, and created a Dining landing page with links, phone numbers and menus to all citywide restaurants, categorized by cuisine. Local designer/volunteer Amber Vo provided campaign creative assets for City produced signs and flags, while VMH developed a rollout guide/toolkit, for participating partners to leverage on their respective email/social channels. Visit Morgan Hill also set up a Google AdWords Campaign and promoted (paid) social media posts, implementing \$500 of VMH funding and dedicated staff time throughout December, January, and February. See examples:

Restaurant Month Overview



Business Development (Sports & Events)

Business development refers to the “group sales” market including sports tournaments, private events like weddings/baby showers, and larger privately organized events/festivals. VMH’s role is higher in the “funnel” than individual businesses, meaning we position MH as an option to event planners, putting Morgan Hill’s “hat in the ring” for private social, association, and corporate events, and refer placement leads to partners. VMH also plays a role in bids or funding for semi-public events. For events that actualize, VMH offers support with hotel room block placement on a more tactical level. With pandemic related restrictions, gatherings were extremely limited over the FY. However, VMH continued relationship and communication development over the course of the year. The foundational promotion of a “leisure” destination message through our other work further supports the overnight group markets by bringing awareness of MH’s attractive assets to a wider audience.

We contacted numerous regional sports organizations and compiled a template for sports tournament proposals and bids, based on an actual soccer tournament bid. We created an in-depth valuation tool for special events requesting sponsorship. The Sports Criteria Matrix outlines funding contribution levels based on VMH budget, hotel room nights generated, and other ROI events may bring. We also have an Event Criteria Matrix which serves a similar purpose for non-sports events. Visit Morgan Hill fielded 20 RFPs for private, day use events as well as sports tournaments over the course of the fiscal year. The CrossFit Games came to the Outdoor Sports Center, stayed in local hotels, and hosted a closing dinner. Visit Morgan Hill continued communications with the OSC and Visit San Jose, as referral sources for sports tournament overnight room blocks. The rebound of OSC facility events will be better measured within FY 21-22 and current bookings are predominantly local/non-overnight stay markets.

VMH-Sourced Donated Photography of OSC



Example of Rooming and Event Leads

VMH Rooming Lead

Event Name: Keeper Wars U.S. City Tour 2020-2021

Event Description: A soccer competition designed for goalkeepers to give an exciting platform to showcase their talents and compete! Keeper Wars Ink is working with with Cal North Soccer to bring this tournament to Morgan Hill Outdoor Sports Center. As the first year and during a pandemic, attendance may be limited. However, anticipated to bring 144 players, but is designed to fit within local, state and federal guidelines for COVID-19 safety, with limited numbers of players at and on the field at one time.

Event Date: September 5-6, 2020; with a backup date of September 26-27, 2020. Keeper Wars is looking for flexibility if COVID related orders force the September 5-6 event to cancel. A backup event date of September 26-27 has been identified for the registrants and event venue. If

Rooming Details:

Date:

Check In: Friday, September 4th, 2020

Check Out: Sunday, September 6th, 2020

(BACKUP DATE: September 25th- 27th, 2020)

Rate:

Looking for family friendly rooming rates to be bookable via link/code that may be provided to registered attendees. Hotel options will be narrowed to 2-3 properties.

APPENDIX Item B: INCOME STATEMENT

Visit Morgan Hill

Income Statement

July 1, 2020 - June 30, 2021

Income

TBID	\$167,181.48
CA Relief Grant	\$15,000.00
Total Income	\$182,181.48

Operating Expenses

Administrative

Salaries	\$121,070.85
Tax Services	\$760.00
Employer tax	
Employee tax	
Payroll service fees & wire fees	\$392.82
Insurance	\$2,807.00
Softwares, Systems (adobe, office, squarespace)	\$1,007.32
Office Supplies, hardware, postage, misc	\$1,423.84
	\$127,461.83

Dues and Subscriptions (Memberships, Subscriptions, Dues)

Visa Vue Data Subscription	\$3,500.00
	\$3,500.00

Professional Fees (Outside Services, Design, Printing, Shipping)

Strategic Plan Development	\$31,650.34
Brand and Creative Design	\$9,838.20
	\$41,488.54

Marketing Communications

Marketing Agency/Campaign Development	\$51,740.10
Digital Advertising/PR	\$2,709.85
	\$54,449.95

Business Development & Industry

Industry Hosting and Conference	\$736.94
Sport Bids, Sponsorship, Development	\$14,056.17
	\$14,793.11

Industry & Community Relations

Community Partnership Marketing	\$1,446.44
Mask Donation	\$2,615.70
	\$4,062.14

Total Operating Expense	\$245,755.57
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Net Income	-\$63,574.09
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APPENDIX Item C: BALANCE SHEET

Visit Morgan Hill

Balance Sheet

June 30th, 2021

Assets

Current Assets	Checking	\$157,556.27
	AR	\$0.00
Total Current Assets		\$157,556.27

Liabilities & Equity

Liabilities	\$0.00
-------------	--------

	Balance	
Equity	7.1.20	\$221,133.36
	Year Earnings	\$182,181.48
	Less Op Exp	\$245,755.57

Total Liabilities & Equity	\$157,559.27
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APPENDIX Item D: CASH SUMMARY

Visit Morgan Hill

Cash Summary

Year Ending June 30th, 2021

Income

TBID	\$167,181.48
CA Relief Grant	\$15,000.00
Total	\$182,181.48

Less Operating Expenses

Administrative & Salary	\$127,461.83
Dues & Subscriptions	\$3,500.00
Professional Fees	\$41,488.54
Marketing Communications	\$54,449.95
Business Development	\$14,793.11
Industry & Community Relations	\$4,062.14
Total	\$245,755.57

Summary

Opening Balance 7.1.20	221,133.36
Cash Movement	-\$63,574.09
Closing Balance 6.30.21	\$157,556.27



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: James Sylvain, Deputy Director Utility Services

APPROVED BY: City Manager

ADOPT THE 2020 URBAN WATER MANAGEMENT AND WATER SHORTAGE CONTINGENCY PLANS

RECOMMENDATION(S)

Adopt the 2020 Urban Water Management Plan and 2020 Water Shortage Contingency Plan.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

Maintaining Infrastructure

2020-2021 Strategic Priorities

Economic Development

GUIDING DOCUMENTS

Water System Master Plan

REPORT NARRATIVE:

The City Council held a Public Hearing on the draft 2020 Urban Water Management Plan and Water Shortage Contingency Plan on September 1, 2021. Since that time, the City has provided opportunities for the community to comment on the plan, and City staff have had multiple conversations with community members on water supply. No significant changes to the Plans have been made since presented to the Council on September 1. It is now recommended the City Council adopt the Plans.

Background

The City of Morgan Hill, as a water supplier, must submit an Urban Water Management Plan (UWMP) to the Department of Water Resources (DWR) in accordance with California Water Code requirements. The purpose of the UWMP is to review and maintain the reliability of urban water supplies, ensure that future beneficial use can be complemented by sufficient water supply, continue to promote policies and programs that benefit water conservation, and provide a means for a response during water supply shortages and drought conditions. In addition to being filed every five years, the UWMP must satisfy requirements defined in the Urban Water Management Planning Act (UWMPA) of 1983 and any amendments thereof.

Since the passage of the UWMPA, there have been more than 20 amendments to the Act. According to the UWMPA, a UWMP must be prepared by an urban water supplier that supplies over 3,000 acre-feet (AF) of water a year or services 3,000 or more connections. The City of Morgan Hill currently pumps approximately 7,808 acre-feet per year to supply over 14,400 service connections.

In June 2018, DWR completed the review of the City's 2015 UWMP and its supplements and issued a letter of completeness. The UWMPA has undergone significant expansion and revision since the last UWMP Guidebook was prepared in 2015. Prolonged droughts, groundwater overdraft, regulatory revisions, and changing climatic conditions affect each supplier's water reliability determinations and the broad picture of statewide water reliability overseen by DWR, the State Water Resources Control Board (State Water Board), and the Legislature. Accordingly, the Act has grown to address changing conditions, and it guides California's water resources management. Thus, this 2020 UWMP includes updates to the 2015 UWMP and addresses additional amendments to the UWMPA and new guidelines established by DWR.

It is important to note that as a water retailer, the City relies on the Santa Clara Valley Water District (Valley Water) to provide supply data for the City's UWMP. Valley Water serves as the water wholesaler and the groundwater management agency and is responsible for providing water supply to the City as a water retailer. Consequently, the City must utilize data provided by Valley Water to develop the supply projections. Valley Water's 2020 UWMP was approved in June 2021 and is available for review as Attachment 3.

The City has contracted with Akel Engineering for water system planning services. Akel is a highly experienced firm and has a solid understanding of the City's water system. Akel also provides similar services for the City of Gilroy and has significant experience with the water supply in the South County and long-time experience in working with Valley Water.

HIGHLIGHTS OF THE 2020 UWMP

Water Supply

The City currently uses local groundwater as the sole source of water supply and does not purchase or import water from any other water suppliers or entities. It extracts its water from the Coyote Valley subarea of the Santa Clara subbasin and the Llagas subbasin.

Those subbasins are monitored and addressed by the Valley Water District. The January 2021 Groundwater Condition Report from Valley Water notes that groundwater levels were about the same as the 5-year average in the Coyote Valley subarea but about 13 feet lower than the 5-year average in the Llagas subbasin. Additionally, groundwater pumping for 2020 was above the 5-year average for both subbasins. However, groundwater recharging for 2020 was below the 5-year average for both subbasins.

The actual volume pumped for 2020 from the Coyote and Llagas subbasins are 1,626 acre-feet (AF) and 6,182 acre-feet (AF), respectively, for a total of 7,808 acre-feet (AF).

As discussed previously, the City's sole source of potable water is groundwater. As such, the only method available to provide additional capacity for growing demand is the construction of new wells. It should also be noted that City staff is continuing to look at other conceptual alternatives. City staff has worked with Valley Water during the agency's development of its Draft Countywide Water Reuse Master Plan, which includes three potential options for recycled water alternatives that would support Morgan Hill. Additionally, the City continues to review options with our partners at Valley Water and the City of Gilroy to use recycled water from the South County Regional Wastewater Authority (SCRWA) to support increased water supply resiliency in Morgan Hill. Newer technologies related to treated water augmentation (TWA) are now bringing additional options for the City and our partners at Valley Water to explore.

This report's projected water supply capacity is calculated from annual natural recharge at the Llagas subbasin of the Gilroy-Hollister Groundwater Basin and the Coyote Valley subarea of the Santa Clara subbasin. The City's total capacity is approximately 18,600 acre-feet per year; its firm capacity, calculated as the total capacity excluding the largest well, is approximately 16,700 acre-feet per year. The existing firm capacity can meet the City's current demands.

Table 1. Water Supplies – Projected

Water Supply Source	Additional Detail on Water Supply	Projected Water Supply				
		2025	2030	2035	2040	2045
		(AF)	(AF)	(AF)	(AF)	(AF)
Groundwater (not desalinated)	Coyote Valley – Santa Clara	2,500	2,500	2,500	2,500	2,500
Groundwater (not desalinated)	Gilroy-Hollister Valley – Llagas Area	22,000	22,000	22,000	22,000	22,000
Recycled Water	South Bay Water Recycling	0	700	1,500	2,200	2,900
Total		24,500	25,200	26,000	26,700	27,400

Supply Reliability

Assembly Bill 2242 (AB2242) (2018) requires an urban water supplier to include in its UWMP an assessment of the reliability of its water service to customers during normal, dry, and multiple dry years. The reliability assessment includes a comparison of projected water use versus expected water supply for the next 25 years. In addition to assessing supply and demands, the UWMP also considers the reliability of the water supply and vulnerability to seasonal or climatic changes. The UWMP considers three types of climatic conditions as described below:

1. **Average Water Year** – An average water year is a year that represents the median runoff levels from precipitation as well as the same general pattern of

runoff. The supply quantities would be like historical average supplies.

2. **Single Dry Year** – A single dry year is defined as the individual year with the lowest usable water supply. This condition can be derived as the year with the lowest annual supply and is represented by the year 1977.
3. **Five-Consecutive-Year Drought** – The five-consecutive-year drought is defined as the five consecutive years with the lowest usable water supply. The multiple dry years are detrimental to the water supply system because of their adverse effect on the levels of local and statewide reservoirs and groundwater levels. Available supply for these conditions is constituted as the minimum historical yields for a running average of five years. Consistent with the Valley Water 2020 UWMP, the period between 1988 and 1992 was selected to represent the five-consecutive-years of drought. The reduced supply volumes are compared with the projected demands out to 2045.

Table 3. Single Dry Year Supply and Demand Comparison

	2025 (AF)	2030 (AF)	2035 (AF)	2040 (AF)	2045 (AF)
Supply	19,600	20,160	20,800	21,360	21,920
Demand	8,671	10,181	11,623	13,008	14,372
Difference	10,929	9,979	9,177	8,352	7,548

Single Dry-Year Base Year 1977.

Table 4. Multiple Dry Years Supply and Demand Comparison

	2025 (AF)	2030 (AF)	2035 (AF)	2040 (AF)	2045 (AF)
Supply	19,110	19,656	20,280	20,826	21,372

First-year	Demand	8,671	10,181	11,623	13,008	14,372
	Difference	10,439	9,475	8,657	7,818	7,000
Second-year	Supply	20,335	20,916	21,580	22,161	22,742
	Demand	8,671	10,181	11,623	13,008	14,372
	Difference	11,664	10,735	9,957	9,153	8,370
Third-year	Supply	18,865	19,404	20,020	20,559	21,098
	Demand	8,671	10,181	11,623	13,008	14,372
	Difference	10,194	9,223	8,397	7,551	6,726
Fourth-year	Supply	19,110	19,656	20,280	20,826	21,372
	Demand	8,671	10,181	11,623	13,008	14,372
	Difference	10,439	9,475	8,657	7,818	7,000
Fifth-year	Supply	18,865	19,404	20,020	20,559	21,098
	Demand	8,671	10,181	11,623	13,008	14,372
	Difference	10,194	9,223	8,397	7,551	6,726

Five Consecutive Year Drought Base Years 1988-1992.

Water Loss Audit

Water loss is water from the distribution system that the City does not collect any revenue for. This water loss can be attributed to two factors. The first is for planned system flushing for maintenance and testing, typically for the fire protection system. The second is for system failures and issues due to water seepage, leaks, pipe failures, and water theft.

As part of the 2020 UWMP update, urban water suppliers must quantify the previous five years' distribution system water losses in a manner consistent with the American Water Works Association (AWWA) water system balance methodology. The City has completed the required water loss audit worksheet in accordance with the DWR guidelines for the years 2016-2019, while the audit for 2020 will be completed before the October 2021 deadline. Table 5 documents the reported water loss volumes for 2016-2019. For preliminary reporting purposes, the 2020 water loss value was estimated based on historical water loss volumes as a percentage of total water produced and then applied to the 2020 water production. In general, the City has shown a decrease in water loss volumes over the past five years.

Table 5. Last Five Years of Water Loss Audit Reporting

Reporting Period Start Date	Volume of Water Loss (AF)
-----------------------------	------------------------------

January 2016	606
January 2017	541
January 2018	574
January 2019	453
January 2020	305

Conservation Targets

Senate Bill X7-7 (SBX7-7) was approved by the Governor of California on November 10, 2009, requiring urban water suppliers to set target goals for water conservation, which were to be achieved by the year 2020. These goals were referred to as the “20X2020” goals and included reducing per capita consumption by 20 percent by 2020.

The future needs of the supply source were evaluated by applying the per capita consumption rate, expressed as gallons per capita per day (GPCD), to the projected population.

The City averaged a GPCD of 192 between 1995 to 2000, while the average from 2001 to 2010 remained relatively flat at approximately 200 GPCD. Conservation efforts successfully lowered the water consumption to a per capita water consumption rate of 123 GPCD in 2015 and 150 GPCD in 2020.

Due to ongoing water conservation policies and practices within the City’s service area, the 2020 per capita water demand target has been achieved.

Water Shortage Contingency Plan

The City’s Water Shortage Contingency Plan (WSCP) is a separately adopted planning document that outlines levels of water shortage conditions, demand reduction methods to be implemented in the event of a water shortage, and the process the City will implement to perform an annual Supply and Demand assessment. The WSCP was previously included as a chapter in the UWMP. The requirement to develop a separate WSCP outside the UWMP is new and this will be the first time the WSCP is created as a separate document for the City. One fundamental purpose of this separation is to allow the WSCP to be updated more frequently than the 5-year cycle of the UWMP.

The WSCP also includes a discussion of the City’s communication protocols during a water shortage, methods of determining compliance and enforcing water use prohibitions, estimating the financial consequences of a water shortage, and the methods the City has

in place to monitor and report the effectiveness of any water demand reduction methods implemented. The City updated its conservation ordinance for water waste prevention in September 2015 through the adoption of Ordinance 2159 and declared a level 2 water restriction on June 16, 2021, which reduces the number of days to irrigate from 3 to 2 days per week.

In the face of increasing drought conditions, City staff recommend that the WSCP be separated into six levels to take additional actions as drought conditions impact the City and region. These actions are included in the table below. Should the new levels be approved with the WSCP, the City will need to update its Water Waste Ordinance to maintain consistency. City staff will bring back the Water Waste Ordinance before the end of the year to reflect the new water shortage contingency plan levels in the City's Municipal Code. This will allow for additional actions to be taken early on should drought conditions continue through the winter.

Table 6. Water Shortage Contingency Plan Levels

Shortage Level	Percent Shortage Range	Shortage Response Actions (Narrative description)
1	Up to 10%	Water Supply Shortage exists when City Council determines and agrees that 1% - 10% consumer demand reduction is necessary to make more efficient use of water.
2	Up to 20%	Water Supply Shortage exists when City Council determines and agrees that 11% - 20% consumer demand reduction is necessary to make more efficient use of water.
3	Up to 30%	Water Supply Shortage exists when City Council determines and agrees that 21% - 30% consumer demand reduction is necessary to make more efficient use of water.
4	Up to 40%	Water Supply Shortage exists when City Council determines and agrees that 31% - 40% consumer demand reduction is necessary to make more efficient use of water.
5	Up to 50%	Water Supply Shortage exists when City Council determines and agrees that 41% - 50% consumer demand reduction is necessary to make more efficient use of water.
6	>50%	Water Supply Shortage is referred to as Water Shortage Emergency, and exists when City Council determines and agrees that a consumer demand reduction of greater than 50% is necessary to maintain public water supplies.

Demand Management

To maintain ongoing demand and achieve the water use targets stipulated in the 2014 Assembly Bill 2067 (AB 2067), the UWMPA was amended to 6 more general requirements. The following presents each requirement and a summary of City activities to meet the requirement.

1. Water Waste Prevention Ordinance

In September 2015, the City adopted Ordinance 2159, which included the City's water conservation program and established three levels of water rationing plan. The water waste prevention ordinance is also documented in the Water Shortage Contingency Plan.

2. Metering

To encourage additional water conservation, the City has an ordinance requiring separate meters installed at multi-unit residences and in multi-use developments. Research has shown that water users responsible for paying for their water use an average of 15% less water than if metered separately.

3. Conservation Pricing

Historically, the City's pricing structure charged customers at different rates based on the amount of water delivered; customers using more water were charged at a higher rate than those using less water. Currently, the City water rates use a combination of fixed rates, based on meter size, as well as a potential variable rate component where rates increase based on increases in consumption.

4. Public Outreach and Rebate Programs

In cooperation with Valley Water, the City has multiple programs in place to reduce water consumption by raising public awareness of water conservation. Additionally, they are incentivizing replacing high-water use fixtures through both optional and mandated fixture replacement programs. The City uses information programs such as bill inserts, demonstration gardens, special events, literature rack, new resident orientation, newspaper columns, and newsletters.

5. Programs to Assess and Manage Distribution System Real Loss

The City has implemented a system water audit to determine if leaks in the supply and distribution system exist and a method for repair if the leaks become significant. The system audit is performed by tracking the actual metered water use to compare to total well production. Production is tracked monthly and reviewed annually to determine if the system exhibits significant losses.

6. Water Conservation Program Coordination and Staffing Support

The City supports the water conservation program using 0.25 full-time equivalent staff allocation.

Next Steps

This fall, City staff will be bringing forward to the Council an update to the Water System Master Plan followed by a user rate study for water rates. The City will also be bringing forward an update to the City's Water Waste Ordinance to align the ordinance with the update included in the WSCP.

COMMUNITY ENGAGEMENT: Inform

The UWMPA requires that the adopted UWMP demonstrate the water agency solicited public participation. Per the stated law, the City held a public hearing so community members could provide comments, learn about existing and future water supplies of the City, and raise any concerns towards the plan. A notice of the public hearing was published in the local newspaper on August 13 and 20, 2021, notifying interested parties that the draft 2020 UWMP was available at various City facilities and on the City's web page (www.morganhill.ca.gov) for review two successive weeks before the anticipated adoption scheduled for October 6. In addition to the public hearing held for this item, the City hosted a workshop/town hall meeting for the public on September 9, in anticipation of the 2020 UWMP being adopted by the Council on October 6.

ALTERNATIVE ACTIONS:

The City Council may provide feedback and alternate direction on the content of the UWMP or the WSCP.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City last adopted the 2015 UWMP on August 24, 2016. The City updated its Water System Master Plan on October 18, 2017. This will be the first time the City Council is required to adopt its WSCP.

FISCAL AND RESOURCE IMPACT:

Funding for this project was included in the fiscal year (FY) 2020-2021 Capital Improvement Program (CIP) budget and funded through the Water Fund, which is paid for by customer rates.

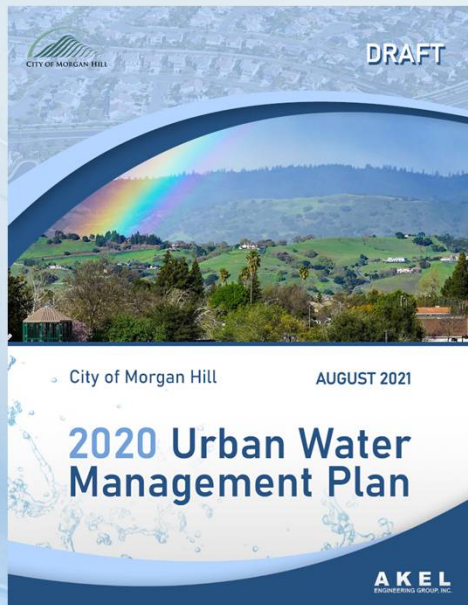
CEQA (California Environmental Quality Act): Categorical Exemption

The analysis of long-term water supply strategies is exempt from CEQA under Public Resources Code § 21102, 21150 (Feasibility or planning studies for possible future actions that the agency has not approved, adopted, or funded).

LINKS/ATTACHMENTS:

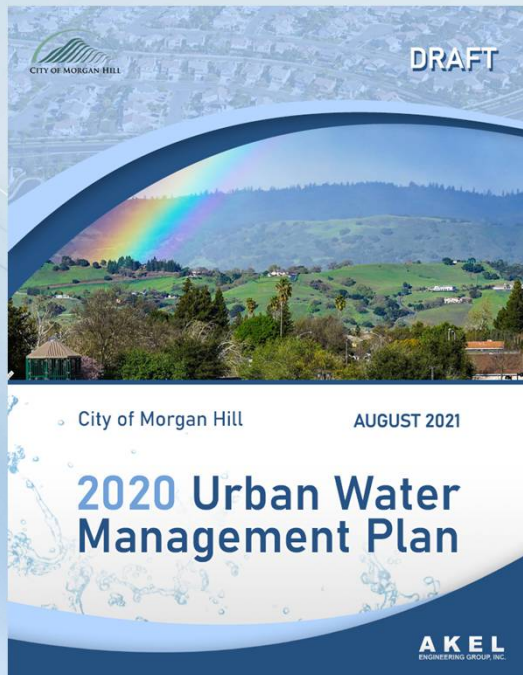
1. Public Review Draft Morgan Hill UWMP (weblink)
2. Public Review Draft Morgan Hill WSCP (weblink)
3. Valley Water Urban Water Management Plan (weblink)
4. Presentation

2020 Urban Water Management Plan and 2020 Water Shortage Contingency Plan



Adoption
October 6, 2021

Presentation Overview



2020 UWMP. What is It?

Stakeholders and Public Participation

Service Area and Water Use

Demand and Supply Projections

Water Shortage Contingency Plan

California Urban Water Management Planning Act

- **Who:** Urban water retailers (at least 3,000 connections or 3,000 acre-feet/year)
- **What:** Assess long-term water supply adequacy and reliability (at least 20-year horizon)
- **Why:** Ensure water supply reliability.
Comply with State law (Section 10610 – 10656).
Maintain eligibility for grants & drought assistance.
- **When:** Every 5 years (July 1, 2021)

Morgan Hill Submitted a **2015** Urban Water Management Plan. This **2020** UWMP complies with the new State requirements

California Urban Water Management Planning Act

Key Components

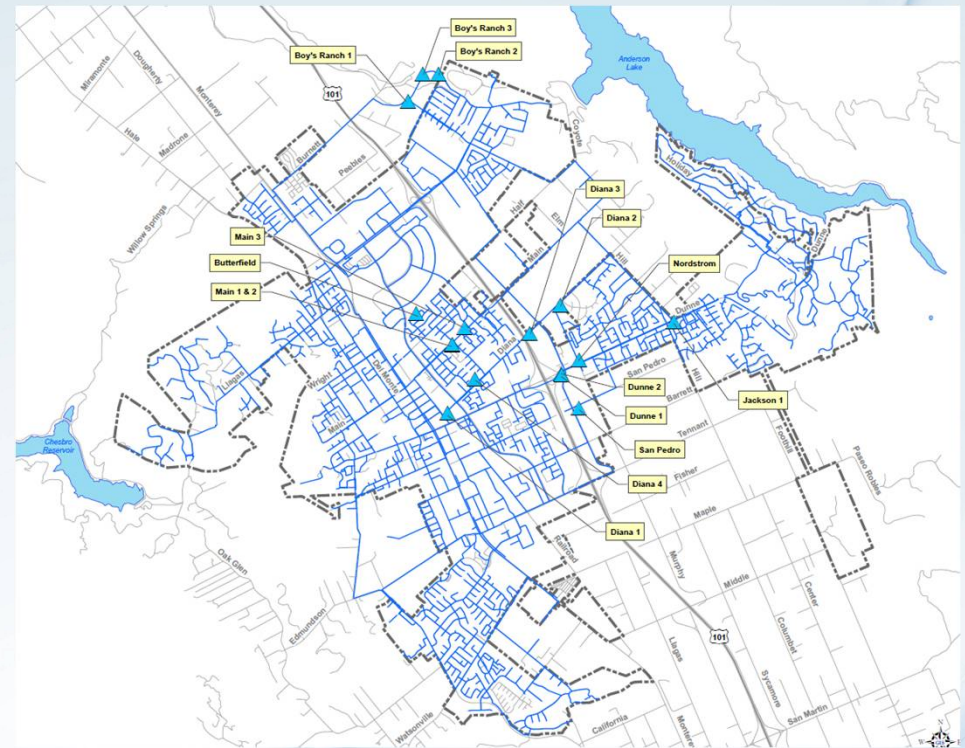
- Public Participation
- Water Service Area & System Description
- Existing & Future Water Demands
- Water Supply Availability & Reliability
- Current & Future Demand Management Efforts
- Water Shortage Contingency Plan

Notifying Stakeholders and Public Participation



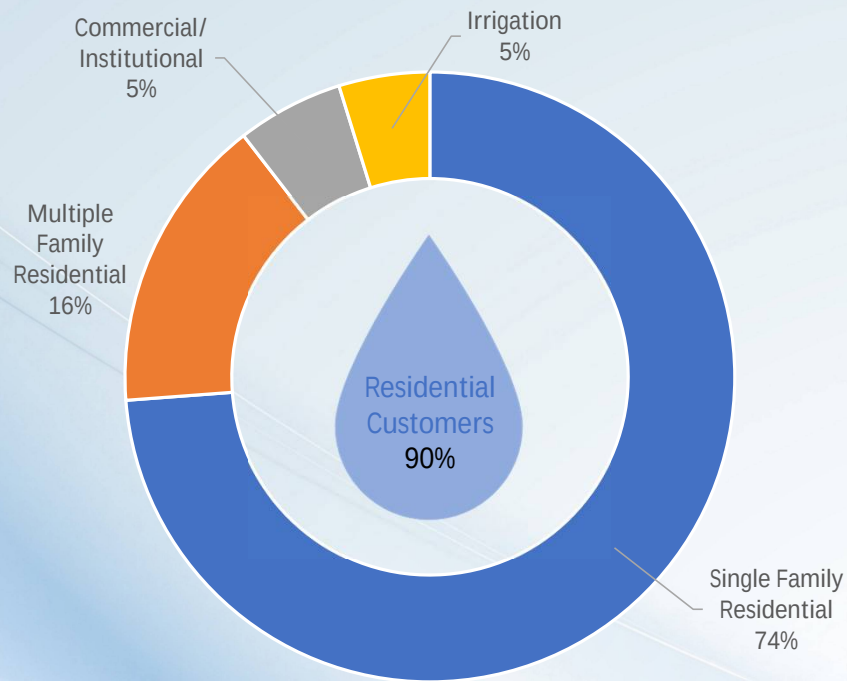
Water Service Overview

- 46,500 population in 2020
- 14,400 active service connections
- Water Infrastructure
 - 16 Groundwater Supply Wells with a total capacity of 15.1 MGD
 - Supply 7,808 Acre-Feet in 2020
 - 175 miles of transmission and distribution pipelines
 - 12 Storage tanks

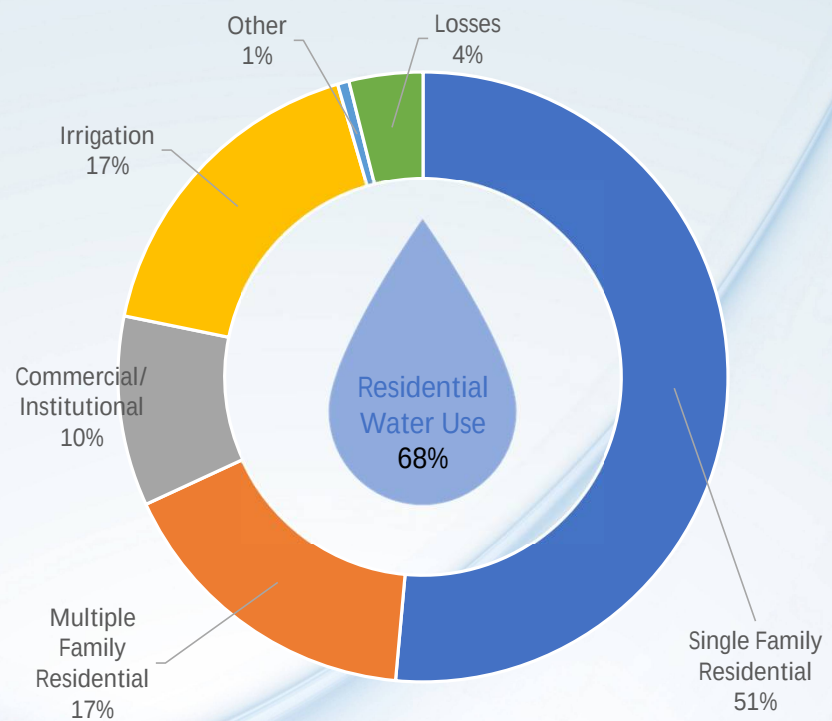


Service Connections vs Water Use

Service Connections



Water Use



Historic Water Use and Population

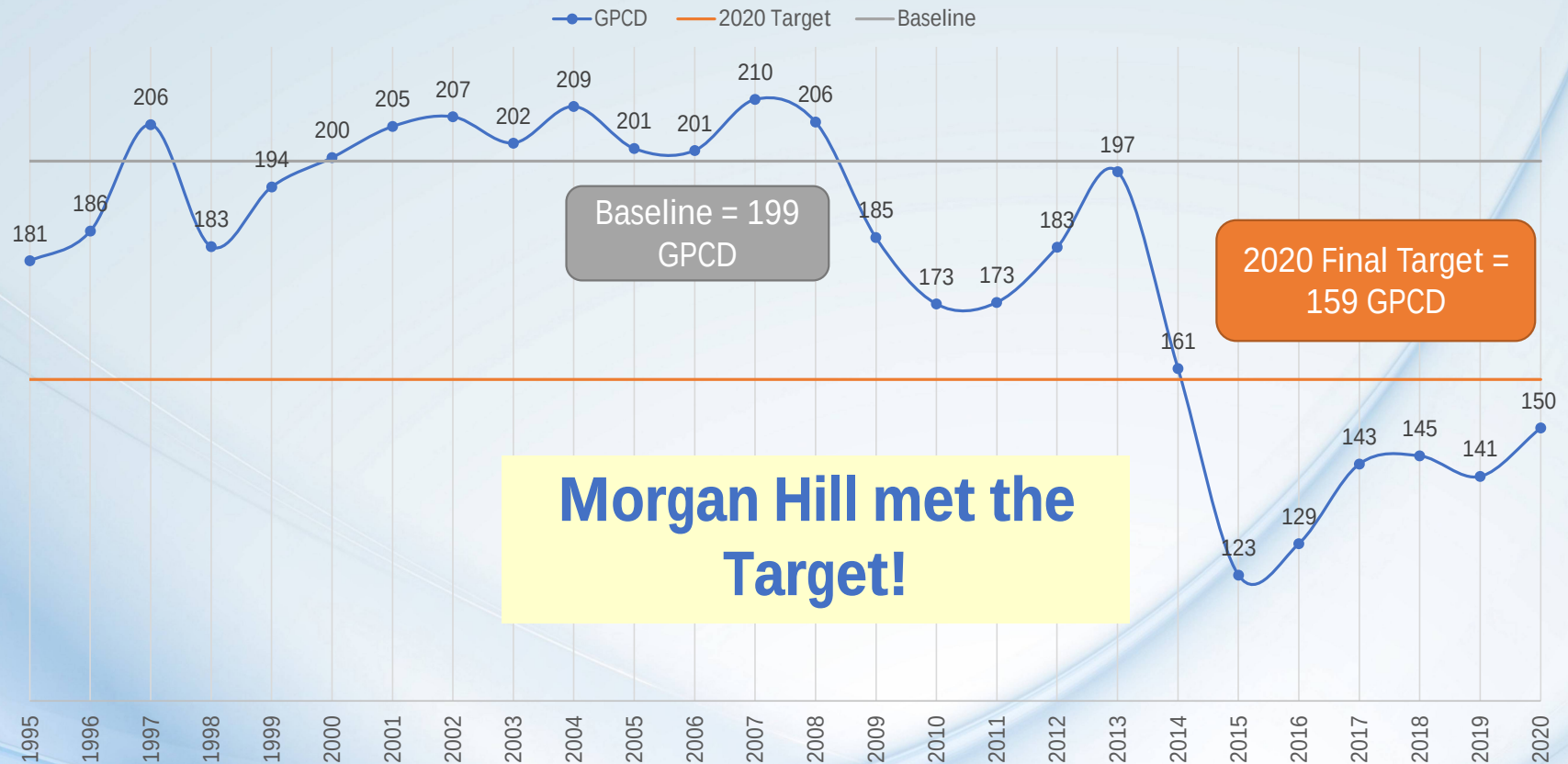


Compliance with Water Conservation Act (SB X7-7)



- Goal is to reduce per capita water use below baseline by:
 - 10% by June 30th, 2015
 - 20% by June 30th, 2020

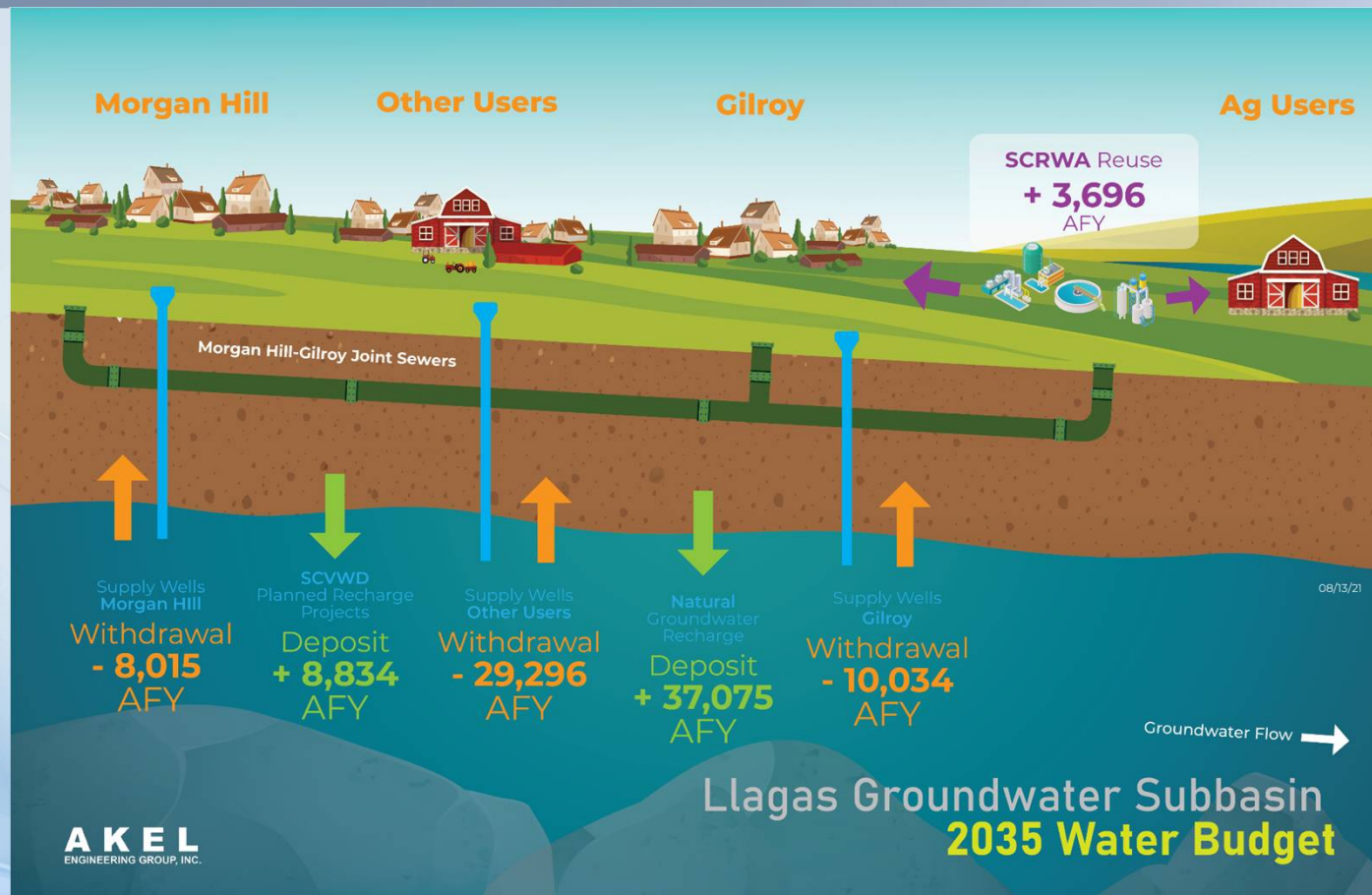
SB X7-7 Per Capita Water Use



Water Supply vs Demand (Llagas Subbasin)

Normal Year Supply and Demand Comparison (Llagas)					
	2025	2030	2035	2040	2045
Projected Water Supply of the Llagas Subbasin					
Natural Groundwater Recharge	22,478	22,478	22,478	22,478	22,478
Local Surface Water	10,251	13,408	14,597	14,832	15,199
Valley Water CVP Deliveries	12,918	9,626	8,834	8,415	8,201
Recycled Water Supply	1,673	2,069	2,464	2,464	2,464
Recycled Water (WWTP Utility Water)	1,224	1,228	1,232	1,232	1,232
Total Supplies with WWTP Utility Water	48,544	48,808	49,605	49,420	49,574
Total Supplies	47,320	47,580	48,373	48,188	48,342
Projected Average Annual Water Demand					
City of Gilroy	8,646	9,314	10,034	10,809	11,645
City of Morgan Hill	6,865	7,507	8,015	8,557	9,083
Other Users	31,455	30,057	29,296	27,832	26,644
Total Demands	46,966	46,878	47,345	47,198	47,372
Supply vs Demand Comparison					
Difference (Supply - Demand)	354	702	1,028	990	970
Percent of Total Supply	99%	99%	98%	98%	98%

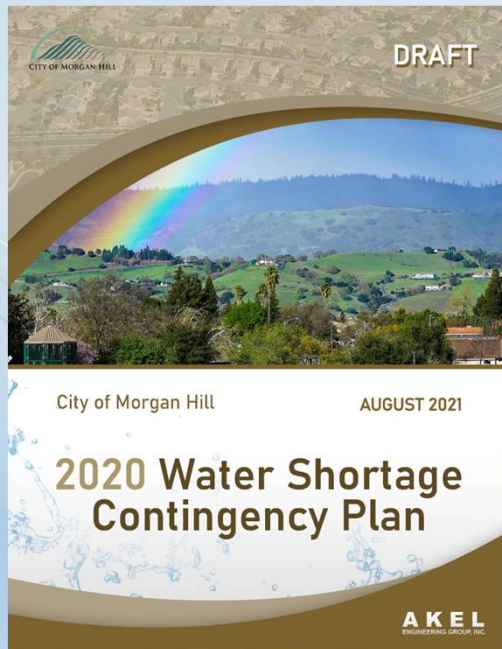
Water Supply vs Demand (Llagas Subbasin)



Water Supply vs Demand (Coyote Subbasin)

Normal Year Supply and Demand Comparison (Coyote)					
	2025	2030	2035	2040	2045
Projected Water Supply of the Llagas Subbasin					
Natural Groundwater Recharge	2,301	2,304	2,304	2,304	2,304
Local Surface Water	5,167	6,481	6,495	6,503	6,494
Valley Water CVP Deliveries	4,996	4,377	4,965	5,506	5,852
Total Supplies	12,465	13,162	13,764	14,313	14,650
Projected Average Daily Water Demand					
City of Morgan Hill	1,806	1,974	2,108	2,251	2,389
Other Users	9,316	9,489	9,999	10,427	10,636
Total Demands	11,122	11,463	12,107	12,678	13,025
Supply vs Demand Comparison					
Difference (Supply - Demand)	1,343	1,699	1,657	1,635	1,625
Percent of Total Supply	89%	87%	88%	89%	89%

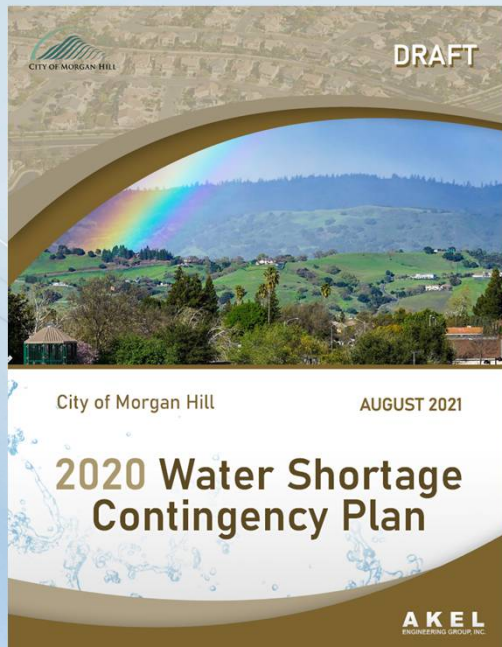
Water Shortage Contingency Plan



Key Updates

- Standalone document
- Annual Supply and Demand Assessment
- Standardized Water Shortage Levels

Water Shortage Contingency Plan



Shortage Level	Shotage Level Condition	Percent Shortage Range
Level 0	Normal	None
Level 1	Alert	Up to 10%
Level 2	Significant	Up to 20%
Level 3	Sever	Up to 30%
Level 4	Critical	Up to 40%
Level 5	Crisis	Up to 50%
Level 6	Emergency	Up to 60%

2020 Urban Water Management Plan and 2020 Water Shortage Contingency Plan

Adoption
October 6, 2021

QUESTIONS?

Michelle Bigelow

From: Joe Baranowski <joe.b@mh-rgc.org>
Sent: Friday, October 1, 2021 4:13 PM
To: Michelle Bigelow; Christina Turner; Rich Constantine; Rene Spring; Yvonne Martinez Beltran; John McKay; Gino Borgioli
Subject: [EXTERNAL] **Should the City Council and City commissions continue to meet by teleconference while the spread of COVID-19 in Santa Clara County ...**

Good evening Staff and Council members:

Regarding the first consent calendar item on the Oct 7 City Council meeting agenda: No, the City should move to the hybrid model for which significant dollars and sufficient time have been allocated to support. The City's current implementation of remote participation is (given the time it has been in place) a HORRIBLE facsimile and falls far short of meeting many of the core principles of a Public Meeting. According to the CDC [1], Santa Clara County is currently *not* at a 'high' level of community transmission and there are numerous examples that at this stage in the pandemic it is possible to implement protocols and procedures that would ensure the safety of in-person attendance while not stopping anyone from participating remotely.

It's time to begin conducting Public Hearings in the public again even though the state has given an excuse to further delay.

Regards,

Joe Baranowski

[1] As of Oct 1, 2021 the community transmission rate in Santa Clara County is "substantial" and trending down rapidly (a 10% decrease in cases over last 7 days) https://covid.cdc.gov/covid-data-tracker/#county-view|California|6085|Risk|community_transmission_level

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From: [REDACTED]
To: [CC Public Comment](#)
Subject: [EXTERNAL] comment City Council October 06 Item #1: In-person meetings
Date: Monday, October 4, 2021 8:52:42 AM

Dear Morgan Hill City Council,
Comments for Morgan Hill City Council
Meeting October 06, 2021

Item #1: Reject in-person meetings as public health risk
Thank you for your consideration, Doug Muirhead, Morgan Hill

Item #1: Reject in-person meetings as public health risk

I want in-person hybrid meetings.

City Attorney Larkin plays up the "risks" of in-person meetings under your Ongoing Priorities of Enhancing Public Safety, disregarding the high vaccination rates and low infection rates trumpeted by County government.

The resolution makes several claims which I challenge as nothing but your assumptions and one-sided views:

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

"full participation" is key to me. You equate counting noses of Zoom attendees and one-way 3-minute public comment as "full participation". I see Ongoing Priorities of Preserving and Cultivating Public Trust as requiring opportunities to have side conversations and follow-up with staff and our elected representatives, which is not possible in a remote-only setting. I have heard that the Communications Team is preparing a new communications plan. Knowing about (new? revised?) channels to involve our residents would be most helpful in understanding opportunities for "full participation".

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

You acknowledge that in-person meetings would encourage local participation. You discount that we are rational beings who can decide on risk-reward based on our personal situation. And as you know, our residents want to gather and participate with City staff and each other, as demonstrated by the Downtown Streets Community Meeting for downtown residents held recently (yes, it was outside and there was free pizza).

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

You cannot ensure 6-feet distancing if you have unlimited attendance; you can limit the number of staff and public through an allocation system. You might even consider some outside seating (weather permitting) for students who will leave after one hour.

All needed staff can wait in the offices off the chamber until called (although that prevents the side-conversations that I strongly desire).

Whether our elected representatives would be willing to personally engage with the public would be their choice. Three Council members were at the Mariachi Competition, hugging each other and attendees, while I kept my distance and wore a mask at this outside event. You are opening Civic Center offices but have not said if all cubicles will be occupied. CRC is open for business. I do not know the status of CCC. With the current Public Health order, masks are required indoors, so I do not see unfiltered indoor air as a show-stopper.

While off-topic, the Council and Administration need to address indoor air quality in the coming months and years, both for future biological threats as well as public health threats from wildfire smoke and extreme heat.

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Item # 1

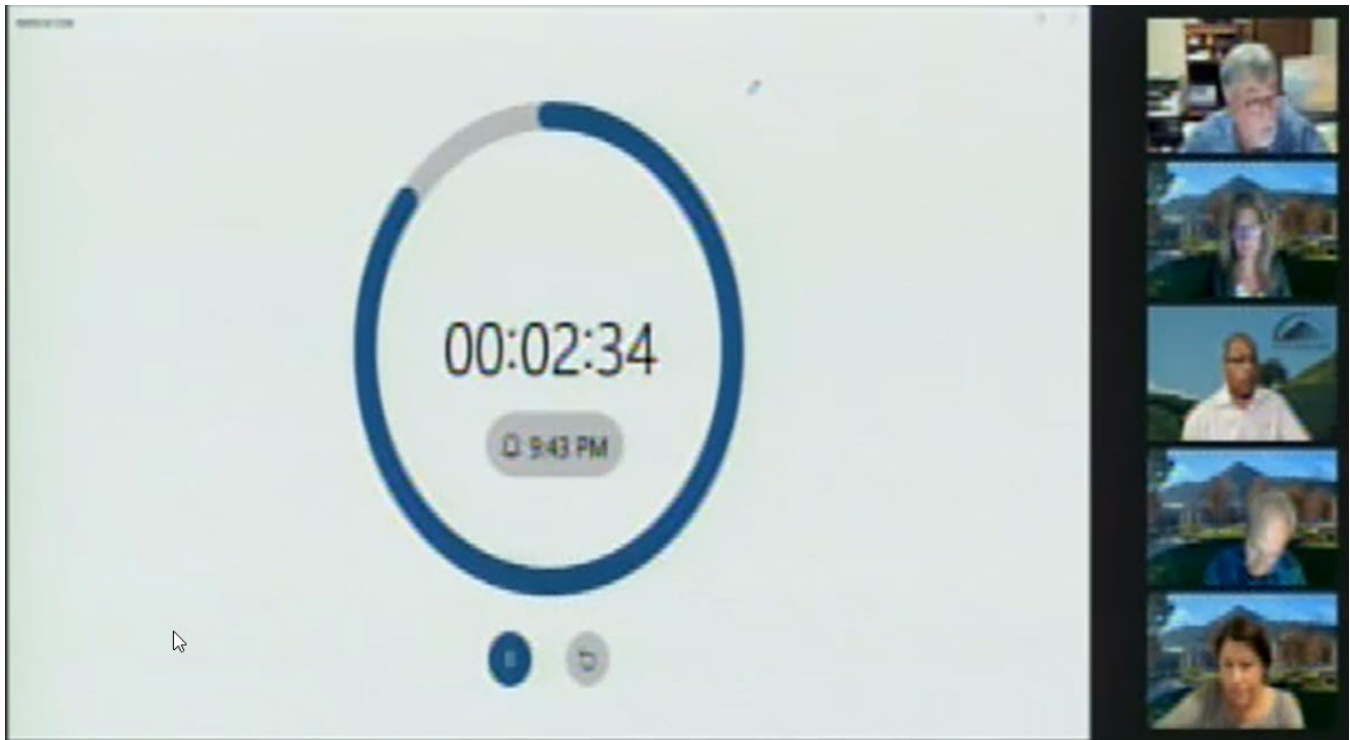
**AGENDA DATE: 10/06/2021
SUPPLEMENT # 3**

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 1
Date: Monday, October 4, 2021

Q: Are we prepared for in person and the hybrid zoom technology?

A: We are working on this issue currently but are not quite there. Our contractor found an issue with the system last week and is working to resolve it. We then need to test the zoom meetings before going live with hybrid meetings.

The pandemic emergency *has* changed. Just because the state says Morgan Hill can doesn't mean it should continue to discount basic tenets of a representative democracy.



1. Even if 'Zoom' was perfect, why In-Person attendance matters

For more than four decades Open Meeting laws in states across the country have required public bodies to allow citizens to participate in-person for good reasons. In opposing AB 361 (allowing local agencies to continue using teleconference technology to participate in public meetings without complying with the requirements of the Brown Act) the ACLU, Leadership Council for Justice & Accountability, First Amendment Coalition and 12 other public advocacy organizations noted [1]:

*The public accessibility requirements of the Brown Act ensure that all Californians can attend meetings **in person** and can directly address members of governing bodies. **Broadly removing this ability is contrary to the basic tenets of a representative democracy.** As members of the public, we have a right to access our elected officials while they are conducting public business and to instruct our representatives on decisions that deeply affect our lives.*

In July 2021 the editorial board of the Daily Gazette wrote [2]:

It would be a disservice to the public if government bodies were allowed to hold all of their meetings remotely. They added that open meeting rules must ensure that the public can observe officials in person and retain full access to their government officials and the meetings they hold.

In May 2020, David Elliot, Ph.D an amazing person and longtime MH resident who has decades of teaching and working in public policy and communications wrote the City Manager requesting the Trammell Crow EIR review be delayed. His message was ignored then and it is being ignored again:

*Anyone who has studied face-to-face communication seriously will tell you that the nonverbal elements in such interactions account for a very large part of the meaning that is generated in such situations. **The most recent studies of these processes have indicated that the nonverbal elements can account for as much as sixty-five percent of the meaning.** So limiting those who have concerns about the project to a medium of communication that places inherent limitations on the amount of meaning that can be exchanged is simply unfair.*

In March 2021, 'Governing' wrote an article titled "*Public Participation and Why Zoom Alone Isn't Good Enough*" that perhaps best sums up the importance of in-person attendance:

Let's face it: Video-only hearings are just not as good as in-person, face-to-face public hearings and engagement. When people are physically present in the room with public officials and directly connecting with them, it's a different dynamic than when people are muted on Zoom — and sometimes not even on camera

When agency decision-makers actually see 100 people face-to-face in a meeting room, it matters. They better engage with them, and they must hear their ideas, concerns and suggestions for reasonable environmentally friendlier alternatives to a proposed oil pipeline, highly polluting plant or huge highway. That public participation can help make a positive difference in the outcomes for communities. Robust public participation is too valuable to lose.

Of course, the onset of the pandemic made remote public meetings absolutely necessary and now many months later remote access has become commonplace and convenient, both for officials and the public. So, some compromise is needed.

2) Remote access should be supported and needs MAJOR improvements

In advocating for AB 361, David Loy, legal director of the American Civil Liberties Union of San Diego said, "*Active participation in government is the backbone of a strong democracy. Public policy and state law should do everything possible to encourage, support and facilitate **active and engaged** civic participation through attendance at public meetings.*"

Almost everyone agrees with that in principle.

In practice, cities have generally found remote access to be a mixed bag. From a rather exhaustive Google search and looking broadly in California and across the U.S., most cities have reported that going to remote access has increased ‘participation’ but often they define that to mean people who are ‘logged in’ to a meeting.

It is inarguable that remote access can make ‘attendance’ easier for many groups of people including single parents, disabled residents, homebound seniors, and many others and that alone is why teleconference capabilities should be supported and improved – as the City has said they are committed to doing and for which American Rescue Plan funds have been allocated. However, when officials are asked whether the number of residents who provide feedback, suggestions, or ask questions has increased, the answer is much less uniform with some cities saying yes and others reporting that the number of people who engage with staff or elected officials has decreased.

Morgan Hill staff have made informal statements indicating that remote access has been a big success if gauged by the number of people ‘attending’ meetings and I assume they have data to support those claims. My personal observation is that overall, the number of people who actively participate has *not* increased and I think it is very unfortunate that some residents who have routinely provided insightful comments (which I often did not agree with) and who have a deep understanding of how our local government functions, no longer do so in the Zoom Virtual Reality world.

It must also be recognized that even the best technology available today has significant limitations. The ability to display documents is very limited and often important information is very hard or impossible to read, participation requires a reliable Internet connection, and some people are not comfortable with or do not wish to participate remotely for many reasons. We see these limitations FREQUENTLY and they impact everyone. **Last week’s Planning Commission meeting** was basically a big waste of time as just one clear example where the practical realities of remote access can’t be ignored. The public, including applicants, would be better served by having an opportunity to attend in-person in many situations.

3) Does ANYONE really believe Morgan Hill’s implementation encourages active and engaged participation?

After having many months to work on the remote access interface, the current implementation of remote ‘participation’ focuses on the ‘cut-you-off-timer’. Prominently showing this timer, reminding everyone that when your 3 minutes is up you will be cut off, has obviously been a priority. The faces of the non-privileged members of the public are not visible to anyone, while which postage stamp profiles of the ‘panelists’ that happen to be on the screen at any moment is decided in some ad-hoc way. The public generally has no idea of who they are even talking to let alone any capability to discern how what they are saying is being absorbed – or not.

When squinting at the postage stamp faces does make it possible to see what a staff or city council member happens to be doing, it often appears to be anything BUT listening. During the March 17th City Council meeting a councilman, (who apparently was able to actually see the rest of the council on his screen) even felt it necessary to admonish one his colleagues saying “I would appreciate you not looking down When I speak to you, I look you in the eyes.”

There are those of you who DO consistently pay careful attention to your constituents but overall ‘looking down’ is hardly unusual or the only ‘activity’ that is observed. Staff that is responsible for making recommendations on any agenda item and City Council members should not be indifferent to what residents think but the user experience that emerges from ‘participating’ in Public Meetings today matches the reality and residents have good reason to believe that as a legislative body and staff you don’t listen. Anticipating objections to that characterization, consider that the use of Referendum, Initiative and Recall is becoming the norm instead of the exception in Morgan Hill.

Obviously, being in-person will **not** by itself change whether you hear what your constituents say but to repeat what ‘Governing’ said, *when people are physically present in the room with public officials and directly connecting with them, it’s a different dynamic than when people are muted on Zoom.*

And of course, the adage that we should follow the advice we give applies here as well. If there was less ‘looking down’ and more engaging, having 100 people attending and participating in important City issues rather than a few might become more commonplace in Morgan Hill which would benefit everyone.

4) Has the emergency changed? Is the spread of COVID-19 in Santa Clara County ‘remaining high’?

In brief. Everyone recognizes the City has an obligation to ensure the safety of all meeting participants. Recent social media posts make it apparent that a large portion of the staff and council that normally participate in meetings are not concerned about physical distancing in an indoor environment. That is a GOOD thing and, I assume, indicative of the fact that in Santa Clara County the Eligible Population Fully Vaccinated is now greater than 86%.

Given how long physical distancing *recommendations* have been in place and the fact nobody can predict when those recommendations will be removed it is difficult to understand why the City has not prepared procedures to allow those attendees who wish to physical distance to do so. This seems to be more of an indication that the City wishes to delay hybrid participation indefinitely more than anything else.

The California and Santa Clara County community transmission rate is not ‘high’. The transmission rate is ‘moderate’ and depending on what time period is used is either rapidly trending or has already transitioned to ‘moderate’. The claim made in the proposed resolution that “the conduct of in-person public meetings would pose imminent risks to the health of

attendees” is not justified now or looking forward.

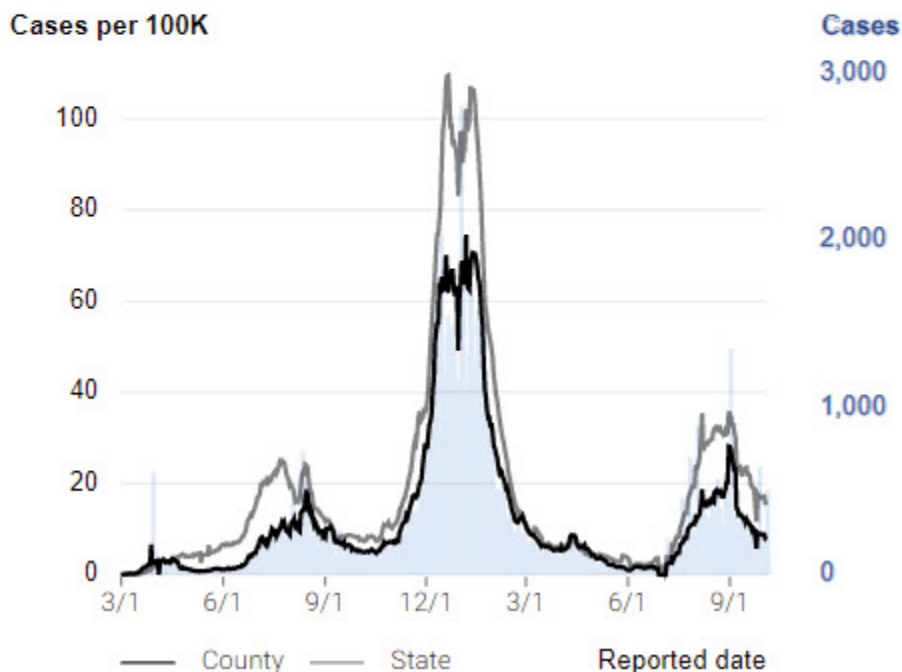
Confirmed cases in Santa Clara County

<u>Episode date</u>	<u>Reported date</u>
---------------------	----------------------

141,840 total confirmed cases

103 new cases (0.1% increase)

7.8 cases per 100K (7-day average)



5) Conclusion

The City's current implementation of teleconference meeting attendance does NOT encourage active and engaged participation. Because remote access does, in theory, make it easier for people to attend it is way past time the City identify a realistic plan to improve the public's interface and implement those improvements as soon as possible.

Let's face it: Video-only hearings are just not as good as in-person, face-to-face public hearings and engagement. Just because the City legally can doesn't mean it should continue to prohibit in-person meetings. With the public health conditions and risk to public safety dramatically different than it was when the 'emergency' declaration was put in place, it is time for Morgan Hill to do what many other cities have already done and respect that removing the public's right to attend in-person and directly address members of our government is *contrary to the basic tenets of a representative democracy*.

[1] <https://firstamendmentcoalition.org/wp-content/uploads/2021/04/AB-361-R.-Rivas-4.1.21.pdf>

[2] <https://dailygazette.com/2021/07/12/editorial-amend-open-meetings-law-for-remote-meetings/>

[3] <https://www.governing.com/now/public-participation-and-why-zoom-alone-isnt-good-enough.html>



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: Donald Larkin, City Attorney
APPROVED BY: City Manager

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

RECOMMENDATION(S)

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

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

Preserving and Cultivating Public Trust

POLICY CONSIDERATIONS:

Should the City Council and City commissions continue to meet by teleconference while the spread of COVID-19 in Santa Clara County remains high?

REPORT NARRATIVE:

COVID-19 transmission remains widespread throughout California and locally. We remain under both a state and local emergency. Assembly Bill (AB) 361, which became operative on October 1, 2021, allows local agencies to continue meeting by teleconference during a statewide emergency, provided the local agency makes findings that continued teleconferencing is important to protect public health and safety.

Staff recommends adopting the proposed resolution declaring the need to continue teleconferenced meetings to protect public health and safety.

COMMUNITY ENGAGEMENT: Not Applicable

ALTERNATIVE ACTIONS:

The Council could choose not to adopt the proposed resolution and continue its October 6, 2021 meeting to a date certain for an in-person meeting. All meetings going forward would also be in-person.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

Continued use of teleconferencing software may have a minimal fiscal impact.

CEQA (California Environmental Quality Act):

Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment are not projects that require environmental review.

LINKS/ATTACHMENTS:

1. Resolution Allowing Teleconferencing
2. 01 Supplement 1

RESOLUTION NO.

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this ____ day of _____, 2021 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Rich Constantine, MAYOR

⌘ CERTIFICATION ⌘

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. XXXX, adopted by the City Council at the meeting held on _____, 2021.

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

DATE: _____

Michelle Bigelow, CITY CLERK

Michelle Bigelow

From: Joe Baranowski <joe.b@mh-rgc.org>
Sent: Friday, October 1, 2021 4:13 PM
To: Michelle Bigelow; Christina Turner; Rich Constantine; Rene Spring; Yvonne Martinez Beltran; John McKay; Gino Borgioli
Subject: [EXTERNAL] **Should the City Council and City commissions continue to meet by teleconference while the spread of COVID-19 in Santa Clara County ...**

Good evening Staff and Council members:

Regarding the first consent calendar item on the Oct 7 City Council meeting agenda: No, the City should move to the hybrid model for which significant dollars and sufficient time have been allocated to support. The City's current implementation of remote participation is (given the time it has been in place) a HORRIBLE facsimile and falls far short of meeting many of the core principles of a Public Meeting. According to the CDC [1], Santa Clara County is currently *not* at a 'high' level of community transmission and there are numerous examples that at this stage in the pandemic it is possible to implement protocols and procedures that would ensure the safety of in-person attendance while not stopping anyone from participating remotely.

It's time to begin conducting Public Hearings in the public again even though the state has given an excuse to further delay.

Regards,

Joe Baranowski

[1] As of Oct 1, 2021 the community transmission rate in Santa Clara County is "substantial" and trending down rapidly (a 10% decrease in cases over last 7 days) https://covid.cdc.gov/covid-data-tracker/#county-view|California|6085|Risk|community_transmission_level

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Item # 2

**AGENDA DATE: 10/06/2021
SUPPLEMENT # 1**

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 2
Date: Monday, October 4, 2021

Q: Will the City's Other Post-Employment Benefit (OPEB) liabilities still be funded at 70% after the switch to the CalPERS trust?

A: Yes, after this year's planned contribution is made, the City's OPEB liabilities will be 70% funded. Switching trusts will provide long-term savings in the City's overall OPEB costs but will not generate any significant immediate changes in the funding level. The Council's decision earlier this year to direct future budget savings to pay down unfunded OPEB liabilities is expected to significantly increase the funding level in future years.



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: Dat Nguyen, Finance Director
APPROVED BY: City Manager

ADOPT RESOLUTION AUTHORIZING PARTICIPATION IN THE CALPERS CALIFORNIA EMPLOYER'S RETIREE BENEFIT SECTION 115 TRUST (CERBT) PROGRAM FOR FUNDING OTHER POST-EMPLOYMENT BENEFIT (OPEB) AS AN ALTERNATIVE TO THE PUBLIC AGENCY RETIREMENT SERVICES (PARS) SECTION 115 TRUST FUND

RECOMMENDATION(S)

1. Authorize participation in the CalPERS CERBT program;
2. Adopt resolution delegating authority to request disbursements from the CERBT program; and
3. Terminate the PARS agreement for OPEB Section 115 Trust Fund.

COUNCIL PRIORITIES, GOALS & STRATEGIES

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

On October 21, 2015, the City Council approved the creation of a Section 115 Trust for retiree medical benefits as well as a Section 115 Trust for the Pension Rate Stabilization Fund with PARS as the administrator for both of the Trusts. The City provides the required minimum medical benefits to retirees, also referred to as Other Post-Employment Benefit (OPEB). The OPEB Section 115 Trust was established to provide the City with a legal vehicle to domicile payments toward the City's unfunded OPEB liabilities. An initial \$387,000 was deposited into the PARS Trust for the OPEB account in 2016 with additional deposits programmed over the course of the year as well as investment earnings for a current total of \$3.5 million in assets as of July 31, 2021. The current assets of \$3.5 million provides the City with a funded status of approximately 55% of the total OPEB liability of about \$6.3 million. A \$400,000 contribution to our Section 115 OPEB trust has been programmed in this year's budget as well as a potential budget savings contribution of \$500,000. Once this year's planned contribution is made, the City's funded status for OPEB would be at about 70%.

As the City approaches the goal of fully funded status for the OPEB liability and the assets continue to grow, minimizing the cost of investment is becoming a priority. The total fees charge by PARS and the investment manager, HighMark, amount to about 56 basis points (0.56%) of the current assets versus CERBT program by CalPERS of 10 basis points (0.10%). In addition, there's been no significant difference in the

performance when comparing PARS and CalPERS CERBT program in the 1, 3, and 5-year period.

COMMUNITY ENGAGEMENT: Inform

This staff report serves to inform the community of the City's recommendation to participate in the CalPERS CERBT program for prefunding of Other Post-Employment Benefit (OPEB), as an alternative to PARS.

ALTERNATIVE ACTIONS:

The City Council could reject staff's request to participate in the CalPERS CERBT program and instead direct staff to continue with PARS as the administrator for the City's OPEB Section 115 Trust.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 21, 2015, the City Council approved the creation of the Section 115 Trust for OPEB with PARS as the administrator.

FISCAL AND RESOURCE IMPACT:

The cost of administering the City's OPEB program could be reduced with the participation in the CalPERS CERBT program, an alternative to PARS.

CEQA (California Environmental Quality Act):

Not a Project.

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

LINKS/ATTACHMENTS:

1. CERBT Participation Agreement
2. Resolution
3. Exhibit A - CERBT Delegation of Authority

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

**AGREEMENT AND ELECTION
OF**

City of Morgan Hill

(NAME OF EMPLOYER)

**TO PREFUND OTHER POST-EMPLOYMENT
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post-employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) City of Morgan Hill

(NAME OF EMPLOYER)

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post-Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer defined benefit plan as defined in Governmental Accounting Standards Board (GASB) Statements for Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB Standards) consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

Attachment: CERBT Participation Agreement (3182 : Authorize Participation in CalPERS CERBT Program)

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
 CERBT (OPEB)
 P.O. Box 1494
 Sacramento, CA 95812-1494

Filing in person, deliver to: CalPERS Mailroom
 CERBT (OPEB)
 400 Q Street
 Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

Attachment: CERBT Participation Agreement (3182 : Authorize Participation in CalPERS CERBT Program)

C. Other Post-Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by applicable GASB OPEB Standards. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB OPEB Standards, may be prepared as an Alternative Measurement Method (AMM) report.

- (a) Unless qualified under GASB OPEB Standards, to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
 - 2) prepared in accordance with generally accepted actuarial practice and GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.
- (b) If qualified under GASB OPEB Standards, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) affirmed by Employer's external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB OPEB Standards;
 - 2) prepared in accordance with GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report for financial reporting purposes submitted to it, but shall not unreasonably do so. In the event that the Board

determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report for financial reporting purposes acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB OPEB Standards. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. Contributions can be made at any time following the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts are maintained for each employer so that the Employer's assets will provide benefits only under the Employer's post-employment benefit plan(s).

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among participating employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

(1) Employer may receive disbursements not to exceed the annual premium and other costs of post-employment healthcare benefits and other post-employment benefits as defined in GASB OPEB Standards.

(2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer's participation in the Prefunding Plan if:

- (a) Employer gives written notice to the Board of its election to terminate;
- (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After the Employer's participation in the Prefunding Plan terminates, the governing body of the Employer may request either:

- (a) A trustee to trustee transfer of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the date of the transfer (the "transfer date") and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.
- (b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of post-employment health care benefits and other post-employment benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the

Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as that term is used in GASB OPEB Standards), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

- (a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized

representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.

- (b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:
 1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
 2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
 3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
 4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
 5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written

confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.
- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(5) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and

signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(6) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the 6 day of the month of October in the year 2021, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: Mayor Rich Constantine

Name of Governing Body: City Council of the City of Morgan Hill

Name of Employer: City of Morgan Hill

Date: _____

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
ARNITA PAIGE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS

The effective date of this Agreement is: _____

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL DELEGATING AUTHORITY TO
REQUEST DISBURSEMENTS FROM THE CALIFORNIA
EMPLOYERS' RETIREE BENEFITS TRUST PROGRAM**

WHEREAS, the City of Morgan Hill is a municipal service provider; 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 Morgan Hill City Council has elected to approve an Agreement and Election to establish the CalPERS California Employers' Retiree Benefit Trust Program (CERBT) as the City's Trust Administrator for prefunding Other Post-Employment Benefits (OPEB); and

WHEREAS, the CERBT requires a Delegation of Authority to Request Disbursements from the Trust for payment of future retiree medical premiums (Exhibit A).

NOW, THEREFORE, BE IT RESOLVED that the City Council delegates to the incumbents in the following position, authority to request on behalf of the City of Morgan Hill disbursements from the CERBT Other Post Employment Prefunding Plan and to certify as to the purpose for which the disbursed funds will be used:

City Manager;
Finance Director;
Budget Manager

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 6th day of October, 2021 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

RICH CONSTANTINE, MAYOR

Attachment: Resolution (3182 : Authorize Participation in CalPERS CERBT Program)

∞ CERTIFICATION ∞

I, Michelle Bigelow, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, adopted by the City Council at the meeting held on October 6, 2021.

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

DATE: _____

Michelle Bigelow, CITY CLERK

Attachment: Resolution (3182 : Authorize Participation in CalPERS CERBT Program)



DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS

RESOLUTION OF THE City Council

(GOVERNING BODY)

OF THE City of Morgan Hill

(NAME OF EMPLOYER)

The City Council delegates to the incumbents
(GOVERNING BODY)

in the positions of City Manager and
(TITLE)

Finance Director and/or
(TITLE)

Budget Manager authority to request on
(TITLE)

behalf of the Employer disbursements from the Other Post Employment Prefunding
Plan and to certify as to the purpose for which the disbursed funds will be used.

By _____
Title Mayor

Witness _____

Date _____

From: [Christina Turner](#)
To: [Michelle Bigelow](#)
Cc: [Angie Gonzalez](#); [Donald Larkin](#); [Chris Ghione](#)
Subject: FW: [EXTERNAL] Request to Remove from the Consent Calendar Item 3. LEASE AGREEMENT
Date: Wednesday, October 6, 2021 12:42:39 PM

Please supplement.

From: Armando Be <barmando3@gmail.com>
Sent: Wednesday, October 6, 2021 12:41 PM
To: Rich Constantine <Rich.Constantine@morganhill.ca.gov>; Yvonne Martinez Beltran <yvonne.martinezbeltran@morganhill.ca.gov>; Rene Spring <Rene.Spring@morganhill.ca.gov>; John McKay <john.mckay@morganhill.ca.gov>; Christina Turner <Christina.Turner@morganhill.ca.gov>; Gino Borgioli <Gino.Borgioli@morganhill.ca.gov>
Subject: [EXTERNAL] Request to Remove from the Consent Calendar Item 3. LEASE AGREEMENT

Dear Mayor, City Council Members, and City Manager.

I am going to request the removal of item 3 from the consent calendar related to a lease of 10,000 square feet at the Community Cultural Center.

The lessee is not a developer who wants to build up his/her private property. And even though the proposed use of the 10,000 square feet is in compliance with our zoning laws, that should not be the end of the discussion.

The Community and Cultural Center serves many purposes for children and families that live within the downtown and outside of the downtown. We have the large splash fountain used by large segments of children from throughout the community. Couples use the other buildings for wedding. Many families enjoy the grassy open areas and many children play in the amphitheater every day. The proposed building space is located right at the entrance of the 5 block downtown area and where there is heavy traffic congestion (and would have higher traffic congestion with lane reduction). A fundamental question I ask is what footprint will a 10,000 square feet mental health crisis and intervention facility have on the five block downtown area?

I have googled the services offered by the lessee and found that they are broad in scope and range from continuum of crisis care services, developmental disability services, intensive behavioral health services, drug treatment services, and on and on. However, in the staff report, it is left open ended as to what exactly are the type of services that are planned, how many clients will be served each month, what control the city will have over the selection of the services provided, what are the type of police and paramedic emergency interventions that may be expected, depending on the services provided. Those are legitimate questions that should be asked and answered.

I understand the urgency to lease out the large building for fiscal loss, but money should not be the paramount driving force. I would like the council to discuss what types of businesses are most favorable and desirable in that public building and to gather more facts as to how this proposed lessee's use of the building is compatible with the vision and mission of the downtown core. What controls will the city retain over the type of service that lessee will offer? To what degree will emergency services be anticipated (police and paramedics). This is a long term lease, so it is important to gather all of the facts before the decision is made that cannot be undone without legal consequences.

Regards,

Armando Benavides

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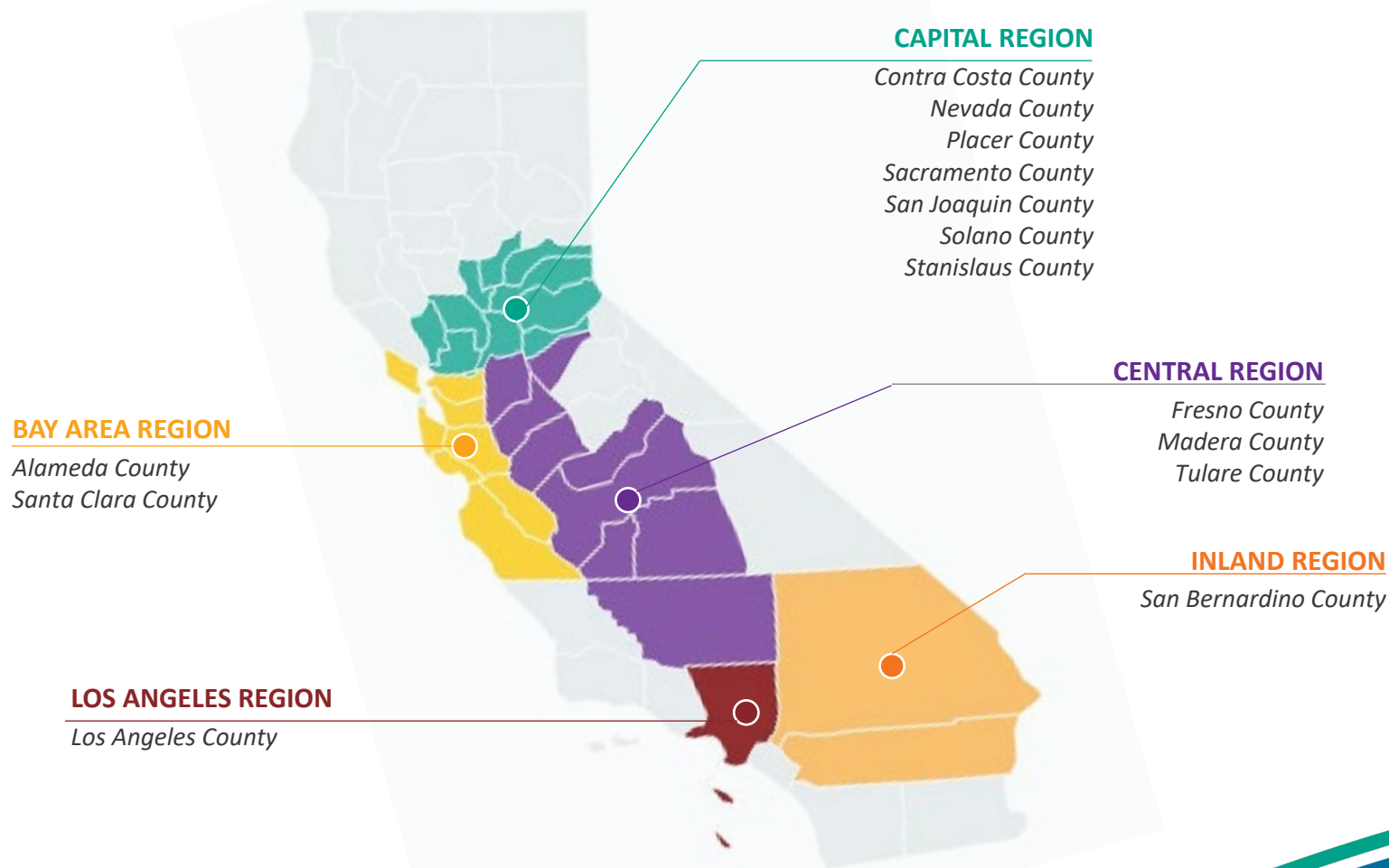
Uplift Family Services

Bay Area Service Overview

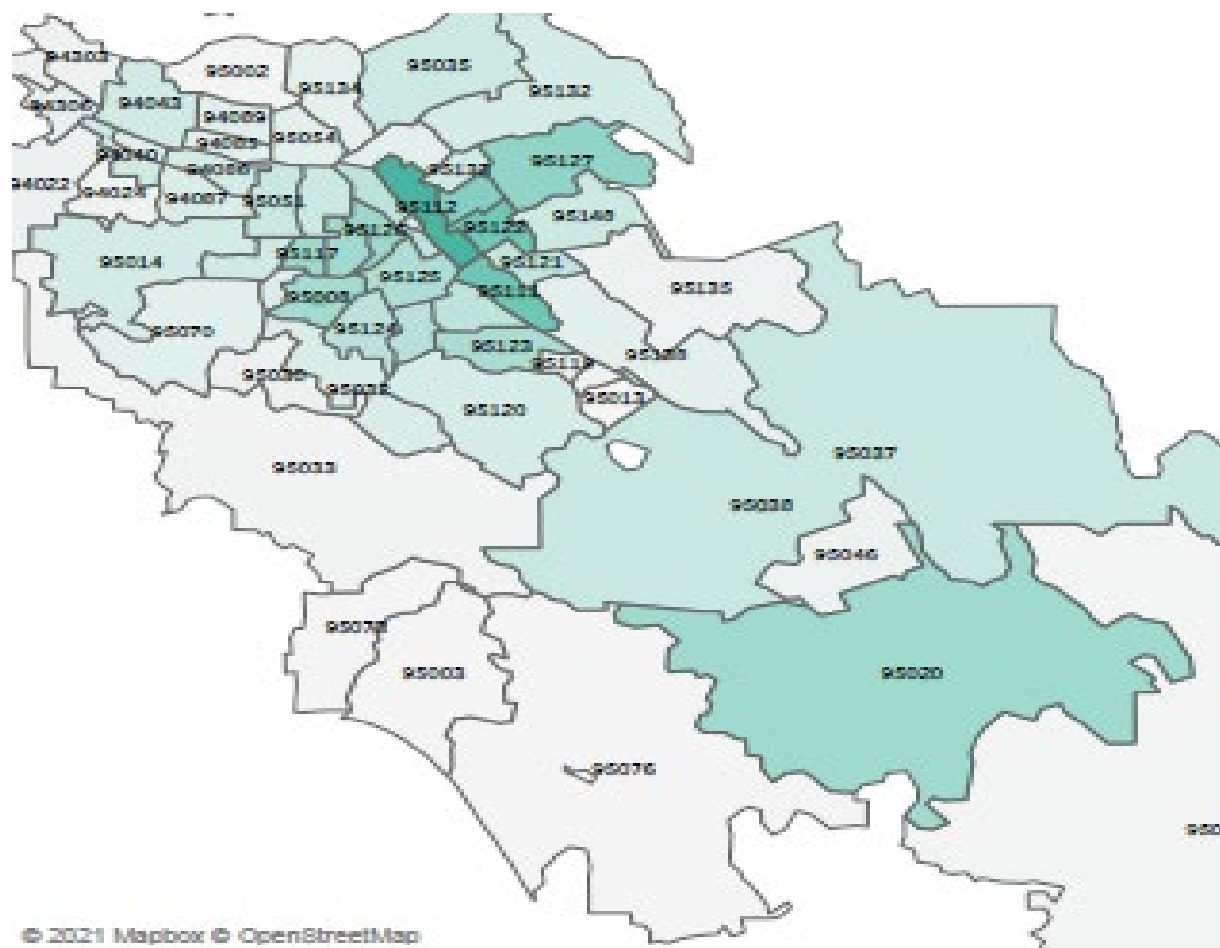


Uplift Family Services:

Over 32,000 served across the state each year

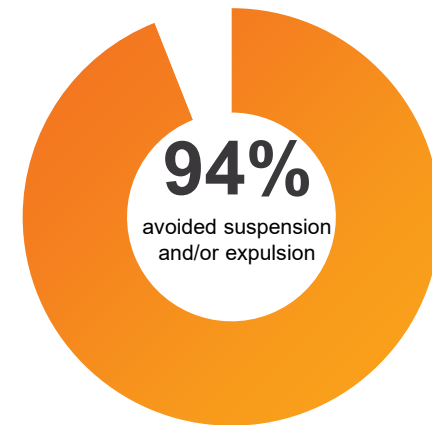
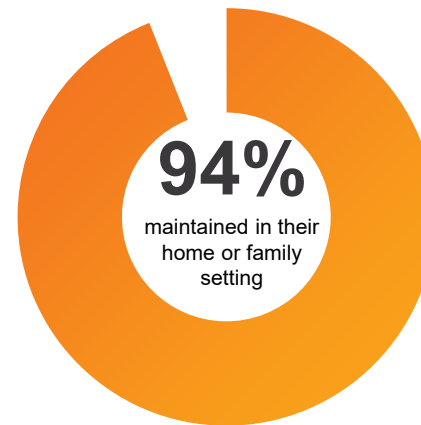
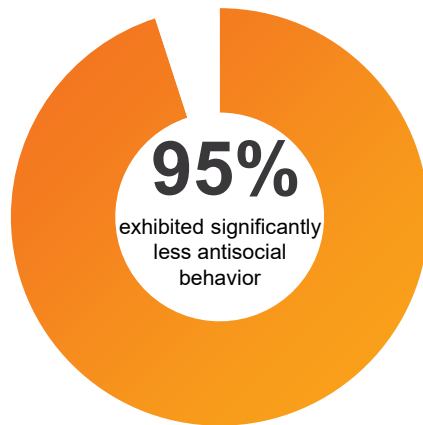


Santa Clara County services



Outpatient Mental Health Services:

“in home, in school, out of trouble”
outcomes



Who we serve, who we are

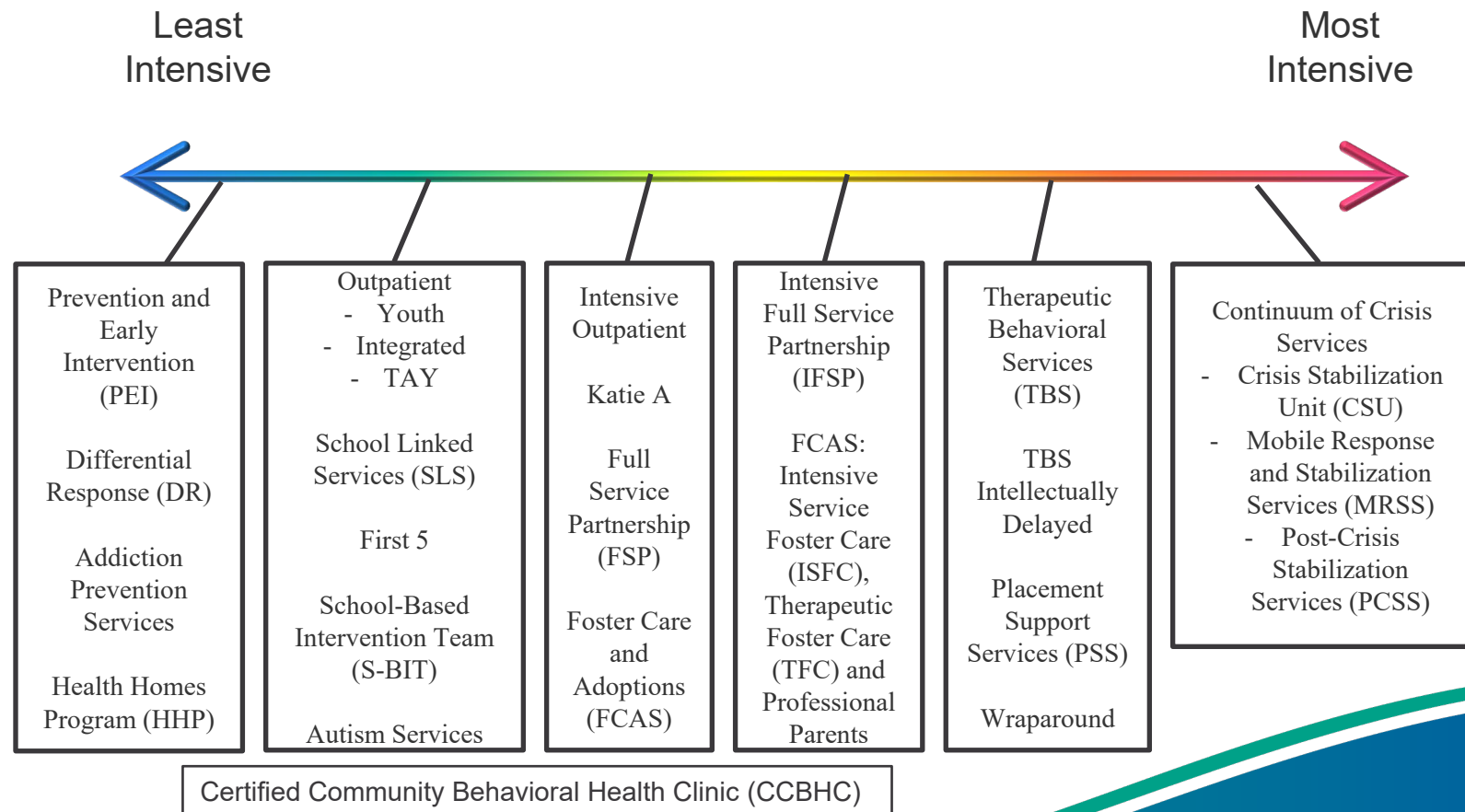
commitment to address systemic inequities

ETHNICITY	UFS' STAFF	BAY AREA YOUTH SERVED	SCC POPULATION*
African American	10%	9%	2.8%
Asian American/Pacific Islander	19%	6%	38.8%
Caucasian	16%	14%	31%
Latinx	44%	68%	25.3%
Bi/Multi-Racial	11%	2%	4.1%
Native American	0%	1%	1.2%
Other	6%	-	2%

**U.S. Census Bureau Report, 2018, multiple options available for selection*

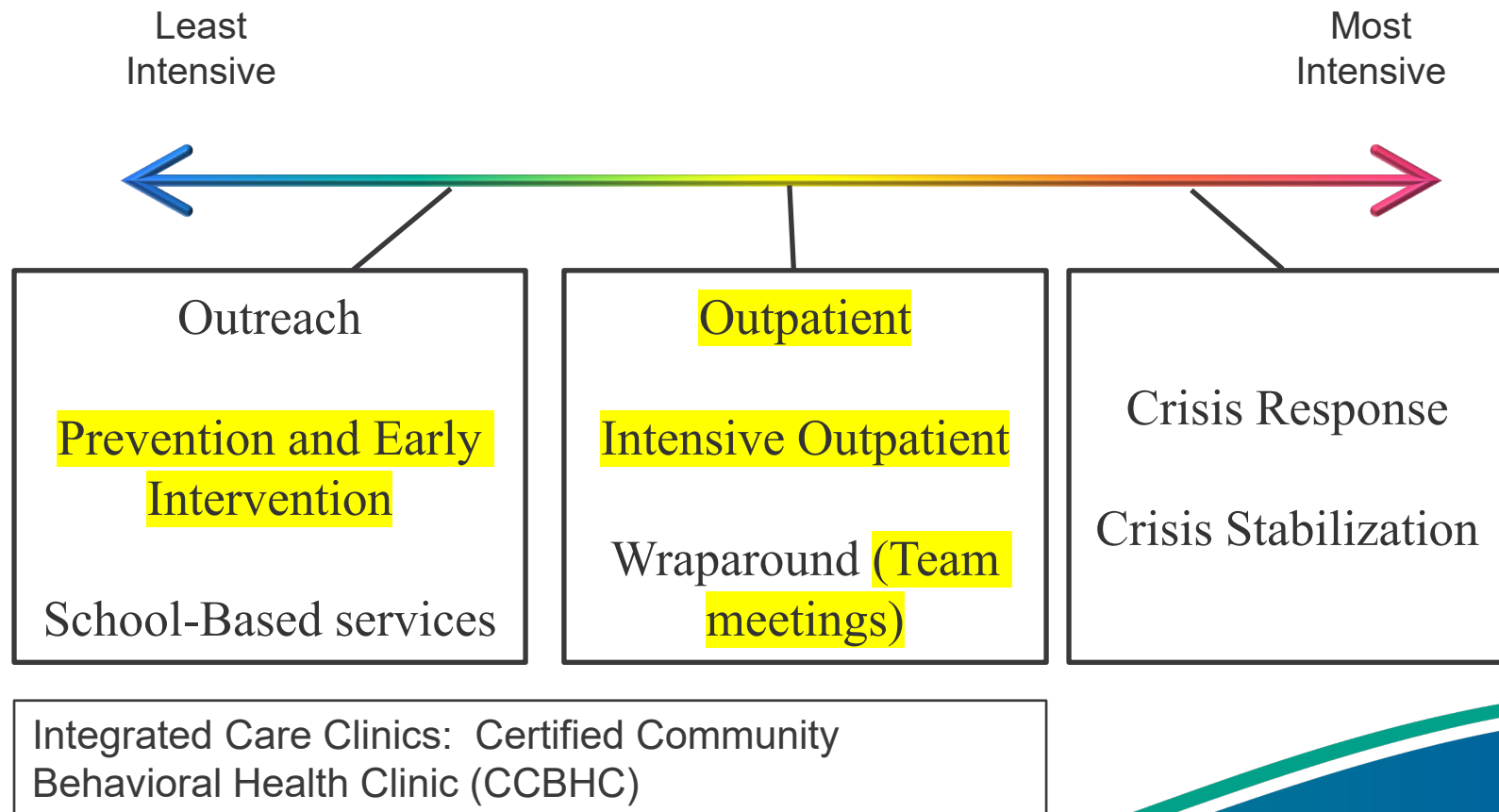
The Uplift continuum serves 10,000+ /year in Santa Clara County

In-the-Community; office-based; telehealth; 12 school districts (150+ schools)



The Uplift continuum serves 10,000+ /year in Santa Clara County

In-the-Community; office-based; telehealth; 12 school districts (150+ schools)





**Santa Clara County
Uplift youth mobile
Crisis line
(408) 379-9085**

**Santa Clara County
Uplift Customer
Service Department
(408) 379-3796**

**Contact:
Don Taylor, Executive
Director
dtaylor@upliftfs.org
408-364-4009**



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

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

APPROVE LEASE AGREEMENT FOR COMMUNITY AND CULTURAL CENTER BUILDING 2 TO UPLIFT FAMILY SERVICES

RECOMMENDATION(S)

Authorize the City Manager to execute and administer a lease agreement with Uplift Family Services for Building 2 (17060 Monterey Road) at the Community and Cultural Center.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community

2020-2021 Strategic Priorities

Fiscal Sustainability

REPORT NARRATIVE:

The Community and Cultural Center was constructed and opened in 2001, and since that time, Gavilan College has been the sole tenant occupying Building 2. In early 2020, Gavilan College notified the City they were not planning to extend their lease when it expired in June 2020. Until that point, City staff had been working with Gavilan on a lease extension. Gavilan staff informed the City that their decision was based on a financial need. City staff expressed an interest in working with Gavilan on the lease terms, but the costs associated with managing and offering classes at a remote site made it financially impossible for the college to continue using the site.

After being informed of the future vacancy, Economic Development teammates began marketing the space for lease. Unfortunately, the City has received very limited interest in the space due to timing associated with the Covid-19 Pandemic and changing market conditions. The space is over 10,000 square feet and is made up of 8 classrooms and supporting space. The layout of the site makes use by tenants other than school facilities somewhat limited.

Recently staff was approached by the organization Uplift Family Services. Uplift is a non-profit organization whose principal business provides and manages mental health services for families, individuals, and children. The intended use for the space would be to provide a South County headquarters for the organization and provide onsite services to youth and families. The use of the site for these purposes is consistent with the zoning for the site. The use by Uplift is also anticipated to be highly compatible with the existing uses of the Community and Cultural Center, which have the highest attendance

during evening and weekend time periods. Additionally, the Police Department engages the services of Uplift in their work, and teammates in the Department believe their location in Morgan Hill will expand partnership opportunities.

The proposed lease agreement is attached. The key components of the lease agreement include:

- 72 Month Lease
- Option to extend for a second 60-month term
- Lease commencement February 1, 2022
- Initial rent is 1.55/sq ft for 10,600 square feet (\$16,430/mo)
- Tenant Improvement Rent Abatement – Tenant shall be responsible for all tenant improvements. As abatement for the costs associated with the tenant improvements, no rent shall be charged for the first 12 months of the lease.
- Base Rent increase of 3% per year

One of the difficulties in marketing the space has been its layout with classrooms. Every interested tenant the City has discussed the space with has proposed that the City perform some tenant improvements to convert some space to smaller offices. Tenant improvements are typically a cost covered by the landlord. The high cost of proposed tenant improvements has been a sticking point with interested parties in the past. Uplift is proposing the conversion of some space for office and smaller group use. Staff recommends allowing Uplift to make the improvements and have the cost credited against their first year of lease payments to facilitate the improvements without the City paying for them out of pocket. The improvements will have a value of up to \$197,160. This improvement cost is believed to be reasonable and, for the long term, will provide increased value for the site should the City need to find a new tenant in the future.

COMMUNITY ENGAGEMENT: Not Applicable

City teammates have not engaged the community on the use of the site due to the very limited interest for those looking to lease the site and the confidential nature of lease negotiations. The use is consistent with the zoning for the site. The City will work to inform the community and other users of the future use/tenant. Additionally, the City will work with Uplift to share the availability of services to the community upon their use commencing.

ALTERNATIVE ACTIONS:

The City Council could choose not to authorize the lease's execution and provide specific alternate direction to City staff. The City Council could also provide alternate direction on the future use of the site. City staff does not recommend these alternate options as it may prolong or reduce the ability of the City to collect lease payments on the site. The revenue associated with the lease is needed to recover costs at the Community and Cultural Center.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council has not taken on previous actions related to leasing the site to tenants other than Gavilan college since opening the Community and Cultural Center in 2001.

The City Council most recently approved a lease extension with Gavilan College on June 17, 2015.

FISCAL AND RESOURCE IMPACT:

The lease will not generate any revenue in the current fiscal year due to the rent abatement for the tenant improvements. In FY 2022/23, \$84,615 will be received. In FY 2023/24, \$205,613 will be received, and in subsequent years of the agreement, the amount will increase by 3% annually through the agreement term.

CEQA (California Environmental Quality Act): Categorical Exemption

The planned management of city facilities with an approved use consistent with City zoning falls within the CEQA categorical exemption of Class 1, Existing Facilities.

LINKS/ATTACHMENTS:

1. Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift

OFFICE LEASE
BETWEEN THE CITY OF MORGAN HILL
AND
Uplift Family Services, a non-profit California Corporation

Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

OFFICE LEASE

This Lease ("Lease") is made and entered into as of _____, 2021, by and between the City of Morgan Hill, California, ("City" or "Lessor") and Uplift Family Services, a California non-profit corporation ("Tenant or Lessee").

RECITALS

The following recitals are a substantive portion of this Lease:

A. City is the owner of certain real property including a building at 17060 Monterey Road, Morgan Hill, in Santa Clara County, State of California, the entire property includes the Morgan Hill Community Center and Morgan Hill Community Theater ("City Facility") as more particularly shown in **Exhibit "A"** attached and incorporated by this reference.

B. Lessee is a non-profit corporation organized under the laws of the State of California, whose principal business is providing for and managing mental health services for families, individuals and children.

C. Lessee desires to lease from City the use of the building at 17060 Monterey Road, Morgan Hill (the "Premises") for its operations.

D. City is willing to permit Lessee to lease the property in accordance with the terms, conditions and covenants of this Lease ("Lease" or "Agreement").

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1 Leased Premises

1.1 Lease of Premises. City hereby Leases to Lessee and Lessee leases from City for the term, at the rental and upon all of the terms and conditions set forth, the City Facility located at 17060 Monterey Road, Morgan Hill, commonly known as the Morgan Hill Community Center and Morgan Hill Community Theater and formerly included the Gavilan College Morgan Hill location. Lessee shall Lease an approximately Ten Thousand Six Hundred (10,600) square foot building as shown in **Exhibit "B"** attached and incorporated herein.

ARTICLE 2 Term

2.1 Term. The term of this Lease shall be for a period of seventy-two (72) months or six (6) years commencing on the Commencement Date and terminating on the sixth anniversary of the Commencement Date, unless earlier terminated ("Term").

2.2 Commencement Date. The Commencement Date of this Lease shall be February 1, 2022, unless Lessee occupies and utilizes the Premises for business prior to that date.

2.3 Option to Extend. The Lease may be extended for a period of an additional sixty (60) months ("Option Term") upon a written request by Lessee not less than 180 days prior to the end of the term of this Agreement. The City acting by and through the City Manager, shall not unreasonably withhold an extension of the Lease.

ARTICLE 3

Rental

3.1 Base Rent. Base Rent shall be \$1.55 per square foot for approximately 10,600 square feet ("Base Rent"). The rental amount shall be Sixteen Thousand Four Hundred Thirty dollars and no cents (\$16,430.00) per month. The rent shall be payable on the first day of each month commencing February 1, 2022, unless the Lease commences prior to that date. The rent shall be paid without deduction, offset, prior notice or demand, in lawful money of the United States. Rent shall be provided to: City Manager, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037-4128, or an alternative address provided by City or via electronic payment if requested by City.

3.2 Annual Increase. During the Term of this Lease, the Base Rent shall be increased annually by 3%, beginning on the first anniversary date of the rental period, and effective each anniversary date during the Term. The sum shall be adjusted annually resulting in a compound rate of increase. For example, if the Base Rent for the annual period commencing February 1, 2022 is Sixteen Thousand Four Hundred Thirty Dollars and no cents (\$16,430.00) per month then the rate on February 1, 2023 would be Sixteen Thousand Nine Hundred Twenty Two Dollars and Ninety Cents (\$16,922.90).

3.3 Advance Rent. Lessee shall provide a check to Lessor for the first month's rent payable to the City of Morgan Hill upon execution of this Agreement. This advance rent shall be applied to the first month that rent is payable.

3.4 Security Deposit. Lessee shall deposit with Lessor upon execution of this Agreement and prior to any access to the Premises for the purposes of constructing the Improvements, as described below. The security deposit is provided as security for Lessee's faithful performance of its obligations under this Lease. The security deposit shall be the sum on one month's rent, which is Sixteen Thousand Four Hundred Thirty and no cents (\$16,430.00) ("Security Deposit"). If Lessee fails to pay rent, or otherwise defaults under this Lease, Lessor may use, apply or retain all or any portion of the Security Deposit for the payment of any amount already due Lessor, for Rent which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request deposit additional monies with Lessor sufficient to restore the Security Deposit to the full amount required by this Lease. Should the Lease be assigned or subleased as described in this Agreement and there is a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result. If a change in control of Lessee occurs during this Lease and following the change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Within 30 days after

the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

3.5 Adjustments to Rent due to Square Footage Calculation. Lessee is renting an entire space of approximately 10,600 square feet. Should either party determine that the premises rented are larger or small than originally determined there shall be no adjustment to rent.

3.6 Late Charge. Lessee acknowledges late payment by Lessee to City of rent will cause City to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing, accounting and late charges that may be imposed on City. If any installment of rent due from Lessee is not received by City within ten (10) days after the date rent is due, Lessee shall pay to City an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree this late charge represents a fair and reasonable estimate of the costs City will incur by reason of late payment by Lessee. Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent City from exercising any of the other rights and remedies available to City.

3.7 Option Term Rental Calculation. Should Lessee desire to extend this Lease under the Option Term, and City is already prepared to approve the lease extension as described in Section 2.3 then the rental amount shall be determined based upon comparable space in the building and/or rental for comparable single story office buildings in the Morgan Hill market area as of the date of the commencement of the option as reasonably determined by City and Lessee. If the City and Lessee cannot agree to a new rental amount the Parties shall enter into informal mediation between the City Manager or designee and a senior manager from Lessee in order to reach agreement on new rental terms. Should mediation be unsuccessful Lessor and Lessee shall each retain an appraiser who shall propose market rate rent utilizing the criteria described above. If the two appraisers are unable to reach agreement then the two appraisers shall choose a third appraiser to determine the new rental amount, using the same criteria. Any costs for the third appraiser shall be split equally between the Lessor and Lessee. The Option Term rental amount sum shall be increased by 3% annually during the Option Term, under the same terms and conditions as the original Lease term.

ARTICLE 4 TENANT IMPROVEMENTS

4.1 Tenant Improvements. The Lessee agrees that no tenant improvements, alterations or changes of any nature shall be made to the Premises without first obtaining the consent of the Lessor in writing, which consent shall not be unreasonably withheld, conditioned or delayed by Lessor as long as the plans and any requisite permits meet all applicable requirements of the building, electrical, plumbing and other construction codes and all City zoning requirements, and thereafter, any tenant improvements made to the Premises which become affixed or attached to the leasehold Premises shall remain the property of the Lessor at the expiration or termination of this Lease Agreement. Tenant shall provide Lessee with plans and specifications for any

tenant improvements for City's reasonable review. It is anticipated that Lessee shall provide City with detailed plans and specifications for extensive tenant improvements ("Improvements") after approval of this Lease by the City Council. A copy of the tentative plans for the Improvements is attached and incorporated by this reference as **Exhibit "C."** Lessee shall at Lessee's sole cost and expense be permitted to build out and construct the Improvements. It is anticipated that the Improvements will consist of light demolition of the existing build out, construction of new walls and upgrading some of the finishes and fixtures. Lessee shall retain a qualified, licensed general contractor to complete the Improvements. Prior to retaining the general contractor Lessee shall submit the name and qualifications of the general contractor to the City for its approval, which shall not be unreasonably withheld, conditioned or delayed by Lessor, as long as the general contractor or its subcontractors have all requisite licenses for the construction involved and ample experience in this type of construction. Any Improvements shall be made only in accordance with applicable federal, state or local codes, ordinances or regulations, having due regard for the type of construction of the building housing the Premises. If the Lessee makes any Improvements to the Premises the Lessee shall be responsible for payment for those Improvements, except for rental deduction as described below. Lessee shall not be required to remove the Improvements at the end of the Lease Term, but shall be required to return the Premises in a commercially reasonable end of lease condition with the exception of ordinary wear and tear.

4.2 Mechanics Lien. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic or material lien against the Premises, City Facility or any City property or any interest therein. Lessee shall give City not less than ten (10) days' notice prior to the commencement of any work on the Premises, and City shall have the right to post notices of non-responsibility in or on the Premises. If Lessee, in good faith, contests the validity of any lien, claim or demand, then Lessee shall, at its sole expense, defend itself and City against it and shall pay any adverse judgment that may be rendered before enforcement against the City. If City shall require, Lessee shall furnish to City a surety bond satisfactory to City in an amount equal to the contested lien, claim indemnifying City against liability for and holding the Premises free from the lien or claim. In addition, Lessee shall pay City's attorneys' fees and costs in participating in the action if City decides to participate.

4.3 Early Access. Lessee shall be entitled to early access to the Premises upon entering into this Lease for the sole purpose of completing the Improvements, and installing Tenant's furniture, fixtures and equipment. Tenant is not permitted to start conducting Tenant's business prior to the Commencement Date. Early access is available after City Council approval of the Lease, full execution of this Lease, delivery of the prepaid rent and security deposit to Lessor and the Certificate of Insurance as required under the Lease. Should Lessee utilize the early access period Lessee shall indemnify, protect, defend and hold Lessor free and harmless from and against any and all claims, actions, causes of action, suits, proceedings, costs, expenses (including, without limitation, reasonable attorneys' fees and costs), liabilities, damages, and liens caused by the activities of Lessee its contractors, subcontractors, employees, vendors or agents while upon the Premises prior to the official commencement of the Lease. Lessee shall repair any damage to the Premises that may be caused by the Lessee or its contractors, subcontractors, agents or employee while on the Premises constructing the Improvements prior to the start of this Lease.

4.4. Tenant Improvement Requirements. Before construction of any Improvements are commenced on the Premises, and before any building materials have been delivered to the Premises by Lessee or agents, Lessee shall comply with the following conditions or procure City's written waiver of the conditions specified:

4.4.1 Construction Schedule. A construction schedule approved by the City setting forth in detail a description of the Improvements and all steps for construction of the Improvements, and Lessee's best estimate of the date upon which each step shall be substantially completed when completed and approved by City will be attached and incorporated herein as **Exhibit "D"**.

4.4.2 Protection of Adjacent Property, Indemnity of the City. Lessee shall protect the Premises, City Facility and all City property as well as adjacent property against damage resulting from the performance of work undertaken by Lessee or Lessee's agents, employees, contractors excluding any damage caused by gross negligence or the willful act of City, and shall indemnify the City against all liens or liability arising out of the performance of the work or the furnishing of labor, services, materials, supplies, equipment or power.

4.4.3 Insurance. City may require any third party(ies) performing work at the Premises maintain workers' compensation insurance at Lessee's sole cost and expense at all times when any work is in process and shall otherwise conform to the requirements of this Lease for insurance.

4.4.4 Final Inspection. Lessee shall not provide service to its clients utilizing the Improvements in any way without receiving a final inspection of the Improvements from the City.

4.4.5 Notice of Changes in Plans. Upon completion of any Improvements, Lessee shall give City notice of all changes in the plans and specifications made during the course of the work and at the same time deliver to City "as built" drawings accurately reflecting all changes, provided that no change that substantially alters the final plans last approved by the City shall be made without the City's prior written approval.

4.4.6 Commencement of Construction. Lessee shall not commence physical installation of the Improvements before approval of Plans and Specifications, and obtaining approval of all applicable permits. Approval of Plans and Specifications by City Departments shall not release Lessee from the responsibility for, or the correction of, any errors, omissions or other mistakes that may be contained in Plans and Specifications. Lessee agrees to perform any work at Lessee's sole cost and at Lessee's sole expense and in accordance with and in a manner City is satisfied conforms to Plans and Specifications as may be approved by City in furtherance of this Agreement.

4.5 City Access. The City or its agents, may enter into the Premises at all reasonable times during the term of this Lease Agreement for the purpose of determining whether or not Lessee is complying with the terms and conditions or for any other purpose incidental to rights of the City. Lessor shall give Lessee reasonable advance notice of such entry except in case of emergency.

4.6 Rent Abatement. City shall permit rent abatement in the amount not to exceed the first year's rental charge (\$197,160.00). as long as Lessee constructs all of the improvements listed in Exhibit C.

4.7 Inducement Recapture. Any agreement for free or abated rent or other charges, which includes the Improvements for Lessee paid for Lessee, all of these concessions are referred to as "Inducement Provisions," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon a material breach of this Lease by Lessee, which is not subsequently remedied under the default provisions of this Agreement, any Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge or consideration abated, given or paid by Lessor under the Inducement Provision shall be immediately due and payable. The acceptance by Lessor of rent after a breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically stated in writing by Lessor at the time of the acceptance of rent.

4.8 Cabling Improvements. Within the first year of this Agreement, Lessor shall provide cabling improvements within the premises in an amount not to exceed \$5000.00. Requests for improvements must be provided by the Lessee to the Lessor within 6 months of execution of the agreement. If the request is not made Lessor shall not be required to make the improvements.

ARTICLE 5

Use

5.1 Permitted Uses. Lessee shall use the Premises for purposes related to its non-profit function including providing for and managing mental health services for families, individuals and children. This may include, but is not limited to general office, individual and group therapy and related uses.

5.2 Prohibited Uses. Lessee shall not use Premises for any purpose not expressly permitted. Lessee shall not (a) create, cause, or permit any nuisance or waste in, on or about the Premises or permit the Premises to be used for any unlawful activity, (b) do or permit to be done anything which unreasonably disturbs the users of the City Facility or the occupants of neighboring property. Specifically, and without limiting the above, Lessee agrees not to cause any unreasonable odors, noise, vibration, power emissions or other item to emanate from the Premises. Lessee shall not use or permit the use of the Premises in a manner that creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles.

5.3 Approval by the City and Other Agencies. Lessee, at its sole cost and expense, may install the Improvements, subject to Lessee's obtaining all required permits, Leases and approvals from the City and any other governmental agencies having jurisdiction. Lessee shall maintain permits, Leases and approvals in force through the term of this Lease. The revocation or expiration of any permit, Lease or approval shall be a breach of this Lease. Should Lessee wish to install additional improvements ("Additional Improvements") beyond like kind exchange of existing Improvements, it shall not do so without the prior written approval of City which shall not be unreasonably withheld. Additional Improvements shall not be made without obtaining all required permits from the City and any other governmental agencies with jurisdiction. If Additional Improvements are approved and constructed, Lessee and City shall amend **Exhibit "C"** to

reflect the changes. Should Lessee construct Additional Improvements without the prior approval of City, City may require that Lessee remove the expansion or change at Lessee's sole cost and expense. Lessee shall be solely responsible for conducting any environmental review required in association with Lessee's use of the Premises and for all costs associated, as well as all fees, charges or other expenses imposed by the City or other regulatory agencies in connection with Lessee's use of the Premises prior to the Lease commencement or at any time during the term of the Lease.

5.4 Condition, Use of Premises. City makes no warranty or representation concerning the condition of the Premises, or the fitness of the Premises for the use intended by Lessee, and disclaims any personal knowledge, it being expressly understood by the parties that Lessee has personally inspected the Premises, knows its condition, finds it fit for Lessee's intended use, accepts it as is and has ascertained that it can be used for the limited purposes as specified in this Agreement.

5.5 Hazardous Materials.

5.5.1 Hazardous Materials on Premises. Lessee shall not introduce any Hazardous Materials (as defined below) to the Premises or the City Property excluding any Hazardous Materials which are components of commercially available products, ordinarily used in an office setting, provided that Hazardous Materials are transported, obtained, handled, stored and/or disposed of in accordance with all federal, state and local laws, ordinances, rules, regulations or policies.

5.5.2 Hazardous Materials Defined. The term "Hazardous Material(s)" shall mean any toxic or hazardous substance, material or waste or any pollutant or contaminant or infectious or radioactive material, including but not limited to, those substances, materials or wastes regulated now or in the future under any of the following statutes or regulations and any and all of those substances included within the definitions of "hazardous substances," "hazardous waste," "hazardous chemical substance or mixture," "imminently hazardous chemical substance or mixture," "toxic substances," "hazardous air pollutant," "toxic pollutant" or "solid waste" in the (a) "CERCLA" or "Superfund" as amended by SARA, 42 U.S.C. Secs. 9601 et seq., (b) RCRA, 42 U.S.C. Secs. 6901 et seq., (c) CWA, 33 U.S.C. Secs. 1251 et seq., (d) CAA, 42 U.S.C. Secs. 7401 et seq., (e) TSCA, 15 U.S.C. Secs. 2601 et seq., (f) The Refuse Act of 1899, 33 U.S.C. Secs. 407, (g) OSHA, 29 U.S.C. Secs. 651 et seq. (h) Hazardous Materials Transportation Act, 49 U.S.C. Secs. 5101 et seq., (i) USDOT Table (49 CFR Sec. 172.101 App. A and amendments) or the EPA Table (40 CFR Part 302 and amendments), (j) Carpenter- Presley-Tanner Hazardous Substance Account Act, Cal. Health & Safety Code Secs. 25300 et seq., (k) California Hazardous Waste Control Act, Cal. Health & Safety Code Secs. 25100 et seq., (l) Porter-Cologne Act, Cal. Water Code Secs. 13000 et seq., (m) Hazardous Waste Disposal Land Use Law, Cal. Health & Safety Code Sec. 25220 et seq., (n) "Proposition 65," Cal. Health and Safety Code Sec. 25249.5 et seq., (o) Hazardous Substances Underground Storage Tank Law, Cal. Health & Safety Code Sec. 25280 et seq., (p) California Hazardous Substance Act, Cal. Health & Safety Code Secs. 108100 et seq., (q) Air Resources Law, Cal. Health & Safety Code Secs. 39000 et seq., (r) Hazardous Materials Release Response Plans and Inventory, Cal. Health & Safety Code Secs. 25500 et seq., (s) TPCA, Cal. Health and Safety Code Secs. 25208 et seq., and (t) regulations promulgated pursuant to said laws or any replacement thereof, or as similar terms are defined in the federal, state and local laws, statutes, regulations, orders or rules. Hazardous Materials shall also mean any and all other substances, materials and wastes which are, or in the future become regulated under applicable local, state or federal law for the protection of health or the environment, or which are classified as hazardous or toxic substances, materials or wastes, pollutants or contaminants, as defined, listed or

regulated by any federal, state or local law, regulation or order or by common law decision, including, without limitation, (i) trichloroethylene, tetrachloroethylene, perchloroethylene and other chlorinated solvents, (ii) any petroleum products or fractions thereof, (iii) asbestos, (iv) polychlorinated biphenyls, (v) flammable explosives, (vi) urea formaldehyde, and (vii) radioactive materials and waste.

5.5.3 Hazardous Materials Indemnity. Lessee shall indemnify, defend (by counsel reasonably acceptable to City), protect and hold Lessor harmless from and against any and all claims, liabilities, penalties, forfeitures, losses and/or expenses, including, without limitation, diminution in value of the Premises or City Facility, damages for the loss or restriction on use of the rentable or usable space or of any amenity of the Premises or City Facility, damages arising from any adverse impact or marketing of the Premises or City Property and sums paid in settlement of claims, response costs, cleanup costs, site assessment costs, attorney's fees, consultant and expert fees, judgments, administrative rulings or orders, fines, costs of death of or injury to any person or damage to any property whatsoever (including, without limitation, groundwater, sewer systems and atmosphere), arising from, or caused or resulting, either prior to or during the Lease Term or Option Term, in whole or in part, directly or indirectly, by the presence or discharge in, on, under or about the Premises or City Facility by Lessee, Lessee's agents, employees, Lessees or invitees or at Lessee's direction, of Hazardous Material, or by Lessee's failure to comply with any Hazardous Materials Law, whether knowingly or by strict liability. Lessee's indemnification obligations shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary Hazardous Materials management plan, investigation, repairs, cleanup or detoxification or decontamination of the Premises or City Facility, and the presence and implementation of any closure, remedial action or other required plans, and shall survive the expiration of or early termination of the Lease Term. For purposes of the indemnity, any acts or omissions of Lessee or its employees, agents, customers, sublessee, assignees, contractors or subcontractors of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee.

5.5.4 City's Right to Perform Tests. At any time prior to the expiration of the Lease Term or Option Term, City shall have the right to enter upon the Premises in order to conduct tests of water and soil and to deliver to Lessee the results of such tests to demonstrate that levels of any Hazardous Materials in excess of permissible levels has occurred as a result of Lessee's use of the Premises. Lessee shall be solely responsible for and shall indemnify, protect, defend and hold City harmless from and against all claims, costs and liabilities including actual attorney's fees and costs arising out of or in connection with any removal, remediation, clean up, restoration and materials required hereunder to return the Premises and any other property of whatever nature to their condition existing prior to the appearance of the Hazardous Materials. The testing shall be at Lessee's expense if City has a reasonable basis for suspecting and confirms the presence of Hazardous Materials in the soil or surface or groundwater in on, under, or about the Premises or the Project, which has been caused by or resulted from the activities of Lessee, its agents, employees, contractors or invitees.

5.5.5. Survival. This entire Section 5.5 of this Lease shall survive termination of the Lease, as to any activities during the term of this Lease.

5.5.6 Termination of Lease. City shall have the right to terminate the Lease in City's sole and absolute discretion in the event that (i) any anticipated use of the Premises by Lessee involves

the generation or storage, use, treatment, disposal or release of Hazardous Material in a manner or for a purpose prohibited or regulated by any governmental agency, authority or Hazardous Materials Laws; (ii) Lessee has been required to take remedial action in connection with Hazardous Material contaminating the Premises, if the contamination resulted from Lessee's action or use of the Premises; or (iii) Lessee is subject to an enforcement order issued by any governmental authority in connection with the release, use, disposal or storage of a Hazardous Material on the Premises.

ARTICLE 6

Maintenance, Repairs and Alterations

6.1 General. Lessor shall at Lessor's sole cost and expense deliver the Premises broom clean and free of debris with all operating systems in good operating condition. Lessee shall keep in good order, condition and repair the Premises, and the Improvements placed on the Premises. Lessee shall keep the Premises clean and free of debris.

6.2 Acknowledgements. Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises;; (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, environmental aspects, and compliance with applicable legal requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use; (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, and (d) neither Lessor, nor Brokers have made any oral or written representations or warranties with respect to these matters other than as set forth in this Lease.

6.3 Surrender. On the last day of the term, Lessee shall surrender the Premises to City in the same condition as when received, clean and free of debris; normal wear and tear excepted. Lessee shall repair any damage to the Premises by Lessee, its clients, contractor, invitees or any others aside from City.

6.4 Lessee's Operating Expenses. Lessee shall be responsible for all building operating expenses including, but not limited to custodial service, interior maintenance (not including HVAC), interior plumbing, utilities including water, sewer, power gas, phones and data, alarm systems, and any interior maintenance not listed as a Lessor expense.

6.5 Lessor's Operating Expenses. Lessor shall be responsible for all exterior maintenance of the building including, but not limited to: (i) the exterior, roof, roof drains, gutters and downspouts, and structural portions of the building, including the floor slab, bearing walls and foundations; (ii) to all systems, including electrical, mechanical, plumbing, water and sewer, up to the point of entry into or hook-up with the Premises, (iii) landscape maintenance, all major building system replacement, HVAC maintenance and repair, exterior pest service, parking lot maintenance, fire inspections and repairs to fire sprinkler system.

6.6 City's Assumption of Lessee's Responsibilities. If Lessee is in default, subject to the applicable cure periods. City may (but shall not be required to) enter upon the Premises with reasonable notices as referenced below, (except in the case of an emergency, in which case no notice shall be required), to perform obligations on Lessee's behalf and put the Premises and/or

Improvements in good order, condition and repair, and the cost, together with interest at the maximum rate then allowable by law, shall become due and payable as additional rent to City with Lessee's next rental installment, provided, however, in the case of a non-emergency, City shall notify Lessee of City's intention to perform Lessee's obligations ten (10) days prior to performing any work on Lessee's behalf. If no rental installment is due to City, these costs shall become due and payable within thirty (30) days from the date of City's invoice.

6.7 Waiver of Repair and Deduct Provisions. Lessee expressly waives the benefit of any statute now or hereinafter in effect which would afford Lessee the right to make repairs at City's expense or to terminate this Lease because of City's failure to keep Premises in good order, condition and repair, except for Lessor's operating expenses obligation described above.

6.8 Security Measures. City shall have the right to require a reasonable security system, device, operation or plan be installed and implemented to protect the Premises or the Improvements. Should City, in its sole discretion, require Lessee to install a security system, Lessee agrees to bear the sole cost of any security system, device, operation or plan and the installation and implementation. Lessee shall obtain City's prior approval before installing or implementing any security system, device, operation or plan.

6.9. Right to Enter Premises. City and City's agents shall have the right to enter the Premises for the purpose of showing to prospective purchasers, lenders or Lessees, and making alterations, repairs, improvements or additions to the Premises as required by the Agreement and as City may deem necessary. Landlord shall give Tenant reasonable advance notice of such entry except in case of emergency.

ARTICLE 7 Indemnity and Insurance

7.1 Indemnity. This Lease is made upon the express condition that Lessee shall indemnify and hold harmless City and its officers, agents and employees against any suits, claims or actions arising out of Lessee's use of the Premises or from any act permitted, or any omission to act, in or about the Premises or the City Facility by Lessee or its agents, employees, contractors or invitees, including, but not limited to, any injury or injuries to, or death or deaths of, persons or property that may occur, or that may be alleged to have occurred from any cause or causes whatsoever, while in, upon, about or in any way connected with the Premises during the term of this Lease, or during any holdover tenancy thereof (except where caused solely by the active negligence or willful misconduct of City, its employees or agents). Lessee agrees to defend any actions, suits or claims and pay all reasonable charges of attorneys and all other costs and expenses arising therefrom; and, if any judgment be rendered against the City or any of the other individuals enumerated above in any action, except to the extent the judgment arises from the active negligence or willful misconduct of the City, its employees or agents, Lessee shall, at its expense, satisfy and discharge same. Lessee shall be responsible for any loss of income, for damage to Licensor's property, or for injury or death of any person in or about the Premises, from any cause whatsoever, except to the extent caused by City's active negligence or willful misconduct.

7.3 Insurance. During the term of this Lease, Lessee shall maintain in full force and affect the following insurance policies as described **Exhibit "E"** attached and incorporated by this reference.

ARTICLE 8

Damage, Destruction and Termination

8.1 Nontermination and Nonabatement. Except as provided herein, no destruction or damage to the Premises by fire, windstorm or other casualty, whether insured or uninsured, shall entitle Lessee to terminate this Lease, unless a majority of the Premises are rendered unusable as an office for Lessor.

8.2 Force Majeure. Prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor, materials or reasonable substitutes, governmental restrictions, governmental regulation, governmental controls, judicial orders, enemy, or hostile governmental actions, civil commotion, fire or other casualty, shall excuse the performance by Lessee for a period equal to the prevention, delay or stoppage, except the obligations imposed with regard to rent to be paid by Lessee pursuant to this Lease. In the event any work performed by Lessee or Lessee's contractor's results in a strike, lockout, and/or labor dispute, the strike, lockout, and/or labor dispute shall not excuse the performance by Lessee of the provisions of this Lease. Prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor, materials or reasonable substitutes, governmental restrictions, governmental regulation, governmental controls, judicial orders, enemy, or hostile governmental actions, civil commotion, fire or other casualty, shall excuse the performance by Lessor of its obligations under this Lease for a period equal to the prevention, delay or stoppage

8.3 Waiver. City and Lessee waive the provisions of any statutes which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

ARTICLE 9

Taxes

9.1 Personal Property. Lessee shall pay prior to delinquency all taxes, Lease fees and public charges assessed or levied against Lessee or Lessee's estate in this Lease or Lessee's Improvements, trade fixtures, furnishings, equipment and other personal property.

9.2 Real Property. Lessee shall pay Lessee's share of all real property taxes (as defined in Section 9.3 below) which become due and payable to City or County or other entity on or before the later of ten (10) days prior to the delinquency, or three (3) days after the date on which Lessee receives a copy of the tax bill and notice of City's determination, including documentation reasonably supporting determination hereunder. Lessee's liability to pay real property taxes shall be prorated on the basis of a three hundred sixty-five (365) day year to account for any fraction or portion of a tax year included in the Lease term at the commencement or expiration of the Lease. Lessee is not responsible for taxes related to rental income to City under this Agreement. Lessee specifically acknowledges it is familiar with Section 107.6 of the California Revenue and Taxation Code, realizes that a possessory interest subject to property taxes may be created, agrees to pay any tax, and waives any rights Lessee may have under Revenue and Taxation Code 107.6.

9.3 Definition. The term "real property taxes" as used herein shall mean:

9.3.1 All taxes, assessments, levies and other charges, general and special, foreseen and unforeseen, now or hereafter imposed by any governmental or quasi-governmental authority or special district having the direct or indirect power to tax or levy assessments, which are levied or assessed against or with respect to (i) value, occupancy, use or possession of the Premises and/or the Improvements, (ii) any improvements, fixtures, equipment and other real or personal property of Lessee that are an integral part of the Premises, (iii) use of the Premises, Improvements public utilities or energy within the Premises;

9.3.2 All charges, levies or fees imposed by reason of environmental regulation or other governmental control of the Premises and/or the Improvements;

9.3.3 New excise, transaction, sales, privilege or other taxes now or hereafter imposed upon City as a result of this Lease; and,

9.3.4 All costs and fees (including attorneys' fees) incurred by City in contesting any real property taxes and in negotiating with public authorities as to any real property taxes affecting the Premises. If at any time during the Lease or Option Term, the taxation or assessment of the Premises and/or the Improvements existing as of the commencement of this Lease shall be altered, then any tax or charge, however designated, shall be included within the meaning of the term "real property taxes." If any real property taxes are based upon property or rents unrelated to the Premises and/or the Improvements, then only that part of such tax that is fairly allocable to the Premises and/or the Improvements, as determined by City, on the basis of the assessor's worksheets or other available information, shall be included within the meaning of the term "real property taxes."

ARTICLE 10

Parking

10.1 Parking. Lessee may use the adjacent shared parking lot for its employees and clients. Lessee's use is non-exclusive and parking is available to Lessee's employees and clients during normal business hours and not for overnight storage of vehicles or RV's. Overnight parking shall be allowed only with advanced written approval by City following request by Lessee. At Lessee's request, only for temporary one day use during events held at the rest of the City Facility City may designate up to 20 temporary parking spaces for the sole use of Lessee's employees and guests during the hours of 8:00 a.m. to 5:00p.m. during normal workdays. Lessee shall install temporary markings which shall be installed and removed at the start of and the finish of these designated work days. The designated parking for Lessee may not be directly adjacent to the Premises.

10.2 Parking Limitations. Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, clients, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities. Lessee shall not service or store any vehicles in the Common Areas, as defined below. If Lessee permits or allows any of the prohibited activities described in this Article, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

ARTICLE 11. Common Areas

11.1 Common Areas - Definition. The term "Common Areas" includes all areas and facilities outside the Premises and within the City Facility boundary line which are designed for the non-exclusive use of Lessor, members of the public, Lessee and other users of the City Facility and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roofs, roadways, walkways, driveways and landscaped areas.

11.2 Common Areas - Lessee's Rights. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, clients and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof. It is the intent that Common Areas are to be utilized by Lessee, its clients or invitees solely for the purpose of ingress, egress and where permitted, parking. Under no circumstances shall the right granted to use the Common Areas be include the right to store any property, temporarily or permanently, in the Common Areas. Any storage shall by Lessee in the Common Areas shall be permitted only by the prior written consent of Lessor, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

11.3 Common Areas - Rules and Regulations. Lessor shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other users, occupants or tenants of the City Facility and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform.

11.4 Common Areas - Changes. Lessor shall have the right, in Lessor's sole discretion, from time to time:

11.4.1 To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

11.4.2..To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

11.4.3..To designate other land outside the boundaries of the City Facility to be a part of the Common Areas;

11.4.4 To add additional buildings and improvements to the Common Areas;

11.4.5 To use the Common Areas while engaged in making additional improvements, repairs or alterations to the City Facility, or any portion thereof; and

11.4.6 To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and City Facility as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

11.4.7 Should Lessee desire to utilize the Common Areas for a specific event, it may do so only for a limited duration and following the prior written permission from the City.

ARTICLE 12

Covid 19

12. Compliance with Laws. Lessee shall comply with all federal, state, and local laws, statutes, codes, ordinances, regulations, rules, orders, permits, leases, approvals and requirements applicable to the use and occupancy of the Premises, including those related to Covid 19 or any other health requirement, and Lessee shall not commit and shall not knowingly permit others to commit any violation of such laws upon the Premises or City Facility.

ARTICLE 13

Signage

13. Lessee is permitted to install signage at two exterior locations where signage currently exists. Signage shall be of the same format and sizing as existing exterior signage. Lessee shall provide Lessor with plans for the signage for its approval, which shall not be unreasonably denied, prior to construction and installation. Lessee shall be solely responsible for the costs of all signage, including any permits. Lessee shall obtain any required permits prior to installation. Lessor may provide additional options for wayfinding signs at Lessee's expense within the City Facility.

ARTICLE 14

Assignment and Subletting

14.1 City's Consent Required. Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of Lessee's interest in this Lease or in the Premises, without City's prior written consent, this consent shall not be unreasonably withheld. Any assignment shall be consistent with the approved use of the Premises and shall not be in conflict with other uses at the City Facility. City shall respond to Lessee's request for consent in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without consent shall be void and shall constitute a breach of this Lease.

14.2 City's Consent Exceptions. Notwithstanding the foregoing, Lessee may assign or sublet the Premises, or any portion thereof, without the City's consent, to any entity which controls, is controlled by, or is under the common control with Lessee, or to any entity resulting from any merger or consolidation with Lessee, or to any partner of Lessee or to any partnership in which Lessee is a general partner.

14.3 Sublease Requirements. If Lessee desires to sublease a portion of the Premises to another compatible user it, following City approval it shall share 50% of any profits from the sublease with

Lessor. Deductions from profits shall not include Lessee's costs in obtaining the sublessor, including but not limited to commissions, improvement allowance, free rent periods, attorney's fees or marketing costs.

14.4 Relief of Obligations. No assignment as approved by City shall relieve Lessee of Lessee's obligations under this Agreement or alter the primary liability of Lessee to pay the rent and to perform all other obligations required by Lessee. The acceptance of rent by City from any other person shall not be a waiver by City of any provision. Consent to one assignment shall not be deemed to be consent to any subsequent assignment or subletting. In the event of default by any assignee of Lessee or any successor of Lessee in the performance of any of the terms hereof, City may proceed directly against Lessee without the necessity of exhausting remedies against the assignee.

ARTICLE 15

Defaults; Remedies

15.1 Defaults. The occurrence of any one or more of the following events shall constitute a material default or breach of this Lease by Lessee:

15.1.1 The abandonment of the Premises by Lessee as defined by Civil Code §1951.3.

15.1.2 The failure by Lessee to make any payment of rent or any other payment required by Lessee hereunder, when due, where the failure shall continue for a period of ten (10) business days after written notice from City to Lessee. In the event City serves Lessee with a Notice to Pay Rent or Quit pursuant to applicable Unlawful Detainer statutes, Notice to Pay Rent or Quit shall also constitute the notice required by this subparagraph.

15.1.3 The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease in any material respect to be observed or performed by Lessee, where the failure shall continue for a period of thirty (30) days after written notice from City to Lessee; provided, however, that if the nature of Lessee's default is that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default, if Lessee commenced cure within the thirty (30) day period and thereafter diligently prosecutes the cure to completion.

15.1.4 The making by Lessee of any general arrangement or assignment for the benefit of creditors; Lessee's becoming a "debtor" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, it is dismissed within sixty (60) days); the appointment of a bankruptcy trustee or receiver to take possession of all or substantially all of Lessee's assets located at or on the Premises or of Lessee's interest in this Lease where possession is not restored to Lessee within thirty (30) days; or the attachment, execution or other judicial seizure of all or substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where seizure is not discharged within thirty (30) days.

15.2 Remedies. In the event of any material default or breach by Lessee, City may at any time, thereafter, following any notice required by statute, and without limiting City in the exercise of any right or remedy which City may have by reason of default or breach:

15.2.1 Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises and Improvements to City. In that event, City shall be entitled to recover from Lessee all damages incurred by City by reason of Lessee's default including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including if necessary, removal of Improvements and restoration of the Premises, reasonable attorneys' fees, the worth at the time of the award of the unpaid rent that had been earned at the time of termination of this Lease and the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of rental loss for the same period that Lessee proves could be reasonably avoided.

15.2.2 Maintain Lessee's right to possession, in which case this Lease shall continue in effect whether or not Lessee shall have abandoned the Premises. In that event, City is entitled to enforce all of City's rights and remedies under this Lease, including the right to recover rent as it becomes due.

15.2.3 Pursue any other remedy now or hereafter available to City under the laws or judicial decisions of the State of California.

15.3 No Relief from Forfeiture After Default. Lessee waives all rights of redemption or relief from forfeiture under California Code of Civil Procedure §§1174 and 1179, and any other present or future law, in the event Lessee is evicted or City otherwise lawfully takes possession of the Premises by reason of any default or breach of this Lease by Lessee.

ARTICLE 16

Termination of Lease

16.1 Termination by Lessee. Except as provided otherwise herein or by applicable law, Lessee may terminate this Lease for cause upon the giving of not less than thirty (30) days written notice to City if any of the following occur:

16.1.1 The failure by City to observe or perform any of the covenants, conditions or provisions of this Lease in any material respect to be observed or performed by City, where the failure shall continue for a period of thirty (30) days after written notice from Lessee to City; provided, however, that if the nature of the City's default is such that more than thirty (30) days are reasonably required for its cure, then City shall not be deemed to be in default, if City commenced to cure within a thirty (30) day period and thereafter diligently prosecutes such cure to completion;

16.1.2 Any time after the 60th month of the Lease Term, following 12 months' notice if Lessee is not able to renew their programs housed at the Premises. This provision is not applicable to the five year extension should one be approved.

16.2 Termination by City. Except as otherwise provided or by applicable law, City may terminate this Lease for cause upon giving thirty (30) days written notice if any of the following occur:

16.2.1 If Lessee's operation of the Premises substantially, materially and unreasonably interferes with the use of the City Facility and such threat or danger cannot reasonably be cured within

the Default provisions above; or (i) if CITY is mandated by law, a court order or decision, or the federal, state or local government to take certain actions that will cause or require the removal of the building containing the Premises; or (ii) upon 12 months' prior written notice if the removal of the Premises is needed to accommodate the construction, installation, operation, repair or maintenance of any improvement desired by CITY.

16.3 Condemnation of Leased Premises. Should all or majority of the Premises be taken by any public or quasi-public agency or entity under the power of eminent domain under the term of this Lease:

16.3.1 Either City or Lessee may terminate this Lease by giving the other thirty (30) days written notice of termination; and

16.3.2 Any damages and compensation awarded or paid because of the taking shall belong to the City, except for amounts paid Lessee for moving expenses or for damage to property owned by Lessee and the value of the unexpired term of this Lease.

ARTICLE 17

City's Liability

17. The term "City" as used herein, shall mean the City only while the City is the owner of the fee title of the Premises. In the event of any transfer of title or interest, the City (and in case of any subsequent transfer, then the grantor) shall, after the date of the transfer, the City is relieved from all liability with respect to its obligations hereunder occurring after the transfer date, provided that any funds in the hands of City at the time of transfer, in which Lessee has an interest, will be provided to City's grantee.

ARTICLE 18

Interest on Past-Due Obligations

18. Except as expressly provided, any amount due City when not paid when due shall bear interest at the lesser of ten percent (10%) per year or the maximum rate allowable by law from the date due.

ARTICLE 19

Holding Over

19. If Lessee remains in possession of the Premises or any part after the expiration of the term the occupancy shall be a tenancy from month to month with all the obligations of this Lease applicable to Lessee and at a monthly rental obligation of one and one half (1.5) times the Base Rent in effect at the time of expiration.

ARTICLE 20

Quiet Possession

20. Upon Lessee's paying rent for the Premises and observing and performing all of the covenants, conditions and provisions on Lessee's part, Lessee shall have quiet possession and

quiet enjoyment of the Premises for the entire Term and Option Term subject to all of the provisions of this Lease.

ARTICLE 21

Lessee Requirements

21.1 Cooperation upon Financing. If Lessor desires to finance, refinance, or sell the Premises, or the City Facility or any part thereof, Lessee shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor any financial statements as may be reasonably required by the lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All the financial statements shall be held by Lessor and their lender or purchaser in confidence and shall only be used for the purposes listed here.

21.2 Reservations. Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

21.3 Waiver of Relocation Benefits. Lessor specifically waives any and all rights to relocation benefits or assistance that might otherwise be available to Lessor upon termination of this Lease (for any reason or under any circumstances) including, but not limited to, those authorized under California Government Code §7260 et seq. or otherwise.

ARTICLE 22

General Provisions

22.1 Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision.

22.2 Time of Essence. Time is of the essence under this Lease.

22.3 Additional Rent. Any monetary obligations of Lessee to City under the terms of this Lease shall be deemed to be rent and all references to "rent" include the Base Rent and all other sums paid or payable by Lessee to City.

22.4 Entire Agreement, Modification. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding shall be effective. This Lease may be modified in writing only.

22.5 No Warranty. Except as otherwise stated in this Lease, Lessee hereby acknowledges that neither the City nor any employees or agents of the City has made any oral or written warranties or representations to Lessee relative to the condition or use by Lessee of the Premises and Lessee acknowledges that Lessee assumes all responsibility regarding the Occupational Safety and Health Act, the legal use and adaptability of the Premises and compliance with all applicable laws and regulations in effect during the term of this Lease.

22.6 Notices. Any notice required or permitted, shall be in writing and may be given by personal delivery or by first class mail, and if given personally or by mail, shall be deemed sufficiently given if addressed to Lessee or to City at the address noted below:

Lessee:

Uplift Family Services
Gordon Richardson
251 Llewellyn Avenue
Campbell, CA 95008
916.388.6301

City:

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

With Copy to:

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

Each notice shall specify the provision pursuant to which it is provided. Either party may specify a different address or contact person. A copy of all notices required or permitted to City shall be concurrently transmitted to the party at the address as City designated by notice to Lessee. Notice given under this section shall be in compliance with applicable statutory notice requirements, including Code of Civil Procedure §1162.

22.7 Waivers. No waiver by City or Lessee of any provision shall be a waiver of any other provision or of any subsequent breach by City or Lessee of the same or any other provision. City's or Lessee's or approval of any act shall not be unnecessary obtaining of their consent of any subsequent act. The acceptance of rent by City shall not be a waiver of any preceding breach by Lessee of a provision, other than the failure of Lessee to pay the particular rent so accepted, regardless of City's knowledge of the breach at the time of acceptance of rent.

22.8 Cumulative Remedies. No remedy or election under this Lease shall be exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

22.9 Choice of Law. This Lease shall be governed by the laws of the State of California. The language of all parts of this Lease shall be construed with its fair meaning and not strictly for or against the City or Lessee.

22.10 Condition to Effectiveness of Lease. The approval of the City Council of City constitutes an express condition precedent to the effectiveness of this Lease.

22.11 Attorneys' Fees. If either party brings an action to enforce the terms or declare rights hereunder, the prevailing party in any such action, shall be entitled to its reasonable attorneys' fees and court costs paid by the other party. Any action brought pursuant to this Lease shall be filed in the Superior Court of the County of Santa Clara.

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22.12 Brokers. Lessee has utilized a real estate broker or finder, with respect to this Lease. Lessor has not utilized any broker or finder with respect to this Lease. Lessee shall be solely responsible for any commission, cost or charge by their broker. Lessee shall hold harmless Lessor from all damages resulting from any claims that may be asserted against the Lessee by any broker, finder, or other person with whom Lessee has or purportedly has dealt.

22.13 Authority. Each individual executing this Lease on behalf of Lessee and City represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said party.

22.14 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.

22.15 Non-Discrimination. Lessee covenants it shall not discriminate based upon race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry in any activity under this Lease.

22.16 Independent Contractor. Lessee shall act and be an independent contractor and not an agent nor employee of City.

22.17 Conflict of Interest. Lessee shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this agreement.

22.18 Memorandum of Lease. Following execution of this Lease, either party, at its sole expense shall be entitled to record a Memorandum of Lease in the official records of Santa Clara County. Upon termination or expiration of this Lease, if requested by Lessor, Lessee shall execute and record a quitclaim deed.

22.19 Estoppel Certificate. Lessee shall, from time to time, upon at least thirty (30) days prior written notice from City, execute, acknowledge and deliver to City a statement in writing (a) certifying this Lease is unmodified and in full force and effect, or, if modified, stating the nature of the modification and certifying that the Lease, as modified, is in full force and effect, and the date to which the rental and other charges, if any, have been paid; and, (b) acknowledging that there are not to Lessee's knowledge, any defaults, or stating if any defaults are claimed, any statement may

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be relied upon by any prospective purchaser or encumbrancer of the City Property.

**CITY OF MORGAN HILL, CALIFORNIA
“LESSOR”**

APPROVED AS TO
FORM:

Donald A. Larkin
City Attorney

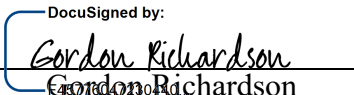
Christina Turner
City Manager

ATTEST:

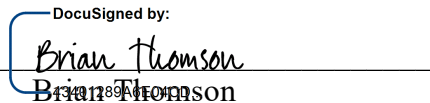
City Clerk

“City”

**Uplift Family Services
“LESSEE”**

By: 
Gordon Richardson

Title: Vice President Clinical Administration

By: 
Brian Thomson

Title: Vice President Clinical Operations

“Lessee”

Exhibit A	City Facility
Exhibit B	Premises
Exhibit C	Copy of Improvement Plans
Exhibit D	Construction Schedule
Exhibit E	Insurance Requirements

Lease Agreement Uplift Family Services Morgan Hill FINAL 9-13-21

Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

Exhibit A

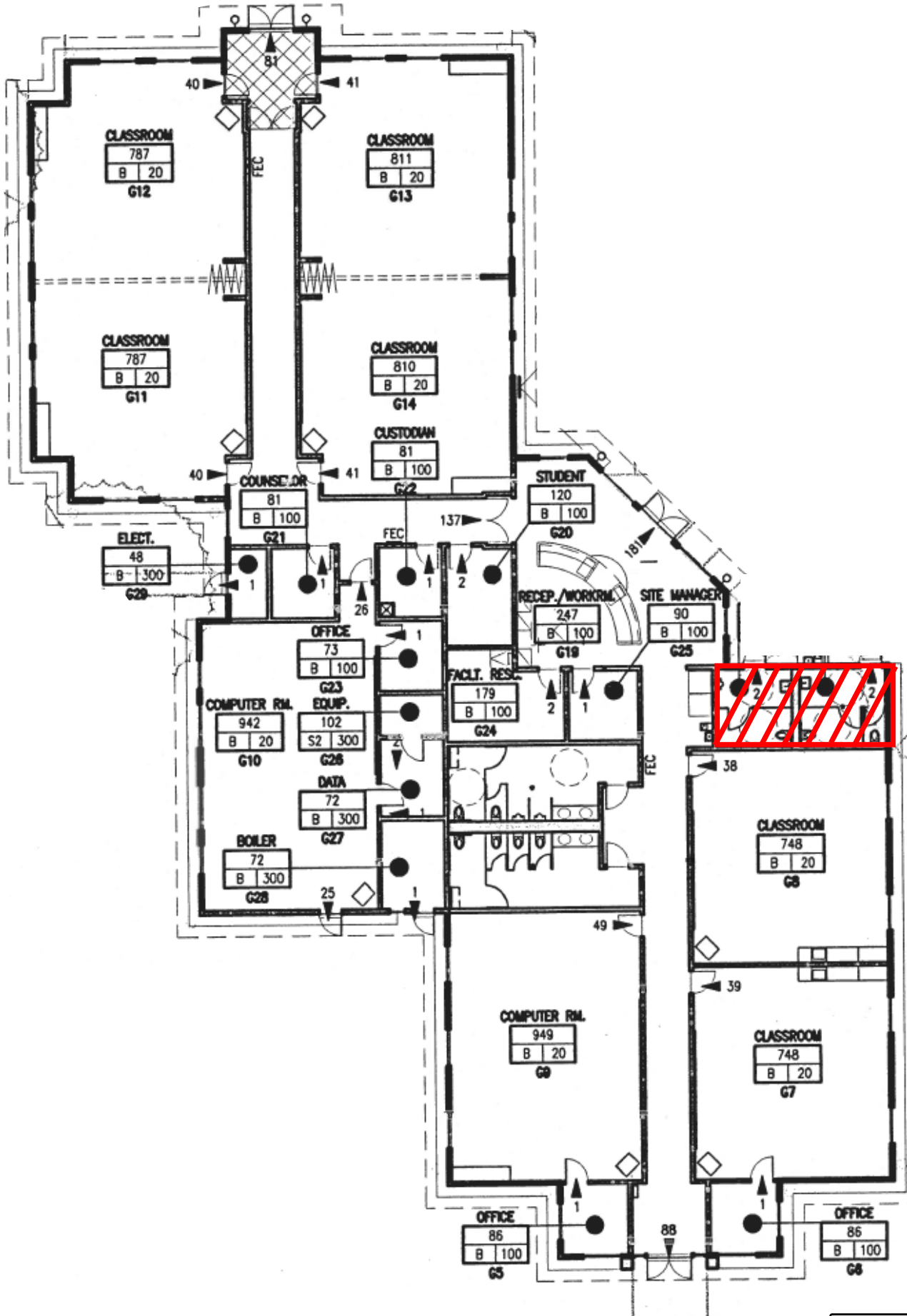
Community Center Site

17000 Monterey Road



Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

Exhibit B – Leased Premises



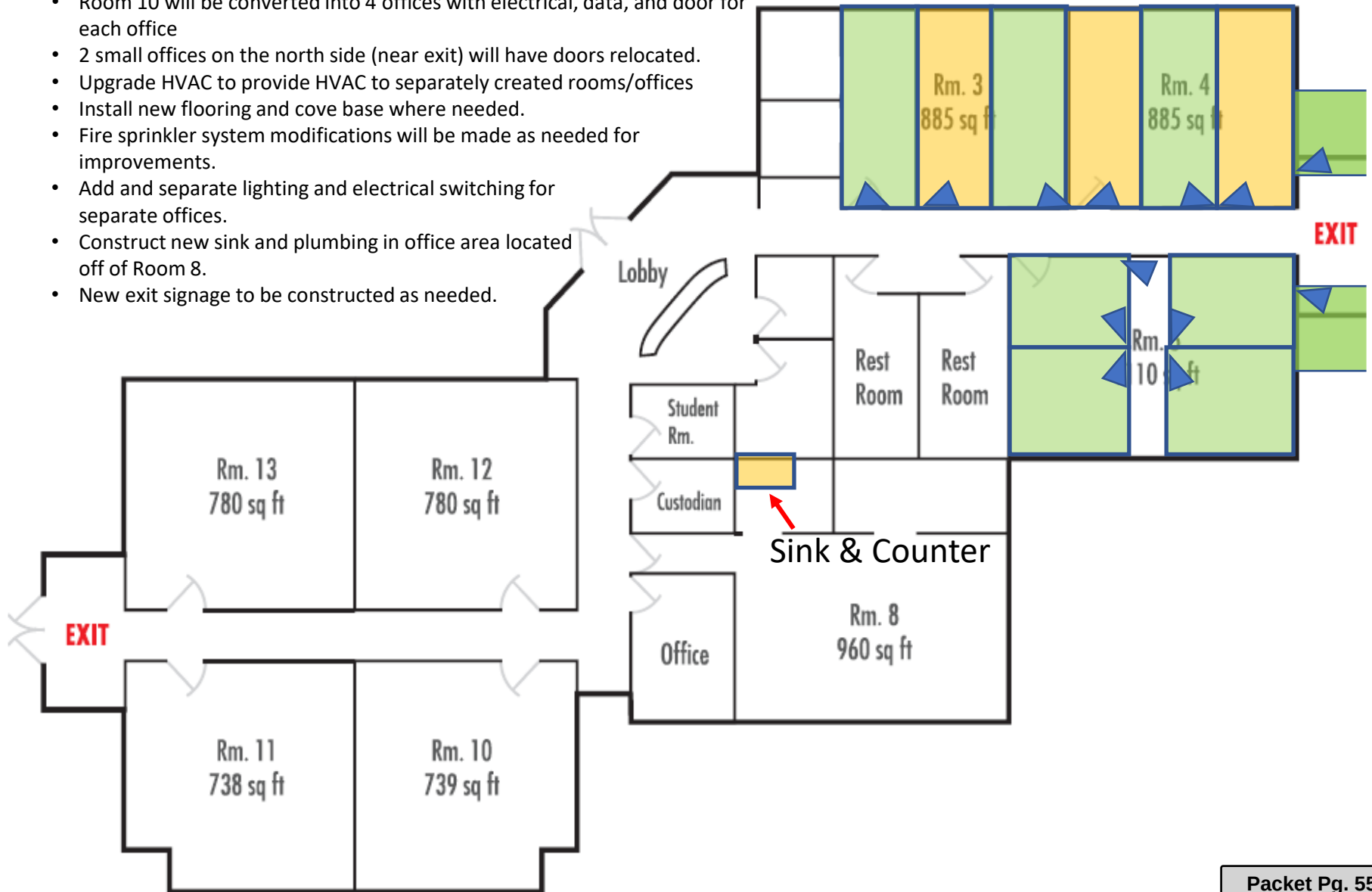
Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

Exhibit C Improvement Plans

3.a

Description of Improvements:

- Rooms 3 & 4 will be built out into 6 offices with electrical, data and door constructed for each office
- Room 10 will be converted into 4 offices with electrical, data, and door for each office
- 2 small offices on the north side (near exit) will have doors relocated.
- Upgrade HVAC to provide HVAC to separately created rooms/offices
- Install new flooring and cove base where needed.
- Fire sprinkler system modifications will be made as needed for improvements.
- Add and separate lighting and electrical switching for separate offices.
- Construct new sink and plumbing in office area located off of Room 8.
- New exit signage to be constructed as needed.



Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease

Exhibit D

Construction Schedule for Tennant Improvements

Design Development for Tennant Improvements - Lease approval through October 31

Submittals and permitting – November 1 through November 30

Construction of tenant improvement – December 1 through January 31

EXHIBIT E

INSURANCE REQUIREMENTS.

[Subject to revision by City's Risk Manager upon her return] LESSEE shall procure and provide proof of the insurance coverage required by this Exhibit in the form of certificates and endorsements. The required insurance must cover the activities of LESSEE, including liability for damage or injury to the property or person (including death) of any LESSEE or invitee of LESSEE or any other person entering upon or using the Premises, or any structure thereon, or any part thereof, and arising from LESSEE's use thereof, and must remain in full force and effect at all times during the period covered by this Lease. 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 self-insured retentions must be declared to and approved by City. LESSEE further understands that CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to LESSEE, at any time as deemed necessary to protect the interests of CITY.

1. **Insurance Types and Amounts.**

1.1. **Commercial General Liability (CGL).** LESSEE shall maintain CGL against claims and liabilities for personal injury, death, and property damage in the minimum amount of one million dollars (\$1,000,000.00) combined single limit for any one accident or occurrence.

1.2. **Automobile Liability.** LESSEE shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if LESSEE does not own automobiles, then LESSEE 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 one million dollars (\$1,000,000.00) combined single limit.

1.3. **Workers' Compensation Insurance and Employer's Liability.** LESSEE shall maintain Workers Compensation coverage, as required by law, in the minimum amount of one million dollars (\$1,000,000.00) for any one accident or occurrence. If LESSEE is self-insured, LESSEE shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

1.4. **Property.** LESSEE shall maintain Property Insurance to cover LESSEE's personal property, including furniture and fixtures, at an amount equal to the full replacement cost of such property. Such coverage shall include protection against fire, theft, vandalism, sprinkler leakage, malicious activity, and all other forms of loss ("all-risk" coverage). LESSEE may elect to self-insure LESSEE's personal property by written notice given to CITY.

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

2.1. General and Automobile Liability.

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;

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,

2.1.3. insurance shall be primary non-contributing.

3. **Qualification of Insurers.** All insurance required pursuant to this Lease must be issued by a company Leased 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.

4. **Absence of Insurance Coverage.** City may direct LESSEE to immediately cease all activities with respect to this Lease if it determines that LESSEE fails to carry, in full force and effect, all insurance policies with coverages at or above the limits specified in this Lease. Any delays or expense caused due to stopping of work and change of insurance shall be considered LESSEE's delay and expense. At the City's discretion, under conditions of lapse, City may purchase appropriate insurance and charge all costs related to such policy to LESSEE.

5. **Certificates.** LESSEE shall furnish CITY with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to this Lease 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 as follows:

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

Certificate Of Completion

Envelope Id: 55BCB303A1084612AAB8A3704B6AF48B

Status: Completed

Subject: Please DocuSign: Lease Agreement Uplift w Exhibits

Source Envelope:

Document Pages: 28

Signatures: 2

Certificate Pages: 5

Initials: 0

AutoNav: Enabled

Envelopeld Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:

City Clerk's Office

17575 Peak Ave

Morgan Hill, CA 95037

cityclerk@morganhill.ca.gov

IP Address: 174.85.103.169

Record Tracking

Status: Original

9/21/2021 12:03:18 PM

Holder: City Clerk's Office

cityclerk@morganhill.ca.gov

Location: DocuSign

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: City of Morgan Hill

Location: DocuSign

Signer Events

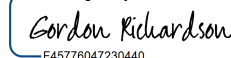
Gordon Richardson

gordon.richardson@upliftfs.org

Uplift Family Services

Security Level: Email, Account Authentication
(None)**Signature**

DocuSigned by:



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Signature Adoption: Pre-selected Style

Using IP Address: 63.202.166.131

Timestamp

Sent: 9/28/2021 10:18:16 AM

Viewed: 9/28/2021 10:23:19 AM

Signed: 9/28/2021 4:09:25 PM

Electronic Record and Signature Disclosure:

Accepted: 9/28/2021 10:23:19 AM

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Brian Thomson

bthomson@upliftfs.org

Security Level: Email, Account Authentication
(None)

DocuSigned by:



43401289A6E04CD...

Signature Adoption: Pre-selected Style

Using IP Address: 76.86.56.110

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Viewed: 9/30/2021 8:17:07 AM

Signed: 9/30/2021 8:17:25 AM

Electronic Record and Signature Disclosure:

Accepted: 9/30/2021 8:17:07 AM

ID: fa431e47-e0b9-411c-8da8-f23e5dff5b54

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Chris Ghione

chris.ghione@morganhill.ca.gov

Public Services Director

Security Level: Email, Account Authentication
(None)**COPIED**

Sent: 9/30/2021 8:17:32 AM

Viewed: 9/30/2021 10:09:07 AM

Electronic Record and Signature Disclosure:

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Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/28/2021 10:18:16 AM
Certified Delivered	Security Checked	9/30/2021 8:17:07 AM
Signing Complete	Security Checked	9/30/2021 8:17:25 AM
Completed	Security Checked	9/30/2021 8:17:32 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

Attachment: Lease Agreement Uplift w Exhibits 9.28.21 Signed by Uplift (3164 : Lease Agreement for Community Center Building 2 to Uplift

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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

Getting paper copies

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

Withdrawing your consent

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

Consequences of changing your mind

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

All notices and disclosures will be sent to you electronically

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

How to contact City of Morgan Hill:

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

To contact us by email send messages to: michelle.bigelow@morganhill.ca.gov

To advise City of Morgan Hill of your new email address

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

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

To request paper copies from City of Morgan Hill

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

To withdraw your consent with City of Morgan Hill

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

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to michelle.bigelow@morganhill.ca.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

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

Acknowledging your access and consent to receive and sign documents electronically

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

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

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

Item # 4

AGENDA DATE: 10/06/2021

SUPPLEMENT # 1

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 4
Date: Monday, October 4, 2021

Q: Is there a breakdown on how the Historical Society spent the contribution they received from the City?

A: Yes, the report indicates that they spent the funds on the utility costs and site maintenance needed to keep the site operational.



CITY COUNCIL STAFF REPORT

MEETING DATE: October 6, 2021

PREPARED BY: Nichole Martin, Community Services Coordinator
APPROVED BY: City Manager

ACCEPT ANNUAL REPORTS OF ACTIVITIES BY NONPROFIT PARTNER ORGANIZATIONS

RECOMMENDATION(S)

Accept annual reports from City partner organizations.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth

Seniors

and Entire Community

Preserving and Cultivating Public Trust

GUIDING DOCUMENTS

Bikeways

Trails

Parks

and Recreation Masterplan

REPORT NARRATIVE:

The City of Morgan Hill partners with various organizations through funding agreements and facility leases. The agreements require that these organizations provide annual reports to the City outlining the activities provided by the organization in relation to the City partnership. Annual reports are based on activities occurring in the prior fiscal year. This item includes reports from the following organizations for the 2020-21 fiscal year:

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

The City has received statements from each of the nonprofit partner organizations sharing their commitment to diversity and inclusion, as requested by the City Council. Multiple organizations that had been awarded funding but did not accept it because of event or program cancellation did not submit reports.

COMMUNITY ENGAGEMENT: Inform

These reports serve to share the various activities these organizations have offered over the last year with the community.

ALTERNATIVE ACTIONS:

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

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

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

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with receiving this report.

CEQA (California Environmental Quality Act): Not a Project.

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

LINKS/ATTACHMENTS:

1. Boys and Girls Clubs of Silicon Valley Report
2. Community Christian El Toro Report
3. Healthier Kids Foundation Report
4. IDC Freedom Fest Report
5. Villa Mira Monte MHHS Report

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

COVID-19

Since the very beginning of the pandemic, our Morgan Hill Clubhouse has kept our “doors” open, offering half-day care and distance/virtual learning (see *Figure 1*). Due to COVID, we served a third of our normal school year members, with average daily attendance also taking a significant hit.

For in-person care, we served as a resource to the broader community providing our traditional afterschool enrichment programs, e.g. daily homework assistance, literacy, STEM, fine arts, digital arts, fitness and interest-based electives such as chess. Elements of our virtual programming strategy included: 1) directing traffic to our website’s iClub page; 2) engaging members in virtual programming such as social-emotional wellness, homework help, arts, fitness and other enrichment activities; 3) converting our events to virtual events; 4) when possible, host grab and go events that include care packages, drive-up birthday parties and graduations; and 5) deploy staff to help with school supplies and food distribution.

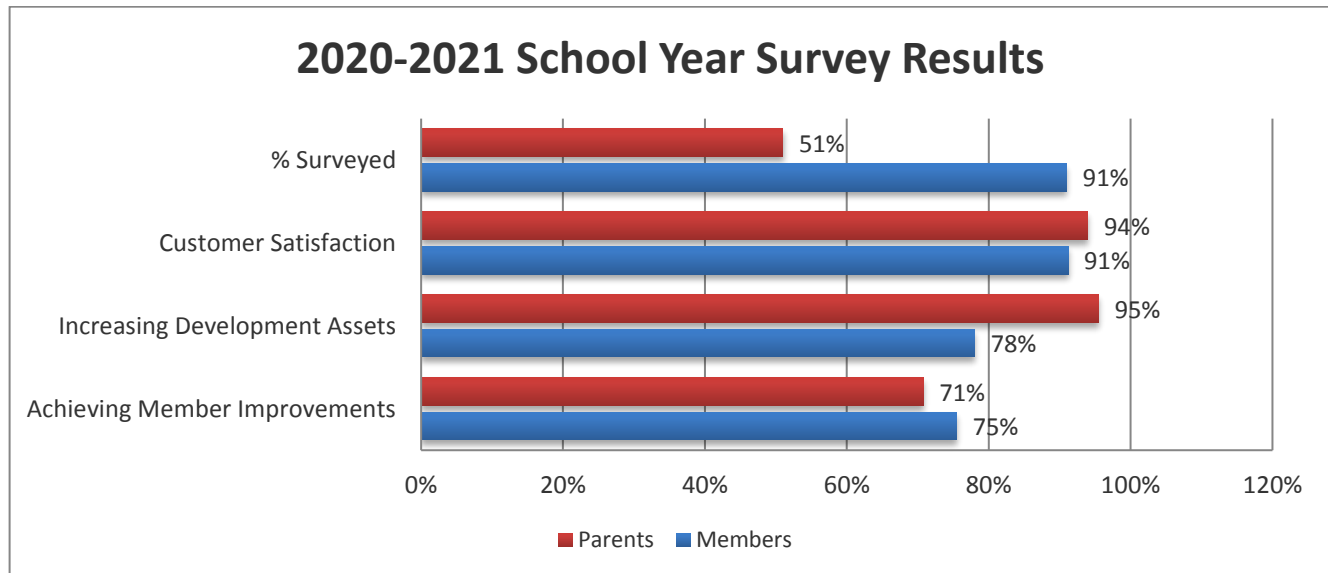
Figure 1

PHASE 1 Distance Learning	PHASE 2 Hybrid Learning	PHASE 3 In-Person Learning
• School/District Approach • Start school year with distance learning • Focused in-person learning for targeted specialized groups by grade or identified need • Distance learning is 100% online with limited in-person contact • Schools/Districts: Alpha, Downtown College Prep, Escuela Popular, Gilroy, Morgan Hill, Oak Grove, Santa Clara • BGCSV Response • Select distance learning • Limited full-day/half-day, in-person programming (e.g. County, other) with strict adherence to safety protocols (e.g. PPE, distancing) • Daily homework assistance • Daily targeted programming by Core Area • Online volunteer support, guest speakers • Enrollment impact: 40% reduction for in-person; no impact for distance learning	• School/District Approach • Launch hybrid learning model with alternating schedules (2-day in-person and 3-day distance learning) • Focused in-person learning for targeted specialized groups by grade or identified need • Distance learning is 100% online with limited in-person contact • Schools/Districts: none • BGCSV Response • Hybrid learning with alternating in-person and distance learning schedules • Limited full-day, in-person programming (e.g. County, other) with strict adherence to safety protocols (e.g. PPE, distancing) • Daily homework assistance • Daily targeted programming by Core Area • Online volunteer support, guest speaker • Enrollment impact: 40% reduction, if still 1:12 ratio, but alternating days may remedy impact	• School/District Approach • Launch in-person learning with preventative practices and additional processes • Schools/Districts: none • BGCSV Response • Elements of distance learning would be suspended (e.g. daily programming) • After-school, in-person programming would resume, 5 days per week, with strict adherence to safety protocols • Limited full-day, in-person programming (e.g. County, other) with strict adherence to safety protocols (e.g. PPE, distancing) • Daily homework assistance • Daily targeted programming by Core Area • Enrollment impact: 40% reduction, if still 1:12 ratio

2020-2021 SCHOOL YEAR SUMMARY

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

Across all categories we exceeded the threshold. 91% of members and 94% of parents reported being satisfied with our program. 78% of members and 95% of parents reported an increase in developmental assets (i.e., attitudes towards learning, resilience, communication, connectedness, self-efficacy). 75% of members and 71% of parents reported member improvements (i.e., behavior, academic performance, goal setting, making responsible choices).

Table 1


For those attending the 2+ days per week (attending at least 62 days per academic year) stand-out data results include:

IMPACT ON ACADEMICS

- **On-Track:** 92% of members are on-track academically (e.g. attending school 90%+ and 2.0+ GPA).
- **High School Graduation:** 100% (2) of eligible high school seniors graduated on time and are attending the following colleges: De Anza College, Evergreen College and Foothill.
- **Academic Performance:** 96% improved or sustained their academic performance (85%/11%).
- **Learning and Applying New Concepts:** 100% improved or sustained their ability to learn new things (85%/15%).
- **Future Academic Plan:** 100% of members, who are not high school seniors, plan to graduate from high school and attend college or a technical program.

- **Expectations of Academic Success:** 100% report that academic success is important to their future; and 100% report that Club staff care about their learning and academic performance.

IMPACT ON CHARACTER, CITIZENSHIP, LEADERSHIP & OTHER DEVELOPMENTAL ASSETS

- **Staff-Member Connectedness:** 100% report positive relationships with Club staff.
- **Member-Member Connectedness:** 98% report positive relationships with other members.
- **Self-Concept:** 97% report that the program improved or sustained a positive understanding of who they are and their abilities (78%/19%).
- **Critical Thinking:** 99% report that the program improved or sustained their ability to make informed and important choices (72%/27%).
- **Communication:** 94% report that the program improved or sustained their interpersonal communication skills (54%/40%).
- **Collaboration:** 99% report that the program improved or sustained their ability to work collaboratively with their peers (76%/23%).
- **Creativity:** 99% report that the program improved or sustained their divergent and lateral thinking skills and their desire to express themselves creatively (93%/8%).
- **Citizenship:** 98% report that the program helped them find ways to help their community.
- **Involvement with Juvenile Justice** (*middle and high school only*): 96% report that they have not had any involvement with the juvenile justice system in the last twelve months.

IMPACT ON HEALTHY LIFESTYLES

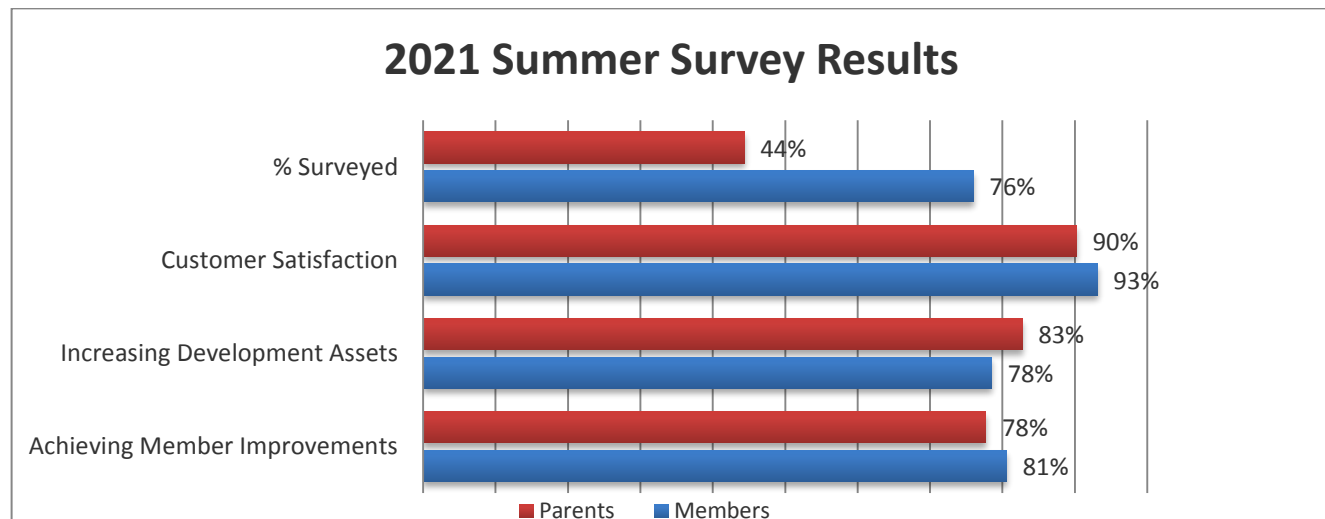
- **Avoidance of Risky Behaviors:** (*middle and high school only*): a) 95% abstained from substance use; and 95% abstained from sexual risk taking—defined as onset of sexual activity at an early age, having multiple sexual partners and/or engaging in unprotected sex.
- **Healthful Choices:** 96% report that the program improved or sustained their ability to make healthful lifestyle choices that nurture their personal well-being (60%/36%).

2021 SUMMER SUMMARY

There were three types of questions on our annual survey (five to twenty questions per category): satisfaction, asset development service productivity and agency-specified service productivity. Desirable level of performance is as follows: customer satisfaction (70%+), increasing development assets (60%+) and achieving member improvements (60%+). *See Table 2*

Across all categories, we exceeded the threshold. 93% of members and 90% of parents reported being satisfied with our program. 78% of members and 83% of parents reported an increase in developmental assets (i.e., attitudes towards learning, resilience, communication, connectedness, self-efficacy). 81% of members and 78% of parents reported member improvements (i.e., behavior, academic performance, goal setting, making responsible choices).

Table 2



Standout data includes:

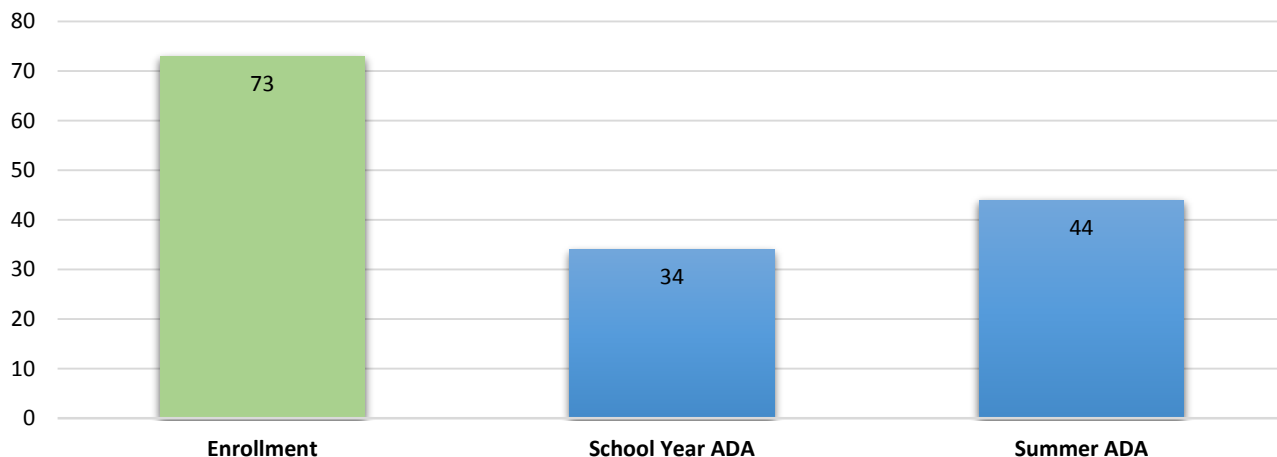
- 98% youth reported feeling safe during their involvement with the Summer Enrichment Program.
- 98% of youth reported having learned more about themselves and their capabilities.
- 90% of youth reported increased resistance skills.
- 97% of youth report increased thought about their future plans.
- 89% of parents reported that the program improved their child's ability to learn new things.
- 90% of parents reported the program improved their child's physical activity.
- 80% of parents reported that being in the Club's summer program the year prior improved their child's academic performance.
- 86% of parents said being in the program improved their child's self-confidence.
- 85% of parents reported that the program improved their child's ability to work with others.

Other standout data includes:

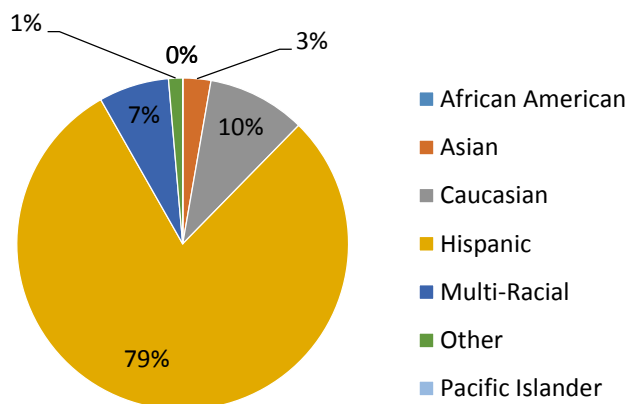
- 91% of youth and 100% of parents reported that the member benefitted from the program with 84% of parents reporting that their child benefitted 'a lot'.
- 92% of youth said the program improved their interest in math.
- 98% of youth said the program improved their interest in art.
- 97% of youth said the program improved their interest in physical fitness and sports.
- 96% of youth said the program improved their interest in science.
- 93% of youth said the program improved their interest in reading, textual analysis and creative writing.
- 82% of parents reported that the program improved their child's ability to communicate.
- 81% of parents said being in the program improved their child's understand of their interests and talents.
- 80% of parents said the program improved their child's understanding of computers and technology.

DASHBOARD

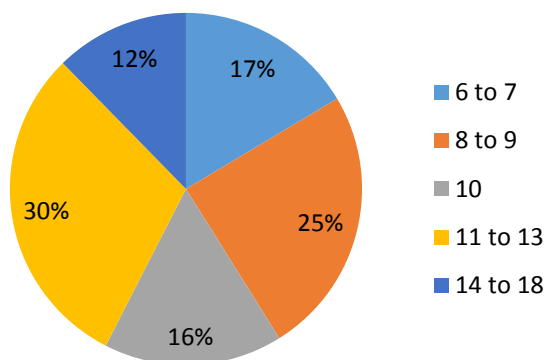
Average Daily Attendance (ADA)



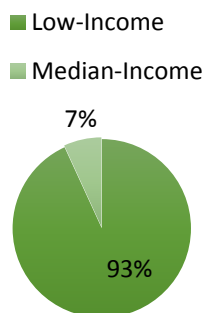
Ethnicity



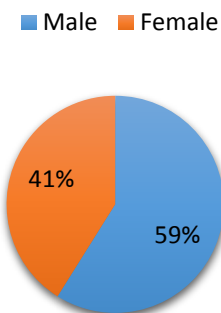
Age %



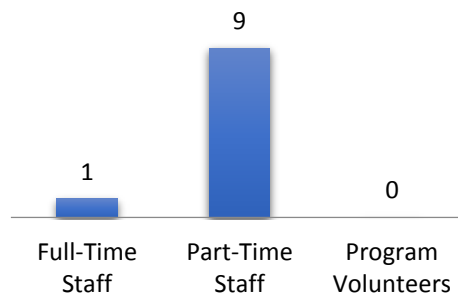
Income



Gender



Staff and Volunteers



FACE OF THE FUTURE


The Club has been many things to me, but ultimately it has taught me to be bold, to be more than my circumstances, and to be a significant leader within my community.

Alex, Youth of the Year

Boys & Girls Clubs of Silicon Valley is proud to recognize Alex as our 2020-2021 *Youth of the Year*—our organization’s highest honor.

Raised by an impoverished single mother, Alex and his siblings experienced uncertainty, food insecurity and financial hardship. But as difficult as these experiences were, Alex found refuge at the Club.

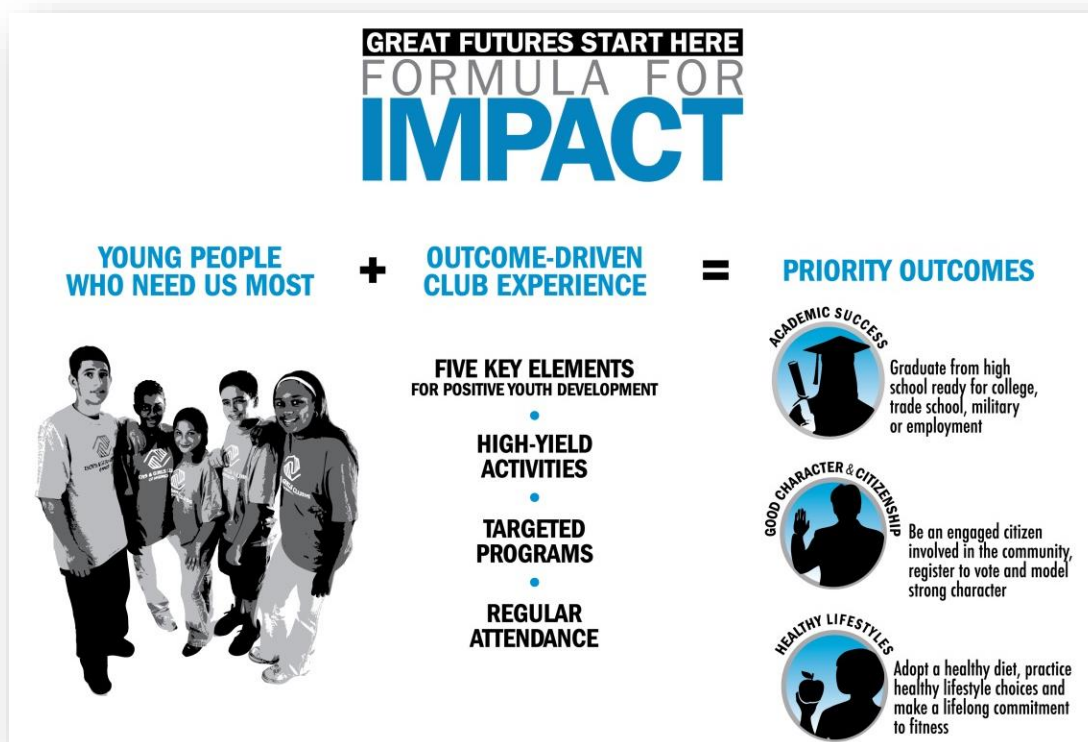
A member for over ten years, Alex has participated in our C⁵ programs (e.g. Power Hour, STEM), sports leagues, life skills programs such as Passport to Manhood and leadership programs such as Keystone Club—and serving as President of his clubhouse’s Leaders In Training program.

Alex is grateful for the positive role the Club played in his upbringing and how it shaped him into the person he is today. “Having been born into poverty, regularly subjected to community violence, and attending underperforming and underinvested schools, have all made me feel that there was little to no chance of making a better life for myself,” Alex says. “But at the Club, the adult staff cared about me—they made me feel safe and made me feel like I mattered. They assured me that my future was bright—even though, at times, I couldn’t see it for myself.”

“What I’ve learned about resiliency, I learned at the Boys & Girls Club,” Alex says. “I now have a new path in life and have goals that I once thought were impossible just a few short years ago. I am someone—someone who can accomplish anything that I set my mind to.”

Now a freshman at a local community college, Alex plans to attend the University of Southern California and major in science or healthcare. After earning his undergraduate degree, he plans to attend graduate school after which he hopes to have a career as a Physician Assistant. He currently works part-time at our Smythe Clubhouse as a Youth Development Professional.

THEORY OF CHANGE AND TARGETED PROGRAMS



2020-2021 Targeted Programs by Outcome Area

Academic Success

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

Good Character & Citizenship

- **Youth of the Year:** celebrates youth and their service to Club, community and family.
- **Leaders In Training:** chartered service learning clubs dedicated to citizenship, leadership and fellowship.

Healthy Lifestyles

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

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

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

Thank you!



September 16, 2021

El Toro Status Report

Quick Facts for 2020/2021:

- AA was closed due to COVID from March 2020 through June 2021. As of July 2021 they are slowly starting to regroup and meeting times are limited.
- NA was closed due to COVID from March 2020 through June 2021. As of July 2021 they are slowly starting to regroup and meeting times are limited.
- One of the small rooms was remodeled. On the back patio the concrete was painted, and pergolas with seating were added. Secure fencing and a storage unit were also installed.
- Total expenditure on the renovation was \$32,000.00.
- Plans to use the space for Youth Meetings and Celebration Services were put on hold due to COVID.

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

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





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

July 29, 2021

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

Re: City of Morgan Hill Year-End Report for Fiscal Year 2020-2021

Dear Mr. Ghione,

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

Healthier Kids Foundation Core Programming

In the City of Morgan Hill, Healthier Kids foundation identifies children who are not currently covered by health insurance and assists their parents in enrolling them into coverage. Between July 1, 2020 and June 30, 2021, Healthier Kids Foundation successfully **identified 27 uninsured Morgan Hill children**. Of the 27 children identified, **21 have enrolled into a health coverage program**, 6 are in the process of enrolling.

Healthier Kids Foundation's primary channel for identifying uninsured children in Morgan Hill is through the hearing, dental, and vision screenings that are conducted for Morgan Hill Unified School Districted students. Unfortunately, due to COVID-19 and the associated closures of schools, Healthier Kids Foundation had to place school-based health screenings on hold for much of the year. With the support of committed funders, such as yourselves, the agency's programs evolved to continue to meet the changing needs of the Morgan Hill community.

Pivoted Services During COVID-19

Vaccine Appointment Support: Since the vaccine became available, Healthier Kids Foundation has been assisting eligible community members in accessing the COVID-19 vaccine by operating a 1-800 number to answer questions and make appointments in their preferred language.

Results: Healthier Kids Foundation assisted **93 Morgan Hill residents in obtaining their COVID-19 vaccine**.

Needs Tracking and Referrals for Resources: Healthier Kids Foundation has leveraged their parent advocates to assist families in safely accessing general support services during this time of crisis. Case managers have been making referrals to agencies who can help them with essential items.

Results: The team has assisted a total of **121 City of Morgan Hill residents** with the following referrals: employment (17), housing (26), financial (24), food (98), toiletries (54), child care (20), kid's activities (42), K-12 services (28), family stress/mental health (8), COVID-19 resources (6), health (1), immigration (12), and domestic violence (2).

Diaper Distribution: Shelter in place has put an extraordinary burden on families with young children, particularly for low income families. In conjunction with FIRST 5 Santa Clara County, Healthier Kids Foundation is supporting families by registering families for diaper distribution and managing the inventory throughout the county to help families access the basics like diapers, wipes, and formula.

Results: Morgan Hill and Adelante Family Resource Centers located in Morgan Hill are distribution sites. They have distributed 2,579 packages to families **in the Morgan Hill area, for a total of over 206,320 diapers** distributed.

10 Steps to a Healthier You! (10 Steps): Healthier Kids Foundation delivers 10 Steps workshops to parents and caregivers in the City of Morgan Hill, providing strategies to implement healthy habits at home.

Results: Healthier Kids Foundation **served 53 Morgan Hill residents through the 10 Steps! program** during FY 20-21 over Zoom. Of those who attend a 10 Steps workshop: 97% felt that they had learned new things that they would go home and try; 90% felt the class was very or extremely valuable.

SmileFirst: Healthier Kids Foundation is providing live virtual oral health education classes through Zoom to preschool aged children and adults in the City of Morgan Hill.

Results: These engaging, interactive classes have been **provided to 810 preschoolers and adults in Morgan Hill.**

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

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

In community spirit,

Laura Clendaniel
Director of Operations
Healthier Kids Foundation

During the height of the pandemic there was a greater need than ever to find a way for communities to celebrate important holidays in a safe manner. July 4th was no exception, and while an in-person traditional gathering would not be appropriate, a back-up plan was put into place to ensure that this 149 year tradition still took place. The team reached out to past participants and asked if they would be willing to try something a little unconventional, they responded with enthusiastic affirmations. Thus, the virtual live celebration was born.

Freedom Fest sent out a camera crew and producer to multiple equestrian groups throughout the Bay Area to record performances at their own ranches. They then closed a single road from the traditional parade route and taped dozens of standard participants marching down the road and finally had bands and other musical groups perform remotely and captured each individual performer. Then over the course of several weeks all of this raw footage (totally over 2,000 hours of 'tape') was put together into one live performance with live narration. Come July 4th, this virtual celebration was streamed out on multiple platforms to an audience of more than 20,000 households. The response from our community was humbling. The excitement and happiness of having not previous years, but live performances that recognized the challenges everyone was facing during 2020 and yet still finding a way to celebrate.

Freedom Fest would like to thank the over 1,000 participants from the community who took time to perform in this virtual celebration but the tens of thousands who watched and shared with others. We are so proud we could continue this tradition for the 149th year to our community.

Thank you
Matthew stein



Morgan Hill Historical Society
Established 1971

Preserving and sharing the history of Morgan Hill, and its environs, to inspire a sense of community.

Date: Sept. 17, 2021

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

Re: FY 2020-21 Year-end Expense and Revenue Report and Annual Budget for use of City Funds

Wow; another challenging year for both the City and the Society. Pressure on revenues as the result of continuing Covid-19 restrictions. Expense structures that had been reduced in the prior FY leaving little room to reduce further without impairing and or damaging the facilities and infrastructure we are responsible for maintaining on behalf of our citizens.

The Morgan Hill Historical Society is pleased to submit this annual report outlining the past year's expenses and revenues, particularly those included in the City's Operating and Capital Improvement budget. The City supports the MHHS financially in a number of ways. The City has contributed annually to help offset operating costs at the Villa Mira Monte site. In FY 2019/20 that contribution was \$20,000. This past FY 2020-21 the amount was reduced by 25% to \$15,000. On top of that, through a Memorandum of Understanding and subsequent agreement, the City is contributing maintenance and capital funds for site improvements.

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

\$15,000 for Operations of Villa Mira Monte

The MHHS received \$15,000 in FY 2020/21 for ongoing operations support at the Villa Mira Monte site which has two structures the 1884 Hiram Morgan Hill House and the 1911 Acton house serving our community as its museum. This generous contribution goes towards utility bills and site maintenance. The Villa Mira Monte site would not be able to be kept up as one of the City's most beautiful parks without this contribution.

September 9, 2017 MOU

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

17860 Monterey Road • P.O. Box 1258, Morgan Hill, CA 95038 | 408.779.5755 | www.morganhillhistoricalsociety.org
An all-volunteer 501(c)(3) Nonprofit Corporation Tax ID 94-2562450

September 9, 2017 MOU

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

1. Many of the specified services for the community that are specified in the MOU have been curtailed by Covid-19 restrictions. FY 2021-22 should see all of us get back to the “old normal”
2. The MHHS is in the process of re-evaluating its operations in accordance with its Strategic Plan. In addition, the Covid-19 situation has limited activities at the Society. For these reasons, regular meetings with the City Liaisons, Nichole Martin and Jennie Tucker, as well as other City Staff, have been curtailed. However, MHHS has communicated with City staff from time to time to collaborate on marketing and promoting Villa Mira Monte and Historical Society events and programs, once the Covid-19 restrictions are lifted.
3. The MHHS has met with Mr. Ghione periodically to discuss capital improvements at Villa Mira Monte and other budget matters.
4. Library, Culture and Arts Commission Liaisons remain available and open to discuss matters related to the MHHS mission. Kathy Sullivan, Society Liaison, makes monthly reports to LCAC
5. Any public safety issues are immediately addressed by the MH Police Department or through Director Ghione when other services are needed.
6. Capital funding improvement discussions are ongoing.
7. Operation funds in the amount of \$15,000 contribute to the upkeep of the site.
8. Villa Mira Monte would normally remain open to the public as a community resource for education, research, and recreation. However, due to Covid-19 restrictions, the site was closed until May 15, 2021, when the site without the house or museum were opened to the public. Constant Contact emails expand our outreach providing more opportunities for connecting with our cultural heritage.
9. Historical Society has and will continue to apply for grants that support the maintenance, improvements, and preservation of Villa Mira Monte. The Historical Society was awarded a \$1,000 grant help with the costs of creating a “native garden” next to the museum. Construction of the native garden will start in Fall 2021.
10. Historical Society has annual membership drives with donation requests to support the collection, preservation, and presentation of our local history. Those funds also cover the shortfall from the City’s contribution to cover the expenses of operating Villa Mira Monte. In FY 2020-21 the amount was \$22,000.
11. Historical Society, in collaboration with the City, is continually changing its marketing materials and recognizes the city in program and media materials.

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

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

Status of Expenditures

Below is a summary on project details and funding uses.

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

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

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

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

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

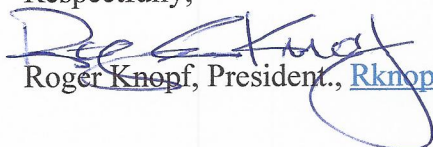
FY 2019/20: MHHS invoiced City \$67,935 for painting of Morgan Hill House and Museum

FY 2020-21: MHHS Installed magnetic locks on the wrought iron gates at the main entry and the driveway, to create a more secure site. The cost was \$3,400, Society has not billed the City yet,

Balance: \$73,216.22 (before reimbursement of \$3,400 for mag. locks)

Future projects: Villa Mira Monte site; maintenance of trees, replacing lawn and irrigation system for lower water-use, a native garden, install 2 handicap parking spaces. Morgan Hill House and Museum; re-building porches in the back, replacing the cellar door, interior painting, refurbish interior flooring, replace furnace, and repairing damaged gutters.

Respectfully,



Roger Knopf, President., Rknopf@morganhillhistoricalsociety.com or (408) 621-3617

Item # 5

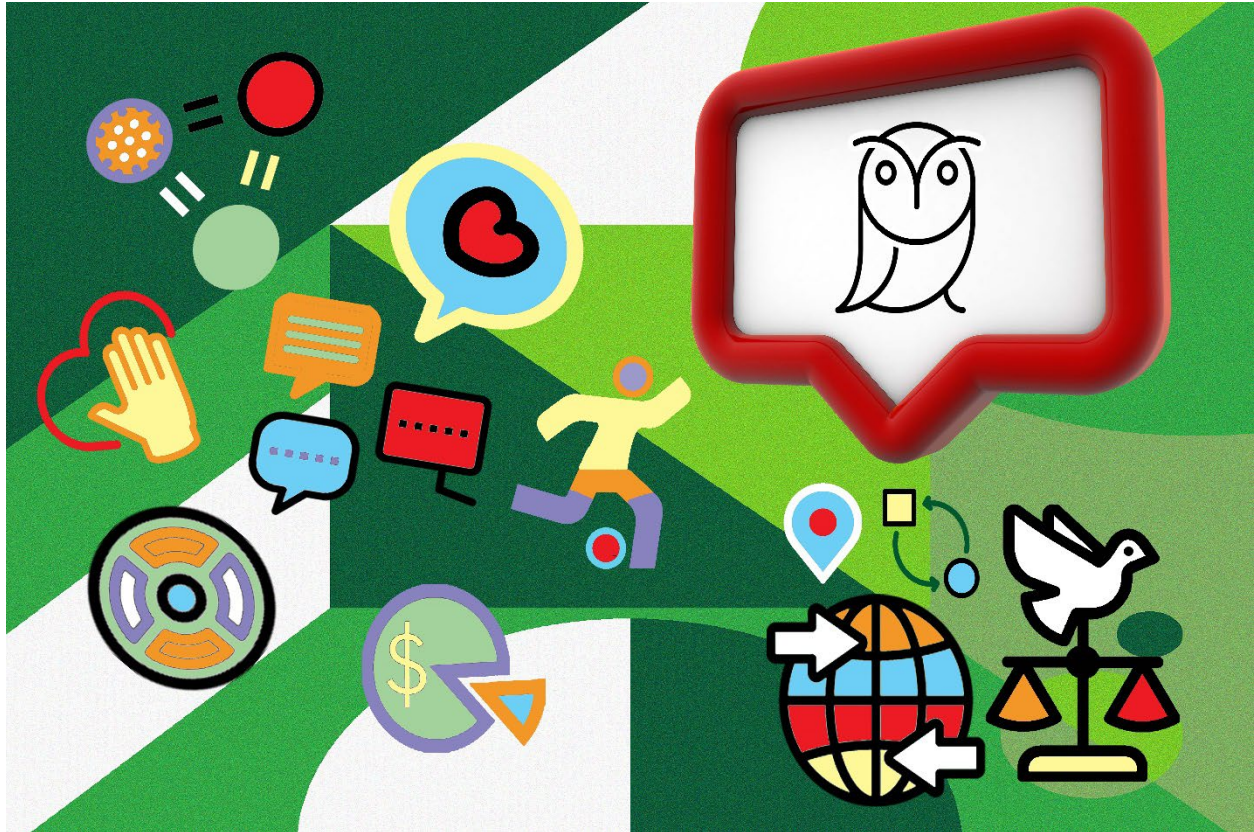
AGENDA DATE: 10/06/2021
SUPPLEMENT # 1

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 5
Date: Monday, October 4, 2021

Q: Could the grant money be used in any other way to serve the youth and Galvin Park?

A: The grant was not received by the City so the City does not control the use of the grant and cannot redirect it to other purposes. The group that worked on generating volunteers and funding is committed to the proposed artwork and will be doing other items within the park as well.

The proposed mural has been slightly revised following discussion at the LCAC meeting. This supersedes the previous version included with Agenda Item 5. The addition of the sports image is the addition.



Supplemental Item for Agenda Item 5

The proposed mural has been slightly revised following discussion at the LCAC meeting. This supersedes the previous version included with Agenda Item 5. The addition of the sports image is the addition.



Final Approved Mural



A vibrant, abstract collage of colorful geometric shapes and various icons representing different aspects of life. The background is composed of large, overlapping triangles in shades of green, yellow, and white. Scattered throughout are numerous icons: a hand with a spiral, a dollar sign inside a circle, a person running, a globe with arrows, a dove, a balance scale, a speech bubble, a computer monitor, a gear, a virus-like shape, and a large red frame containing an owl. The overall composition is dynamic and multi-themed.



TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) HEARING DEPOT COMMONS & THE WILLOWS Item 7



October 6, 2021

TEFRA HEARING:



- City is required to hold public hearing to allow community an opportunity to speak in favor of or against use of tax-exempt bonds for financing of Project. A second hearing is being held to provide notice of the updated bond amount
- Council's only role is to listen to public testimony regarding appropriateness of bond financing
- Following close of hearing, City must approve issuance of bonds through resolution
- City has no financial obligation or legal risk with bond issuance

TEFRA HEARING (cont.)



- Approving the issuance of bonds to finance the Rehabilitation Project of Depot Commons and The Willows, owned and operated by Eden Housing
- EDEN applied and received an award for Federal Low Income Housing Tax Credits from the California Tax Credit Allocation Committee and a tax-exempt bond allocation
- EDEN requested that the California Municipal Finance Authority serve as the issuer of the tax-exempt revenue bonds in an amount not to exceed \$21,000,000

TEFRA HEARING (cont.)



- The proceeds of the bonds will be used to finance and refinance the acquisition, rehabilitation, expansion, and improvement of Depot Commons and The Willows
- The Rehabilitation Project meets the Council's goals of preserving the condition of affordable communities and leveraging outside financing
- Notices were published in the Morgan Hill Times on September 24, 2021

The Willows
20 units
50 W. Edmundson
Avenue



Depot Commons
19 units
17145 Depot
Street



RECOMMENDATION:



- Open/close public hearing consistent with the requirements of the Federal Tax and Equity Fiscal Responsibility Act ("TEFRA") and Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"); and
- Adopt resolution approving the issuance of bonds by the California Municipal Finance Authority, for the acquisition, rehabilitation, expansion and improvement of Depot Commons and The Willows.



TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) HEARING DEPOT COMMONS & THE WILLOWS Item 7



October 6, 2021

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Depot Commons
19 units
17145 Depot
Street



RECOMMENDATION:



- Open/close public hearing consistent with the requirements of the Federal Tax and Equity Fiscal Responsibility Act ("TEFRA") and Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"); and
- Adopt resolution approving the issuance of bonds by the California Municipal Finance Authority, for the acquisition, rehabilitation, expansion and improvement of Depot Commons and The Willows.

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 7
Date: Monday, October 4, 2021

Q: What are the differences in the two bond types and what financial risks, if any are associated with the change?

A: A “typical” tax-exempt bond allocation associated with 4% tax-credits is awarded through the State Agency, CA Debt Limit Allocation Committee (CDLAC). There is a limited amount of bond allocation in each State. Housing projects are competing for these limited bond allocations. In an effort to alleviate some of the competition for bond allocation, the State has agreed to offer more points to projects that use other sources of financing to leverage their bond allocation. Recycled bonds are one of these sources. Recycled bonds are a way to recapture the tax-exempt nature of bonds that have been previously issued for another project. Typically, an affordable housing project will use the tax-exempt bond allocation during the construction phase of the project. After construction, a large portion of the tax-exempt bonds are paid off with a permanent source of financing. In the past, once the tax-exempt bonds are paid off with the other source, they are retired. However, a bond issuer can come in and purchase those tax-exempt bonds, thereby preserving the tax-exempt status of the allocation and then issue the bonds back to another project, thus the term “recycled bonds”. These recycled bonds cannot be used in conjunction with new tax-credits, but it offers the new project another source of affordable financing.

Q: What are the financial risks, if any, associated with the change?

A: The financial risks as they pertain to the City are exactly the same as the tax-exempt bond allocation - no risk whatsoever. There is no involvement from the City, these are still an obligation of the borrower issued through the California Municipal Finance Authority, and the City will have no responsibility or obligation in regards to the issuance or the repayment of the debt. The City is essentially merely hosting the public hearing as the nearby local agency and fulfilling its obligations under State law.



Morgan Hill Police Department Flock Safety Presentation

October 6, 2021 – Item 8



2020 CRIME STATISTICS

- **Part 1 Violent Crime**

- **Homicide**
- **Rape**
- **Robbery**
- **Aggravated Assaults**



12%

- **Part 1 Property Crime**

- **Burglary**
- **Larceny**
- **Motor Vehicle Theft**
- **Arson**

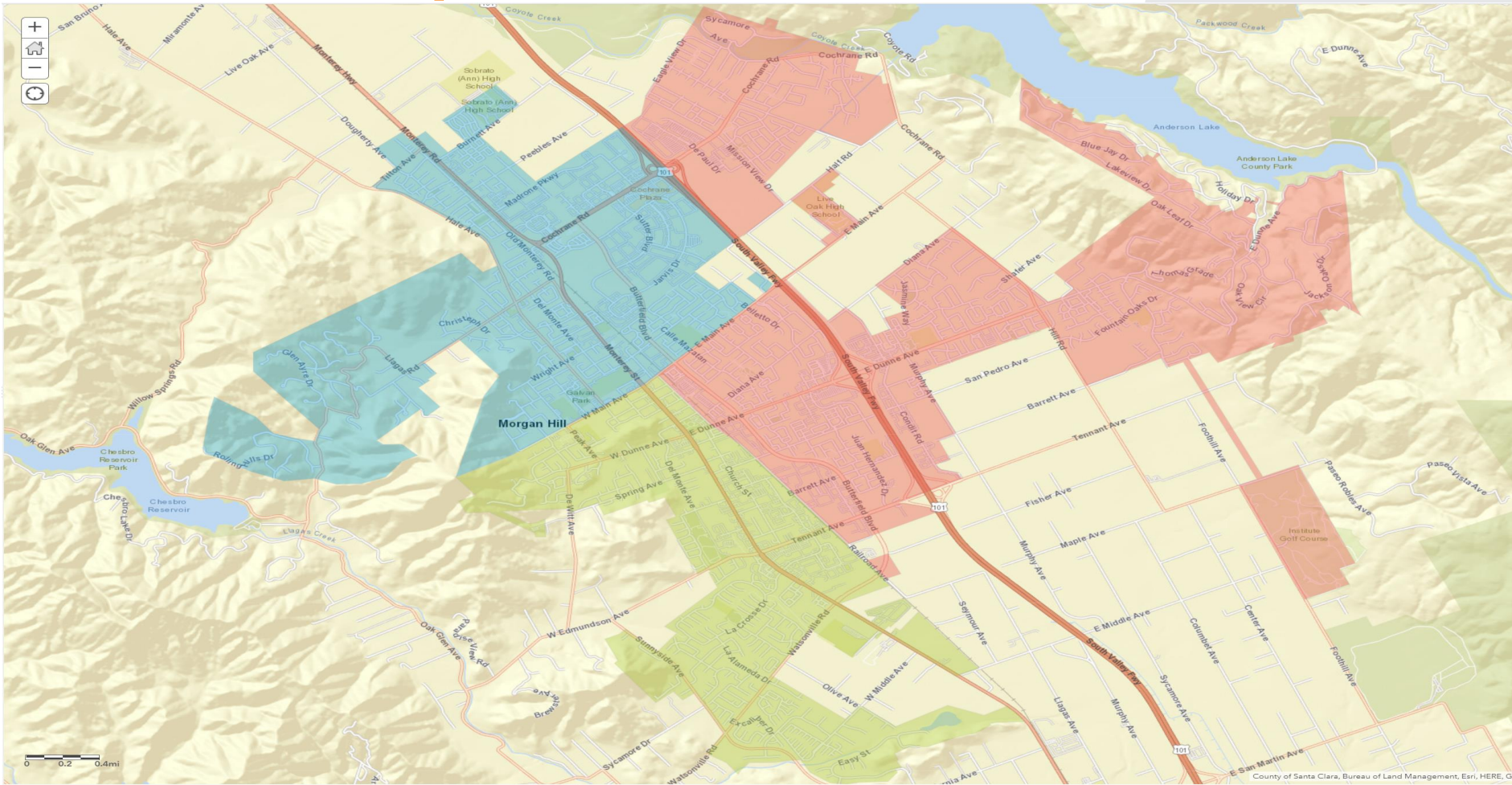


9%

City of Morgan Hill

13 Square Miles

Population: 47,000



How does Automated License Plate Reader (ALPR) technology prevent and eliminate crime?

- Real time alerts for stolen vehicles, felony vehicles and stolen license plates
- As clearance rates increase, crime rates decrease
- Cameras act as a deterrent

Deliver real-time alerts to police that keep you safe

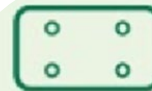


Plate
TX LGS2639



Last Visit
3:15 PM EDT



Make
Toyota



Seen
3 OF 30 DAYS



Color
Gray



Resident?
No

Protecting Privacy

Ethics-Driven Innovation

- Footage 100% owned by customer
 - **Deleted after 30 days**
 - **Never sold or shared**
- Cameras detect unbiased and objective data
- Search reason field required for audit trail
- NOT facial recognition software
- NOT used for immigration enforcement
- NOT used for traffic enforcement
- NO live video
- End to End Encryption of all data



Transparency Portal



<https://transparency.flocksafety.com/morgan-hill-ca-pd>



Morgan Hill CA PD

Transparency Portal
Last Updated: Tue Sep 28 2021

Overview

Morgan Hill CA PD uses Flock Safety technology to capture objective evidence without compromising on individual privacy. Morgan Hill CA PD utilizes retroactive search to solve crimes after they've occurred. Additionally, Morgan Hill CA PD utilizes real time alerting of hotlist vehicles to capture wanted criminals. In an effort to ensure proper usage and guardrails are in place, they have made the below policies and usage statistics available to the public.

Policies

**What's Detected**
License Plates, Vehicles

**What's Not Detected**
Facial recognition, People, Gender, Race

**Acceptable Use Policy**
Data is used for law enforcement purposes only. Data is owned by Morgan Hill CA PD and is never sold to 3rd parties.

**Prohibited Uses**
Immigration enforcement, traffic enforcement, harassment or intimidation, usage based solely on a protected class (i.e. race, sex, religion), Personal use.

**Access Policy**
All system access requires a valid reason and is stored indefinitely.

**Hotlist Policy**
Hotlist hits are required to be human verified prior to action.

Usage

**Data retention (in days)**
30 days

**Number of owned cameras**
25

**External organizations with access**
Atherton CA PD, Livermore CA PD, San Mateo CA PD

**Hotlists Alerted On**
California SVS, NCMEC Amber Alert

**Vehicles detected in the last 30 days**
527,201

**Hotlist hits in the last 30 days**
1,940

**Searches in the last 30 days**
322

Additional Info

COMMUNITY BENEFITS



- Amber Alerts/Missing People
- Criminal Warrants
- Persons of Interest
- Auto Theft
- Criminal Investigations
- Modern Technology has reduced ALPR systems cost

FLOCK HOTLIST NOTIFICATIONS

- **September 2, 2021:** The driver was placed under arrest for possession of a stolen vehicle, possession of burglary tools (shaved vehicle keys), possession of stolen property (two catalytic converters), prohibited person in possession of ammunition, drug paraphernalia, and a probation violation.
- **September 14, 2021:** The driver was arrested for possessing a stolen vehicle, stolen property (five catalytic converters), burglary tools, evading police, resisting arrest, and hit and run. The passenger was arrested for possessing stolen property, burglary tools, and resisting arrest.
- **October 2, 2021:** The driver was arrested for possession of a stolen vehicle, possession of stolen property (five catalytic converters), burglary tools, drug paraphernalia, narcotics, and outstanding warrants.

Cases Solved with Flock



July 18, 2021: The Ford Store reported a 2021 Ford Mustang was purchased under false pretenses. With use of Flock cameras in the City of Fairfield, the vehicle was located and returned to the Ford Store. Inside the vehicle was a loaded firearm and the suspect was identified.

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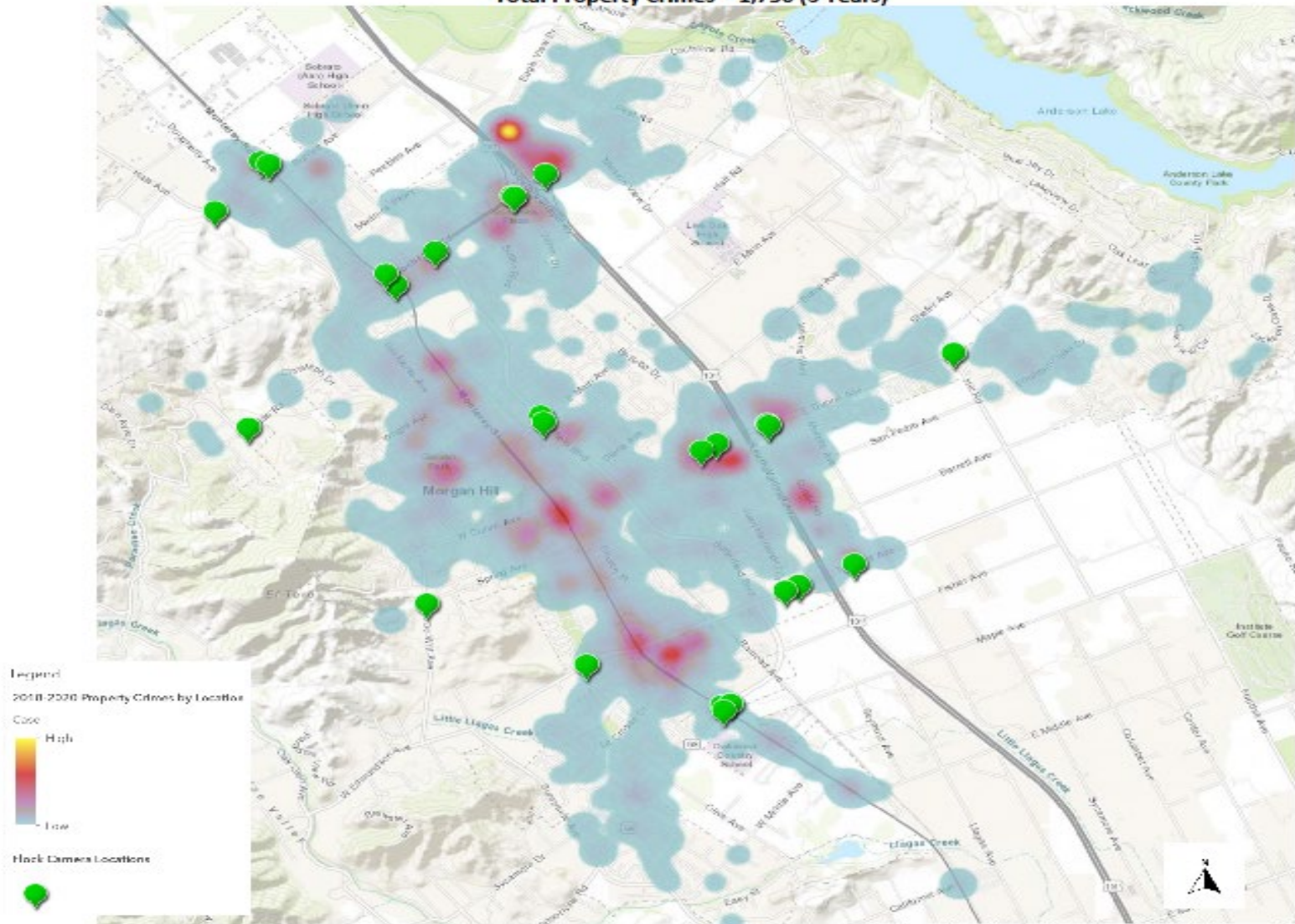
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Current ALPR System



Camera Locations

Property Crimes 2018-2020 Heat Map & Flock Camera Locations
Total Property Crimes = 1,750 (3 Years)



What is Flock



- **What is this Tech?**

- License Plate Recognition
- Captures Vehicle Details
- Alerts Police to Wanted Vehicles
- Used to Solve Crime
- Adheres to all State Laws

- **This Tech is NOT**

- Facial Recognition
- Tied to Personal Indefinable Information
- Used for Traffic or Immigration Enforcement

Recommendation

- Authorize the lease agreement with Flock Safety for 25 Automated License Plate Readers for initial term of 24 months.
- The first-year cost will be \$68,750.00
- The second-year cost will be \$62,500

Questions ?





Morgan Hill Police Department Flock Safety Presentation

October 6, 2021 – Item 8



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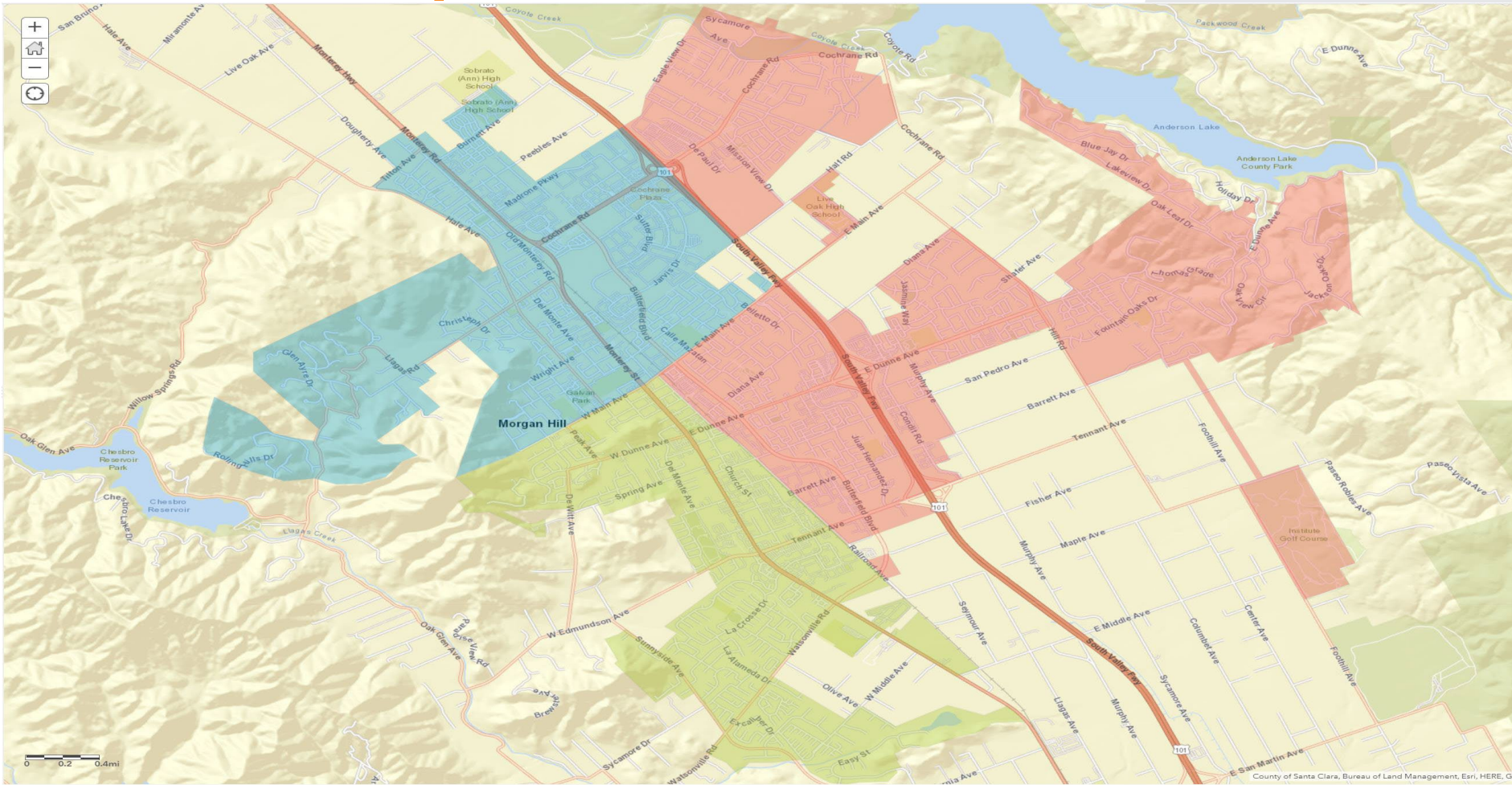


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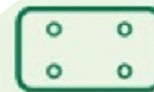


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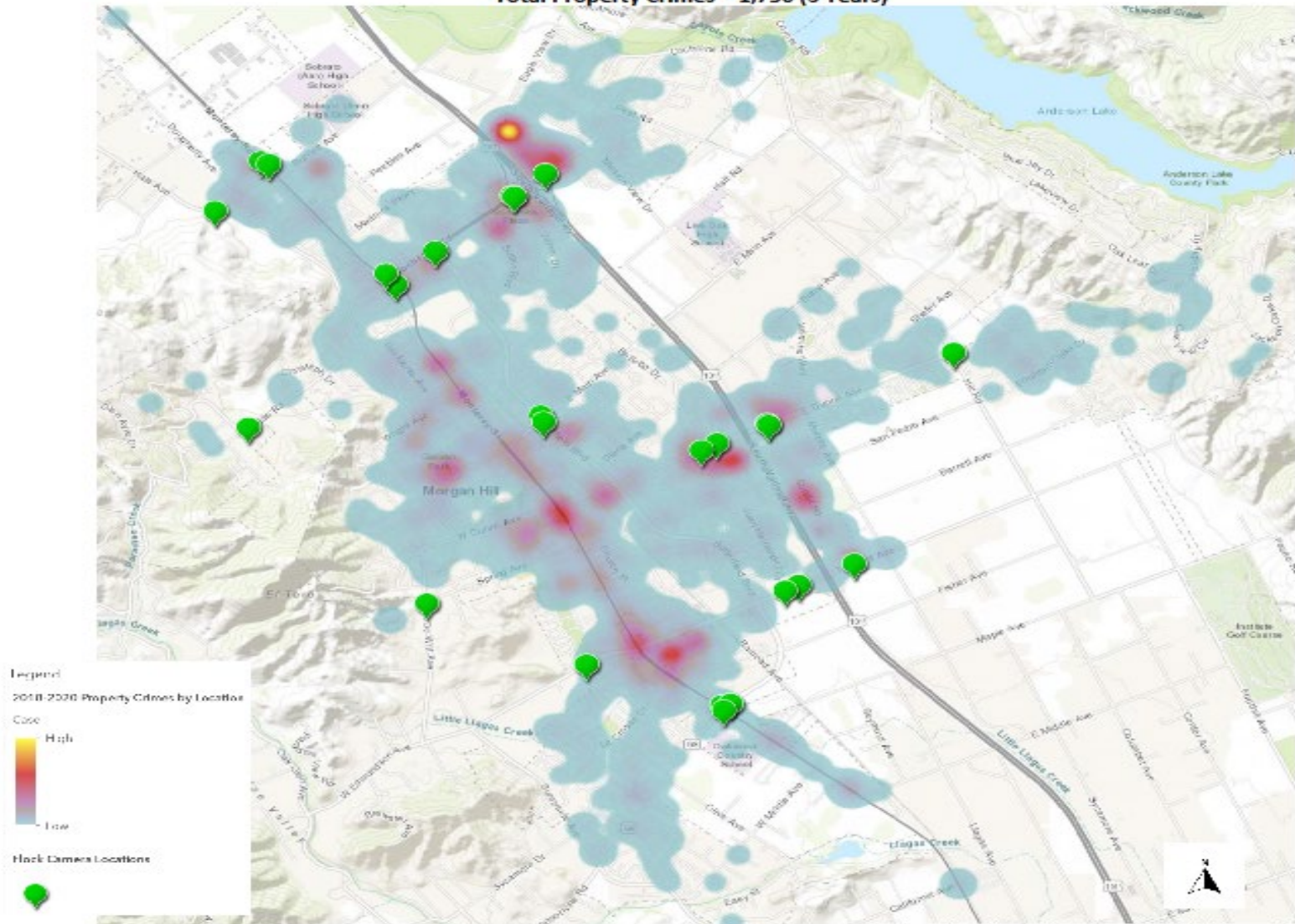
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Questions ?



From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 8
Date: Monday, October 4, 2021

Q: Could the MHPD give a cost benefit analysis for these flock camera's? Meaning as stated above, the flock camera's above have already improved the rate of police captures of criminals so the benefit in cost would be X. Could the cost benefit of criminal capture be far more that the yearly fee outlined ?

A: Yes, the criminal capture rate far exceeds the yearly cost of the Flock camera. With that said, the cost benefit of the Flock cameras is subjective and defies simple math because benefits like "future crimes avoided by arrested individuals", "creating a heightened sense of community safety", and "becoming a City that criminals avoid" are very difficult to quantify in economic terms.

The Flock cameras are efficient and produce fast results because they remove a lot of the time spent investigating crimes and give officers immediate leads for their investigations. Here are some of the benefits of the Flock camera system that far outweighs its cost:

1. The arrests of homicide and attempted homicide suspects are arguably priceless to the victims' families and could prevent further violence in a community. The immediate alerts from the Flock cameras reduce the amount of time officers spend investigating and looking for suspects and lead to more arrests that remove dangerous criminals from the streets.
2. Criminal groups have robbed Ulta numerous times stealing tens of thousands worth of product while putting customers at risk of injury and/or death each time they return. The Flock camera system will provide immediate leads for officers to arrest suspects, reducing the amount of time officers spend investigating.
3. Stolen cars, while reimbursed by insurance companies, drive insurance rates up for all consumers/drivers and one recovered car could easily surpass the yearly \$60k cost of the Flock cameras. Furthermore, the immediate alert from the Flock cameras reduces the amount of time officers spend investigating and looking for suspects.
4. Serial burglars come into our City victimizing numerous community members of heirlooms, jewelry, money, packages etc.. These thefts cost insurance companies and residents significant amounts of money and are often unsolved as a result of a lack of leads. By providing immediate leads, the Flock camera system has the potential to return property and apprehend offenders.

Ultimately, an entire team of officers stationed at each camera location could not produce the amount of crime notifications that the Flock camera system does daily and would cost hundreds of thousands of dollars more. With that said, we cannot reduce the number of officers we have because while Flock cameras are the most cost-efficient notifiers of crime, they cannot make the arrests in a safe manner which requires a team of police officers. The cameras are a force multiplier that are one of the best crime-fighting tools the Police Department has ever utilized. The benefits outlined above do not take into account the benefits of alerting police to a missing person, solving a heinous crime, or other police-related matters that the cameras would be used for.

Michelle Bigelow

From: D. Muirhead [REDACTED]
Sent: Tuesday, October 5, 2021 9:36 AM
To: CC Public Comment
Cc: Mario Ramirez
Subject: [EXTERNAL] comment City Council October 06 Item #8. Flock ALPR

Dear Morgan Hill City Council,
Comments for Morgan Hill City Council
Meeting October 06, 2021

Item #8. Approve Flock Cameras for Automated License Plate Readers Thank you for your consideration, Doug Muirhead, Morgan Hill

Item #8. Approve Flock Cameras for Automated License Plate Readers

We use the word "transparency" without defining what it means in the context of a particular program or project.

The staff report fails to mention that "transparency" for this activity is available at

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Ftransparency.flocksafety.com%2Fmorgan-hill-ca-pd&data=04%7C01%7CMichelle.Bigelow%40morganhill.ca.gov%7Ca5fe3187e6d94248e61c08d9881e3445%7Ce11e3e269cf64968a58a8c3e515ebe87%7C0%7C0%7C637690485600684134%7CUnknown%7CTWFpbGZsb3d8eyJWlloiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IklhaWwiLCJXVCI6Mn0%3D%7C1000&reserved=0>

The Flock transparency portal went live on September 14.

The portal lists policies and procedures. It also lists total camera reads and hotlist hits. It does not provide actions taken on the hotlist hits. Chief Palsgrove has said in personal email that there are no plans for a breakdown of hits from the hotlist to be added to the portal.

My comment addresses the lack of specific information on how PD chooses to respond to a hotlist hit and the number of actual responses and outcomes. The staff report provides general assurances of the success of this system, but without the details we need in order to judge how effective the system really is:

"Officers have arrested more drivers of stolen vehicles in the first three weeks of the pilot program than they had the entire prior year. Officers have also solved other crimes such as commercial burglaries, felony assaults, package theft investigations, catalytic converter thefts, and at-risk missing person investigations."

But anyone who looks at the Flock portal [as of Saturday night] and sees

Vehicles detected in the last 30 days: 557,918

Hotlist hits in the last 30 days: 2,135

is going to wonder how PD is dealing with 2000+ alerts.

"If you are in your backyard and there are five songbirds, you think it's beautiful. But if there were 5,000 birds, you are in the middle of a Hitchcock movie."

[tourism analogy from Russ Irwin]

As of September 14, after the first two weeks of deployment, Flock Safety recorded 834,331 reads and identified 847 hotlist vehicles.

Chief Palsgrove said that PD was averaging about 5-6 stolen car hits a day. When I asked for a breakdown of responses, I received an internal memo identifying 15 engagements. That left 832 hotlist hits unexplained. Nor did PD identify the number of miss-reads, although they have not had any stops related to a miss-read because of their policies and procedures.

847 seems to me like a big number. 15 is a relatively very small number.

Some engagements resulted in stops, some of those resulted in arrests, some vehicles were seized, in some cases a vehicle pursuit was terminated due to a perceived threat to our community's safety.

Chief Palsgrove also said to me that the legal outcome of stops and arrests would not be known for some time due to courts extended timeline on scheduling cases and the impact of zero bail (which I interpret to mean that criminals caught in the act are released back onto the streets to re-offend).

So what is the real impact of the surveillance system?

Two other issues of interest to me.

First, on privacy and data sharing.

The staff report claims Flock Safety protects privacy because there is "no live video; the data is never sold or shared, never used for traffic enforcement or immigration status, and is deleted every 30 days."

But later the staff report says "Cloud data storage can be stored locally and/or send/store data through the Northern California Regional Intelligence Center (NCRIC). NCRIC is a Federal, State, and Local public safety government program that helps safeguard each of our communities by serving as a dynamic security nexus that is connected to the National Network of Fusion Centers and our nation's High-Intensity Drug Trafficking Areas."

Sounds like sharing to me.

Not mentioned in the staff report is the claim by Flock Safety that they protect privacy by not capturing the driver image. But it is well known that identifying several specific locations allows identification of a person. This issue is a personal quibble of mine.

Second, on euphemism and community engagement prior to deployment.

The term "Flock Safety" is repeated over and over. This is a euphemism for "surveillance system". But PD did make a conscious effort to sunshine this proposed deployment through a resident review meeting, a general town hall meeting, and posted the policies on their web site.

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

VISIT
MORGAN HILL

Visit Morgan Hill Annual Report

July 1st, 2020 – June 30th, 2021



MHTBID

Morgan Hill Tourism Business Improvement District

- A 1.5% assessment of gross short-term hotel room rental revenue
- Separate from Transient Occupancy Tax (TOT) of 11% that supports the City of MH General Fund
- Public funds managed by the non-profit VMH board
- Used to market MH as an overnight tourism destination and increase room night sales at assessed lodging businesses



Fiscal Impact

Inception – June 2020
TBID Income \$316,761

June 2020 – July 2021
TBID Income \$167,181

Figures rounded to nearest dollar; collected



U.S. Travel ✓
@USTravel



The once-powerful business travel segment of the industry and a major economic driver saw a staggering 69% decline in direct spending in the U.S. last year. It is critical we restore this vital sector of our industry. View newly released forecast: bit.ly/Sp21Forecast



10:04 AM · Jun 15, 2021 · Twitter Web App

**THANK YOU
TOURISM & HOSPITALITY STAFF!!**



Highlights

A man wearing a black helmet, sunglasses, and a black and white striped shirt is riding a mountain bike through a field of tall, golden grass. The background shows rolling hills and a clear blue sky with some clouds. The image is used as a background for the presentation slide.

Significant YOY growth in web visits, page views, and web referrals from social media

20 videos created

100s of new photo assets

170 requests via web forms

20 group room & event leads

Digital Marketing Campaign

Search, Display and Social (FB & IG)

Greater SF Bay Area, Sacramento

Running July – November

Picking back up March 2022

Transition to: That's More Like It

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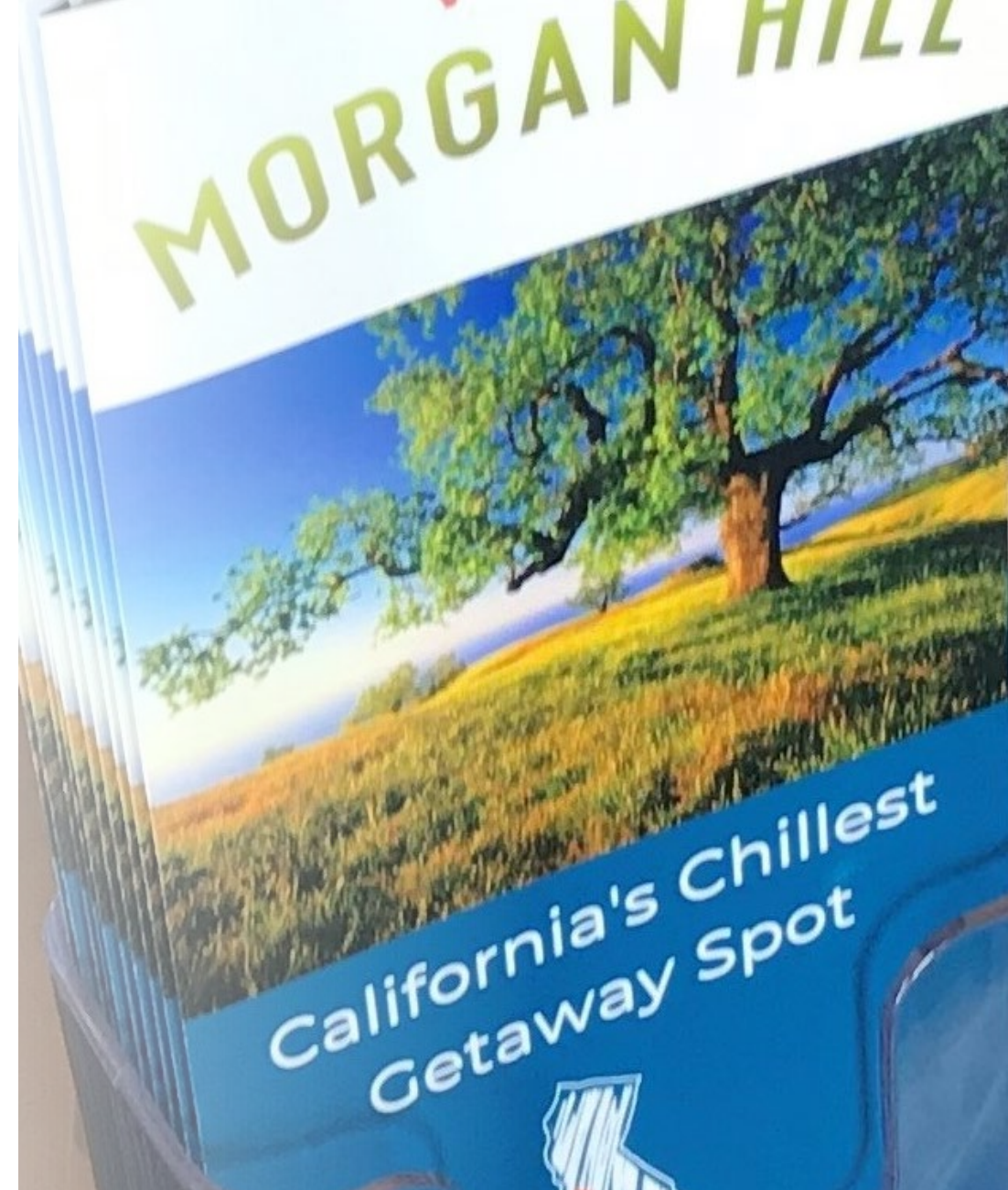


FY 21-22 Work Plan

Marketing Communications: continue campaign marketing & content development

Business Development: private event and tournament referrals

Partnership & Events: promote events & packages and participate in dev conversations





You're invited...

Annual Tourism Workshop

October 13th, 2021 | 10:30 am – Noon
Webinar

Register at:

www.visitmorganhill.org/workshop-2021



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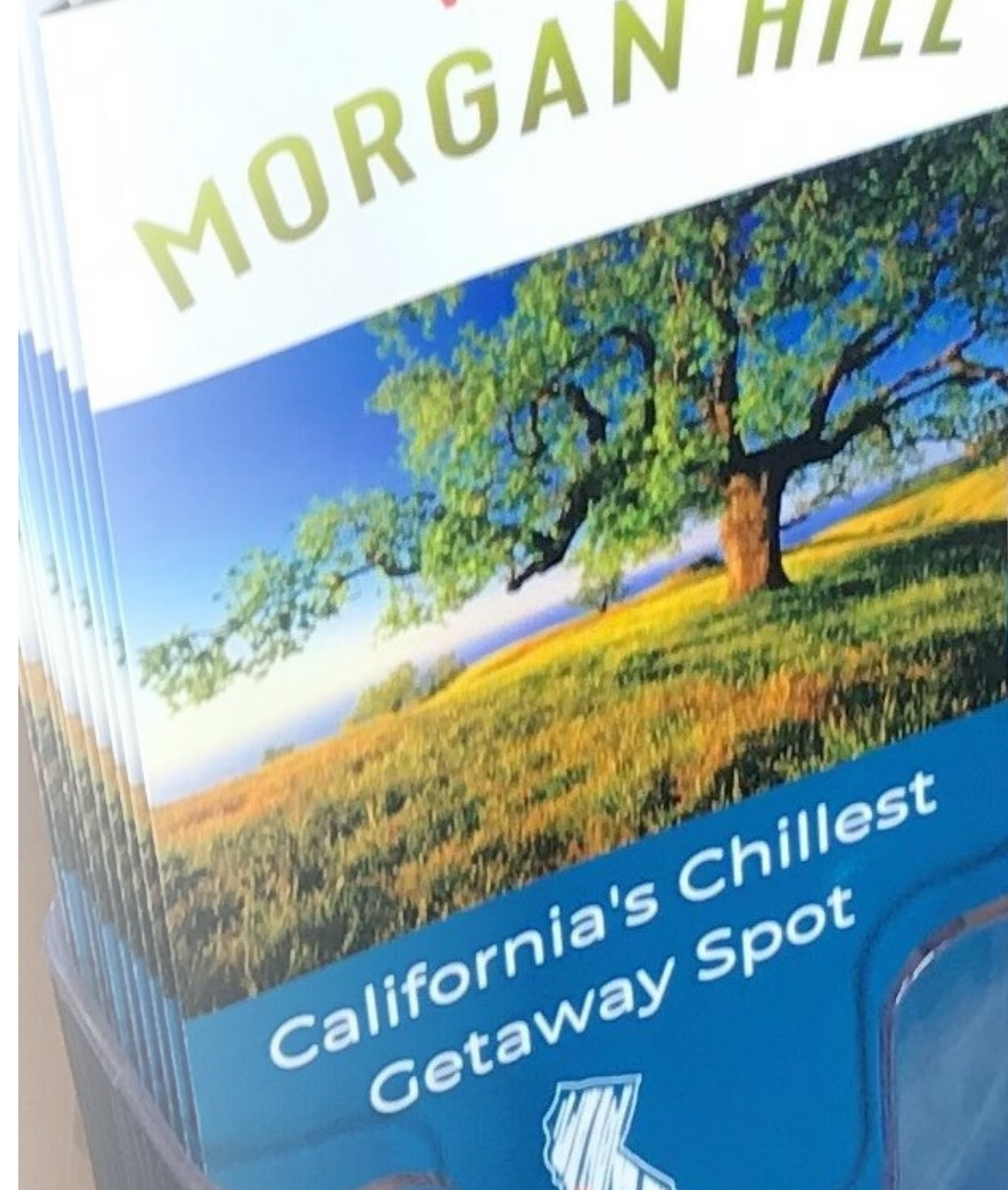


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From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 9
Date: Monday, October 4, 2021

Q: Does the 1.5% cover the City's costs?

A: While the Tourism Business Improvement District (TBID) assessment is 1.5% of revenue, the City's cost recovery charge for collecting the fee is 2% of the assessment's proceeds. The reduced TBID collection during COVID limited the City's administrative fee to \$3,343.62 for FY 2020-2021 which was enough to cover the City's costs.

Q: If the TBID's net income is a minus figure, how does this get added as a cash movement to a plus category under summary?

A: The TBID's net income for FY 2020/21 is a minus figure and is reflected as a deduction in the final summary. Details: The TBID collected \$167,181.48 and received a \$15,000.00 CA Relief Grant for a total Income of \$182,181.48. Expenses exceeded the income for this fiscal year by \$63,574.09. Appendix D, Cash Summary shows this figure as a negative cash movement of \$63,574.09 against the total cash balance of \$221,133.36. The TBID's final closing balance is \$157,556.27.

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 10
Date: Monday, October 4, 2021

FYI

Sent from my iPad

Begin forwarded message:

From: "D. Muirhead"
Date: October 4, 2021 at 9:12:17 AM PDT
To: CC Public Comment <CCPublicComment@morganhill.ca.gov>
Subject: [EXTERNAL] comment City Council October 06 Item #10. UWMP & WSCP

Dear Morgan Hill City Council,
Comments for Morgan Hill City Council
Meeting October 06, 2021
Item #10. Adopt 2020 Urban Water Management
and Water Shortage Contingency Plans
Thank you for your consideration, Doug Muirhead, Morgan Hill

Item #10. Adopt 2020 Urban Water Management and Water Shortage
Contingency Plans

While I have several questions for staff, the primary purpose of this comment is for Council to let our residents know that by approving these plans, staff will be directed to provide implementation language in a proposed ordinance to include Demand Reduction Actions:
Level 3: Possible imposition of alternative "drought" rate schedule
Level 5: Limit or withhold building permits requiring new potable water service

Staff plans to bring back a Water Waste Ordinance (about 10 weeks before end-of-year hiatus) to reflect the new shortage levels in the City's Municipal Code. Unfortunately, the Ordinance of that name is not included in Links/Attachments, and searching the on-line Muni Code for Water Waste Ordinance returns multiple sections, none clearly identified as the Ordinance. So existing implementation language can not easily be linked to existing Demand Reductions.

To refresh our memory, the City is moving from a 3-tier set of demand reductions (2015 UWMP) to a 6-tier set (2020 WSCP) (recommended by state):

Level 3 21%-30% consumer demand reduction

Level 6 >50% consumer demand reduction

This allows several of the more stringent reductions combined in the old Level 3 to be included in the new Levels 4-6.

Question #1

Under Next Steps

Prepare to include recycled water in Water System Master Plan
late 2021

But the South County Water Reuse Collaboration Technical Working Group, chartered to define how additional recycled water will be made available in Morgan Hill, had its first meeting September 21 and its next is on October 19. This according to an agenda item for South County Joint Water Resources Committee meeting October 6 at 9AM. So what is the TWG timeline?

Answer 1: The TWG does not have a timeline set, it is in the early stages of formation and designed to support the elected officials in the Joint Water Resources Committee. The Master Plan Update will be completed before the Committee's work on recycled water is completed. The Master Plan Update, when completed, will use the best available information on options for recycled water.

Question #2

Staff notes that the City currently uses local groundwater as the sole source of water supply. Valley Water serves as the water wholesaler. The City does not purchase or import water from any other water suppliers or entities.

Valley Water also serves as the groundwater management agency.

Staff notes that the January 2021 Groundwater Condition Report from Valley Water states that groundwater pumping for 2020 was above the 5-year average for both subbasins and groundwater recharging for 2020 was below the 5-year average for both subbasins.

In the 2020 UWMP, under Future Water Projects, staff says

"the only method available to provide additional capacity for growing demand is the construction of new wells".

In the 2020 WSCP, under Water Supply, staff says

"The water supply analysis prepared by Valley Water ... provide[s] a critical basis for water supply assumptions, regarding available water supply volumes and any pumping restrictions required to be implemented if any."

The Water District is the responsible agency for administering the approved groundwater management plans for the basins. The GMP has a framework for resolving undesirable conditions in the basins. The State is holding public conversations on drinking water well impacts due to the drought.

Bottom line. In my opinion, the City should not assume that it can always drill new wells nor deepen existing wells in order to compensate for dropping groundwater levels.

Answer 2: The City agrees and that is why water conservation and work on recycled water must continue.

Question #3

The current ordinance allows hardship waiver, but only for water.

Not for money. See next question.

Question #4

Under Financial Consequences of WSCP Activation, reduced water consumption will contribute to reduced revenue to the City, while proactive operational practices will contribute to higher operational and maintenance costs. The City Council has the authority to increase water rates to offset reduced revenues.

I would like to see rate increases include a discussion of equity for our residents.

Answers 3 and 4: Under State law, the City cannot burden one ratepayer to subsidize another. With this said, the City can and does use other means to offset costs for residents due to hardship. The increased use of a hardship waiver would most appropriately be discussed during the update to the water rate study. The next rate study will be required to increase water rates.

Question #5

I am confused by 2020 UWMP Table 7-2A

Projected Supply vs Demand Comparison (Llagas)

There is a line for Recycled Water Supply [note 2]

There is a line for Recycled Water (WWTP Utility Water) [note 2,3]

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Total Supplies (Including WWTP Utility Water)

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is not considered as a reportable supply/demand of recycled Water.

Therefore, it was excluded from Supply vs Demand Comparison.

So which Total Supplies (Including or Excluding) do we use for planning purposes?

Answer 5: The URWMP plan is based on the reportable supplies and that is why the difference is shown at the bottom of the table, excluding the recycled water used internally at the Wastewater Treatment Plant.

Question #6

The 2015 UWMP noted that the City could suspend consideration of annexations to its service area.

Is this still operative in the specific case of new public water systems?

The State Water Board administers SB 1263 and SB 200 with the intent to prevent the establishment of new, unsustainable public water systems.

Answer 6: The City does have to approve annexations into the Water System as would LAFCO. Should the State Board not allow separate water systems to be developed those developments may not be able to move forward. LAFCO and the County have both expressed interest in discussing these requirements with the State.

Item # 10

AGENDA DATE: 10/06/2021

SUPPLEMENT # 1

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 10
Date: Monday, October 4, 2021

FYI

Sent from my iPad

Begin forwarded message:

From: "D. Muirhead"
Date: October 4, 2021 at 9:12:17 AM PDT
To: CC Public Comment <CCPublicComment@morganhill.ca.gov>
Subject: [EXTERNAL] comment City Council October 06 Item #10. UWMP & WSCP

Dear Morgan Hill City Council,
Comments for Morgan Hill City Council
Meeting October 06, 2021
Item #10. Adopt 2020 Urban Water Management
and Water Shortage Contingency Plans
Thank you for your consideration, Doug Muirhead, Morgan Hill

Item #10. Adopt 2020 Urban Water Management and Water Shortage
Contingency Plans

While I have several questions for staff, the primary purpose of this comment is for Council to let our residents know that by approving these plans, staff will be directed to provide implementation language in a proposed ordinance to include Demand Reduction Actions:

Level 3: Possible imposition of alternative "drought" rate schedule
Level 5: Limit or withhold building permits requiring new potable water service

Staff plans to bring back a Water Waste Ordinance (about 10 weeks before end-of-year hiatus) to reflect the new shortage levels in the City's Municipal Code. Unfortunately, the Ordinance of that name is not included in Links/Attachments, and searching the on-line Muni Code for Water Waste Ordinance returns multiple sections, none clearly identified as the Ordinance. So existing implementation language can not easily be linked to existing Demand Reductions.

To refresh our memory, the City is moving from a 3-tier set of demand reductions (2015 UWMP) to a 6-tier set (2020 WSCP) (recommended by state):

Level 3 21%-30% consumer demand reduction

Level 6 >50% consumer demand reduction

This allows several of the more stringent reductions combined in the old Level 3 to be included in the new Levels 4-6.

Question #1

Under Next Steps

Prepare to include recycled water in Water System Master Plan
late 2021

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Item # 10

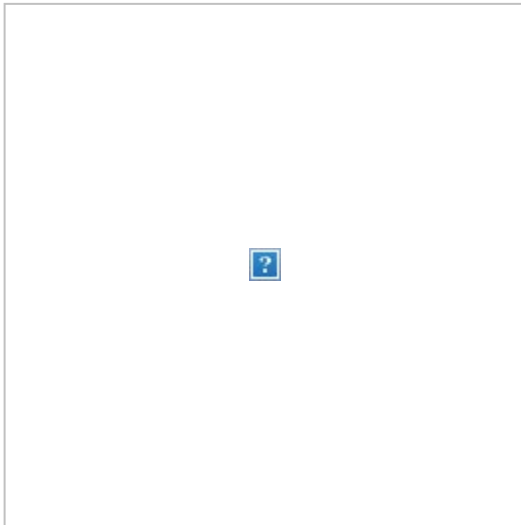
AGENDA DATE: 10/06/2021
SUPPLEMENT # 2

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 10
Date: Monday, October 4, 2021

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A: Other users are all the other wells that draw water from the aquifer that do not belong to the City of Morgan Hill or the City of Gilroy. This number is made up primarily from agricultural users, small private water systems that support rural users, and individual property owner wells.

From: [The Mercury News](#)
To: [Michelle Bigelow](#)
Subject: [EXTERNAL] Thank you for your payment
Date: Sunday, October 10, 2021 10:18:30 AM



**Manage your account
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Securely online**

myaccount.mercurynews.com

If you have any questions, please call
our Customer Service Department at
408-508-5554

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From: [Hootsuite](#)
To: [PIO](#)
Subject: [EXTERNAL] Hootsuite - Payment Invoice
Date: Monday, October 11, 2021 12:05:01 AM



Invoice

Michelle Bigelow
pio@morganhill.ca.gov
[View and update your account details »](#)

Invoice Date: 10/11/2021
Account Number: 59062528
Invoice Number: 2043303330

Amount Paid: US\$348.00 ¹

This invoice has been generated for immediate settlement based on the account usage period from 10/11/2021 to 10/10/2022.

Billing Details:

Balance Forward	US\$0.00
Professional Plan - Annual (Hootsuite Recurring Service - 1 @ 348.00)	US\$348.00
Electronic Payment 10/11/2021	US\$-348.00

Amount Paid: **US\$348.00** ¹

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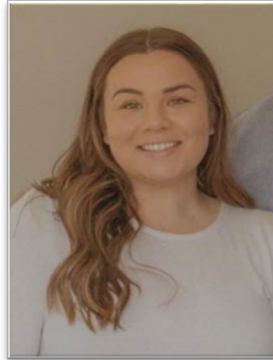
City Manager's Recognition Report



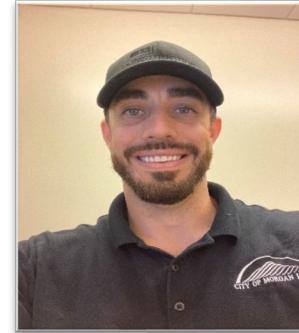
New Hires



Matthew Mahood
Economic Development
Director



Angela Grifall
Accounting Assistant II



Jason Giorgianni
Facilities Maintenance
Specialist



Sammy Gonzalez
Utility Worker I



Felipe Lopez Garcia
Utility Worker I

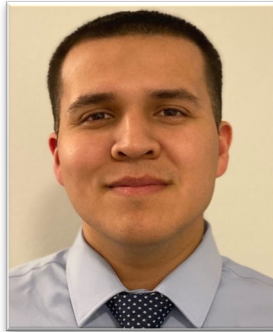


Daniel Perez Bribiesca
Utility Worker I

New Hires



Todd Davis
Police Officer



Jared Granado
Police Officer



Eric Serrano
Police Officer

New Promotions



Margarita Huertas Balagso
Police Administrative Manager



Tanya Carothers
Environmental Services Administrator



Tiffany Brown
Senior Planner



Juan Zamora
Senior Maintenance Worker

New Promotions



Christopher Gridley
Police Sergeant



Sergio Pires
Police Sergeant



Christopher Woodrow
Police Sergeant



Sean Bayard
Police Corporal



Sean Farrell
Police Corporal

Retirements



Frederick Gomez
Facilities Maintenance Specialist



Theresa Linder
Senior Planner



City Manager's Recognition Report



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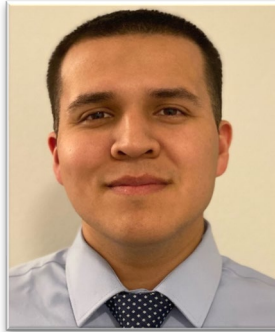


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Senior Planner

Item # 1

**AGENDA DATE: 10/06/2021
SUPPLEMENT # 3**

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 1
Date: Monday, October 4, 2021

Q: Are we prepared for in person and the hybrid zoom technology?

A: We are working on this issue currently but are not quite there. Our contractor found an issue with the system last week and is working to resolve it. We then need to test the zoom meetings before going live with hybrid meetings.

Item # 2

**AGENDA DATE: 10/06/2021
SUPPLEMENT # 1**

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 2
Date: Monday, October 4, 2021

Q: Will the City's Other Post-Employment Benefit (OPEB) liabilities still be funded at 70% after the switch to the CalPERS trust?

A: Yes, after this year's planned contribution is made, the City's OPEB liabilities will be 70% funded. Switching trusts will provide long-term savings in the City's overall OPEB costs but will not generate any significant immediate changes in the funding level. The Council's decision earlier this year to direct future budget savings to pay down unfunded OPEB liabilities is expected to significantly increase the funding level in future years.

Item # 4

AGENDA DATE: 10/06/2021

SUPPLEMENT # 1

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 4
Date: Monday, October 4, 2021

Q: Is there a breakdown on how the Historical Society spent the contribution they received from the City?

A: Yes, the report indicates that they spent the funds on the utility costs and site maintenance needed to keep the site operational.

Item # 5

AGENDA DATE: 10/06/2021
SUPPLEMENT # 1

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 5
Date: Monday, October 4, 2021

Q: Could the grant money be used in any other way to serve the youth and Galvin Park?

A: The grant was not received by the City so the City does not control the use of the grant and cannot redirect it to other purposes. The group that worked on generating volunteers and funding is committed to the proposed artwork and will be doing other items within the park as well.

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 7
Date: Monday, October 4, 2021

Q: What are the differences in the two bond types and what financial risks, if any are associated with the change?

A: A “typical” tax-exempt bond allocation associated with 4% tax-credits is awarded through the State Agency, CA Debt Limit Allocation Committee (CDLAC). There is a limited amount of bond allocation in each State. Housing projects are competing for these limited bond allocations. In an effort to alleviate some of the competition for bond allocation, the State has agreed to offer more points to projects that use other sources of financing to leverage their bond allocation. Recycled bonds are one of these sources. Recycled bonds are a way to recapture the tax-exempt nature of bonds that have been previously issued for another project. Typically, an affordable housing project will use the tax-exempt bond allocation during the construction phase of the project. After construction, a large portion of the tax-exempt bonds are paid off with a permanent source of financing. In the past, once the tax-exempt bonds are paid off with the other source, they are retired. However, a bond issuer can come in and purchase those tax-exempt bonds, thereby preserving the tax-exempt status of the allocation and then issue the bonds back to another project, thus the term “recycled bonds”. These recycled bonds cannot be used in conjunction with new tax-credits, but it offers the new project another source of affordable financing.

Q: What are the financial risks, if any, associated with the change?

A: The financial risks as they pertain to the City are exactly the same as the tax-exempt bond allocation - no risk whatsoever. There is no involvement from the City, these are still an obligation of the borrower issued through the California Municipal Finance Authority, and the City will have no responsibility or obligation in regards to the issuance or the repayment of the debt. The City is essentially merely hosting the public hearing as the nearby local agency and fulfilling its obligations under State law.

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 8
Date: Monday, October 4, 2021

Q: Could the MHPD give a cost benefit analysis for these flock camera's? Meaning as stated above, the flock camera's above have already improved the rate of police captures of criminals so the benefit in cost would be X. Could the cost benefit of criminal capture be far more that the yearly fee outlined ?

A: Yes, the criminal capture rate far exceeds the yearly cost of the Flock camera. With that said, the cost benefit of the Flock cameras is subjective and defies simple math because benefits like "future crimes avoided by arrested individuals", "creating a heightened sense of community safety", and "becoming a City that criminals avoid" are very difficult to quantify in economic terms.

The Flock cameras are efficient and produce fast results because they remove a lot of the time spent investigating crimes and give officers immediate leads for their investigations. Here are some of the benefits of the Flock camera system that far outweighs its cost:

1. The arrests of homicide and attempted homicide suspects are arguably priceless to the victims' families and could prevent further violence in a community. The immediate alerts from the Flock cameras reduce the amount of time officers spend investigating and looking for suspects and lead to more arrests that remove dangerous criminals from the streets.
2. Criminal groups have robbed Ulta numerous times stealing tens of thousands worth of product while putting customers at risk of injury and/or death each time they return. The Flock camera system will provide immediate leads for officers to arrest suspects, reducing the amount of time officers spend investigating.
3. Stolen cars, while reimbursed by insurance companies, drive insurance rates up for all consumers/drivers and one recovered car could easily surpass the yearly \$60k cost of the Flock cameras. Furthermore, the immediate alert from the Flock cameras reduces the amount of time officers spend investigating and looking for suspects.
4. Serial burglars come into our City victimizing numerous community members of heirlooms, jewelry, money, packages etc.. These thefts cost insurance companies and residents significant amounts of money and are often unsolved as a result of a lack of leads. By providing immediate leads, the Flock camera system has the potential to return property and apprehend offenders.

Ultimately, an entire team of officers stationed at each camera location could not produce the amount of crime notifications that the Flock camera system does daily and would cost hundreds of thousands of dollars more. With that said, we cannot reduce the number of officers we have because while Flock cameras are the most cost-efficient notifiers of crime, they cannot make the arrests in a safe manner which requires a team of police officers. The cameras are a force multiplier that are one of the best crime-fighting tools the Police Department has ever utilized. The benefits outlined above do not take into account the benefits of alerting police to a missing person, solving a heinous crime, or other police-related matters that the cameras would be used for.

From: Christina Turner
To: Michelle Bigelow; Angie Gonzalez
Subject: Supplement for Item 9
Date: Monday, October 4, 2021

Q: Does the 1.5% cover the City's costs?

A: While the Tourism Business Improvement District (TBID) assessment is 1.5% of revenue, the City's cost recovery charge for collecting the fee is 2% of the assessment's proceeds. The reduced TBID collection during COVID limited the City's administrative fee to \$3,343.62 for FY 2020-2021 which was enough to cover the City's costs.

Q: If the TBID's net income is a minus figure, how does this get added as a cash movement to a plus category under summary?

A: The TBID's net income for FY 2020/21 is a minus figure and is reflected as a deduction in the final summary. Details: The TBID collected \$167,181.48 and received a \$15,000.00 CA Relief Grant for a total Income of \$182,181.48. Expenses exceeded the income for this fiscal year by \$63,574.09. Appendix D, Cash Summary shows this figure as a negative cash movement of \$63,574.09 against the total cash balance of \$221,133.36. The TBID's final closing balance is \$157,556.27.

Item # 10

AGENDA DATE: 10/06/2021
SUPPLEMENT # 2

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Special - Regular Meeting Agenda

City Council

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

Wednesday, October 6, 2021 6:00 p.m.

Virtual Meeting

VIRTUAL MEETING GUIDELINES AND PUBLIC COMMENT

In accordance with Executive Order N-25-20 and guidance from the California Department of Public Health on gatherings, remote public participation is allowed. Physical meetings will not be in the City Council Chamber until further notice.

City Council meetings will be live streamed on Channel 17, on the City's website and on the City's Facebook page. Those members of the community that would like to participate in the meetings remotely may do so by joining the virtual meeting at: <https://bit.ly/MHCityCouncilMeeting> or by calling (888) 475-4499, then enter the webinar id: 873 3200 8380#.

Public comment may be provided in the following ways:

- Join the virtual City Council meeting via the link above, when public comment is opened, raise your virtual hand and be called upon to speak for up to 3 minutes
 - In order to speak, please be sure that your version of Zoom is up to date.
- Join the virtual meeting by calling in to the number above, dial *9 to raise your hand and be called upon to speak for up to 3 minutes
- Send public comments in writing to the City Clerk at ccpubliccomment@morganhill.ca.gov [<mailto:ccpubliccomment@morganhill.ca.gov>](mailto:ccpubliccomment@morganhill.ca.gov)

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

SPECIAL/REGULAR MEETING

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

6:00 p.m. Closed Session

7:00 p.m. Regular Meeting

SPECIAL MEETING

6:00 p.m. Closed Session

CALL TO ORDER

Mayor Constantine

ROLL CALL ATTENDANCE

City Clerk Michelle Bigelow

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2

City Clerk Michelle Bigelow

CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Authority: Pursuant to Government Code Section 54957.6

City Negotiators: Christina Turner, City Manager; Donald Larkin, City Attorney;

Michael Horta, Human Resources Director;

Dat Nguyen, Finance Director

Employee Organization: Morgan Hill Police Officers Association

Employees Covered under Management Resolution #21-025

AFSCME Local 101 Morgan Hill

Community Service Officers Association

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

REGULAR MEETING

7:00 p.m.

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.

RECOGNITIONS

Morgan Hill Hospitality and Tourism Industry

Madrone Channel Trail Completion

PROCLAMATIONS

Proclaiming October 6, 2021 as Clean Air Day

October 6, 2021

CITY COUNCIL REPORTS

Council Member Martinez Beltran

CITY MANAGER'S REPORT

City Manager Christina Turner

New/Promoted/Retired Teammate Recognitions

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin

OTHER REPORTS

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

Recommendation:

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

2. ADOPT RESOLUTION AUTHORIZING PARTICIPATION IN THE CALPERS CALIFORNIA EMPLOYER'S RETIREE BENEFIT SECTION 115 TRUST (CERBT) PROGRAM FOR FUNDING OTHER POST-EMPLOYMENT BENEFIT (OPEB) AS AN ALTERNATIVE TO THE PUBLIC AGENCY RETIREMENT SERVICES (PARS) SECTION 115 TRUST FUND

Recommendation:

1. Authorize participation in the CalPERS CERBT program;
2. Adopt resolution delegating authority to request disbursements from the CERBT program; and
3. Terminate the PARS agreement for OPEB Section 115 Trust Fund.

3. APPROVE LEASE AGREEMENT FOR COMMUNITY AND CULTURAL CENTER BUILDING 2 TO UPLIFT FAMILY SERVICES

Recommendation:

Authorize the City Manager to execute and administer a lease agreement with Uplift Family Services for Building 2 (17060 Monterey Road) at the Community and Cultural Center.

4. ACCEPT ANNUAL REPORTS OF ACTIVITIES BY NONPROFIT PARTNER ORGANIZATIONS

Recommendation:

Accept annual reports from City partner organizations.

5. APPROVE MURAL AT GALVAN PARK FRIENDLY INN BUILDING

Recommendation:

Approve Galvan Park Mural.

6. APPROVE THE AUGUST 18, 2021 MEETING MINUTES

Recommendation:

Approve Minutes.

PUBLIC HEARING

7. CONDUCT TAX AND EQUITY FISCAL RESPONSIBILITY ACT (TEFRA) HEARING APPROVING ISSUANCE OF BONDS FOR DEPOT COMMONS AFFORDABLE HOUSING APARTMENTS AT 17145 DEPOT STREET AND THE WILLOWS AFFORDABLE HOUSING APARTMENTS AT 50 W. EDMUNDSON AVENUE WITHIN THE CITY OF MORGAN HILL

Recommendation:

1. Open/close public hearing consistent with the requirements of the Federal Tax and Equity Fiscal Responsibility Act ("TEFRA") and Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"); and
2. Adopt resolution approving the issuance of bonds by the California Municipal Finance Authority (CMFA), for the acquisition, rehabilitation, expansion, and improvement of two multifamily rental housing facilities: Depot Commons, located at 17145 Depot Street and The Willows, located at 50 W. Edmundson Avenue.

Estimated Time: 10 Minutes

OTHER BUSINESS

8. APPROVE AGREEMENT WITH FLOCK SAFETY CAMERAS FOR AUTOMATED LICENSE PLATE READERS

Recommendation:

Authorize the City Manager to execute and administer the lease agreement with Flock Safety for 25 Automated License Plate Readers for the initial term of 24 months with a cost of \$68,7500 for the first year and \$62,500 for the second year.

Estimated Time: 60 Minutes

9. ACCEPT MORGAN HILL TOURISM BUSINESS IMPROVEMENT DISTRICT (MHTBID) OWNER'S ASSOCIATION ANNUAL REPORT (DBA VISIT MORGAN HILL)

Recommendation:

Accept and file the Visit Morgan Hill Annual Report.

Estimated Time: 30 Minutes

10. ADOPT THE 2020 URBAN WATER MANAGEMENT AND WATER SHORTAGE CONTINGENCY PLANS

Recommendation:

Adopt the 2020 Urban Water Management Plan and 2020 Water Shortage Contingency Plan.

Estimated Time: 10 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, equitable, 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 Equity, Diversity, and Inclusiveness
- Advancing Regional Initiatives
- Advocating for Local Control

2020-2021 Strategic Priorities

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



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

Tourism & Hospitality Appreciation

The City of Morgan Hill appreciates our local Hospitality & Service Staff and Hotel & Tourism businesses for the contributions they make to the local economy and community and for their ongoing work during COVID-19 over the last year and a half.

These industries contribute positively to local communities by supporting independent businesses, supplying jobs, generating tax revenue, and helping to augment Morgan Hill as a tourism destination.

COVID-19 created a difficult scenario for hospitality and tourism all over the world, and small and independent businesses have endured these circumstances with vastly reduced revenue leading to layoffs and even closures. The hotel and hospitality support was overwhelming and helped house persons impacted by Covid in cooperation with County programs.

Thank you to all of those working in the hospitality and tourism industries.

LatinX Heritage Month

Latinx Heritage Month celebrates the Latinx community and highlights the countless achievements and contributions made. Specifically, the Latinx community has made innumerable contributions to the Morgan Hill community and it is important the City recognize and celebrate the diverse histories and cultures of the Latinx population.

The Latinx community is integral to our City, with business owners and residents alike who are proud to be a part of the Latinx community, but hope for greater visibility, recognition, and representation.

With that, we proclaim September 15, 2021 to October 15, 2021 to be **Latinx Heritage Month** and urge all residents to celebrate the past, present, and future contributions of the Latinx community in the City of Morgan Hill.

Clean Air Month

Air pollution contributes to higher rates of cancer and heart and lung diseases, which adversely affect all of our health. California has some of the most polluted regions in the United States.

As such, It is vital that we protect the health and well-being of our residents, visitors, and workforce. Education about air quality can raise community awareness, encourage our community to develop better habits and improve our community health. Everyone can play a role towards bettering our air.

The City of Morgan Hill is committed to the health of our residents, workforce, visitors, and community at large and proclaims October 6, 2021 as **Clean Air Day**.

Supplement & Presentation List

October 6, 2021

City Council Meeting

Supplements

Item 1:

- Supplement 1 – email from Joe Baranowski
- Supplement 2 – email from Doug Muirhead
- Supplement 3 – Q&A
- Supplement 4 – pdf from Joe Baranowski

Item 2:

- Supplement 1 – Q&A

Item 3:

- Supplement 1 – email from Armando Benavides

Item 4:

- Supplement 1 – Q&A

Item 5:

- Supplement 1 – Q&A
- Supplement 2 – updated mural

Item 7:

- Supplement 1 – Q&A

Item 8:

- Supplement 1 – Q&A
- Supplement 2 – email from Doug Muirhead

Item 10:

- Supplement 1 – email from Doug Muirhead & response from staff
- Supplement 2 – Q&A

Presentations

City Manager's Teammate Recognition

Item 7- Willows TEFRA Hearing presentation

Item 8- Flock Cameras presentation

Item 9- TBID presentation

Item 10 - UWMP presentation



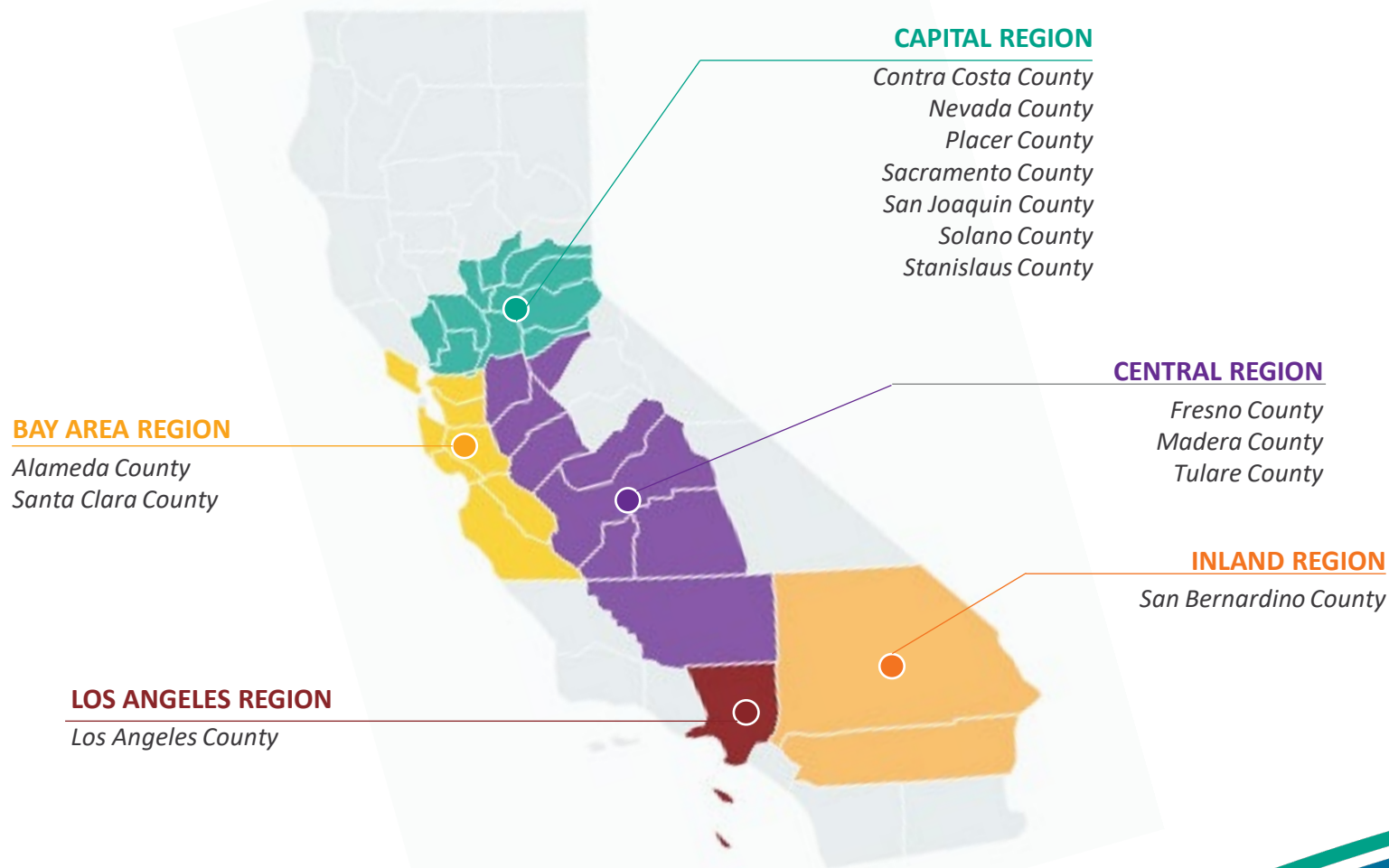
Uplift Family Services

Bay Area Service Overview

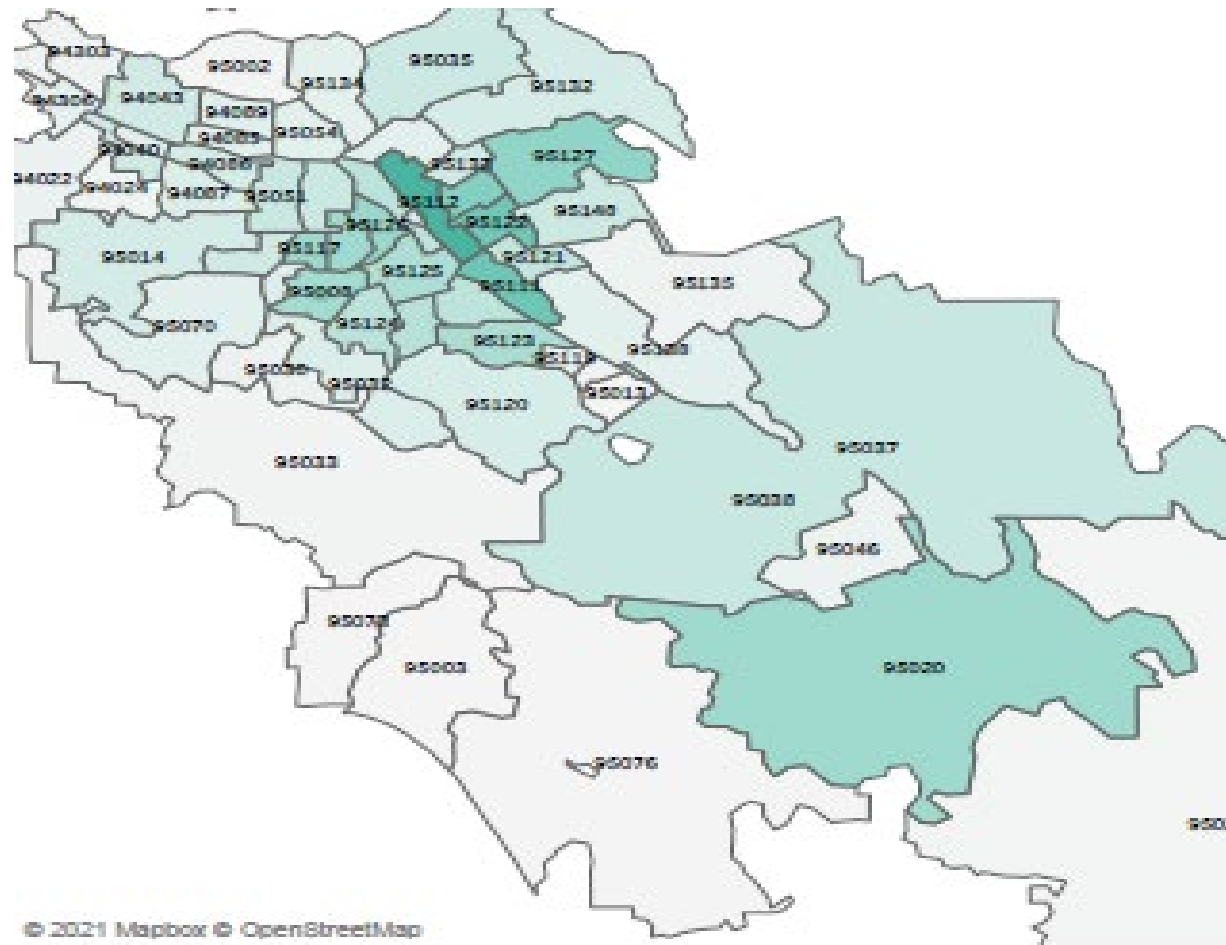


Uplift Family Services:

Over 32,000 served across the state each year

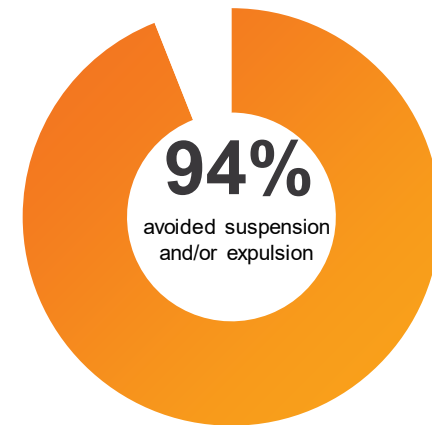
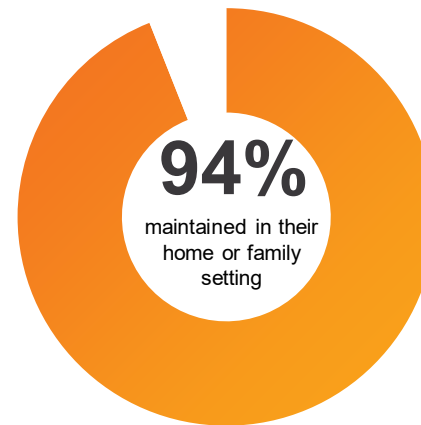
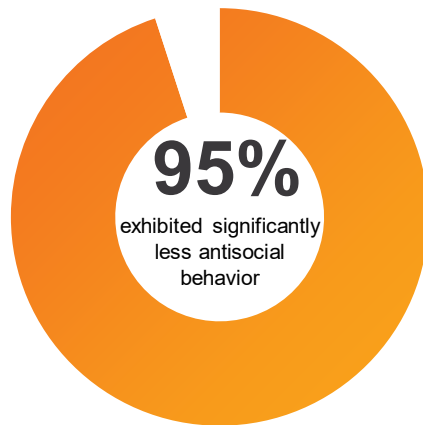
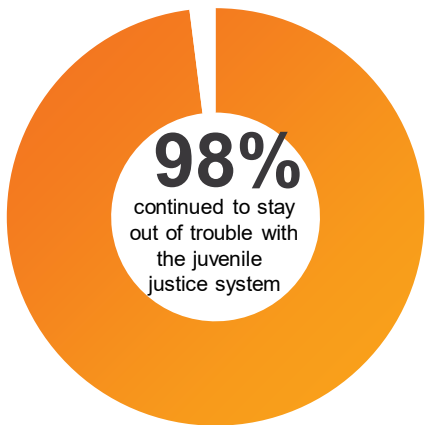


Santa Clara County services



Outpatient Mental Health Services:

“in home, in school, out of trouble”
outcomes



Who we serve, who we are

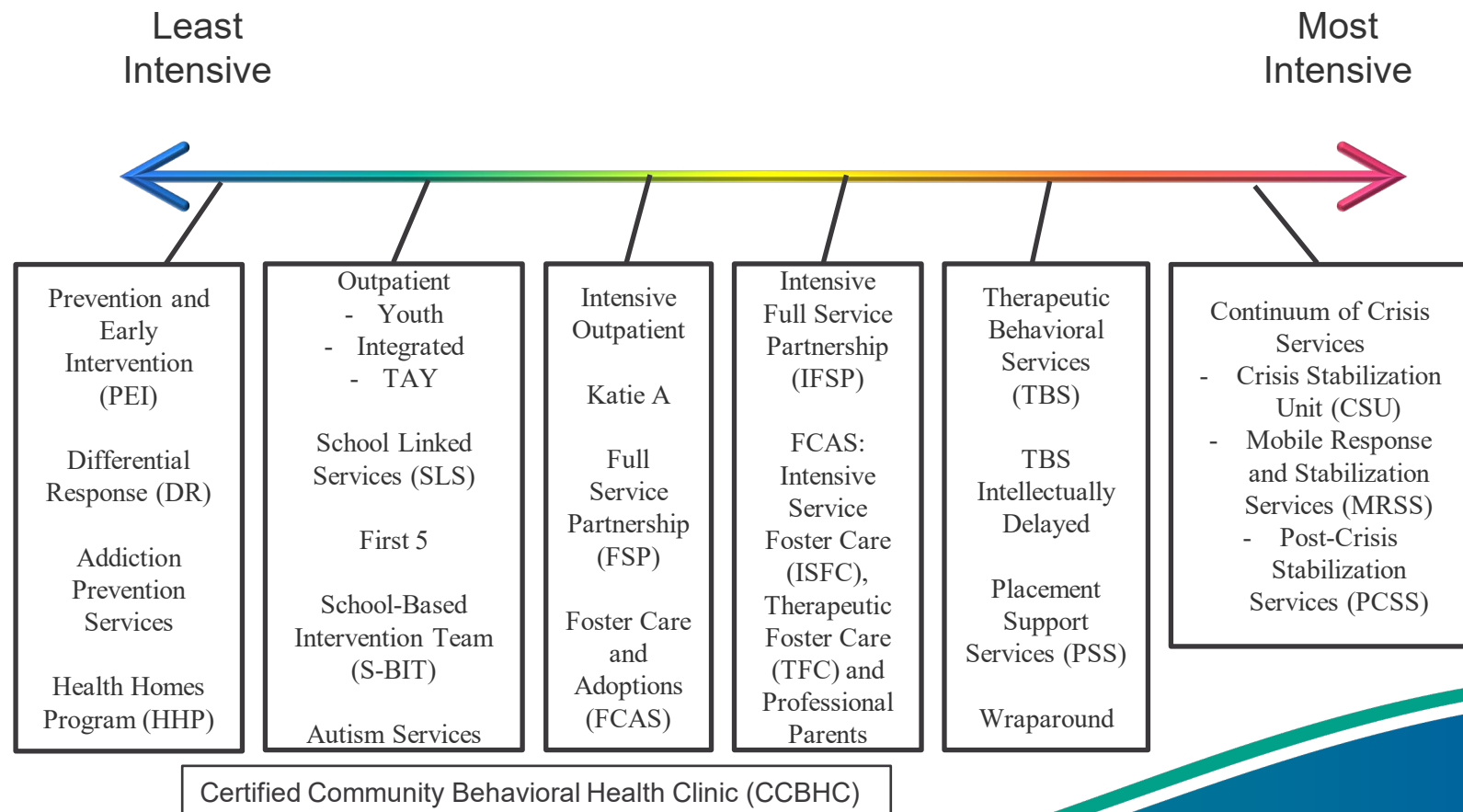
commitment to address systemic inequities

ETHNICITY	UFS' STAFF	BAY AREA YOUTH SERVED	SCC POPULATION*
African American	10%	9%	2.8%
Asian American/Pacific Islander	19%	6%	38.8%
Caucasian	16%	14%	31%
Latinx	44%	68%	25.3%
Bi/Multi-Racial	11%	2%	4.1%
Native American	0%	1%	1.2%
Other	6%	-	2%

**U.S. Census Bureau Report, 2018, multiple options available for selection*

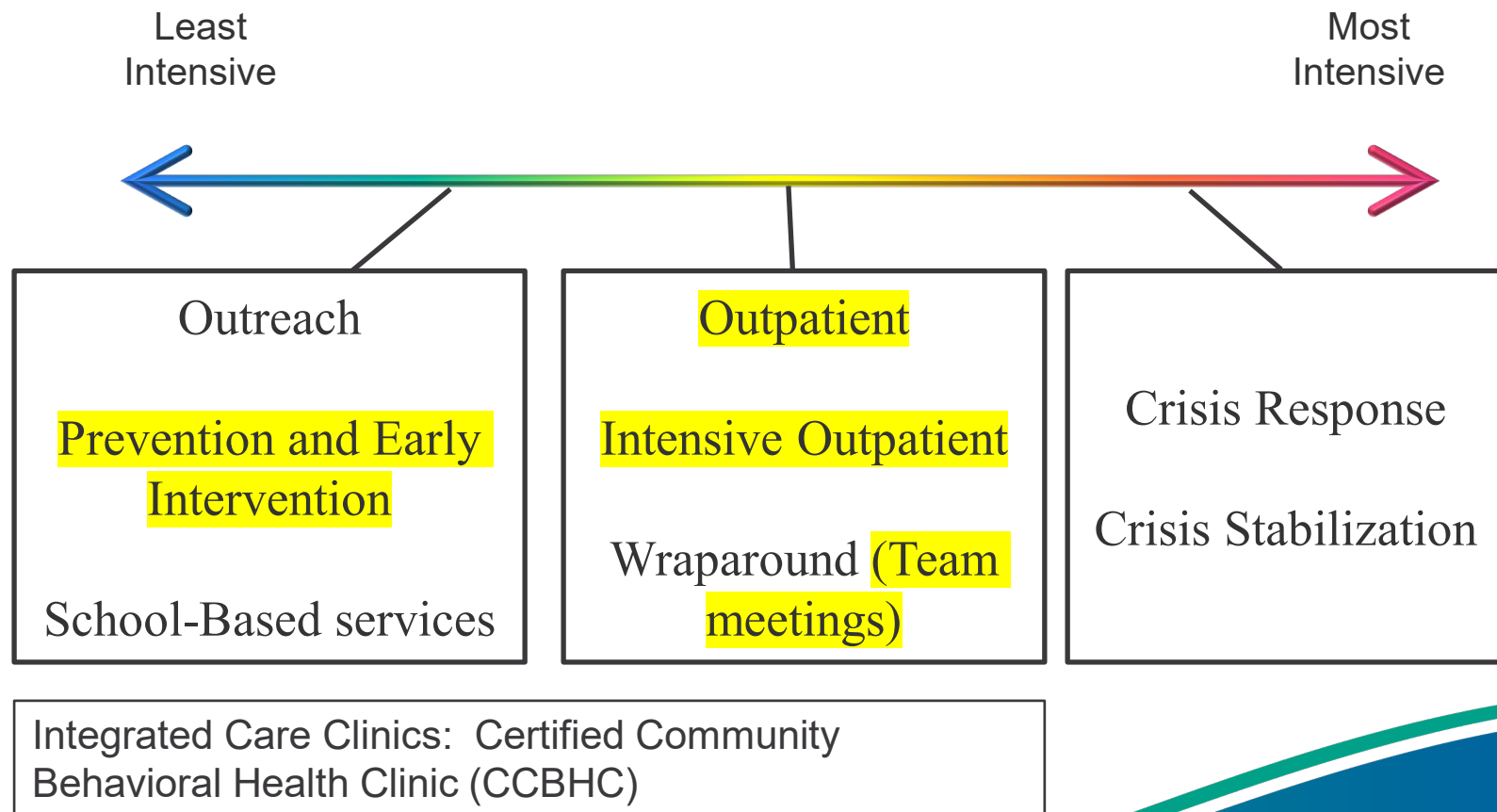
The Uplift continuum serves 10,000+ /year in Santa Clara County

In-the-Community; office-based; telehealth; 12 school districts (150+ schools)



The Uplift continuum serves 10,000+/year in Santa Clara County

In-the-Community; office-based; telehealth; 12 school districts (150+ schools)





**Santa Clara County
Uplift youth mobile
Crisis line
(408) 379-9085**

**Santa Clara County
Uplift Customer
Service Department
(408) 379-3796**

**Contact:
Don Taylor, Executive
Director
dtaylor@upliftfs.org
408-364-4009**